



**ANNUAL FINANCIAL REPORT
HICKMAN COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2009



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**ANNUAL FINANCIAL REPORT
HICKMAN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2009**

***DEPARTMENT OF AUDIT
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Comptroller of the Treasury***

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State Auditors***

This financial report is available at 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, 2009

Scope

We have audited the basic financial statements of Hickman County as of and for the year ended June 30, 2009.

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements do not include two component units 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 13 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 notes to the financial statements.

HICKMAN COUNTY AND HICKMAN COUNTY SCHOOL DEPARTMENT

- ◆ A land transaction resulted in a loss of funds for the School Department and a potential conflict of interest for a county commissioner.
-

OFFICE OF COUNTY MAYOR

- ◆ The county mayor's secretary converted checks made payable to Hickman County totaling \$6,357.25 for her personal use.
 - ◆ 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 receipting software for the Landfill Office did not have adequate application controls.
 - ◆ The building permits software did not have adequate application controls.
 - ◆ The Planning and Zoning Department had deficiencies in computer system backup procedures.
-

OFFICE OF COUNTY CLERK

- ◆ The office had deficiencies in computer system backup procedures.
-

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS

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

OFFICE OF REGISTER

- ◆ The office 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 Office of Clerk and Master.

INTRODUCTORY SECTION

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Hickman County Officials
June 30, 2009

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.)

Board of Education

Jackie Deitmen, Chairman
James Duncan
Lana Beard
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

FINANCIAL SECTION

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**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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INDEPENDENT AUDITOR'S REPORT

January 8, 2010

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, 2009, 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 6.6 percent and 3.2 percent, respectively, of the assets and revenues of the aggregate remaining fund information) and the Endowment Fund (a permanent nonmajor governmental fund, which represents 1.4 percent of the assets and zero percent of the revenues 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 Fund and the Endowment Fund is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 and the Industrial Development Board of Hickman County, component units 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 and the Industrial Development Board of Hickman County, 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 and the Industrial Development Board of Hickman County 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, 2009, 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 8, 2010, 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.

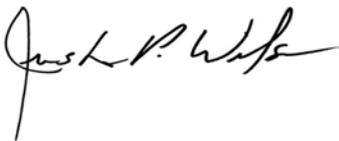
As described in Note V.B., Hickman County has adopted the provisions of Governmental Accounting Standards Board Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

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 other postemployment benefits information on pages 73 through 79 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 the Hickman County Health Foundation (discretely presented component units), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Hickman County School Department and the Hickman County Health Foundation (discretely presented component units), and 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,



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
June 30, 2009

	Primary Government		Total	Component Units	
	Governmental Activities	Business-type Activities		Hickman County School Department	Hickman County Health Foundation
ASSETS					
Cash	\$ 161,219	\$ 300	\$ 161,519	\$ 240,775	\$ 2,286,717
Equity in Pooled Cash and Investments	5,314,295	226,847	5,541,142	5,413,584	0
Investments	44,982	0	44,982	0	0
Accounts Receivable	1,493,202	523,776	2,016,978	0	0
Allowance for Uncollectibles	(844,043)	(428,278)	(1,272,321)	0	0
Due from Other Governments	525,666	7,139	532,805	225,460	0
Due from Primary Government	0	0	0	712	0
Property Taxes Receivable	5,231,033	0	5,231,033	3,417,878	0
Allowance for Uncollectible Property Taxes	(108,111)	0	(108,111)	(68,357)	0
Cash Shortage	6,357	0	6,357	0	0
Deferred Charges - Debt Issuance Costs	6,008	0	6,008	0	0
Capital Assets:					
Assets Not Depreciated:					
Land	209,514	111,004	320,518	1,018,261	0
Construction in Progress	260,000	0	260,000	0	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	9,607,110	876,747	10,483,857	36,302,725	0
Other Capital Assets	603,217	302,793	906,010	4,223,652	0
Infrastructure	24,129,402	0	24,129,402	0	0
Total Assets	\$ 46,639,851	\$ 1,620,328	\$ 48,260,179	\$ 50,774,690	\$ 2,286,717
LIABILITIES					
Accounts Payable	\$ 42,808	\$ 291	\$ 43,099	\$ 5,772	\$ 563
Accrued Payroll	3,308	0	3,308	0	0
Accrued Interest Payable	11,629	0	11,629	0	0
Payroll Deductions Payable	5,205	0	5,205	0	0
Due to Component Unit	712	0	712	0	0
Deferred Revenue - Current Property Taxes	4,762,178	0	4,762,178	3,111,535	0
Noncurrent Liabilities:					
Due Within One Year	1,795,913	47,288	1,843,201	0	0
Due in More Than One Year	34,618,786	608,386	35,227,172	33,312	0
Total Liabilities	\$ 41,240,539	\$ 655,965	\$ 41,896,504	\$ 3,150,619	\$ 563

(Continued)

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,	\$ 25,500,773	\$ 915,544	\$ 26,416,317	\$ 0	\$ 0
Net of Related Debt	0	0	0	41,544,638	0
Invested in Capital Assets Restricted for:					
Capital Projects	554,705	0	554,705	0	0
Central Cafeteria	0	0	0	459,893	0
Debt Service	2,074,140	0	2,074,140	0	0
Highway/Public Works	480,077	0	480,077	0	0
Adequate Facilities/Development Tax	400,380	0	400,380	0	0
Ambulance Service	487,652	0	487,652	0	0
Library	206,201	0	206,201	0	0
Drug Control	100,962	0	100,962	0	0
Courthouse and Jail Maintenance	183,355	0	183,355	0	0
Alcohol and Drug Treatment	50,069	0	50,069	0	0
Computer System - Register	56,119	0	56,119	0	0
Other Postemployment Benefits Obligations	0	0	0	237,265	0
Other Purposes	69,802	0	69,802	59,166	0
Unrestricted	(24,764,923)	48,819	(24,716,104)	5,323,109	2,286,154
Total Net Assets	\$ 5,399,312	\$ 964,363	\$ 6,363,675	\$ 47,624,071	\$ 2,286,154

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, 2009

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	Total	Governmental Activities	Primary Government Business-type Activities	Total	Hickman County School Department	Hickman County Health Foundation
Primary Government:										
Governmental Activities:										
General Government	\$ 2,242,897	\$ 205,167	\$ 15,079	\$ 0	\$ (2,022,651)	\$ 0	\$ (2,022,651)	\$ 0	\$ 0	\$ 0
Finance	1,019,737	529,783	11,473	0	(478,481)	0	(478,481)	0	0	0
Administration of Justice	844,340	581,663	11,250	0	(251,427)	0	(251,427)	0	0	0
Public Safety	3,341,731	512,578	106,821	0	(2,722,332)	0	(2,722,332)	0	0	0
Public Health and Welfare	1,656,552	840,976	268,666	0	(546,910)	0	(546,910)	0	0	0
Social, Cultural, and Recreational Services	266,484	30,237	12,808	0	(223,439)	0	(223,439)	0	0	0
Agriculture and Natural Resources	105,822	0	0	0	(105,822)	0	(105,822)	0	0	0
Other Operations	291,063	0	0	0	(291,063)	0	(291,063)	0	0	0
Highways	2,778,724	1,882	1,857,276	99,191	(820,375)	0	(820,375)	0	0	0
Interest on Long-term Debt	500,977	0	0	0	(500,977)	0	(500,977)	0	0	0
Debt Service	203,636	0	0	0	(203,636)	0	(203,636)	0	0	0
Total Governmental Activities	\$ 13,251,963	\$ 2,702,286	\$ 2,283,373	\$ 99,191	\$ (8,167,113)	\$ 0	\$ (8,167,113)	\$ 0	\$ 0	\$ 0
Business-type Activities:										
Solid Waste Disposal	\$ 1,160,870	\$ 890,923	\$ 66,181	\$ 0	\$ (203,766)	\$ (203,766)	\$ (203,766)	\$ 0	\$ 0	\$ 0
Total Business-type Activities	\$ 1,160,870	\$ 890,923	\$ 66,181	\$ 0	\$ (203,766)	\$ (203,766)	\$ (203,766)	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 14,412,833	\$ 3,593,209	\$ 2,349,554	\$ 99,191	\$ (8,167,113)	\$ (203,766)	\$ (8,370,879)	\$ 0	\$ 0	\$ 0
Component Units:										
Hickman County School Department	\$ 31,220,464	\$ 822,468	\$ 3,664,988	\$ 0	\$ 0	\$ 0	\$ 0	\$ (26,733,008)	\$ 0	\$ 0
Hickman County Health Foundation	237,903	0	100,000	0	0	0	0	0	0	(137,903)
Total Component Units	\$ 31,458,367	\$ 822,468	\$ 3,764,988	\$ 0	\$ 0	\$ 0	\$ (8,370,879)	\$ (26,733,008)	\$ (137,903)	\$ 0

(Continued)

Exhibit B

Hickman County, Tennessee
Statement of Activities (Cont.)

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		Component Units		
					Governmental Activities	Business-type Activities	Hickman County School Department	Hickman County Health Foundation	
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes		\$ 3,991,177	\$ 0	\$ 0	\$ 3,991,177	\$ 0	\$ 3,395,686	\$ 0	0
Property Taxes Levied for Debt Service		1,000,189	0	0	1,000,189	0	0	0	0
Local Option Sales Tax		624,710	0	0	624,710	0	1,255,275	0	0
Wheel tax		1,035,358	0	0	1,035,358	0	0	0	0
Wholesale Beer Tax		203,119	0	0	203,119	0	0	0	0
Adequate Facilities/Development Tax		136,921	0	0	136,921	0	0	0	0
Litigation Tax - General		90,596	0	0	90,596	0	0	0	0
Mineral Severance Tax		68,969	0	0	68,969	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse		77,996	0	0	77,996	0	0	0	0
Business Tax		47,604	0	0	47,604	0	0	0	0
Other Local Taxes		42,786	0	0	42,786	0	35,566	0	0
Grants and Contributions Not Restricted to Specific Programs		591,450	0	0	591,450	0	20,773,249	0	0
Unrestricted Investment Income		202,364	11,135	0	213,499	11,135	2,027	111,153	0
Miscellaneous		37,915	60,872	0	98,787	60,872	248,412	0	0
Total General Revenues		\$ 8,151,154	\$ 72,007	\$ 8,223,161	\$ 8,223,161	\$ 72,007	\$ 25,710,215	\$ 111,153	0
Change in Net Assets		\$ (15,959)	\$ (131,759)	\$ (147,718)	\$ (147,718)	\$ (131,759)	\$ (1,022,793)	\$ (26,750)	0
Net Assets, July 1, 2008		5,415,271	1,096,122	6,511,393	6,511,393	1,096,122	48,646,864	2,312,904	0
Net Assets, June 30, 2009		\$ 5,399,312	\$ 964,363	\$ 6,363,675	\$ 6,363,675	\$ 964,363	\$ 47,624,071	\$ 2,286,154	0

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

Exhibit C-1

Hickman County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2009

	Major Funds			Nonmajor	Total
	General	Highway /	General	Funds	
		Public	Debt	Other	
	Works	Service	Governmental	Governmental	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 161,219	\$ 161,219
Equity in Pooled Cash and Investments	1,997,850	450,855	1,489,014	1,376,576	5,314,295
Investments	0	0	0	44,982	44,982
Accounts Receivable	91,179	1,055	72,607	1,328,361	1,493,202
Allowance for Uncollectibles	0	0	0	(844,043)	(844,043)
Due from Other Governments	62,495	356,612	106,559	0	525,666
Due from Other Funds	0	0	35,780	0	35,780
Property Taxes Receivable	3,982,956	238,004	1,010,073	0	5,231,033
Allowance for Uncollectible Property Taxes	(79,659)	(4,760)	(23,692)	0	(108,111)
Cash Shortage	6,357	0	0	0	6,357
Total Assets	\$ 6,061,178	\$ 1,041,766	\$ 2,690,341	\$ 2,067,095	\$ 11,860,380
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 40,216	\$ 1,077	\$ 0	\$ 1,515	\$ 42,808
Accrued Payroll	3,167	141	0	0	3,308
Payroll Deductions Payable	5,205	0	0	0	5,205
Due to Other Funds	35,780	0	0	0	35,780
Due to Component Units	0	0	712	0	712
Deferred Revenue - Current Property Taxes	3,625,965	216,672	919,541	0	4,762,178
Deferred Revenue - Delinquent Property Taxes	267,332	15,922	65,440	0	348,694
Other Deferred Revenues	6,357	164,538	53,279	416,818	640,992
Total Liabilities	\$ 3,984,022	\$ 398,350	\$ 1,038,972	\$ 418,333	\$ 5,839,677
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 4,417	\$ 0	\$ 0	\$ 180,733	\$ 185,150
Reserved for Alcohol and Drug Treatment	50,069	0	0	0	50,069
Reserved for Drug Court	7,776	0	0	0	7,776
Reserved for Sexual Offender Registration	8,850	0	0	0	8,850
Reserved for Courtroom Security	1,330	0	0	0	1,330
Reserved for Courthouse and Jail Maintenance	183,355	0	0	0	183,355
Reserved for Computer System - Register	56,119	0	0	0	56,119
Reserved for Automation Purposes - Circuit Court	2,220	0	0	0	2,220
Reserved for Automation Purposes - General Sessions Court	28,498	0	0	0	28,498
Reserved for Automation Purposes - Chancery Court	4,439	0	0	0	4,439
Reserved for Automation Purposes - Sheriff	15,217	0	0	0	15,217
Reserved for Automation Purposes - County Clerk	1,472	0	0	0	1,472
Reserved for Other General Purposes	0	0	2,962	6,862	9,824
Unreserved, Reported In:					
General Fund	1,713,394	0	0	0	1,713,394
Special Revenue Funds	0	643,416	0	741,611	1,385,027
Debt Service Funds	0	0	1,648,407	315,680	1,964,087
Capital Projects Funds	0	0	0	367,110	367,110
Permanent Funds	0	0	0	36,766	36,766
Total Fund Balances	\$ 2,077,156	\$ 643,416	\$ 1,651,369	\$ 1,648,762	\$ 6,020,703
Total Liabilities and Fund Balances	\$ 6,061,178	\$ 1,041,766	\$ 2,690,341	\$ 2,067,095	\$ 11,860,380

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, 2009

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)		\$	6,020,703
(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		260,000	
Add: infrastructure net of accumulated depreciation		24,129,402	
Add: buildings and improvements net of accumulated depreciation		9,607,110	
Add: other capital assets net of accumulated depreciation		<u>603,217</u>	34,809,243
(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	\$	(905,470)	
Less: other loans payable		(34,111,117)	
Less: compensated absences payable		(325,477)	
Less: other postemployment benefits liabilities		(1,072,635)	
Less: accrued interest on notes		(11,629)	
Add: deferred charges - debt issuance costs		<u>6,008</u>	(36,420,320)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>989,686</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>5,399,312</u></u>

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

Exhibit C-3

Hickman County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 4,174,774	\$ 299,006	\$ 2,307,276	\$ 466,712	\$ 7,247,768
Licenses and Permits	66,809	0	0	0	66,809
Fines, Forfeitures, and Penalties	144,256	0	0	84,830	229,086
Charges for Current Services	22,824	1,882	0	780,611	805,317
Other Local Revenues	69,963	18,524	199,736	31,323	319,546
Fees Received from County Officials	1,089,109	0	0	0	1,089,109
State of Tennessee	1,053,278	1,988,782	73,537	3,500	3,119,097
Federal Government	81,021	45,101	0	1,200	127,322
Other Governments and Citizens Groups	136,713	0	0	2,589	139,302
Total Revenues	\$ 6,838,747	\$ 2,353,295	\$ 2,580,549	\$ 1,370,765	\$ 13,143,356
<u>Expenditures</u>					
Current:					
General Government	\$ 1,089,236	\$ 0	\$ 0	\$ 1,369	\$ 1,090,605
Finance	766,127	0	0	0	766,127
Administration of Justice	607,662	0	0	1,673	609,335
Public Safety	2,507,675	0	0	73,996	2,581,671
Public Health and Welfare	256,620	0	0	1,275,170	1,531,790
Social, Cultural, and Recreational Services	15,000	0	0	243,249	258,249
Agriculture and Natural Resources	88,623	0	0	0	88,623
Other Operations	1,903,107	0	0	0	1,903,107
Highways	0	2,294,306	0	0	2,294,306
Debt Service:					
Principal on Debt	0	0	1,244,810	452,000	1,696,810
Interest on Debt	0	0	418,059	85,626	503,685
Other Debt Service	0	0	177,587	25,498	203,085
Capital Projects	0	0	0	120,729	120,729
Total Expenditures	\$ 7,234,050	\$ 2,294,306	\$ 1,840,456	\$ 2,279,310	\$ 13,648,122
Excess (Deficiency) of Revenues Over Expenditures	\$ (395,303)	\$ 58,989	\$ 740,093	\$ (908,545)	\$ (504,766)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 33,640	\$ 37,583	\$ 0	\$ 15,390	\$ 86,613
Transfers In	31,121	0	43,914	1,069,304	1,144,339
Transfers Out	(668,079)	(75,035)	(400,000)	(1,225)	(1,144,339)
Total Other Financing Sources (Uses)	\$ (603,318)	\$ (37,452)	\$ (356,086)	\$ 1,083,469	\$ 86,613
Net Change in Fund Balances	\$ (998,621)	\$ 21,537	\$ 384,007	\$ 174,924	\$ (418,153)
Fund Balance, July 1, 2008	3,075,777	621,879	1,267,362	1,473,838	6,438,856
Fund Balance, June 30, 2009	\$ 2,077,156	\$ 643,416	\$ 1,651,369	\$ 1,648,762	\$ 6,020,703

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, 2009

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)		\$	(418,153)
(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	\$	556,341	
Less: current year depreciation expense		<u>(1,298,421)</u>	(742,080)
(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			(127,744)
(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, 2009	\$	989,686	
Less: deferred delinquent property taxes and other deferred June 30, 2008		<u>(874,105)</u>	115,581
(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			
Add: principal payments on notes	\$	142,810	
Add: principal payments on other loans		1,554,000	
Less: change in deferred debt issuance costs		<u>(551)</u>	1,696,259
(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	\$	2,708	
Change in compensated absences payable		(1,412)	
Change in other postemployment benefits liabilities		<u>(541,118)</u>	<u>(539,822)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ (15,959)</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, 2009

	<u>Business-type Activities - Enterprise Fund</u> <u>Solid Waste Disposal Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 300
Equity in Pooled Cash and Investments	226,847
Due From Other Governments	7,139
Accounts Receivable	523,776
Allowance for Uncollectibles	(428,278)
Total Current Assets	<u>\$ 329,784</u>
Noncurrent Assets:	
Assets Not Depreciated:	
Land	\$ 111,004
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	876,747
Other Capital Assets	302,793
Total Noncurrent Assets	<u>\$ 1,290,544</u>
Total Assets	<u>\$ 1,620,328</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 291
Capital Outlay Notes Payable	37,500
Accrued Liability for Landfill Closure/Postclosure Care Costs	6,849
Accrued Leave	2,939
Total Current Liabilities	<u>\$ 47,579</u>
Noncurrent Liabilities:	
Capital Outlay Notes Payable	\$ 337,500
Accrued Leave	11,754
Accrued Liability for Landfill Closure/Postclosure Care Costs	189,376
Other Postemployment Benefits Obligations	69,756
Total Noncurrent Liabilities	<u>\$ 608,386</u>
Total Liabilities	<u>\$ 655,965</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 915,544
Unrestricted	<u>48,819</u>
Total Net Assets	<u>\$ 964,363</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, 2009

	Business-type Activities - Enterprise Fund
	Solid Waste Disposal Fund
<u>Operating Revenues</u>	
Charges for Current Services	\$ 890,923
Other Local Revenues	51,375
Total Operating Revenues	<u>\$ 942,298</u>
<u>Operating Expenses</u>	
Sanitation Management	\$ 1,057,896
Litter and Trash Collection	17,056
Depreciation	68,992
Total Operating Expenses	<u>\$ 1,143,944</u>
Operating Income (Loss)	<u>\$ (201,646)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 11,135
Insurance Recovery	9,497
Interest Expense	(16,926)
Solid Waste Grants	66,181
Total Nonoperating Revenues (Expenses)	<u>\$ 69,887</u>
Change in Net Assets	\$ (131,759)
Net Assets, July 1, 2008	<u>1,096,122</u>
Net Assets, June 30, 2009	<u><u>\$ 964,363</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, 2009

	Business-type Activities - Enterprise Fund
	<u>Solid Waste Disposal Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 883,785
Other Cash Receipts (Payments)	51,375
Payments to Employees	(474,369)
Waste Collection and Disposal Activity	(570,753)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (109,962)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	\$ (343,472)
Principal Paid on Notes	(37,500)
Interest Paid on Notes	(16,926)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (397,898)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Grants Received	\$ 66,181
Insurance Recovery	9,497
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 75,678</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 11,135
Net Cash Provided By (Used In) Investing Activities	<u>\$ 11,135</u>
Increase (Decrease) in Cash	\$ (421,047)
Cash, July 1, 2008	<u>648,194</u>
Cash, June 30, 2009	<u>\$ 227,147</u>
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (201,646)
Adjustments to Reconcile Net Operating Income (Loss) to	
Net Cash Provided By (Used In) Operating Activities:	
Depreciation	68,992
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(112,327)
(Increase) Decrease in Allowance for Uncollectibles	112,328
(Increase) Decrease in Due from Other Governments	(7,139)
Increase (Decrease) in Other Long-term Liabilities	32,997
Increase (Decrease) in Accrued Expenses	(3,458)
Increase (Decrease) in Accounts Payable	<u>291</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (109,962)</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, 2009

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 413,718
Accounts Receivable	180
Due from Other Governments	<u>101,464</u>
Total Assets	<u><u>\$ 515,362</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 101,464
Due to Litigants, Heirs, and Others	<u>413,898</u>
Total Liabilities	<u><u>\$ 515,362</u></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, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

The Hickman County School Department operates the public school system in the county, and the voters of Hickman County elect its board. The School Department is fiscally dependent on the county because it may not issue debt 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 Industrial Development Board of Hickman County promotes industrial development to provide additional job opportunities within Hickman County. The county mayor nominates and the Hickman County Commission confirms the board members. The financial statements of the Industrial Development Board of Hickman County were not available from other auditors in time for inclusion in this report.

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

Administrative Offices:

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

Industrial Development Board of Hickman County
Hickman County Mayor
114 North Central Avenue, Suite 204
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.

Hickman County issues all debt for the discretely presented Hickman County School Department. No debt issues were contributed by the county to the School Department during the year ended June 30, 2009.

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.

Hickman County reports the following major proprietary fund:

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

Additionally, Hickman County reports the following fund types:

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

Permanent Fund – The Endowment Fund represents resources that are subject to restrictions on 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; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds (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.

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.

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. 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

4. **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 government-wide financial 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.

5. **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 refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term

obligations, including compensated absences, other postemployment benefits, and landfill closure/postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

6. 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, 2009, Hickman County had \$25,708,117 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, 2009.

<u>Fund/Purpose</u>	<u>Amount</u>
General Purpose School:	
Capital outlay for school	\$ 4,030,349

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

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

B. Cash Shortage

The General Fund had a cash shortage of \$6,357 at June 30, 2009. This cash shortage resulted from a theft of \$6,357 in the County Mayor's Office during the period May 8, 2008, through June 1, 2009. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

C. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations approved by the County Commission in the Public Library Fund by \$1,484. Such overexpenditures are a violation of state statutes. The overexpenditures were funded by available fund balance in the Public Library Fund.

D. Health Foundation Accountability

As previously noted, the Hickman County Health Foundation was created pursuant to a lawsuit settlement agreement related to the sale of the Hickman County Hospital. During the year ended June 30, 1999, the foundation received net funds related to the sale of the Hickman County Hospital to Baptist Hospital. The settlement agreement required these funds to be used for health-related projects in Hickman County and administered by a board of directors. In addition to the initial amounts paid, Baptist Hospital

agreed to make annual contributions of \$100,000 per year to the foundation for 15 years. The foundation agreed to pay Baptist Hospital \$37,500 for the first five years and \$20,000 each year for the next ten years for indigent care. Also, in November 2008 the foundation agreed to pay Baptist Hospital \$620,000 over the next five years for emergency room expansion. The Hickman County Finance Office maintains the books and records of the foundation in a separate governmental fund at no cost to the foundation.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Hickman County (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, 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; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state 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, 2009, 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	\$ 8,896,253

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, 2009, 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, 2009, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	\$ 209,514	\$ 0	\$ 0	\$ 209,514
Construction in Progress	319,503	0	(59,503)	260,000
Total Capital Assets Not Depreciated	\$ 529,017	\$ 0	\$ (59,503)	\$ 469,514
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,013,941	\$ 0	\$ 0	\$ 11,013,941
Infrastructure	46,084,705	414,345	(134,333)	46,364,717
Other Capital Assets	2,436,377	141,996	(53,379)	2,524,994
Total Capital Assets Depreciated	\$ 59,535,023	\$ 556,341	\$ (187,712)	\$ 59,903,652
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,137,728	\$ 269,103	\$ 0	\$ 1,406,831
Infrastructure	21,428,359	879,720	(72,764)	22,235,315
Other Capital Assets	1,818,886	149,598	(46,707)	1,921,777
Total Accumulated Depreciation	\$ 24,384,973	\$ 1,298,421	\$ (119,471)	\$ 25,563,923
Total Capital Assets Depreciated, Net	\$ 35,150,050	\$ (742,080)	\$ (68,241)	\$ 34,339,729
Governmental Activities Capital Assets, Net	\$ 35,679,067	\$ (742,080)	\$ (127,744)	\$ 34,809,243

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

Governmental Activities:

General Government	\$ 50,637
Administration of Justice	39,896
Public Safety	159,389
Public Health and Welfare	111,413
Highway/Public Works	937,086
Total Depreciation Expense - Governmental Activities	\$ 1,298,421

Business-type Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	\$ 111,004	\$ 0	\$ 0	\$ 111,004
Construction In Progress	450,000	0	(450,000)	0
Total Capital Assets Not Depreciated	<u>\$ 561,004</u>	<u>\$ 0</u>	<u>\$ (450,000)</u>	<u>\$ 111,004</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 627,579	\$ 450,000	\$ 0	\$ 1,077,579
Other Capital Assets	621,410	129,491	0	750,901
Total Capital Assets Depreciated	<u>\$ 1,248,989</u>	<u>\$ 579,491</u>	<u>\$ 0</u>	<u>\$ 1,828,480</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 173,892	\$ 26,940	\$ 0	\$ 200,832
Other Capital Assets	406,056	42,052	0	448,108
Total Accumulated Depreciation	<u>\$ 579,948</u>	<u>\$ 68,992</u>	<u>\$ 0</u>	<u>\$ 648,940</u>
Total Capital Assets Depreciated, Net	<u>\$ 669,041</u>	<u>\$ 510,499</u>	<u>\$ 0</u>	<u>\$ 1,179,540</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,230,045</u>	<u>\$ 510,499</u>	<u>\$ (450,000)</u>	<u>\$ 1,290,544</u>

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

Business-type Activities:

Sanitation Management	\$ 60,393
Litter and Trash Collection	<u>8,599</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 68,992</u>

Discretely Presented Hickman County School Department

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	\$ 1,018,261	\$ 0	\$ 0	\$ 1,018,261
Total Capital Assets Not Depreciated	<u>\$ 1,018,261</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,018,261</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 51,304,368	\$ 557,382	\$ 0	\$ 51,861,750
Other Capital Assets	5,445,936	900,248	(166,656)	6,179,528
Total Capital Assets Depreciated	<u>\$ 56,750,304</u>	<u>\$ 1,457,630</u>	<u>\$ (166,656)</u>	<u>\$ 58,041,278</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 14,262,028	\$ 1,296,997	\$ 0	\$ 15,559,025
Other Capital Assets	1,643,367	479,165	(166,656)	1,955,876
Total Accumulated Depreciation	<u>\$ 15,905,395</u>	<u>\$ 1,776,162</u>	<u>\$ (166,656)</u>	<u>\$ 17,514,901</u>
Total Capital Assets Depreciated, Net	<u>\$ 40,844,909</u>	<u>\$ (318,532)</u>	<u>\$ 0</u>	<u>\$ 40,526,377</u>
Governmental Activities Capital Assets, Net	<u>\$ 41,863,170</u>	<u>\$ (318,532)</u>	<u>\$ 0</u>	<u>\$ 41,544,638</u>

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

Governmental Activities:

Instruction	\$ 42,285
Support Services	1,723,047
Operation of Non-Instructional Services	<u>10,830</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,776,162</u></u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2009, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Debt Service	General	\$ 35,780

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

Due to/from Primary Government and Component Units

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Central Cafeteria	General Debt Service	\$ 712

This balance resulted from interest income being recorded in the incorrect fund.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2009, consisted of the following amounts:

Primary Government

<u>Transfers Out</u>	<u>Transfers In</u>		
	<u>General Fund</u>	<u>General Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>
General Fund	\$ 0	\$ 0	\$ 668,079
Highway/Public Works Fund	31,121	43,914	0
General Debt Service Fund	0	0	400,000
Nonmajor governmental funds	0	0	1,225
Total	\$ 31,121	\$ 43,914	\$ 1,069,304

Discretely Presented Hickman County School Department

Transfer Out	<u>Transfer In</u> General Purpose School Fund
Nonmajor governmental funds	\$ 9,410

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.

D. Long-term Debt

Primary Government

Notes and Other Loans

The county issues other loans to provide funds for the acquisition and construction of major capital facilities. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

Capital outlay notes and other loans are direct obligations and pledge the full faith and credit of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 12 years for notes and up to 27 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2009, will be retired from the General Debt Service or Education Debt Service funds.

Capital outlay notes and other loans outstanding as of June 30, 2009, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
Capital Outlay Notes	0 to 4.15 %	\$ 1,142,142	\$ 905,470
Other Loans	variable	41,496,117	34,111,117

In prior years, Hickman County entered into loan agreements with the Montgomery County Public Building Authority. These loan agreements provided for the authority to loan \$8,949,117, \$1,750,000, \$22,000,000,

\$6,140,000, and \$2,000,000 to Hickman County 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, 2009, the variable interest rate was .48 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, 2009, the variable interest rate was .39 percent, and other fees totaled \$60 per month (trustee), .45 percent (letter of credit), and .08 percent (remarketing) of the outstanding loan principal for the \$22,000,000 loan. At June 30, 2009, the variable interest rate was .39 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 \$6,140,000 and \$2,000,000 loans.

In prior years, Hickman County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$1,000,000 available for loan to Hickman County on an as-needed basis for various renovation and construction projects. Hickman County had borrowed \$657,000 of the loan at June 30, 2009. 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, 2009, the variable interest rate was .39 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, 2009, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
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
2015-2019	396,497	55,829	452,326
2020	6,250	263	6,513
Total	<u>\$ 905,470</u>	<u>\$ 207,097</u>	<u>\$ 1,112,567</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2010	\$ 1,614,000	\$ 138,639	\$ 170,659	\$ 1,923,298
2011	1,675,000	131,832	163,213	1,970,045
2012	1,738,000	124,762	155,497	2,018,259
2013	1,806,000	117,418	147,503	2,070,921
2014	1,875,000	109,779	139,159	2,123,938
2015-2019	9,406,117	423,912	558,859	10,388,888
2020-2024	7,051,000	258,568	352,124	7,661,692
2025-2029	8,179,000	112,542	158,518	8,450,060
2030-2033	767,000	5,827	11,491	784,318
Total	<u>\$ 34,111,117</u>	<u>\$ 1,423,279</u>	<u>\$ 1,857,023</u>	<u>\$ 37,391,419</u>

There is \$1,651,369 available in the General Debt Service Fund and \$315,680 in the Education Debt Service Fund to service long-term debt. Debt per capita, including notes and other loans, totaled \$1,570, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

Governmental Activities:

	Notes	Other Loans
Balance, July 1, 2008	\$ 1,048,280	\$ 35,665,117
Deductions	(142,810)	(1,554,000)
Balance, June 30, 2009	<u>\$ 905,470</u>	<u>\$ 34,111,117</u>
Balance Due Within One Year	<u>\$ 100,544</u>	<u>\$ 1,614,000</u>

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2008	\$ 324,065	\$ 531,517
Additions	334,529	607,779
Deductions	(333,117)	(66,661)
Balance, June 30, 2009	<u>\$ 325,477</u>	<u>\$ 1,072,635</u>
Balance Due Within One Year	<u>\$ 81,369</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 36,414,699
Less: Balance Due Within One Year	<u>(1,795,913)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 34,618,786</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, 2009, including interest payments, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
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	37,500	9,239	46,739
2015-2019	<u>187,500</u>	<u>23,115</u>	<u>210,615</u>
Total	<u>\$ 375,000</u>	<u>\$ 84,742</u>	<u>\$ 459,742</u>

Changes in Long-term Liabilities

Long-term liability activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2009, was as follows:

Business-type Activities:

	Notes	Compensated Absences
Balance, July 1, 2008	\$ 412,500	\$ 13,709
Additions	0	33,294
Deductions	<u>(37,500)</u>	<u>(32,310)</u>
Balance, June 30, 2009	<u>\$ 375,000</u>	<u>\$ 14,693</u>
Balance Due Within One Year	<u>\$ 37,500</u>	<u>\$ 2,939</u>

Business-type Activities: (Cont.)

	Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2008	\$ 200,667	\$ 36,759
Additions	0	38,794
Deductions	(4,442)	(5,797)
Balance, June 30, 2009	<u>\$ 196,225</u>	<u>\$ 69,756</u>
Balance Due Within One Year	<u>\$ 6,849</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 655,674
Less: Balance Due Within One Year	<u>(47,288)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 608,386</u>

Discretely Presented Hickman County School Department

Changes in Long-term Liabilities

Long-term liability activity for the School Department for the year ended June 30, 2009, was as follows:

Governmental Activities:	Other Postemployment Benefits
Balance, July 1, 2008	\$ 0
Additions	33,312
Deductions	<u>0</u>
Balance, June 30, 2009	<u>\$ 33,312</u>
Balance Due Within One Year	<u>\$ 0</u>

E. 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, 2009, were \$32,550 and \$14,505, 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 annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The discretely presented Hickman County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, 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. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments became effective for the year ended June 30, 2009.

GASB Statement No. 49 requires county governments to measure and report their pollution remediation liabilities. A county has a pollution remediation problem if one of five obligating events occurs. The statement requires governments to restate beginning net assets in government-wide and proprietary fund financial statements for pollution remediation liabilities that existed as of July 1, 2008. Previous to Statement No. 49, counties were not required to measure and record pollution remediation liabilities. GASB Statement No. 49 had no effect on the financial statements of Hickman County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Hickman County could have pollution remediation liabilities in subsequent years.

GASB Statement No. 52 requires endowments to report land and other real estate investments at fair value. Previous to Statement No. 52, land and other real estate held by endowments were reported at historical cost. Changes in fair value between years will be reported as investment income (loss). GASB Statement No. 52 had no effect on the financial statements of Hickman County for the year ended June 30, 2009, since the county had no endowment investments. However, it is reasonably expected that Hickman County could have endowment investments in subsequent years.

C. Subsequent Events

Beginning in fiscal year 2009-2010, the discretely presented Hickman County School Department has agreed to contribute various amounts toward retirees' insurance premiums depending on years of service until the retiree becomes eligible for Medicare or for a maximum of six years, whichever comes first.

Sue Smith, Clerk and Master, retired June 30, 2009, and was succeeded by Linda Gossett effective July 10, 2009.

Randel Totty, County Clerk, retired July 31, 2009, and was succeeded by Andrea Totty effective August 1, 2009.

D. Contingent Liabilities

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

E. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Hickman County closed its sanitary landfill in 1997. The \$196,225 reported as postclosure care liability at June 30, 2009, represents amounts based on what it would cost to perform all postclosure care in 2009. 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 \$60,843 to the Hickman County Joint Economic and Community Development Association Board for the year ended June 30, 2009.

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, 2009.

Hickman County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Hickman County Joint

Economic Development Board and the DTF can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

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

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

G. Jointly Governed Organization

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

H. Retirement Commitments

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 www.tn.gov/treasury/tcrs.

Funding Policy

Hickman County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 12.22 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, 2009, Hickman County's annual pension cost of \$937,256 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Hickman County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was 12 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
6-30-09	\$937,256	100%	\$0
6-30-08	881,174	100	0
6-30-07	803,228	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 \$7 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 SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Hickman County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2009, was 6.42 percent of annual covered payroll. The employer contribution requirement for the Hickman County School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2009, 2008, and 2007, were \$883,225, \$830,859, and \$718,246, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Plan Description

Hickman County and the School Department participate in the state-administered Local Government Group Insurance Plan and Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, Tennessee Code Annotated (TCA), for teachers and Section 8-27-207, TCA, 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://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plans are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants. During the year ended June 30, 2009, Hickman County and the School Department made contributions totaling \$47,568 and \$148,425, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 621,000	\$ 180,162
Interest on the NPO	25,573	70
Adjustment to the ARC	(24,890)	(68)
Annual OPEB cost	\$ 621,683	\$ 180,164
Amount of contribution	(47,568)	(148,425)
Increase/decrease in NPO	\$ 574,115	\$ 31,739
Net OPEB obligation, 7-1-08	568,276	1,573
Net OPEB obligation, 6-30-09	\$ 1,142,391	\$ 33,312

Fiscal 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
6-30-09	"	621,683	8	1,142,391
6-30-08	Local Education Group	178,052	99	1,573
6-30-09	"	180,164	82	33,312

* Data only available for two years.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, was as follows:

	Local Government Insurance Plan	Local Education Insurance Plan
Actuarial valuation date	7-1-07	7-1-07
Actuarial accrued liability (AAL)	\$ 4,756,000	\$ 1,652,026
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,756,000	\$ 1,652,026
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 3,987,000	\$ 15,740,032
UAAL as a % of covered payroll	119%	10%

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

Actuarial Methods and Assumptions

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

In the July 1, 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 also provides for the creation of a Finance Department operated under the direction of the finance director.

K. Purchasing Law

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

L. Financial Policy

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 is a separately reported fund 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

The major source of revenue for the library is from Hickman County. 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

Certificates of deposit with a maturity over 90 days are carried at face value and are fully protected by federal depository insurance. The investments of the library are carried at market value and consist of the Public Library Fund totaling \$8,216 and the Endowment Fund totaling \$36,766.

	<u>Cost</u>	<u>Market Value</u>
Mutual Funds	\$ 35,608	\$ 24,291
Local Government Investment Pool	<u>20,691</u>	<u>20,691</u>
Total	<u>\$ 56,299</u>	<u>\$ 44,982</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 employees' 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 88 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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,174,774	\$ 0	\$ 0	\$ 4,174,774	\$ 4,292,894	\$ 4,292,894	\$ (118,120)
Licenses and Permits	66,809	0	0	66,809	69,601	69,601	(2,792)
Fines, Forfeitures, and Penalties	144,256	0	0	144,256	126,466	126,466	17,790
Charges for Current Services	22,824	0	0	22,824	19,638	19,638	3,186
Other Local Revenues	69,963	0	0	69,963	14,602	17,394	52,569
Fees Received from County Officials	1,089,109	0	0	1,089,109	1,103,774	1,103,774	(14,665)
State of Tennessee	1,053,278	0	0	1,053,278	1,043,931	1,044,931	8,347
Federal Government	81,021	0	0	81,021	81,998	109,632	(28,611)
Other Governments and Citizens Groups	136,713	0	0	136,713	198,738	203,008	(66,295)
Total Revenues	\$ 6,838,747	\$ 0	\$ 0	\$ 6,838,747	\$ 6,951,642	\$ 6,987,338	\$ (148,591)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 62,890	\$ 0	\$ 0	\$ 62,890	\$ 70,000	\$ 70,000	\$ 7,110
Board of Equalization	2,550	0	0	2,550	3,500	3,500	950
Beer Board	0	0	0	0	600	600	600
County Mayor/Executive	99,593	0	0	99,593	103,480	103,480	3,887
County Attorney	8,365	0	0	8,365	10,000	10,000	1,635
Election Commission	166,072	0	0	166,072	168,368	169,368	3,296
Register of Deeds	127,807	0	0	127,807	133,229	134,240	6,433
Planning	84,167	0	0	84,167	107,513	107,513	23,346
County Buildings	519,247	(7,000)	323	512,570	475,477	596,756	84,186
Preservation of Records	18,545	0	0	18,545	22,279	22,449	3,904
<u>Finance</u>							
Accounting and Budgeting	209,380	0	0	209,380	215,166	215,166	5,786

(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 7/1/2008	Add: Encumbrances 6/30/2009	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	\$ 199,550	\$ 0	\$ 2,726	\$ 202,276	\$ 230,179	\$ 230,179	\$ 27,903
County Trustee's Office	147,485	0	0	147,485	150,571	150,571	3,086
County Clerk's Office	209,712	(60)	0	209,652	221,212	221,212	11,560
<u>Administration of Justice</u>							
Circuit Court	264,822	(1,000)	0	263,822	258,207	267,921	4,099
General Sessions Court	178,594	0	0	178,594	179,757	179,757	1,163
Chancery Court	135,940	(2,000)	0	133,940	133,148	138,283	4,343
Judicial Commissioners	28,306	0	0	28,306	28,049	28,335	29
<u>Public Safety</u>							
Sheriff's Department	1,330,240	(612)	1,368	1,330,996	1,402,824	1,378,949	47,953
Jail	929,192	0	0	929,192	801,180	970,517	41,325
Commissary	0	0	0	0	3,000	3,000	3,000
Fire Prevention and Control	2,000	0	0	2,000	2,000	2,000	0
Civil Defense	208,868	0	0	208,868	152,075	233,661	24,793
Rescue Squad	20,000	0	0	20,000	20,000	20,000	0
County Coroner/Medical Examiner	17,375	0	0	17,375	22,400	22,400	5,025
<u>Public Health and Welfare</u>							
Local Health Center	44,529	0	0	44,529	49,001	49,001	4,472
Alcohol and Drug Programs	23,247	0	0	23,247	15,765	34,594	11,347
Other Local Health Services	183,844	0	0	183,844	300,602	300,602	116,758
Regional Mental Health Center	5,000	0	0	5,000	5,000	5,000	0
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	15,000	0	0	15,000	15,000	15,000	0
Other Social, Cultural, and Recreational	0	0	0	0	0	66	66

(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 7/1/2008	Add: Encumbrances 6/30/2009	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	\$ 58,630	\$ 0	\$ 0	\$ 58,630	\$ 48,627	\$ 59,423	\$ 793
Soil Conservation	29,993	0	0	29,993	29,995	29,995	2
<u>Other Operations</u>							
Tourism	1,150	0	0	1,150	5,500	5,500	4,350
Industrial Development	60,843	0	0	60,843	60,843	60,843	0
Other Economic and Community Development	479	0	0	479	500	500	21
Other Charges	407,627	0	0	407,627	474,900	434,900	27,273
Employee Benefits	1,313,655	0	0	1,313,655	1,180,000	1,366,700	53,045
Miscellaneous	119,353	0	0	119,353	121,550	122,150	2,797
Total Expenditures	\$ 7,234,050	\$ (10,672)	\$ 4,417	\$ 7,227,795	\$ 7,221,497	\$ 7,764,131	\$ 536,336
Excess (Deficiency) of Revenues Over Expenditures	\$ (395,303)	\$ 10,672	\$ (4,417)	\$ (389,048)	\$ (269,855)	\$ (776,793)	\$ 387,745
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 33,640	\$ 0	\$ 0	\$ 33,640	\$ 0	\$ 25,616	\$ 8,024
Transfers In	31,121	0	0	31,121	31,121	31,121	0
Transfers Out	(668,079)	0	0	(668,079)	(666,579)	(755,783)	87,704
Total Other Financing Sources (Uses)	\$ (603,318)	\$ 0	\$ 0	\$ (603,318)	\$ (635,458)	\$ (699,046)	\$ 95,728
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (998,621)	\$ 10,672	\$ (4,417)	\$ (992,366)	\$ (905,313)	\$ (1,475,839)	\$ 483,473
	3,075,777	(10,672)	0	3,065,105	2,300,000	3,075,777	(10,672)
Fund Balance, June 30, 2009	\$ 2,077,156	\$ 0	\$ (4,417)	\$ 2,072,739	\$ 1,394,687	\$ 1,599,938	\$ 472,801

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 299,006 \$	0 \$	299,006 \$	304,145 \$	304,145 \$	(5,139)
Charges for Current Services	1,882	0	1,882	2,400	2,400	(518)
Other Local Revenues	18,524	0	18,524	26,500	26,500	(7,976)
State of Tennessee	1,988,782	0	1,988,782	2,335,380	2,335,380	(346,598)
Federal Government	45,101	0	45,101	125,000	125,000	(79,899)
Total Revenues	\$ 2,353,295 \$	0 \$	2,353,295 \$	2,793,425 \$	2,793,425 \$	(440,130)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 131,400 \$	0 \$	131,400 \$	139,007 \$	139,007 \$	7,607
Highway and Bridge Maintenance	911,837	0	911,837	1,102,970	1,129,970	218,133
Operation and Maintenance of Equipment	328,778	0	328,778	446,645	461,295	132,517
Other Charges	61,277	0	61,277	84,045	84,045	22,768
Employee Benefits	490,724	0	490,724	565,910	565,910	75,186
Capital Outlay	370,290	(65,255)	305,035	379,724	379,724	74,689
Total Expenditures	\$ 2,294,306 \$	(65,255) \$	2,229,051 \$	2,718,301 \$	2,759,951 \$	530,900
Excess (Deficiency) of Revenues Over Expenditures	\$ 58,989 \$	65,255 \$	124,244 \$	75,124 \$	33,474 \$	90,770
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 37,583 \$	0 \$	37,583 \$	0 \$	14,650 \$	22,933
Transfers Out	(75,035)	0	(75,035)	(75,124)	(75,124)	89
Total Other Financing Sources (Uses)	\$ (37,452) \$	0 \$	(37,452) \$	(75,124) \$	(60,474) \$	23,022
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 21,537 \$	65,255 \$	86,792 \$	0 \$	(27,000) \$	113,792
	621,879	(65,255)	556,624	84,228	621,879	(65,255)
Fund Balance, June 30, 2009	\$ 643,416 \$	0 \$	643,416 \$	84,228 \$	594,879 \$	48,537

Exhibit F-3

Hickman County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Hickman County School Department
June 30, 2009

(Dollar amounts in thousands)

Fiscal Year Ended	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)
6-30-09	7-1-07	\$ 15,005	\$ 16,778	\$ 1,773	89.43 %	\$ 6,639	26.71 %
6-30-08	7-1-07	15,005	16,778	1,773	89.43	6,639	26.71

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 2007-08 year; therefore, data is only presented for two years.

Exhibit F-4

Hickman County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Hickman County School Department
June 30, 2009

(Dollar amounts in thousands)

Plan	Fiscal Year Ended*	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Government Group	6-30-08	7-1-07	\$ 0	\$ 4,756	\$ 4,756	0	\$ 4,405	108
"	6-30-09	7-1-07	0	4,756	4,756	0	4,405	108
Local Education Group	6-30-08	7-1-07	0	1,652	1,652	0	15,740	10
"	6-30-09	7-1-07	0	1,652	1,652	0	15,740	10

*Data only available for two years.

HICKMAN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2009

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 County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Beer Board, County Mayor/Executive, etc.). Management may make revisions within major categories, but only the 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. CASH SHORTAGE

The General Fund had a cash shortage of \$6,357 at June 30, 2009. This cash shortage resulted from a theft of \$6,357 in the County Mayor's Office during the period May 8, 2008, through June 1, 2009. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

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

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Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

Debt Service Fund

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

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

Capital Projects Fund

Capital Projects Funds are used to account for financial resources to be used in the acquisition or construction of major capital projects.

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

Permanent Fund

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

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

Exhibit G-1

Hickman County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2009

	Special Revenue Funds					Total	Debt Service Fund		Capital Projects Fund		Total Nonmajor Governmental Funds
	Public Library	Ambulance Service	Drug Control	Adequate Facilities/Development Tax	0 \$		Education Debt Service	General Capital Projects	Permanent Fund Endowment	0 \$	
Cash	\$ 161,219	\$ 0	\$ 0	\$ 0	\$ 161,219	\$ 0	\$ 0	\$ 0	\$ 0	\$ 161,219	
Equity in Pooled Cash and Investments	0	32,885	100,962	400,380	534,227	287,447	554,902	0	0	1,376,576	
Investments	8,216	0	0	0	8,216	0	0	36,766	0	44,982	
Accounts Receivable	0	1,300,128	0	0	1,300,128	28,233	0	0	0	1,328,361	
Allowance for Uncollectibles	0	(844,043)	0	0	(844,043)	0	0	0	0	(844,043)	
Total Assets	\$ 169,435	\$ 488,970	\$ 100,962	\$ 400,380	\$ 1,159,747	\$ 315,680	\$ 554,902	\$ 36,766	\$ 0	\$ 2,067,095	

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities										
Accounts Payable	\$ 0	\$ 1,318	\$ 0	\$ 0	\$ 1,318	\$ 0	\$ 197	\$ 0	\$ 0	\$ 1,515
Other Deferred Revenues	0	416,818	0	0	416,818	0	0	0	0	416,818
Total Liabilities	\$ 0	\$ 418,136	\$ 0	\$ 0	\$ 418,136	\$ 0	\$ 197	\$ 0	\$ 0	\$ 418,333
Fund Balances										
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 180,733	\$ 0	\$ 0	\$ 180,733
Reserved for Other General Purposes	0	0	0	0	0	0	6,862	0	0	6,862
Unreserved	169,435	70,834	100,962	400,380	741,611	315,680	367,110	36,766	0	1,461,167
Total Fund Balances	\$ 169,435	\$ 70,834	\$ 100,962	\$ 400,380	\$ 741,611	\$ 315,680	\$ 554,705	\$ 36,766	\$ 0	\$ 1,648,762
Total Liabilities and Fund Balances	\$ 169,435	\$ 488,970	\$ 100,962	\$ 400,380	\$ 1,159,747	\$ 315,680	\$ 554,902	\$ 36,766	\$ 0	\$ 2,067,095

Hickman County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue Funds						Total
	Public Library	Ambulance Service	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees		
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 136,921	\$ 0	\$ 0	136,921
Fines, Forfeitures, and Penalties	0	0	84,830	0	0	0	84,830
Charges for Current Services	5,024	773,914	0	0	1,673	0	780,611
Other Local Revenues	31,051	272	0	0	0	0	31,323
State of Tennessee	3,500	0	0	0	0	0	3,500
Federal Government	1,200	0	0	0	0	0	1,200
Other Governments and Citizens Groups	2,589	0	0	0	0	0	2,589
Total Revenues	\$ 43,364	\$ 774,186	\$ 84,830	\$ 136,921	\$ 1,673	\$ 0	\$ 1,040,974
<u>Expenditures</u>							
Current:							
General Government	\$ 0	\$ 0	\$ 0	\$ 1,369	\$ 0	\$ 0	1,369
Administration of Justice	0	0	0	0	1,673	0	1,673
Public Safety	0	0	73,996	0	0	0	73,996
Public Health and Welfare	0	1,275,170	0	0	0	0	1,275,170
Social, Cultural, and Recreational Services	236,863	0	0	0	0	0	236,863
Debt Service:							
Principal on Debt	0	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0	0
Total Expenditures	\$ 236,863	\$ 1,275,170	\$ 73,996	\$ 1,369	\$ 1,673	\$ 0	\$ 1,589,071
Excess (Deficiency) of Revenues Over Expenditures	\$ (193,499)	\$ (500,984)	\$ 10,834	\$ 135,552	\$ 0	\$ 0	\$ (548,097)

(Continued)

Exhibit G-2

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

	Special Revenue Funds					Total
	Public Library	Ambulance Service	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 15,390	\$ 0	\$ 0	\$ 0	\$ 15,390
Transfers In	167,804	501,500	0	0	0	669,304
Transfers Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 167,804	\$ 516,890	\$ 0	\$ 0	\$ 0	\$ 684,694
Net Change in Fund Balances	\$ (25,695)	\$ 15,906	\$ 10,834	\$ 135,552	\$ 0	\$ 136,597
Fund Balance, July 1, 2008	195,130	54,928	90,128	264,828	0	605,014
Fund Balance, June 30, 2009	\$ 169,435	\$ 70,834	\$ 100,962	\$ 400,380	\$ 0	\$ 741,611

(Continued)

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

	Debt Service Fund		Capital Projects Fund		Permanent Fund	Total Nonmajor Governmental Funds
	Education Debt Service	General Capital Projects	General Capital Projects	Endowment		
<u>Revenues</u>						
Local Taxes	\$ 329,791	\$ 0	\$ 0	\$ 0	\$ 0	466,712
Fines, Forfeitures, and Penalties	0	0	0	0	0	84,830
Charges for Current Services	0	0	0	0	0	780,611
Other Local Revenues	0	0	0	0	0	31,323
State of Tennessee	0	0	0	0	0	3,500
Federal Government	0	0	0	0	0	1,200
Other Governments and Citizens Groups	0	0	0	0	0	2,589
Total Revenues	\$ 329,791	\$ 0	\$ 0	\$ 0	\$ 0	1,370,765
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,369
Administration of Justice	0	0	0	0	0	1,673
Public Safety	0	0	0	0	0	73,996
Public Health and Welfare	0	0	0	0	0	1,275,170
Social, Cultural, and Recreational Services	0	0	0	6,386	0	243,249
Debt Service:						
Principal on Debt	452,000	0	0	0	0	452,000
Interest on Debt	85,626	0	0	0	0	85,626
Other Debt Service	25,498	0	0	0	0	25,498
Capital Projects	0	120,729	0	0	0	120,729
Total Expenditures	\$ 563,124	\$ 120,729	\$ 6,386	\$ 0	\$ 0	2,279,310
Excess (Deficiency) of Revenues Over Expenditures	\$ (233,333)	\$ (120,729)	\$ (6,386)	\$ (908,545)		

(Continued)

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

	Debt Service Fund	Education Debt Service	Capital Projects Fund	General Capital Projects	Permanent Fund	Total Nonmajor Governmental Funds
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,390
Transfers In	400,000	0	0	0	0	1,069,304
Transfers Out	0	0	0	(1,225)	(1,225)	(1,225)
Total Other Financing Sources (Uses)	\$ 400,000	\$ 0	\$ 0	\$ (1,225)	\$ (1,225)	\$ 1,083,469
Net Change in Fund Balances	\$ 166,667	\$ (120,729)	\$ (7,611)	\$ (7,611)	\$ 44,377	\$ 174,924
Fund Balance, July 1, 2008	149,013	675,434	44,377	44,377	44,377	1,473,838
Fund Balance, June 30, 2009	\$ 315,680	\$ 554,705	\$ 36,766	\$ 36,766	\$ 36,766	\$ 1,648,762

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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 5,024	\$ 4,900	\$ 4,900	\$ 124
Other Local Revenues	31,051	24,400	24,400	6,651
State of Tennessee	3,500	14,800	14,800	(11,300)
Federal Government	1,200	1,200	1,200	0
Other Governments and Citizens Groups	2,589	2,700	2,700	(111)
Total Revenues	<u>\$ 43,364</u>	<u>\$ 48,000</u>	<u>\$ 48,000</u>	<u>\$ (4,636)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 236,863	\$ 218,579	\$ 235,379	\$ (1,484)
Total Expenditures	<u>\$ 236,863</u>	<u>\$ 218,579</u>	<u>\$ 235,379</u>	<u>\$ (1,484)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (193,499)</u>	<u>\$ (170,579)</u>	<u>\$ (187,379)</u>	<u>\$ (6,120)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 167,804	\$ 166,579	\$ 166,579	\$ 1,225
Total Other Financing Sources (Uses)	<u>\$ 167,804</u>	<u>\$ 166,579</u>	<u>\$ 166,579</u>	<u>\$ 1,225</u>
Net Change in Fund Balance	\$ (25,695)	\$ (4,000)	\$ (20,800)	\$ (4,895)
Fund Balance, July 1, 2008	<u>195,130</u>	<u>162,816</u>	<u>195,130</u>	<u>0</u>
Fund Balance, June 30, 2009	<u>\$ 169,435</u>	<u>\$ 158,816</u>	<u>\$ 174,330</u>	<u>\$ (4,895)</u>

Exhibit G-4

Hickman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Ambulance Service Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 773,914	\$ 762,000	\$ 762,000	\$ 11,914
Other Local Revenues	272	0	0	272
Total Revenues	<u>\$ 774,186</u>	<u>\$ 762,000</u>	<u>\$ 762,000</u>	<u>\$ 12,186</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 1,275,170	\$ 1,275,155	\$ 1,322,355	\$ 47,185
Total Expenditures	<u>\$ 1,275,170</u>	<u>\$ 1,275,155</u>	<u>\$ 1,322,355</u>	<u>\$ 47,185</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (500,984)</u>	<u>\$ (513,155)</u>	<u>\$ (560,355)</u>	<u>\$ 59,371</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 15,390	0	0	\$ 15,390
Transfers In	501,500	500,000	547,000	(45,500)
Total Other Financing Sources (Uses)	<u>\$ 516,890</u>	<u>\$ 500,000</u>	<u>\$ 547,000</u>	<u>\$ (30,110)</u>
Net Change in Fund Balance	\$ 15,906	\$ (13,155)	\$ (13,355)	\$ 29,261
Fund Balance, July 1, 2008	<u>54,928</u>	<u>21,468</u>	<u>54,928</u>	<u>0</u>
Fund Balance, June 30, 2009	<u>\$ 70,834</u>	<u>\$ 8,313</u>	<u>\$ 41,573</u>	<u>\$ 29,261</u>

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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 84,830	\$ 42,000	\$ 42,000	\$ 42,830
Total Revenues	\$ 84,830	\$ 42,000	\$ 42,000	\$ 42,830
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 73,996	\$ 0	\$ 74,000	\$ 4
Total Expenditures	\$ 73,996	\$ 0	\$ 74,000	\$ 4
Excess (Deficiency) of Revenues Over Expenditures	\$ 10,834	\$ 42,000	\$ (32,000)	\$ 42,834
Net Change in Fund Balance	\$ 10,834	\$ 42,000	\$ (32,000)	\$ 42,834
Fund Balance, July 1, 2008	90,128	77,715	90,128	0
Fund Balance, June 30, 2009	\$ 100,962	\$ 119,715	\$ 58,128	\$ 42,834

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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 136,921	\$ 170,000	\$ 170,000	\$ (33,079)
Total Revenues	\$ 136,921	\$ 170,000	\$ 170,000	\$ (33,079)
<u>Expenditures</u>				
<u>General Government</u>				
Building	\$ 1,369	\$ 2,750	\$ 2,750	\$ 1,381
Total Expenditures	\$ 1,369	\$ 2,750	\$ 2,750	\$ 1,381
Excess (Deficiency) of Revenues Over Expenditures	\$ 135,552	\$ 167,250	\$ 167,250	\$ (31,698)
Net Change in Fund Balance	\$ 135,552	\$ 167,250	\$ 167,250	\$ (31,698)
Fund Balance, July 1, 2008	264,828	242,231	264,828	0
Fund Balance, June 30, 2009	\$ 400,380	\$ 409,481	\$ 432,078	\$ (31,698)

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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 329,791	\$ 216,599	\$ 216,599	\$ 113,192
Total Revenues	\$ 329,791	\$ 216,599	\$ 216,599	\$ 113,192
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 452,000	\$ 452,000	\$ 452,000	\$ 0
<u>Interest on Debt</u>				
Education	85,626	286,000	286,000	200,374
<u>Other Debt Service</u>				
General Government	3,016	3,000	3,016	0
Education	22,482	24,000	23,984	1,502
Total Expenditures	\$ 563,124	\$ 765,000	\$ 765,000	\$ 201,876
Excess (Deficiency) of Revenues Over Expenditures	\$ (233,333)	\$ (548,401)	\$ (548,401)	\$ 315,068
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 400,000	\$ 548,401	\$ 548,401	\$ (148,401)
Total Other Financing Sources (Uses)	\$ 400,000	\$ 548,401	\$ 548,401	\$ (148,401)
Net Change in Fund Balance	\$ 166,667	\$ 0	\$ 0	\$ 166,667
Fund Balance, July 1, 2008	149,013	81,000	149,013	0
Fund Balance, June 30, 2009	\$ 315,680	\$ 81,000	\$ 149,013	\$ 166,667

Major Governmental Fund

General Debt Service Fund

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

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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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,307,276	\$ 2,215,989	\$ 2,215,989	\$ 91,287
Other Local Revenues	199,736	591,894	591,894	(392,158)
State of Tennessee	73,537	20,483	20,483	53,054
Total Revenues	<u>\$ 2,580,549</u>	<u>\$ 2,828,366</u>	<u>\$ 2,828,366</u>	<u>\$ (247,817)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 372,877	\$ 383,295	\$ 372,878	\$ 1
Highways and Streets	83,933	42,306	83,973	40
Education	788,000	788,000	788,000	0
<u>Interest on Debt</u>				
General Government	132,776	463,500	459,600	326,824
Highways and Streets	20,282	1,800	20,391	109
Education	265,001	1,143,000	1,035,400	770,399
<u>Other Debt Service</u>				
General Government	69,987	71,000	71,000	1,013
Education	107,600	0	107,600	0
Total Expenditures	<u>\$ 1,840,456</u>	<u>\$ 2,892,901</u>	<u>\$ 2,938,842</u>	<u>\$ 1,098,386</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 740,093</u>	<u>\$ (64,535)</u>	<u>\$ (110,476)</u>	<u>\$ 850,569</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 43,914	\$ 44,003	\$ 44,003	\$ (89)
Transfers Out	(400,000)	(548,401)	(548,401)	148,401
Total Other Financing Sources (Uses)	<u>\$ (356,086)</u>	<u>\$ (504,398)</u>	<u>\$ (504,398)</u>	<u>\$ 148,312</u>
Net Change in Fund Balance	\$ 384,007	\$ (568,933)	\$ (614,874)	\$ 998,881
Fund Balance, July 1, 2008	1,267,362	750,000	1,267,362	0
Fund Balance, June 30, 2009	<u>\$ 1,651,369</u>	<u>\$ 181,067</u>	<u>\$ 652,488</u>	<u>\$ 998,881</u>

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Fiduciary Funds

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

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

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

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Exhibit I-1

Hickman County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 413,718	\$ 413,718
Accounts Receivable	0	180	180
Due from Other Governments	101,464	0	101,464
Total Assets	<u>\$ 101,464</u>	<u>\$ 413,898</u>	<u>\$ 515,362</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 101,464	\$ 0	\$ 101,464
Due to Litigants, Heirs, and Others	0	413,898	413,898
Total Liabilities	<u>\$ 101,464</u>	<u>\$ 413,898</u>	<u>\$ 515,362</u>

Exhibit I-2

Hickman County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2009

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 641,373	\$ 641,373	\$ 0
Due from Other Governments	114,550	101,464	114,550	101,464
Total Assets	\$ 114,550	\$ 742,837	\$ 755,923	\$ 101,464
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 114,550	\$ 742,837	\$ 755,923	\$ 101,464
Total Liabilities	\$ 114,550	\$ 742,837	\$ 755,923	\$ 101,464
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,232,093	\$ 5,187,334	\$ 6,005,709	\$ 413,718
Accounts Receivable	108	180	108	180
Total Assets	\$ 1,232,201	\$ 5,187,514	\$ 6,005,817	\$ 413,898
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,232,201	\$ 5,187,514	\$ 6,005,817	\$ 413,898
Total Liabilities	\$ 1,232,201	\$ 5,187,514	\$ 6,005,817	\$ 413,898
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,232,093	\$ 5,187,334	\$ 6,005,709	\$ 413,718
Equity in Pooled Cash and Investments	0	641,373	641,373	0
Due from Other Governments	114,550	101,464	114,550	101,464
Accounts Receivable	108	180	108	180
Total Assets	\$ 1,346,751	\$ 5,930,351	\$ 6,761,740	\$ 515,362
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 114,550	\$ 742,837	\$ 755,923	\$ 101,464
Due to Litigants, Heirs, and Others	1,232,201	5,187,514	6,005,817	413,898
Total Liabilities	\$ 1,346,751	\$ 5,930,351	\$ 6,761,740	\$ 515,362

Hickman County School Department

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

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

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

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

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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, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 17,796,263	\$ 36,914	\$ 2,285,729	\$ (15,473,620)
Support Services	10,914,664	6,033	36,037	(10,872,594)
Operation of Non-Instructional Services	2,509,537	779,521	1,343,222	(386,794)
Total Governmental Activities	\$ 31,220,464	\$ 822,468	\$ 3,664,988	\$ (26,733,008)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 3,395,686
Local Option Sales Taxes				1,255,275
Other Local Taxes				35,566
Grants and Contributions Not Restricted to Specific Programs				20,773,249
Unrestricted Investment Income				2,027
Miscellaneous				248,412
Total General Revenues				\$ 25,710,215
Change in Net Assets				\$ (1,022,793)
Net Assets, July 1, 2008				48,646,864
Net Assets, June 30, 2009				\$ 47,624,071

Exhibit J-2

Hickman County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Hickman County School Department
June 30, 2009

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 237,265	\$ 3,510	\$ 240,775
Equity in Pooled Cash and Investments	4,916,420	497,164	5,413,584
Due from Other Governments	209,460	16,000	225,460
Due from Primary Government	0	712	712
Property Taxes Receivable	3,417,878	0	3,417,878
Allowance for Uncollectible Property Taxes	(68,357)	0	(68,357)
Total Assets	<u>\$ 8,712,666</u>	<u>\$ 517,386</u>	<u>\$ 9,230,052</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 5,772	\$ 0	\$ 5,772
Deferred Revenue - Current Property Taxes	3,111,535	0	3,111,535
Deferred Revenue - Delinquent Property Taxes	228,985	0	228,985
Other Deferred Revenues	102,186	0	102,186
Total Liabilities	<u>\$ 3,448,478</u>	<u>\$ 0</u>	<u>\$ 3,448,478</u>
<u>Fund Balances</u>			
Reserved for Career Ladder - Extended Contract	\$ 924	\$ 0	\$ 924
Reserved for Career Ladder Program	749	0	749
Reserved for Title I Grants to Local Education Agencies	0	30,181	30,181
Reserved for Special Education - Grants to States	0	14,350	14,350
Other Federal Reserves	0	12,962	12,962
Reserved for Other General Purposes	237,265	0	237,265
Unreserved, Reported In:			
General Fund	5,025,250	0	5,025,250
Special Revenue Funds	0	459,893	459,893
Total Fund Balances	<u>\$ 5,264,188</u>	<u>\$ 517,386</u>	<u>\$ 5,781,574</u>
Total Liabilities and Fund Balances	<u>\$ 8,712,666</u>	<u>\$ 517,386</u>	<u>\$ 9,230,052</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, 2009

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)		\$ 5,781,574
(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	36,302,725	
Add: other capital assets net of accumulated depreciation	<u>4,223,652</u>	41,544,638
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability		(33,312)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>331,171</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 47,624,071</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, 2009

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 4,648,449	\$ 0	\$ 4,648,449
Licenses and Permits	1,340	0	1,340
Charges for Current Services	79,387	779,118	858,505
Other Local Revenues	253,024	2,027	255,051
State of Tennessee	20,894,368	0	20,894,368
Federal Government	271,487	3,090,170	3,361,657
Total Revenues	\$ 26,148,055	\$ 3,871,315	\$ 30,019,370
<u>Expenditures</u>			
Current:			
Instruction	\$ 16,224,318	\$ 1,564,054	\$ 17,788,372
Support Services	8,780,008	452,147	9,232,155
Operation of Non-Instructional Services	560,739	1,857,687	2,418,426
Capital Outlay	1,319,609	0	1,319,609
Total Expenditures	\$ 26,884,674	\$ 3,873,888	\$ 30,758,562
Excess (Deficiency) of Revenues Over Expenditures	\$ (736,619)	\$ (2,573)	\$ (739,192)
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 11,527	\$ 0	\$ 11,527
Transfers In	9,410	0	9,410
Transfers Out	0	(9,410)	(9,410)
Total Other Financing Sources (Uses)	\$ 20,937	\$ (9,410)	\$ 11,527
Net Change in Fund Balances	\$ (715,682)	\$ (11,983)	\$ (727,665)
Fund Balance, July 1, 2008	5,979,870	529,369	6,509,239
Fund Balance, June 30, 2009	\$ 5,264,188	\$ 517,386	\$ 5,781,574

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, 2009

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)		\$ (727,665)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,457,630	
Less: current year depreciation expense	<u>(1,776,162)</u>	(318,532)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2009	\$ 331,171	
Less: deferred delinquent property taxes and other deferred June 30, 2008	<u>(274,455)</u>	56,716
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability		<u>(33,312)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (1,022,793)</u>

Exhibit J-6

Hickman County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Hickman County School Department
June 30, 2009

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 3,510	\$ 3,510
Equity in Pooled Cash and Investments	41,493	455,671	497,164
Due from Other Governments	16,000	0	16,000
Due from Primary Government	0	712	712
Total Assets	<u>\$ 57,493</u>	<u>\$ 459,893</u>	<u>\$ 517,386</u>
<u>FUND BALANCES</u>			
Reserved for Title I Grants to Local Education Agencies	\$ 30,181	\$ 0	\$ 30,181
Reserved for Special Education - Grants to States	14,350	0	14,350
Other Federal Reserves	12,962	0	12,962
Unreserved	0	459,893	459,893
Total Fund Balances	<u>\$ 57,493</u>	<u>\$ 459,893</u>	<u>\$ 517,386</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, 2009

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 779,118	\$ 779,118
Other Local Revenues	0	2,027	2,027
Federal Government	1,957,283	1,132,887	3,090,170
Total Revenues	<u>\$ 1,957,283</u>	<u>\$ 1,914,032</u>	<u>\$ 3,871,315</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,564,054	\$ 0	\$ 1,564,054
Support Services	452,147	0	452,147
Operation of Non-Instructional Services	0	1,857,687	1,857,687
Total Expenditures	<u>\$ 2,016,201</u>	<u>\$ 1,857,687</u>	<u>\$ 3,873,888</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (58,918)</u>	<u>\$ 56,345</u>	<u>\$ (2,573)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (9,410)	\$ 0	\$ (9,410)
Total Other Financing Sources (Uses)	<u>\$ (9,410)</u>	<u>\$ 0</u>	<u>\$ (9,410)</u>
Net Change in Fund Balances	\$ (68,328)	\$ 56,345	\$ (11,983)
Fund Balance, July 1, 2008	125,821	403,548	529,369
Fund Balance, June 30, 2009	<u>\$ 57,493</u>	<u>\$ 459,893</u>	<u>\$ 517,386</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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,648,449	\$ 4,411,725	\$ 4,411,725	\$ 236,724
Licenses and Permits	1,340	1,500	1,500	(160)
Charges for Current Services	79,387	101,800	101,800	(22,413)
Other Local Revenues	253,024	87,500	107,985	145,039
State of Tennessee	20,894,368	20,517,100	20,582,762	311,606
Federal Government	271,487	158,000	247,361	24,126
Total Revenues	\$ 26,148,055	\$ 25,277,625	\$ 25,453,133	\$ 694,922
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 12,712,399	\$ 13,419,300	\$ 13,419,300	\$ 706,901
Alternative Instruction Program	145,222	155,320	155,320	10,098
Special Education Program	2,036,887	2,329,870	2,329,870	292,983
Vocational Education Program	1,238,118	1,272,000	1,272,000	33,882
Adult Education Program	91,692	95,100	95,100	3,408
<u>Support Services</u>				
Attendance	135,565	138,760	138,760	3,195
Health Services	219,143	223,740	223,740	4,597
Other Student Support	840,049	904,620	904,620	64,571
Regular Instruction Program	1,047,904	1,140,500	1,140,500	92,596
Alternative Instruction Program	349	600	600	251
Special Education Program	120,040	154,960	154,960	34,920
Vocational Education Program	85,168	91,260	91,260	6,092
Adult Programs	75,961	76,120	76,120	159
Other Programs	47,055	0	47,055	0
Board of Education	420,015	473,000	473,000	52,985
Director of Schools	231,255	261,150	261,150	29,895
Office of the Principal	922,277	961,600	961,600	39,323
Operation of Plant	2,190,971	2,465,000	2,465,000	274,029
Maintenance of Plant	927,402	969,800	969,800	42,398
Transportation	1,286,512	1,582,300	1,582,300	295,788
Central and Other	230,342	254,500	254,500	24,158
<u>Operation of Non-Instructional Services</u>				
Food Service	20,600	20,600	20,600	0
Community Services	136,069	153,600	153,600	17,531
Early Childhood Education	404,070	394,726	408,000	3,930
<u>Capital Outlay</u>				
Regular Capital Outlay	1,319,609	1,500,000	1,500,000	180,391
Total Expenditures	\$ 26,884,674	\$ 29,038,426	\$ 29,098,755	\$ 2,214,081

(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	
Excess (Deficiency) of Revenues Over Expenditures	\$ (736,619)	\$ (3,760,801)	\$ (3,645,622)	\$ 2,909,003
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 11,527	\$ 5,000	\$ 5,000	\$ 6,527
Transfers In	9,410	185,000	69,821	(60,411)
Total Other Financing Sources (Uses)	\$ 20,937	\$ 190,000	\$ 74,821	\$ (53,884)
Net Change in Fund Balance	\$ (715,682)	\$ (3,570,801)	\$ (3,570,801)	\$ 2,855,119
Fund Balance, July 1, 2008	5,979,870	4,519,689	5,979,870	0
Fund Balance, June 30, 2009	\$ 5,264,188	\$ 948,888	\$ 2,409,069	\$ 2,855,119

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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,957,283	\$ 2,207,252	\$ 2,092,073	\$ (134,790)
Total Revenues	\$ 1,957,283	\$ 2,207,252	\$ 2,092,073	\$ (134,790)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 790,065	\$ 877,767	\$ 877,767	\$ 87,702
Special Education Program	625,342	640,161	640,161	14,819
Vocational Education Program	148,647	148,647	148,647	0
<u>Support Services</u>				
Other Student Support	30,311	38,157	38,157	7,846
Regular Instruction Program	280,768	342,882	342,882	62,114
Special Education Program	141,068	158,521	158,521	17,453
Total Expenditures	\$ 2,016,201	\$ 2,206,135	\$ 2,206,135	\$ 189,934
Excess (Deficiency) of Revenues Over Expenditures	\$ (58,918)	\$ 1,117	\$ (114,062)	\$ 55,144
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 112,735	\$ 0	\$ 0
Transfers Out	(9,410)	(239,673)	(11,759)	2,349
Total Other Financing Sources (Uses)	\$ (9,410)	\$ (126,938)	\$ (11,759)	\$ 2,349
Net Change in Fund Balance	\$ (68,328)	\$ (125,821)	\$ (125,821)	\$ 57,493
Fund Balance, July 1, 2008	125,821	125,821	125,821	0
Fund Balance, June 30, 2009	\$ 57,493	\$ 0	\$ 0	\$ 57,493

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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 779,118	\$ 907,000	\$ 907,000	\$ (127,882)
Other Local Revenues	2,027	7,000	7,000	(4,973)
Federal Government	1,132,887	990,000	990,000	142,887
Total Revenues	<u>\$ 1,914,032</u>	<u>\$ 1,904,000</u>	<u>\$ 1,904,000</u>	<u>\$ 10,032</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,857,687	\$ 1,993,855	\$ 1,993,855	\$ 136,168
Total Expenditures	<u>\$ 1,857,687</u>	<u>\$ 1,993,855</u>	<u>\$ 1,993,855</u>	<u>\$ 136,168</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 56,345</u>	<u>\$ (89,855)</u>	<u>\$ (89,855)</u>	<u>\$ 146,200</u>
Net Change in Fund Balance	\$ 56,345	\$ (89,855)	\$ (89,855)	\$ 146,200
Fund Balance, July 1, 2008	403,548	398,482	403,548	0
Fund Balance, June 30, 2009	<u>\$ 459,893</u>	<u>\$ 308,627</u>	<u>\$ 313,693</u>	<u>\$ 146,200</u>

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Hickman County Health Foundation

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

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

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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, 2009

	Health Foundation Fund	Adjustments	Statement of Net Assets
<u>ASSETS</u>			
Cash	\$ 2,286,717	\$ 0	\$ 2,286,717
Total Assets	<u>\$ 2,286,717</u>	<u>\$ 0</u>	<u>\$ 2,286,717</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 563	\$ 0	\$ 563
Total Liabilities	<u>\$ 563</u>	<u>\$ 0</u>	<u>\$ 563</u>
<u>FUND BALANCE/NET ASSETS</u>			
Fund Balance:			
Unreserved	\$ 2,286,154	\$ (2,286,154)	\$ 0
Total Fund Balance	<u>\$ 2,286,154</u>	<u>\$ (2,286,154)</u>	<u>\$ 0</u>
Total Fund Balance	<u>\$ 2,286,154</u>		
Net Assets:			
Unrestricted		<u>\$ 2,286,154</u>	<u>\$ 2,286,154</u>
Total Net Assets		<u>\$ 2,286,154</u>	<u>\$ 2,286,154</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, 2009

	Health Foundation Fund	Adjustments	Statement of Activities
Expenditures/Expenses:			
General Government:			
County Commission	\$ 583	\$ 0	\$ 583
Public Health and Welfare:			
Ambulance/Emergency Medical Services	7,000	0	7,000
Other Public Health and Welfare	230,320	0	230,320
Total Expenditures/Expenses	<u>\$ 237,903</u>	<u>\$ 0</u>	<u>\$ 237,903</u>
Program Revenues:			
Operating Grants and Contributions:			
Public Health and Welfare	\$ 100,000	\$ 0	\$ 100,000
Net Program Expense			<u>\$ 137,903</u>
General Revenues:			
Investment Income	\$ 111,153	\$ 0	\$ 111,153
Total General Revenues	<u>\$ 111,153</u>	<u>\$ 0</u>	<u>\$ 111,153</u>
Excess of Revenues Over Expenditures	\$ (26,750)	\$ 26,750	\$ 0
Change in Net Assets	0	(26,750)	(26,750)
Fund Balance/Net Assets:			
July 1, 2008	<u>2,312,904</u>	0	<u>2,312,904</u>
June 30, 2009	<u>\$ 2,286,154</u>	<u>\$ 0</u>	<u>\$ 2,286,154</u>

MISCELLANEOUS SCHEDULES

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Exhibit L-1

Hickman County, Tennessee
Schedule of Changes in Long-term Notes and Other Loans
For the Year Ended June 30, 2009

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Paid and/or Matured		
						During Period	Outstanding 6-30-09	
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Refunded Highway Capital Outlay Notes	\$ 298,872	4 %	2-18-03	8-25-08	\$ 35,641	\$ 35,641	\$ 0	
Refunded Highway Capital Outlay Notes	256,500	4	2-19-03	8-25-08	6,625	6,625	0	
Highway Capital Outlay Note	125,000	4.15	8-2-04	8-2-16	93,749	10,417	83,332	
MLEC Building	605,000	4.1	1-12-07	1-12-19	509,000	50,000	459,000	
Energy Efficiency	62,142	0	3-14-07	4-15-14	53,265	8,877	44,388	
Highway Capital Outlay Note	350,000	4	6-30-08	6-30-20	350,000	31,250	318,750	
Total Notes Payable					\$ 1,048,280	\$ 142,810	\$ 905,470	
OTHER LOANS PAYABLE								
<u>Payable through Education Debt Service Fund</u>								
School Construction	8,949,117	Variable	12-15-1997	5-25-18	\$ 5,702,117	\$ 452,000	\$ 5,250,117	
Total Payable through Education Debt Service Fund					\$ 5,702,117	\$ 452,000	\$ 5,250,117	
<u>Payable through General Debt Service Fund</u>								
Court Facility	1,750,000	Variable	2-9-1998	5-25-18	\$ 1,006,000	\$ 87,000	\$ 919,000	
School Construction	22,000,000	Variable	6-28-04	5-25-29	20,589,000	735,000	19,854,000	
Jail Construction	6,140,000	Variable	10-27-05	5-25-30	5,820,000	170,000	5,650,000	
Sewer Line	2,000,000	Variable	3-30-06	5-25-33	1,891,000	57,000	1,834,000	
School Construction	(1)	Variable	8-27-07	5-25-20	657,000	53,000	604,000	
Total Payable through General Debt Service Fund					\$ 29,963,000	\$ 1,102,000	\$ 28,861,000	
Total Other Loans Payable					\$ 35,665,117	\$ 1,554,000	\$ 34,111,117	

(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	Interest	Total
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	\$ 905,470	\$ 207,097	\$ 1,112,567

Year Ending June 30	Other Loans			
	Principal	Interest	Fees	Total
2010	\$ 1,614,000	\$ 138,639	\$ 170,659	\$ 1,923,298
2011	1,675,000	131,832	163,213	1,970,045
2012	1,738,000	124,762	155,497	2,018,259
2013	1,806,000	117,418	147,503	2,070,921
2014	1,875,000	109,779	139,159	2,123,938
2015	1,948,000	101,841	130,677	2,180,518
2016	2,024,000	93,585	121,707	2,239,292
2017	2,102,000	84,997	112,459	2,299,456
2018	2,034,117	76,070	102,755	2,212,942
2019	1,298,000	67,419	91,261	1,456,680
2020	1,329,000	62,388	84,586	1,475,974
2021	1,367,000	57,206	77,709	1,501,915
2022	1,409,000	51,875	70,636	1,531,511
2023	1,451,000	46,379	63,348	1,560,727
2024	1,495,000	40,720	55,845	1,591,565
2025	1,540,000	34,889	48,114	1,623,003
2026	1,587,000	28,883	40,152	1,656,035
2027	1,634,000	22,695	31,948	1,688,643
2028	1,684,000	16,321	23,503	1,723,824
2029	1,734,000	9,754	14,801	1,758,555
2030	331,860	2,991	5,122	339,973
2031	241,140	1,697	3,528	246,365
2032	96,000	757	1,651	98,408
2033	98,000	382	1,190	99,572
Total	\$ 34,111,117	\$ 1,423,279	\$ 1,857,023	\$ 37,391,419

Exhibit L-3

Hickman County, Tennessee
Schedule of Investments
June 30, 2009

Fund and Type	Amount
Public Library Fund:	
Mutual Funds	\$ 8,216
Endowment Fund:	
Local Government Investment Pool	\$ 16,075
Certificate of Deposit	20,691
Total Endowment Fund	\$ 36,766
Total Investments	\$ 44,982

Exhibit L-4

Hickman County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Hickman County School Department
For the Year Ended June 30, 2009

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Public Library	Operations	\$ 166,579
General	Ambulance Service	Operations	501,500
Highway/Public Works	General	Administrative costs	31,121
Highway/Public Works	General Debt Service	Debt retirement	43,914
General Debt Service	Education Debt Service	Debt retirement	400,000
Endowment	Public Library	Operations	1,225
Total Transfers Primary Government			<u>\$ 1,144,339</u>
<u>DISCRETELY PRESENTED HICKMAN COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 9,410
Total Transfers Discretely Presented Hickman County School Department			<u>\$ 9,410</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, 2009

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 66,702	\$ 50,000	State Farm Fire and Casualty Company
Road Superintendent	Section 8-24-102, <u>TCA</u>	63,527	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>	57,751	1,029,435	State Farm Fire and Casualty Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	57,751	12,000	Auto Owners Mutual Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	57,751	50,000	Old Republic Surety Company
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	57,751	50,000	State Farm Fire and Casualty Company
Clerk and Master	Section 8-24-102, <u>TCA</u> , and Chancery Judge	57,751 (2)	55,000	Travelers Casualty and Surety Company
Register	Section 8-24-102, <u>TCA</u>	57,751	25,000	Auto Owners Mutual Insurance Company
Sheriff	Section 8-24-102, <u>TCA</u>	63,527 (3)	25,000	Travelers Casualty and Surety Company
Finance Director	County Commission	62,074 (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 \$1,145 in special commissioner fees.
- (3) Does not include \$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, 2009

	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	\$ 3,477,736	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	110,903	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	66,660	0	0	0	0	0
Interest and Penalty	24,799	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	5,603	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	34,719	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	2,432	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	13,842	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	90,596	0	0	0	0	0
Litigation Tax - Special Purpose	11,450	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	77,996	0	0	0	0	0
Business Tax	36,075	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	0	0	136,921
<u>Statutory Local Taxes</u>						
Bank Excise Tax	8,146	0	0	0	0	0
Wholesale Beer Tax	203,119	0	0	0	0	0
Interstate Telecommunications Tax	10,698	0	0	0	0	0
Other Statutory Local Taxes	0	0	0	0	0	0
Total Local Taxes	\$ 4,174,774	\$ 0	\$ 0	\$ 0	\$ 0	\$ 136,921
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 6,190	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>						
Beer Permits	5,510	0	0	0	0	0
Building Permits	55,109	0	0	0	0	0
Total Licenses and Permits	\$ 66,809	\$ 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>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 7,772	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	7,188	0	0	0	0	0
Drug Control Fines	0	0	0	9,550	0	0
Drug Court Fees	1,923	0	0	0	0	0
Jail Fees	594	0	0	0	0	0
DUI Treatment Fines	475	0	0	0	0	0
Data Entry Fee - Circuit Court	287	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	33,964	0	0	0	0	0
Officers Costs	38,286	0	0	0	0	0
Drug Control Fines	0	0	0	29,094	0	0
Drug Court Fees	6,969	0	0	0	0	0
Jail Fees	16,485	0	0	0	0	0
DUI Treatment Fines	6,250	0	0	0	0	0
Data Entry Fee - General Sessions Court	6,220	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	3,141	0	0	0	0	0
Data Entry Fee - Chancery Court	2,506	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Courtroom Security Fee	729	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	11,467	0	0	46,186	0	0
Total Fines, Forfeitures, and Penalties	\$ 144,256	\$ 0	\$ 0	\$ 84,830	\$ 0	0
<u>Charges for Current Services</u>						
General Service Charges	\$ 0	\$ 0	\$ 773,914	\$ 0	\$ 0	0
Patient Charges	1,016	3,070	0	0	0	0
Fees	0	1,954	0	0	0	0
Copy Fees						
Library Fees						

(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>						
Vending Machine Collections	0 \$	0 \$	0 \$	0 \$	0 \$	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	13,368	0	0	0	0	0
Probation Fees	2,792	0	0	0	0	0
Data Processing Fee - Sheriff	276	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	3,900	0	0	0	0	0
Data Processing Fee - County Clerk	1,472	0	0	0	0	0
Total Charges for Current Services	22,824 \$	5,024 \$	773,914 \$	0 \$	0 \$	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0 \$	2,628 \$	0 \$	0 \$	0 \$	0
Lease/Rentals	4,783	140	0	0	0	0
Commissary Sales	24,966	0	0	0	0	0
Miscellaneous Refunds	16,919	0	272	0	0	0
<u>Nonrecurring Items</u>						
Sale of Property	18,776	0	0	0	0	0
Contributions and Gifts	3,793	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	726	28,283	0	0	0	0
Total Other Local Revenues	69,963 \$	31,051 \$	272 \$	0 \$	0 \$	0
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	225,498 \$	0 \$	0 \$	0 \$	0 \$	0
Circuit Court Clerk	259,587	0	0	0	0	0
Clerk and Master	146,178	0	0	0	0	0
Register	119,341	0	0	0	0	0
Sheriff	39,778	0	0	0	0	0
Trustee	298,727	0	0	0	0	0
Total Fees Received from County Officials	1,089,109 \$	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>State of Tennessee</u>						
General Government Grants						
Juvenile Services Program	\$ 11,250	\$ 0	\$ 0	\$ 0	\$ 0	0
State Reappraisal Grant	11,473	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	25,800	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	268,666	0	0	0	0	0
Public Works Grants						
Bridge Program	0	0	0	0	0	0
Other State Revenues						
Beer Tax	18,701	0	0	0	0	0
Alcoholic Beverage Tax	48,877	0	0	0	0	0
State Revenue Sharing - T.V.A.	289,824	0	0	0	0	0
Contracted Prisoner Boarding	355,500	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	14,912	0	0	0	0	0
Other State Grants	8,108	3,500	0	0	0	0
Other State Revenues	167	0	0	0	0	0
Total State of Tennessee	\$ 1,053,278	\$ 3,500	\$ 0	\$ 0	\$ 0	0
<u>Federal Government</u>						
Federal Through State						
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	81,021	0	0	0	0	0
Other Federal through State	0	1,200	0	0	0	0
Total Federal Government	\$ 81,021	\$ 1,200	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit L-6

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>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 30,505	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	104,500	2,000	0	0	0	0
<u>Citizens Groups</u>						
Donations	1,708	589	0	0	0	0
Total Other Governments and Citizens Groups	\$ 136,713	\$ 2,589	\$ 0	\$ 0	\$ 0	0
Total	\$ 6,838,747	\$ 43,364	\$ 774,186	\$ 84,830	\$ 136,921	

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

	Special Revenue Funds			Debt Service Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service			
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	0	208,268	882,407	0	0	4,568,411	
Trustee's Collections - Prior Year	0	9,646	40,922	0	0	161,471	
Circuit/Clerk & Master Collections - Prior Years	0	7,495	31,436	0	0	105,591	
Interest and Penalty	0	1,888	4,961	0	0	31,648	
Payments in-Lieu-of Taxes - T.V.A.	0	352	1,174	0	0	7,129	
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	34,719	
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	2,432	
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	619,846	0	0	619,846	
Hotel/Motel Tax	0	0	0	0	0	13,842	
Wheel Tax	0	0	705,567	329,791	0	1,035,358	
Litigation Tax - General	0	0	0	0	0	90,596	
Litigation Tax - Special Purpose	0	0	0	0	0	11,450	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	77,996	
Business Tax	0	2,388	9,141	0	0	47,604	
Mineral Severance Tax	0	68,969	0	0	0	68,969	
Adequate Facilities/Development Tax	0	0	0	0	0	136,921	
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	0	0	0	8,146	
Wholesale Beer Tax	0	0	0	0	0	203,119	
Interstate Telecommunications Tax	0	0	0	0	0	10,698	
Other Statutory Local Taxes	0	0	11,822	0	0	11,822	
Total Local Taxes	0	299,006	2,307,276	329,791	0	7,247,768	
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	0	0	0	0	0	6,190	
<u>Permits</u>							
Beer Permits	0	0	0	0	0	5,510	
Building Permits	0	0	0	0	0	55,109	
Total Licenses and Permits	0	0	0	0	0	66,809	

(Continued)

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

	Special Revenue Funds			Debt Service Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service			
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,772
Officers Costs	0	0	0	0	0	0	7,188
Drug Control Fines	0	0	0	0	0	0	9,550
Drug Court Fees	0	0	0	0	0	0	1,923
Jail Fees	0	0	0	0	0	0	594
DUI Treatment Fines	0	0	0	0	0	0	475
Data Entry Fee - Circuit Court	0	0	0	0	0	0	287
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	33,964
Officers Costs	0	0	0	0	0	0	38,286
Drug Control Fines	0	0	0	0	0	0	29,094
Drug Court Fees	0	0	0	0	0	0	6,969
Jail Fees	0	0	0	0	0	0	16,485
DUI Treatment Fines	0	0	0	0	0	0	6,250
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	6,220
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	3,141
Data Entry Fee - Chancery Court	0	0	0	0	0	0	2,506
<u>Judicial District Drug Program</u>							
Courtroom Security Fee	0	0	0	0	0	0	729
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	57,653
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	229,086
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	773,914
<u>Fees</u>							
Copy Fees	0	0	0	0	0	0	4,086
Library Fees	0	0	0	0	0	0	1,954

(Continued)

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

	Special Revenue Funds			Debt Service Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service			
<u>Charges for Current Services (Cont.)</u>							
<u>Fees (Cont.)</u>							
Vending Machine Collections	\$ 0	\$ 1,882	\$ 0	\$ 0	\$ 0	\$ 1,882	
Constitutional Officers' Fees and Commissions	1,673	0	0	0	0	1,673	
Data Processing Fee - Register	0	0	0	0	0	13,368	
Probation Fees	0	0	0	0	0	2,792	
Data Processing Fee - Sheriff	0	0	0	0	0	276	
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	3,900	
Data Processing Fee - County Clerk	0	0	0	0	0	1,472	
Total Charges for Current Services	\$ 1,673	\$ 1,882	\$ 0	\$ 0	\$ 0	\$ 805,317	
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 199,736	\$ 0	\$ 0	\$ 202,364	
Lease/Rentals	0	0	0	0	0	4,923	
Commissary Sales	0	0	0	0	0	24,966	
Miscellaneous Refunds	0	18,524	0	0	0	35,715	
<u>Nonrecurring Items</u>							
Sale of Property	0	0	0	0	0	18,776	
Contributions and Gifts	0	0	0	0	0	3,793	
<u>Other Local Revenues</u>							
Other Local Revenues	0	0	0	0	0	29,009	
Total Other Local Revenues	\$ 0	\$ 18,524	\$ 199,736	\$ 0	\$ 0	\$ 319,546	
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 225,498	
Circuit Court Clerk	0	0	0	0	0	259,587	
Clerk and Master	0	0	0	0	0	146,178	
Register	0	0	0	0	0	119,341	
Sheriff	0	0	0	0	0	39,778	
Trustee	0	0	0	0	0	298,727	
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,089,109	

(Continued)

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

	Special Revenue Funds			Debt Service Funds			Total
	Constituti- onal Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service			
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	11,250
State Reappraisal Grant	0	0	0	0	0	0	11,473
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	0	25,800
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	0	0	268,666
<u>Public Works Grants</u>							
Bridge Program	0	159,304	0	0	0	0	159,304
<u>Other State Revenues</u>							
Beer Tax	0	0	0	0	0	0	18,701
Alcoholic Beverage Tax	0	0	0	0	0	0	48,877
State Revenue Sharing - T.V.A.	0	17,303	73,537	0	0	0	380,664
Contracted Prisoner Boarding	0	0	0	0	0	0	355,500
Gasoline and Motor Fuel Tax	0	1,786,931	0	0	0	0	1,786,931
Petroleum Special Tax	0	17,902	0	0	0	0	17,902
Registrar's Salary Supplement	0	0	0	0	0	0	14,912
Other State Grants	0	7,342	0	0	0	0	18,950
Other State Revenues	0	0	0	0	0	0	167
Total State of Tennessee	\$ 0	\$ 1,988,782	\$ 73,537	\$ 0	\$ 0	\$ 0	\$ 3,119,097
<u>Federal Government</u>							
<u>Federal Through State</u>							
Disaster Relief	\$ 0	\$ 45,101	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,101
Homeland Security Grants	0	0	0	0	0	0	81,021
Other Federal through State	0	0	0	0	0	0	1,200
Total Federal Government	\$ 0	\$ 45,101	\$ 0	\$ 0	\$ 0	\$ 0	\$ 127,322

(Continued)

Exhibit L-6

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

	Special Revenue Funds			Debt Service Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service			
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,505	
Contributions	0	0	0	0	0	106,500	
<u>Citizens Groups</u>							
Donations	0	0	0	0	0	2,297	
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 139,302	
Total	\$ 1,673	\$ 2,353,295	\$ 2,580,549	\$ 329,791	\$ 13,143,356		

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, 2009

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 2,984,623	\$ 0	\$ 0	\$ 2,984,623
Trustee's Collections - Prior Year	182,519	0	0	182,519
Circuit/Clerk & Master Collections - Prior Years	134,212	0	0	134,212
Interest and Penalty	37,076	0	0	37,076
Payments in-Lieu-of Taxes - T.V.A.	4,638	0	0	4,638
Payments in-Lieu-of Taxes - Local Utilities	6,000	0	0	6,000
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,255,815	0	0	1,255,815
Business Tax	32,726	0	0	32,726
<u>Statutory Local Taxes</u>				
Bank Excise Tax	8,000	0	0	8,000
Interstate Telecommunications Tax	2,840	0	0	2,840
Total Local Taxes	\$ 4,648,449	\$ 0	\$ 0	\$ 4,648,449
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,340	\$ 0	\$ 0	\$ 1,340
Total Licenses and Permits	\$ 1,340	\$ 0	\$ 0	\$ 1,340
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Summer School	\$ 750	\$ 0	\$ 0	\$ 750
Tuition - Other	36,164	0	0	36,164
Lunch Payments - Children	0	0	366,681	366,681
Lunch Payments - Adults	0	0	70,204	70,204
Income from Breakfast	0	0	78,522	78,522
A la carte Sales	0	0	263,711	263,711
Receipts from Individual Schools	36,037	0	0	36,037
Community Service Fees - Adults	403	0	0	403
TBI Criminal Background Fees	3,300	0	0	3,300
<u>Other Charges for Services</u>				
Other Charges for Services	2,733	0	0	2,733
Total Charges for Current Services	\$ 79,387	\$ 0	\$ 779,118	\$ 858,505
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 2,027	\$ 2,027
Lease/Rentals	575	0	0	575
Refund of Telecommunication and Internet Fees (E-Rate)	20,485	0	0	20,485
Miscellaneous Refunds	150,571	0	0	150,571
<u>Nonrecurring Items</u>				
Sale of Equipment	19,683	0	0	19,683
Damages Recovered from Individuals	1,930	0	0	1,930
Contributions and Gifts	639	0	0	639
<u>Other Local Revenues</u>				
Other Local Revenues	59,141	0	0	59,141
Total Other Local Revenues	\$ 253,024	\$ 0	\$ 2,027	\$ 255,051

(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	\$ 47,055	\$ 0	\$ 0	\$ 47,055
<u>State Education Funds</u>				
Basic Education Program	19,587,515	0	0	19,587,515
School Food Service	20,755	0	0	20,755
Driver Education	8,565	0	0	8,565
Other State Education Funds	644,923	0	0	644,923
Career Ladder Program	159,326	0	0	159,326
Career Ladder - Extended Contract	81,500	0	0	81,500
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	248,729	0	0	248,729
Other State Grants	96,000	0	0	96,000
Total State of Tennessee	\$ 20,894,368	\$ 0	\$ 0	\$ 20,894,368
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 809,699	\$ 809,699
Breakfast	0	0	323,188	323,188
Adult Education State Grant Program	64,022	0	0	64,022
Vocational Education - Basic Grants to States	0	70,489	0	70,489
Other Vocational	0	85,806	0	85,806
Title I Grants to Local Education Agencies	0	818,523	0	818,523
Innovative Education Program Strategies	0	524	0	524
Special Education - Grants to States	115,179	648,427	0	763,606
Special Education Preschool Grants	0	20,835	0	20,835
Safe and Drug-free Schools - State Grants	0	14,712	0	14,712
Rural Education	0	86,885	0	86,885
Eisenhower Professional Development State Grants	0	202,572	0	202,572
Other Federal through State	42,000	8,510	0	50,510
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	50,286	0	0	50,286
Total Federal Government	\$ 271,487	\$ 1,957,283	\$ 1,132,887	\$ 3,361,657
Total	\$ 26,148,055	\$ 1,957,283	\$ 1,914,032	\$ 30,019,370

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, 2009

	General Fund
<hr/>	
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Investment Income	\$ 111,153
<u>Nonrecurring Items</u>	
Contributions and Gifts	<u>100,000</u>
Total Other Local Revenues	<u>\$ 211,153</u>
 Total	 <u><u>\$ 211,153</u></u>

Exhibit L-9

Hickman County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2009

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	50,792	
Accounting Services		846	
Audit Services		7,714	
Legal Notices, Recording, and Court Costs		3,472	
Travel		66	
Total County Commission			\$ 62,890

Board of Equalization

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

County Mayor/Executive

County Official/Administrative Officer	\$	66,702	
Secretary(ies)		22,540	
Legal Notices, Recording, and Court Costs		265	
Travel		4,369	
Other Contracted Services		2,694	
Office Supplies		1,937	
Office Equipment		1,086	
Total County Mayor/Executive			99,593

County Attorney

Legal Services	\$	8,365	
Total County Attorney			8,365

Election Commission

County Official/Administrative Officer	\$	51,976	
Deputy(ies)		23,392	
Part-time Personnel		6,817	
Longevity Pay		500	
Election Commission		4,015	
Election Workers		38,607	
Data Processing Services		5,567	
Legal Notices, Recording, and Court Costs		2,653	
Maintenance and Repair Services - Office Equipment		2,000	
Printing, Stationery, and Forms		4,990	
Rentals		1,271	
Travel		6,763	
Other Contracted Services		14,677	
Office Supplies		2,844	
Total Election Commission			166,072

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		23,779	
Salary Supplements		375	
Clerical Personnel		21,051	
Longevity Pay		600	
In-Service Training		464	
Data Processing Services		11,686	
Maintenance and Repair Services - Office Equipment		470	
Travel		1,381	
Other Contracted Services		2,000	
Office Supplies		3,439	
Office Equipment		4,811	
Total Register of Deeds			\$ 127,807

Planning

Supervisor/Director	\$	32,406	
Deputy(ies)		23,328	
Salary Supplements		1,500	
Longevity Pay		500	
Board and Committee Members Fees		1,975	
In-Service Training		338	
Contracts with Government Agencies		9,250	
Data Processing Services		944	
Legal Notices, Recording, and Court Costs		835	
Printing, Stationery, and Forms		215	
Travel		3,391	
Other Contracted Services		8,476	
Office Supplies		762	
Office Equipment		247	
Total Planning			84,167

County Buildings

Supervisor/Director	\$	41,190	
Custodial Personnel		23,787	
Longevity Pay		1,500	
Communication		106,817	
Maintenance and Repair Services - Buildings		75,225	
Maintenance and Repair Services - Equipment		569	
Maintenance and Repair Services - Vehicles		203	
Pest Control		5,450	

(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.)

Travel	\$	23	
Custodial Supplies		3,593	
Electricity		170,540	
Gasoline		1,542	
Office Supplies		252	
Uniforms		3,380	
Utilities		78,385	
Other Charges		6,791	
Total County Buildings			\$ 519,247

Preservation of Records

Clerical Personnel	\$	17,594	
Travel		108	
Other Supplies and Materials		587	
Other Charges		256	
Total Preservation of Records			18,545

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	62,074	
Assistant(s)		31,467	
Accountants/Bookkeepers		22,396	
Data Processing Personnel		20,864	
Salary Supplements		1,500	
Clerical Personnel		38,785	
Longevity Pay		2,800	
In-Service Training		1,500	
Data Processing Services		9,750	
Legal Notices, Recording, and Court Costs		6,733	
Printing, Stationery, and Forms		4,041	
Travel		2,889	
Office Supplies		4,106	
Premiums on Corporate Surety Bonds		475	
Total Accounting and Budgeting			209,380

Property Assessor's Office

County Official/Administrative Officer	\$	57,751	
Assistant(s)		19,823	
Deputy(ies)		24,556	
Salary Supplements		1,500	

(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.)

Secretary(ies)	\$	22,176	
Clerical Personnel		19,667	
Part-time Personnel		6,017	
Longevity Pay		1,900	
In-Service Training		1,948	
Contracts with Private Agencies		3,500	
Data Processing Services		13,017	
Legal Notices, Recording, and Court Costs		328	
Maintenance and Repair Services - Office Equipment		387	
Maintenance and Repair Services - Vehicles		1,615	
Travel		5,762	
Other Contracted Services		2,125	
Gasoline		641	
Office Supplies		6,021	
Premiums on Corporate Surety Bonds		153	
Other Charges		4,403	
Motor Vehicles		2,800	
Office Equipment		3,460	
Total Property Assessor's Office	\$		199,550

County Trustee's Office

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		25,356	
Data Processing Personnel		19,289	
Salary Supplements		3,000	
Clerical Personnel		23,487	
Part-time Personnel		3,370	
Longevity Pay		3,100	
Data Processing Services		6,352	
Legal Notices, Recording, and Court Costs		260	
Travel		784	
Office Supplies		2,707	
Office Equipment		2,029	
Total County Trustee's Office			147,485

County Clerk's Office

County Official/Administrative Officer	\$	57,751
Deputy(ies)		24,556
Secretary(ies)		21,910
Clerical Personnel		65,751

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Part-time Personnel	\$	10,162	
Longevity Pay		2,600	
Data Processing Services		13,205	
Printing, Stationery, and Forms		2,888	
Travel		3,095	
Office Supplies		3,812	
Other Charges		30	
Office Equipment		3,952	
Total County Clerk's Office			\$ 209,712

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		135,317	
Part-time Personnel		8,197	
Longevity Pay		2,400	
Other Salaries and Wages		16,432	
Jury and Witness Fees		13,306	
Data Processing Services		8,006	
Legal Notices, Recording, and Court Costs		652	
Maintenance and Repair Services - Office Equipment		3,392	
Travel		375	
Office Supplies		6,037	
Premiums on Corporate Surety Bonds		100	
Office Equipment		12,857	
Total Circuit Court			264,822

General Sessions Court

Judge(s)	\$	86,149	
Guidance Personnel		57,346	
Salary Supplements		1,500	
Secretary(ies)		25,256	
Longevity Pay		1,800	
Travel		3,152	
Other Contracted Services		1,384	
Library Books/Media		696	
Office Supplies		696	
Office Equipment		615	
Total General Sessions Court			178,594

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	57,751	
Assistant(s)		24,556	
Deputy(ies)		23,687	
Part-time Personnel		5,477	
Longevity Pay		2,400	
Data Processing Services		6,274	
Legal Notices, Recording, and Court Costs		292	
Travel		644	
Office Supplies		7,017	
Office Equipment		7,842	
Total Chancery Court			\$ 135,940

Judicial Commissioners

Part-time Personnel	\$	7,714	
Other Salaries and Wages		16,881	
In-Service Training		560	
Travel		2,981	
Other Charges		170	
Total Judicial Commissioners			28,306

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	63,527	
Deputy(ies)		613,060	
Salary Supplements		14,100	
Dispatchers/Radio Operators		198,920	
Secretary(ies)		24,487	
Clerical Personnel		21,325	
Longevity Pay		3,800	
Overtime Pay		31,655	
Other Salaries and Wages		63,610	
In-Service Training		7,582	
Data Processing Services		1,964	
Legal Services		14	
Maintenance and Repair Services - Equipment		195	
Maintenance and Repair Services - Vehicles		41,298	
Matching Share		20,000	
Medical and Dental Services		145	
Postal Charges		262	
Travel		3,016	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Gasoline	\$	73,900	
Law Enforcement Supplies		35,363	
Office Supplies		3,898	
Tires and Tubes		11,235	
Uniforms		11,515	
Premiums on Corporate Surety Bonds		1,370	
Other Charges		550	
Motor Vehicles		83,449	
Total Sheriff's Department			\$ 1,330,240

Jail

Medical Personnel	\$	4,397	
Guards		370,236	
Overtime Pay		26,273	
Other Salaries and Wages		20,635	
Maintenance and Repair Services - Buildings		13,873	
Medical and Dental Services		202,940	
Other Contracted Services		39,600	
Custodial Supplies		15,577	
Drugs and Medical Supplies		37,463	
Food Preparation Supplies		362	
Food Supplies		178,334	
Office Supplies		4,018	
Prisoners Clothing		2,369	
Uniforms		6,681	
Other Supplies and Materials		4,106	
Other Charges		1,000	
Office Equipment		1,328	
Total Jail			929,192

Fire Prevention and Control

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

Civil Defense

Supervisor/Director	\$	55,000	
Other Salaries and Wages		20,864	
In-Service Training		1,070	
Contracts with Private Agencies		46,381	
Operating Lease Payments		1,200	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Maintenance and Repair Services - Equipment	\$	3,617	
Maintenance and Repair Services - Vehicles		8,904	
Travel		462	
Drugs and Medical Supplies		1,894	
Gasoline		860	
Office Supplies		3,380	
Uniforms		526	
Other Supplies and Materials		46,197	
Other Charges		1,745	
Communication Equipment		16,768	
Total Civil Defense			\$ 208,868

Rescue Squad

Contributions	\$	20,000	
Total Rescue Squad			20,000

County Coroner/Medical Examiner

Medical Personnel	\$	2,475	
Other Contracted Services		14,700	
Premiums on Corporate Surety Bonds		200	
Total County Coroner/Medical Examiner			17,375

Public Health and Welfare

Local Health Center

Contributions	\$	39,031	
Other Contracted Services		4,300	
Other Supplies and Materials		598	
Other Charges		600	
Total Local Health Center			44,529

Alcohol and Drug Programs

Supervisor/Director	\$	1,875	
In-Service Training		451	
Social Security		143	
Travel		313	
Office Supplies		1,636	
Other Charges		18,829	
Total Alcohol and Drug Programs			23,247

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services

Medical Personnel	\$	137,513	
Educational Assistants		34,535	
Travel		10,380	
Other Supplies and Materials		920	
Food Service Equipment		496	
Total Other Local Health Services			\$ 183,844

Regional Mental Health Center

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

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	15,000	
Total Senior Citizens Assistance			15,000

Agriculture and Natural Resources

Agriculture Extension Service

Contributions	\$	56,199	
Travel		988	
Custodial Supplies		193	
Office Supplies		1,250	
Total Agriculture Extension Service			58,630

Soil Conservation

Secretary(ies)	\$	26,993	
Office Supplies		3,000	
Total Soil Conservation			29,993

Other Operations

Tourism

Contributions	\$	500	
Other Contracted Services		650	
Total Tourism			1,150

Industrial Development

Contributions	\$	60,843	
Total Industrial Development			60,843

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development

Other Charges	\$ 479	
Total Other Economic and Community Development		\$ 479

Other Charges

Consultants	\$ 9,900	
Liability Insurance	216,172	
Trustee's Commission	99,338	
Workers' Compensation Insurance	82,217	
Total Other Charges		407,627

Employee Benefits

Social Security	\$ 242,704	
State Retirement	369,881	
Life Insurance	23,675	
Medical Insurance	666,740	
Unemployment Compensation	10,655	
Total Employee Benefits		1,313,655

Miscellaneous

Contracts with Government Agencies	\$ 13,162	
Contributions	49,600	
Dues and Memberships	10,916	
Postal Charges	42,670	
Rentals	2,582	
Other Charges	423	
Total Miscellaneous		119,353

Total General Fund		\$ 7,234,050
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Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Librarians	\$ 119,536
Dues and Memberships	3,700
Postal Charges	1,980
Travel	299
Library Books/Media	7,257
Utilities	27,943
Other Supplies and Materials	49,541
Other Charges	16,653

(Continued)

Exhibit L-9

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

Public Library Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Other Capital Outlay	\$ 9,954	
Total Libraries		\$ 236,863

Total Public Library Fund \$ 236,863

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Medical Personnel	\$ 524,000	
Part-time Personnel	47,645	
Overtime Pay	142,804	
In-Service Training	8,573	
Other Per Diem and Fees	790	
Social Security	54,003	
State Retirement	73,656	
Medical Insurance	141,016	
Maintenance and Repair Services - Buildings	1,645	
Maintenance and Repair Services - Equipment	3,058	
Maintenance and Repair Services - Vehicles	10,697	
Travel	949	
Other Contracted Services	90,342	
Custodial Supplies	1,244	
Diesel Fuel	54,567	
Drugs and Medical Supplies	36,194	
Office Supplies	487	
Tires and Tubes	3,306	
Uniforms	3,523	
Other Supplies and Materials	454	
Trustee's Commission	7,890	
Other Charges	327	
Motor Vehicles	68,000	
Total Ambulance/Emergency Medical Services		\$ 1,275,170

Total Ambulance Service Fund 1,275,170

Drug Control Fund

Public Safety

Sheriff's Department

Law Enforcement Supplies	\$ 73,996	
Total Sheriff's Department		\$ 73,996

Total Drug Control Fund 73,996

(Continued)

Exhibit L-9

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

Adequate Facilities/Development Tax Fund

General Government

Building

Trustee's Commission	\$ 1,369	
Total Building		\$ 1,369

Total Adequate Facilities/Development Tax Fund \$ 1,369

Constitutional Officers - Fees Fund

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$ 243	
Total Circuit Court		\$ 243

General Sessions Court

Constitutional Officers' Operating Expenses	\$ 285	
Total General Sessions Court		285

Chancery Court

Constitutional Officers' Operating Expenses	\$ 1,145	
Total Chancery Court		<u>1,145</u>

Total Constitutional Officers - Fees Fund 1,673

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 63,527	
Salary Supplements	4,500	
Secretary(ies)	28,650	
Overtime Pay	1,218	
Board and Committee Members Fees	16,800	
In-Service Training	4,645	
Contributions	500	
Dues and Memberships	2,925	
Legal Notices, Recording, and Court Costs	250	
Travel	2,416	
Other Contracted Services	4,623	
Office Supplies	346	
Office Equipment	1,000	
Total Administration		\$ 131,400

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Foremen	\$	189,889	
Equipment Operators		233,088	
Laborers		178,542	
Overtime Pay		3,714	
Explosive and Drilling Services		1,510	
Asphalt - Cold Mix		33,148	
Asphalt - Liquid		152,276	
Crushed Stone		60,142	
General Construction Materials		516	
Other Road Supplies		12,495	
Pipe		16,000	
Road Signs		9,895	
Small Tools		899	
Wood Products		1,092	
Chemicals		18,631	
Total Highway and Bridge Maintenance			\$ 911,837

Operation and Maintenance of Equipment

Foremen	\$	28,865	
Mechanic(s)		27,256	
Overtime Pay		200	
Laundry Service		5,613	
Diesel Fuel		107,660	
Equipment and Machinery Parts		68,938	
Garage Supplies		31,640	
Gasoline		25,027	
Lubricants		9,983	
Tires and Tubes		23,596	
Total Operation and Maintenance of Equipment			328,778

Other Charges

Communication	\$	4,101	
Legal Services		770	
Electricity		4,328	
Water and Sewer		4,077	
Liability Insurance		24,438	
Trustee's Commission		23,563	
Total Other Charges			61,277

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Social Security	\$	55,875	
State Retirement		89,969	
Employee and Dependent Insurance		259,037	
Unemployment Compensation		8,543	
Workers' Compensation Insurance		72,971	
Other Charges		4,329	
Total Employee Benefits			\$ 490,724

Capital Outlay

Bridge Construction	\$	175,486	
Communication Equipment		155	
Highway Construction		102,097	
Highway Equipment		88,552	
Motor Vehicles		4,000	
Total Capital Outlay			\$ 370,290

Total Highway/Public Works Fund \$ 2,294,306

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$	58,877	
Principal on Other Loans		314,000	
Total General Government			\$ 372,877

Highways and Streets

Principal on Notes	\$	83,933	
Total Highways and Streets			83,933

Education

Principal on Other Loans	\$	788,000	
Total Education			788,000

Interest on Debt

General Government

Interest on Notes	\$	21,234	
Interest on Other Loans		111,542	
Total General Government			132,776

(Continued)

Exhibit L-9

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Highways and Streets

Interest on Notes	\$ 20,282	
Total Highways and Streets		\$ 20,282

Education

Interest on Other Loans	\$ 265,001	
Total Education		265,001

Other Debt Service

General Government

Trustee's Commission	\$ 32,446	
Other Debt Service	37,541	
Total General Government		69,987

Education

Other Debt Service	\$ 107,600	
Total Education		107,600

Total General Debt Service Fund		\$ 1,840,456
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Education Debt Service Fund

Principal on Debt

Education

Principal on Other Loans	\$ 452,000	
Total Education		\$ 452,000

Interest on Debt

Education

Interest on Other Loans	\$ 85,626	
Total Education		85,626

Other Debt Service

General Government

Trustee's Commission	\$ 3,016	
Total General Government		3,016

Education

Other Debt Service	\$ 22,482	
Total Education		22,482

Total Education Debt Service Fund		563,124
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(Continued)

Exhibit L-9

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

General Capital Projects Fund

Capital Projects

Administration of Justice Projects

Building Construction	\$ 23,431	
Total Administration of Justice Projects		\$ 23,431

Public Safety Projects

Communication	\$ 375	
Building Improvements	38,141	
Total Public Safety Projects		38,516

Public Health and Welfare Projects

Building Improvements	\$ 42,552	
Total Public Health and Welfare Projects		42,552

Social, Cultural, and Recreation Projects

Site Development	\$ 8,235	
Total Social, Cultural, and Recreation Projects		8,235

Other General Government Projects

Communication Equipment	\$ 7,995	
Total Other General Government Projects		7,995

Total General Capital Projects Fund		\$ 120,729
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Endowment Fund

Social, Cultural, and Recreational Services

Libraries

Other Charges	\$ 6,386	
Total Libraries		\$ 6,386

Total Endowment Fund		6,386
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Total Governmental Funds - Primary Government		<u>\$ 13,648,122</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, 2009

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 7,970,507	
Career Ladder Program	142,800	
Career Ladder Extended Contracts	75,632	
Homebound Teachers	6,080	
Educational Assistants	433,736	
Other Salaries and Wages	426,129	
Non-certified Substitute Teachers	134,941	
Social Security	691,036	
State Retirement	490,279	
Medical Insurance	1,547,985	
Maintenance and Repair Services - Equipment	70,909	
Instructional Supplies and Materials	101,542	
Textbooks	314,850	
Other Supplies and Materials	22,766	
Other Charges	32,080	
Regular Instruction Equipment	251,127	
Total Regular Instruction Program		\$ 12,712,399

Alternative Instruction Program

Other Salaries and Wages	\$ 109,052	
Social Security	8,261	
State Retirement	10,300	
Medical Insurance	16,320	
Instructional Supplies and Materials	965	
Other Supplies and Materials	324	
Total Alternative Instruction Program		145,222

Special Education Program

Teachers	\$ 1,343,819	
Educational Assistants	110,194	
Speech Pathologist	66,755	
Non-certified Substitute Teachers	44,070	
Social Security	114,356	
State Retirement	117,400	
Medical Insurance	116,760	
Other Contracted Services	103,708	
Instructional Supplies and Materials	9,860	
Special Education Equipment	9,965	
Total Special Education Program		2,036,887

(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	\$	906,528	
Non-certified Substitute Teachers		12,614	
Social Security		69,079	
State Retirement		63,000	
Medical Insurance		170,000	
Instructional Supplies and Materials		14,861	
Other Charges		2,036	
Total Vocational Education Program			\$ 1,238,118

Adult Education Program

Teachers	\$	26,492	
Other Salaries and Wages		31,187	
In-Service Training		2,182	
Social Security		3,916	
State Retirement		21,722	
Medical Insurance		4,200	
Instructional Supplies and Materials		1,124	
Other Charges		869	
Total Adult Education Program			91,692

Support Services

Attendance

Supervisor/Director	\$	63,358	
Other Salaries and Wages		38,481	
Social Security		7,549	
State Retirement		10,000	
Medical Insurance		8,860	
Travel		4,296	
Other Supplies and Materials		1,481	
Other Charges		1,540	
Total Attendance			135,565

Health Services

Medical Personnel	\$	74,784	
Other Salaries and Wages		68,960	
Social Security		11,275	
State Retirement		8,500	
Medical Insurance		26,040	
Travel		3,919	

(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.)

Other Contracted Services	\$	5,458	
Drugs and Medical Supplies		5,985	
Other Supplies and Materials		13,772	
Other Charges		450	
Total Health Services			\$ 219,143

Other Student Support

Guidance Personnel	\$	432,105	
Psychological Personnel		7,500	
Other Salaries and Wages		36,819	
Social Security		35,228	
State Retirement		37,800	
Medical Insurance		70,920	
Evaluation and Testing		46,416	
Travel		3,642	
Other Contracted Services		6,575	
Other Supplies and Materials		9,599	
In Service/Staff Development		5,000	
Other Charges		148,445	
Total Other Student Support			840,049

Regular Instruction Program

Supervisor/Director	\$	46,701	
Librarians		327,342	
Secretary(ies)		171,718	
Clerical Personnel		141,719	
Other Salaries and Wages		54,445	
In-Service Training		802	
Social Security		56,627	
State Retirement		72,000	
Medical Insurance		93,000	
Travel		6,796	
Other Contracted Services		3,550	
Library Books/Media		4,890	
Other Supplies and Materials		44,237	
In Service/Staff Development		19,619	
Other Charges		244	
Other Equipment		4,214	
Total Regular Instruction Program			1,047,904

(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	\$ 349	
Total Alternative Instruction Program		\$ 349

Special Education Program

Supervisor/Director	\$ 59,691	
Assessment Personnel	21,196	
In-Service Training	1,439	
Social Security	6,583	
State Retirement	8,000	
Medical Insurance	6,760	
Maintenance and Repair Services - Equipment	9,973	
Travel	6,398	
Total Special Education Program		120,040

Vocational Education Program

Supervisor/Director	\$ 63,463	
Social Security	4,855	
State Retirement	4,200	
Medical Insurance	6,760	
Maintenance and Repair Services - Equipment	2,647	
Travel	1,163	
Other Supplies and Materials	2,080	
Total Vocational Education Program		85,168

Adult Programs

Supervisor/Director	\$ 57,458	
Social Security	4,218	
State Retirement	6,817	
Medical Insurance	6,760	
Travel	708	
Total Adult Programs		75,961

Other Programs

On-Behalf Payments to OPEB	\$ 47,055	
Total Other Programs		47,055

Board of Education

Board and Committee Members Fees	\$ 9,014	
In-Service Training	6,686	

(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	\$	519	
Audit Services		14,219	
Dues and Memberships		11,350	
Legal Services		17,006	
Liability Insurance		99,996	
Trustee's Commission		115,264	
Workers' Compensation Insurance		138,161	
Refund to Applicant for Criminal Investigation		7,800	
Total Board of Education			\$ 420,015

Director of Schools

County Official/Administrative Officer	\$	96,550	
Secretary(ies)		60,607	
Other Salaries and Wages		11,639	
Social Security		11,512	
State Retirement		15,000	
Medical Insurance		9,600	
Communication		17,976	
Travel		3,551	
Office Supplies		1,299	
Other Charges		3,521	
Total Director of Schools			231,255

Office of the Principal

Principals	\$	518,977	
Assistant Principals		124,951	
Social Security		49,067	
State Retirement		44,000	
Medical Insurance		67,600	
Travel		2,301	
Other Charges		115,381	
Total Office of the Principal			922,277

Operation of Plant

Communication	\$	69,037	
Other Contracted Services		616,153	
Custodial Supplies		23,949	
Electricity		1,061,064	
Natural Gas		192,415	

(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	\$	159,471	
Boiler Insurance		300	
Building and Contents Insurance		60,000	
Plant Operation Equipment		8,582	
Total Operation of Plant			\$ 2,190,971

Maintenance of Plant

Supervisor/Director	\$	48,078	
Secretary(ies)		10,091	
Other Salaries and Wages		124,448	
Social Security		11,691	
State Retirement		27,000	
Medical Insurance		17,500	
Maintenance and Repair Services - Buildings		447,575	
Maintenance and Repair Services - Equipment		98,614	
Travel		796	
Other Contracted Services		124,002	
Equipment and Machinery Parts		3,700	
Gasoline		289	
Other Supplies and Materials		4,368	
Maintenance Equipment		9,250	
Total Maintenance of Plant			927,402

Transportation

Supervisor/Director	\$	58,078	
Mechanic(s)		85,018	
Bus Drivers		544,318	
Secretary(ies)		10,092	
Social Security		50,072	
State Retirement		96,000	
Medical Insurance		86,043	
Other Fringe Benefits		5,150	
Maintenance and Repair Services - Vehicles		1,225	
Other Contracted Services		9,934	
Diesel Fuel		145,622	
Equipment and Machinery Parts		1,435	
Garage Supplies		931	
Gasoline		24,092	
Lubricants		7,149	

(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.)

Tires and Tubes	\$	21,067	
Vehicle Parts		128,996	
Vehicle and Equipment Insurance		8,584	
Other Charges		2,706	
Total Transportation			\$ 1,286,512

Central and Other

Medical Insurance	\$	7,473	
Unemployment Compensation		49	
Other Fringe Benefits		40,481	
Contributions		140,431	
Other Contracted Services		41,908	
Total Central and Other			230,342

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	14,422	
Social Security		1,103	
State Retirement		2,600	
Travel		397	
In Service/Staff Development		2,078	
Total Food Service			20,600

Community Services

Supervisor/Director	\$	55,021	
Part-time Personnel		24,823	
Other Salaries and Wages		20,774	
Social Security		7,463	
State Retirement		9,810	
Medical Insurance		2,800	
Travel		1,000	
Other Supplies and Materials		6,107	
In Service/Staff Development		75	
Other Charges		5,209	
Other Equipment		2,987	
Total Community Services			136,069

Early Childhood Education

Supervisor/Director	\$	20,000	
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(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.)

Teachers	\$	146,472	
Educational Assistants		54,837	
Non-certified Substitute Teachers		725	
Social Security		16,963	
State Retirement		20,200	
Medical Insurance		32,640	
Travel		1,082	
Other Contracted Services		936	
Food Supplies		7,985	
Instructional Supplies and Materials		26,877	
Other Supplies and Materials		9,925	
Other Equipment		65,428	
Total Early Childhood Education			\$ 404,070

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$	1,319,609	
Total Regular Capital Outlay			<u>1,319,609</u>

Total General Purpose School Fund \$ 26,884,674

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	528,724	
Certified Substitute Teachers		6,000	
Social Security		38,979	
State Retirement		33,800	
Medical Insurance		87,000	
Unemployment Compensation		2,000	
Maintenance and Repair Services - Equipment		20,000	
Other Contracted Services		9,743	
Instructional Supplies and Materials		60,000	
Other Supplies and Materials		3,819	
Total Regular Instruction Program			\$ 790,065

Special Education Program

Educational Assistants	\$	356,824	
Social Security		26,829	

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

State Retirement	\$	61,635	
Medical Insurance		35,000	
Unemployment Compensation		4,725	
Other Contracted Services		137,368	
Instructional Supplies and Materials		2,961	
Total Special Education Program			\$ 625,342

Vocational Education Program

Educational Assistants	\$	14,970	
Other Salaries and Wages		4,200	
Social Security		1,515	
State Retirement		2,425	
Medical Insurance		1,400	
Unemployment Compensation		189	
Travel		150	
Other Contracted Services		8,189	
Other Supplies and Materials		25,927	
Vocational Instruction Equipment		31,542	
Other Equipment		58,140	
Total Vocational Education Program			148,647

Support Services

Other Student Support

Other Salaries and Wages	\$	21,798	
Social Security		495	
Travel		3,000	
In Service/Staff Development		5,018	
Total Other Student Support			30,311

Regular Instruction Program

Supervisor/Director	\$	61,569	
Secretary(ies)		17,601	
Social Security		6,022	
State Retirement		7,235	
Medical Insurance		8,600	
Unemployment Compensation		800	
Communication		356	
Maintenance and Repair Services - Equipment		10,000	
Postal Charges		348	

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Travel	\$	4,794	
Other Contracted Services		21,478	
Other Supplies and Materials		9,001	
In Service/Staff Development		116,562	
Other Charges		16,402	
Total Regular Instruction Program			\$ 280,768

Special Education Program

Supervisor/Director	\$	5,165	
Psychological Personnel		66,655	
Clerical Personnel		24,713	
Social Security		5,843	
State Retirement		10,954	
Medical Insurance		21,680	
Unemployment Compensation		567	
Consultants		3,491	
Maintenance and Repair Services - Equipment		2,000	
Total Special Education Program			141,068

Total School Federal Projects Fund \$ 2,016,201

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	41,355	
Accountants/Bookkeepers		120,001	
Cafeteria Personnel		451,604	
Social Security		46,879	
State Retirement		68,570	
Medical Insurance		80,000	
Unemployment Compensation		5,000	
Communication		2,377	
Maintenance and Repair Services - Equipment		40,083	
Transportation - Other than Students		11,582	
Travel		1,162	
Other Contracted Services		56,998	
Food Supplies		778,675	
Utilities		2,573	
Other Supplies and Materials		84,943	

(Continued)

Exhibit L-10

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

<u>Central Cafeteria Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Food Service (Cont.)</u>		
Other Charges	\$	20,608
Food Service Equipment		<u>45,277</u>
Total Food Service		\$ <u>1,857,687</u>
Total Central Cafeteria Fund		\$ <u>1,857,687</u>
Total Governmental Funds - Hickman County School Department		\$ <u><u>30,758,562</u></u>

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, 2009

Other Special Revenue Fund

General Government

County Commission

Audit Services	\$ 563	
Legal Notices, Recording, and Court Costs	20	
Total County Commission		\$ 583

Public Health and Welfare

Ambulance/Emergency Medical Services

Motor Vehicles	\$ 2,000	
Health Equipment	5,000	
Total Ambulance/Emergency Medical Services		7,000

Other Public Health and Welfare

Contributions	\$ 220,000	
Other Contracted Services	9,300	
Drugs and Medical Supplies	1,020	
Total Other Public Health and Welfare		<u>230,320</u>

Total Other Special Revenue Fund \$ 237,903

Total Governmental Funds - Hickman County Health Foundation \$ 237,903

Exhibit L-12

Hickman County, Tennessee
Schedule of Detailed Revenues and Expenses
Solid Waste Disposal Fund
For the Year Ended June 30, 2009

	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	\$ 109,477
Residential Waste Collection Charge	40,473
Tipping Fees	27,208
Solid Waste Disposal Fees	713,765
Total Charges for Current Services	<hr/> \$ 890,923 <hr/>
 <u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Lease/Rentals	\$ 5,015
Sale of Recycled Materials	46,360
Total Other Local Revenues	<hr/> \$ 51,375 <hr/>
Total Operating Revenues	<hr/> \$ 942,298 <hr/>
 <u>Nonoperating Revenues</u>	
Investment Income	\$ 11,135
Insurance Recovery	9,497
Litter Program	14,541
Solid Waste Grants	51,640
Total Nonoperating Revenues	<hr/> \$ 86,813 <hr/>
Total Revenues	<hr/> <hr/> \$ 1,029,111 <hr/> <hr/>
 <u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Sanitation Management</u>	
Supervisor/Director	\$ 48,769
Deputies	23,424
Data Processing Personnel	21,385
Equipment Operators	25,517

(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>	
Equipment Operators - Heavy	\$ 30,466
Laborers	138,771
Clerical Personnel	20,300
Part-time Personnel	21,964
Longevity	3,200
Overtime Pay	4,242
Social Security	27,125
State Retirement	34,290
Medical Insurance	98,609
Advertising	672
Communication	6,483
Data Processing Services	2,776
Debt Collection Services	16,836
Maintenance and Repair Services - Buildings	4,127
Maintenance and Repair Services - Equipment	18,051
Maintenance and Repair Services - Vehicles	1,288
Pest Control	1,095
Postal Charges	3,036
Printing, Stationery, and Forms	650
Rentals	375
Travel	2,289
Disposal Fees	262,843
Other Contracted Services	2,755
Custodial Supplies	1,230
Diesel Fuel	29,519
Electricity	16,921
Gasoline	4,290

(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	\$ 1,341
Office Supplies	2,026
Other Road Supplies	750
Tires and Tubes	4,743
Uniforms	4,338
Utilities	1,236
Wire	1,970
Testing	4,599
Other Supplies and Materials	3,208
Trustee's Commission	9,385
Depreciation	68,992
Surcharge	3,000
Office Equipment	298
Solid Waste Equipment	138,117
Other Construction	9,587
Total Sanitation Management	<u>\$ 1,126,888</u>
 <u>Litter and Trash Collection</u>	
Assistant(s)	\$ 3,461
Supervisor/Director	5,843
Gasoline	500
Instructional Supplies and Material	6,264
Other Charges	988
Total Other Charges	<u>\$ 17,056</u>
 <u>Nonoperating Expenses</u>	
Interest on Notes	<u>\$ 16,926</u>
Total Nonoperating Expenses	<u>\$ 16,926</u>
 Total Expenses	 <u><u>\$ 1,160,870</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, 2009

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 641,373
Total Cash Receipts	<u>\$ 641,373</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 634,959
Trustee's Commission	6,414
Total Cash Disbursements	<u>\$ 641,373</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2008	<u>0</u>
 Cash Balance, June 30, 2009	 <u><u>\$ 0</u></u>

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

January 8, 2010

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, 2009, which collectively comprise Hickman County's basic financial statements and have issued our report thereon dated January 8, 2010. 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 and the Industrial Development Board of Hickman County, 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: 09.01, 09.03, 09.04, 09.05, 09.06, 09.07, 09.08, 09.09, 09.10, 09.11, 09.12(A-M), and 09.13.

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 09.01 and 09.04 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,

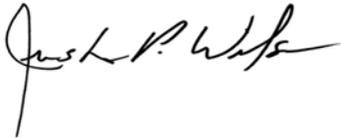
we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 09.02 and 09.12(N-Q).

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, Board of County Commissioners, Board of Education, Health Foundation Board, others within Hickman County, 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

January 8, 2010

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, 2009. 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, 2009.

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

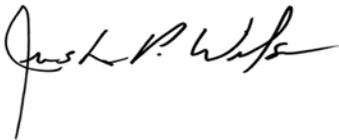
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hickman County as of and for the year ended June 30, 2009, and have issued our report thereon dated January 8, 2010. 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 and the Industrial Development Board of Hickman County, 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, Board of County Commissioners, Board of Education, Health Foundation Board, others within Hickman County, 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 at 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, 2009

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 125,558 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	323,188
National School Lunch Program	10.555	N/A	809,699 (3)
Total U.S. Department of Agriculture			<u>\$ 1,258,445</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	Z-09-217834-00	\$ 1,200
Total U.S. Institute of Museum and Library Services			<u>\$ 1,200</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(4)	\$ 64,022
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	796,518
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	864,971
Special Education - Preschool Grants	84.173	N/A	20,835
Career and Technical Education - Basic Grants to States	84.048	N/A	156,295
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	14,712
State Grants for Innovative Programs	84.298	N/A	589
Education Technology State Grants	84.318	(2)	8,613
Improving Teacher Quality State Grants	84.367	N/A	198,236
Rural Education	84.358	(2)	80,021
Total U.S. Department of Education			<u>\$ 2,204,812</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Z-09-216523-00	\$ 42,000
Total U.S. Department of Health and Human Services			<u>\$ 42,000</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	GG-08-024426-00	\$ 68,687
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z-08-212829-00	71,337
Total U.S. Department of Homeland Security			<u>\$ 140,024</u>
Total Expenditures of Federal Grants			<u>\$ 3,646,481</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Local Health Services - State Department of Health	N/A	(5)	\$ 268,666
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	Z-05-020898-00	25,000
Optional Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-213017-00	10,090
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	11,473
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	Z-08-022770-00	11,250
Developmental Theatre - Tennessee Arts Commission	N/A	Z-08-022059-00	5,100
Voting Equipment Grant - Tennessee Secretary of State	N/A	(2)	1,000
Litter Program - State Department of Transportation	N/A	(6)	14,541
Family Resource Center - State Department of Education	N/A	(2)	66,600
Early Childhood Education - State Department of Education	N/A	(2)	404,070
Safe Schools Act - State Department of Education	N/A	(2)	24,200
Coordinated School Health - State Department of Education	N/A	(2)	95,000
Adult Education - State Department of Labor and Workforce Development	N/A	(7)	25,819
National Archery in Schools Program - State Wildlife Resources Agency	N/A	Z-09-214830-00	1,000
Arts Build Communities Grant Program - Tennessee Arts Commission	N/A	(2)	2,000
Touring Arts Grant Program - Tennessee Arts Commission	N/A	Z-09-216112-00	1,500
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - State Department of Military	N/A	Z-08-212829-00	<u>11,998</u>
Total State Grants			<u>\$ 979,307</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: \$935,257.
- (4) Z-08-020791-00: \$7,030; Z-09-213474-00: \$56,992.
- (5) Z-08-020355-00: \$1,061; Z-09-213736-00: \$267,605.
- (6) Z-08-021006-00: \$277; Z-09-212759-00: \$14,264.
- (7) Z-08-020791-00: \$2,343; Z-09-213474-00: \$18,998; Z-09-216871-00: \$4,478.

Hickman County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2009

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, 2008, which have not been corrected.

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

Finding Number	Page Number	Subject
08.01	188	Hickman County, Hickman County Health Foundation, and Hickman County School Department do not have the resources to produce financial statements and notes to the financial statements

OFFICE OF COUNTY MAYOR

Finding Number	Page Number	Subject
08.02	190	Accounts receivable were written-off as uncollectible by ambulance service personnel without the approval of the Emergency Medical Services Board
08.03(A)	190	The Solid Waste Department had deficiencies in computer system backup procedures
08.04(A)	191	The building permits software did not have adequate application controls
08.05(B)	192	The Landfill Office had deficiencies in computer operations

OFFICE OF CIRCUIT AND GENERAL SESSIONS COUNTS CLERK

Finding Number	Page Number	Subject
08.12	200	The office did not review audit logs

OFFICE OF SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.13(A,B,C,E, H,K,M,N,O)	200	The office had deficiencies in the operation of a commissary

OTHER FINDING

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
08.14	203	Duties were not segregated adequately in the Solid Waste Department, Planning and Zoning Department, and the Office of Clerk and Master

HICKMAN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2009

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. Two 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), and the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Hickman County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the county mayor, finance director, director of schools, register, and county attorney are paraphrased in this report.

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

FINDING 09.01 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. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. 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 RESPONSE – 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, 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.

GFOA further recommends that if county management deems that the cost 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 has previously alerted the Finance Committee and the County Commission of this matter.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I agree. The school system does not have the funds to employ such resources on its own given the fact that it already funds a position in the Finance Office.

AUDITOR'S REBUTTAL

We have not recommended hiring a second accounting firm or employing additional staff. We are recommending that the county have a least one staff member trained to have sufficient skills to prepare a complete set of year-end financial statements and disclosures.

HICKMAN COUNTY AND HICKMAN COUNTY SCHOOL DEPARTMENT

FINDING 09.02 **A LAND TRANSACTION RESULTED IN A LOSS OF FUNDS FOR THE SCHOOL DEPARTMENT AND A POTENTIAL CONFLICT OF INTEREST FOR A COUNTY COMMISSIONER** (Noncompliance Under Government Auditing Standards)

In 2006, the Hickman County Board of Education purchased two tracts of land adjoining a middle school from Mr. Roger Farley, former president and owner of Riverview, Inc., for \$75,000, plus closing costs of \$1,633. Tract A included 2.79 acres and tract B included .217 acres for a total land sale of 3.01 acres. Dana Dye, the Hickman County attorney, administered the real estate transaction on behalf of the county and filed deeds evidencing

the sale and transfer of ownership. In 2008, James Hassell, a Hickman County Commissioner, notified the Board of Education that he had just become aware of the land sale, he was the true owner of the .217 acre tract, and this tract was never owned by Riverview, Inc. When the Board of Education determined that this error in the sale had occurred, Mr. Farley was notified by the county attorney that he had received school funds for the sale of property that he did not own, and a request was made for him to repay the School Department \$5,400 for the improper sale of the .217 acre tract. Mr. Farley offered to repay \$1,000; however, the county attorney refused the offer. In the meantime, Mr. Hassell attempted to execute a correction deed, but Mr. Farley refused to approve the correction deed. It should be noted that Riverview, Inc., has since gone out of business. Auditors have determined that the surveyor of the property, while admitting that an error occurred, indicated that he was never asked to determine who owned the .217 acre tract and assumed Riverview, Inc., owned both tracts. The county attorney stated that she performed a title search based on the information provided by the surveyor, and that no title insurance was obtained on the county's behalf. She also indicated that she did not ascertain that the smaller tract B, was not part of the larger tract A, nor did the survey reveal this fact. In October 2008, the county attorney requested the surveyor and Mr. Farley each pay the Board of Education \$2,700, for a total of \$5,400, as settlement for the transaction. The Board of Education has not received any payment to date.

Director of Schools Dr. Jerry Nash advised that the Board of Education needed the .217-acre tract for planned expansion. However, the Board of Education was informed by the county attorney that it would be a violation of the conflict of interest statute (Section 12-4-101(a)(1), Tennessee Code Annotated (TCA) to purchase the property from a county commissioner. Therefore, in March 2009, in an attempt to facilitate the sale and not violate state law, Mr. Hassell filed a quit claim deed to his son, Erik Hassell, for the .217-acre tract in question, plus an additional .223 acres, for a total of .44 acres. In April 2009, Mr. Hassell informed the Board of Education that his son now owns the property, and the Board of Education approved a motion to begin negotiations with Erik Hassell for the .44 acres. A cap of \$2,000 was set by the Board of Education, with the requirement that a title search be performed by a third-party firm. In May 2009, in order to further ensure the property sale would not violate the conflict of interest statute, Erik Hassell filed a quit claim deed transferring the .44 acres to Ms. Kelly Blunkall. It should be noted that Ms. Blunkall maintains the same home address as Erik Hassell. In August 2009, the sale was executed with Ms. Blunkall and the Board of Education for \$2,000 plus closing costs of \$593 for the .44 acres of land that included the original .217 acres in question.

The following deficiencies were noted regarding the land transactions:

1. Roger Farley sold the Board of Education .217 acres of land that he did not own.
2. Dana Dye, county attorney, did not perform a title search to verify ownership of the property; therefore, deeds were improperly recorded.
3. The surveyor did not separate the two parcels of property between the two land owners.
4. Title insurance was not obtained to protect the county's interest.
5. The county has not recovered funds paid to Roger Farley from the sale of property that he did not own.
6. The Board of Education lost approximately \$5,400 to \$6,000 in this purchase of land. The parcel had to be purchased twice by the Board of Education.

7. It appears that the land transactions involving James Hassell, Erik Hassell, and Kelly Blunkall were an attempt to avoid violating the conflict of interest statute.

This finding was reviewed with the district attorney general.

RECOMMENDATION

County officials should pursue legal remedies to recover any lost funds. A proper title search and title insurance should be obtained any time the county purchases land. The county should take steps to ensure compliance with the conflict of interest statute (Section 12-4-101(a)(1), TCA).

MANAGEMENT'S RESPONSE – COUNTY ATTORNEY

I researched the title to the Riverview, Inc., property indentified as Map 95, Parcel 102.00. I did not examine the chains of title for adjoining landowners, which I had no reason to do, nor would it have been part of a normal title search. I was unable to tell whether the descriptions for the 2.79-acre tract and the .217-acre tract were contained within the larger Riverview, Inc., tract and relied upon the surveyor for that determination. I gather from the finding that the auditor found my self-confessed limitation in this regard significant, but I think it should be pointed out that the skills required to make such a determination are those of a surveyor and not of an attorney performing a title search.

I would like the finding to reflect that the surveyor, in fact, identified both tracts as being part of the larger Map 95, Parcel 102.00. Copies of the descriptions of the two tracts, which were provided to me by the surveyor and which identify these as being a part of the larger Riverview, Inc., tract are attached to this response.

Additionally, I do not believe that title insurance would have covered the county's loss. One of the standard exclusions in any title policy is for "encroachments, overlaps, boundary line disputes, and any other matters that would be disclosed by an accurate survey."

I addressed the Board of Education regarding the possible litigation of this matter in 2008 after my demand letters to Mr. Farley and Mr. Bush had been rebuffed. Included in this discussion with the board was an overview of the legal issues involved in piercing the corporate veil in order to secure a judgment against Mr. Farley individually. The corporation was defunct at that time. Mr. Farley's personal assets were highly leveraged. (Mr. Farley has since been indicted for insurance fraud and arson, I believe.) I have not reviewed the board minutes, but the discussion was focused on whether it was worth incurring litigation costs that might well exceed the recovery sought in order to secure what would likely be an uncollectible judgment. I advised the board that attorney's fees could only be recovered if authorized by contract or by statute. Therefore, while the board did not authorize me to proceed with a lawsuit, I certainly endorsed the view that a lawsuit would likely cost more than it could recoup.

I would like the report to reflect that I was not consulted about any subsequent transactions involving the property in question as the August 30, 2009, board minutes reflect that the board engaged other counsel for advice. In fact, I was not aware that the board had purchased the .217-acre tract until recently.

I appreciate the opportunity to respond to the audit finding.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

The Board of Education agrees, as of this date, that the purchase of two tracts of land from Riverview, Inc., has temporarily resulted in a loss of some funds due to the fact that Riverview, Inc., did not own one of the tracts of land (.217 acres). The Board of Education has taken the following steps upon learning that the .217 acres of land was not legally owned by the seller: (1) voted to request Riverview, Inc., repay \$6,000 to the Hickman County Board of Education – Roger Farley, President of Riverview, Inc., refused to pay that amount but offered a payment of \$1,000, which was refused; (2) voted for the county attorney to enter into negotiations with Roger Farley's attorney to recover the funds – the negotiations have failed to produce a settlement agreement; (3) requested a correction deed be drawn up by the county attorney – it has been signed by all parties except the President of Riverview, Inc., Roger Farley, who has refused to sign the correction deed; and, (4) scheduled the county attorney to meet with the Board of Education at its regular meeting on February 1, 2010, to consider legal action against Roger Farley.

The County Commission has passed a resolution requiring any land purchased by the county have a proper title search.

Regarding the potential county commissioner conflict of interest, the Board of Education needed this small strip of land to finish an athletic field but knew the legal owner was a county commissioner. It did not seek to make the purchase. Even after the land had changed hands and even though the board later voted to enter into negotiations with the new owner, the son of the county commissioner, negotiations never happened. This was due to the fact that the school superintendent asked an attorney, which the board often uses to contact County Technical Assistance Services to seek an opinion from that entity. The legal advice recommended the negotiations not take place. When Kelly Blunkall acquired the land some months later, the Board of Education voted to have a title search conducted by an independent attorney, and that attorney determined if the board could legally purchase the land. The attorney selected was Douglas Bates III. The title search was conducted, the legal papers were drawn up, and the land was purchased.

The School Board made a good faith effort to do due diligence in legally acquiring this small piece of needed land. The School Board, in good faith, did purchase the land from Kelly Blunkall when legal advice gave us the go ahead. In total, four attorneys were consulted regarding the total purchase.

The School Board and its director contend they made a legal purchase to actually acquire the land. They are now attempting to reclaim the funds that Roger Farley received but actually belong to the Hickman County Board of Education.

OFFICE OF COUNTY MAYOR

FINDING 09.03 **THE COUNTY MAYOR’S SECRETARY CONVERTED CHECKS MADE PAYABLE TO HICKMAN COUNTY TOTALING \$6,357.25 FOR HER PERSONAL USE**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

On June 11, 2009, the county mayor’s secretary advised the county mayor that she had cashed several checks made payable to Hickman County for her personal use. At the request of the county mayor, the vendors in question presented copies of their canceled checks for various payments to the county. The county mayor then advised our office of the secretary’s confession, and auditors examined various records related to vendor checks. The endorsement on the checks in question reflected an address stamp “Hickman County, Tennessee, Office of County Mayor, #5 Courthouse, Centerville, TN 37033”, as well as the secretary’s signature. The following table details the checks that were cashed for personal use.

<u>Vendor</u>	<u>Date of Check</u>	<u>Amount</u>
Tennessee Risk Management Trust	1-5-09	\$ 775.97
"	5-19-09	1,164.60
South Central Human Resource Agency	2-25-09	291.67
"	3-25-09	291.67
"	4-27-09	291.67
"	5-18-09	291.67
Teletouch	5-1-08	250.00
"	7-1-08	250.00
"	9-1-08	250.00
"	9-17-08	250.00
"	10-1-08	250.00
"	11-1-08	250.00
"	12-1-08	250.00
"	1-1-09	250.00
"	2-1-09	250.00
"	3-2-09	250.00
"	4-1-09	250.00
"	5-1-09	250.00
"	6-1-09	250.00
Total		<u><u>\$ 6,357.25</u></u>

The county terminated the employment of this employee on June 11, 2009. On August 3, 2009, the former employee was indicted on one count of theft of property over \$1,000 and four counts of forgery. After the indictment, auditors discovered an additional check from Teletouch dated June 1, 2009, for \$250 that had been diverted for personal use. On September 22, 2009, the former employee pled guilty to one count of theft of property between \$1,000 and \$10,000. The former employee was sentenced to three years probation and ordered to pay restitution to Hickman County totaling \$6,107.25. The restitution payments were scheduled to begin in October 2009; however, as of December 16, 2009, no restitution payments have been made.

RECOMMENDATION

Hickman County officials should take immediate steps to collect the stolen funds from the secretary.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

The County Mayor's office does not customarily handle cash or checks in the course of its day-to-day operation. On occasion, however, monies for various purposes and reasons are mailed or brought to this office and are then routed to the appropriate department for disposition.

The illegal actions of a former employee are unfortunate, but after the incident was discovered and reported by management, an investigation was launched and legal proceedings began. From that point on, management was excluded from all discussions, negotiations, and agreements involving the incident and the repayment of funds. Thus, management has no control over the enforcement of restitution payments agreed to by this person and the court. Nonetheless, management has contacted representatives of the various court agencies and offices involved in an effort to ensure payments are made in a timely manner.

FINDING 09.04 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 \$207,098 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. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

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

This finding was brought to management's attention early in the audit year as a part of the previous year's findings and was then in the process of being corrected. Management has taken additional steps to ensure the county's write-off policy is being adhered to by both the EMSB and EMS Consultants, the county's contracted agency for ambulance service collections.

FINDING 09.05 **THE SOLID WASTE DEPARTMENT HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

System backups were not stored off-site. Sound business practices dictate that system backups be stored off-site. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures, and management's failure to correct the finding noted in the prior-year audit report. 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.

RECOMMENDATION

Backups should be rotated off-site on a weekly basis. 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.

FINDING 09.06 **THE RECEIPTING SOFTWARE FOR THE LANDFILL OFFICE DID NOT HAVE ADEQUATE APPLICATION CONTROLS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

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. This deficiency exists because management failed to correct the finding noted in the prior-year audit report. Because the vendor did not design the system with proper controls, inappropriate system activity could occur.

RECOMMENDATION

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

FINDING 09.07 THE BUILDING PERMITS SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Upon request from planning and zoning personnel, the software vendor would change previously issued receipts, leaving no evidence of the original receipt. Sound business practices dictate that proper application controls be implemented. Since the vendor changed previously issued receipts upon request, inappropriate system activity could occur. In January 2009, the vendor added a void function to the software. Personnel are now required to void all transactions in the event of an error. This procedure provides an adequate audit trail.

FINDING 09.08 THE PLANNING AND ZONING DEPARTMENT HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES
(Internal Control – Significant Deficiency Under Government Auditing Standards)

System backups were not stored off-site. Sound business practices dictate that system backups be stored off-site. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. 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. Backup procedures are now in place.

OFFICE OF COUNTY CLERK

FINDING 09.09 THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES
(Internal Control – Significant Deficiency Under Government Auditing Standards)

System backups were not stored off-site. Sound business practices dictate that system backups be stored off-site. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. 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.

RECOMMENDATION

Backups should be rotated off-site on a weekly basis. 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.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 09.10 **THE OFFICE DID NOT REVIEW SOFTWARE AUDIT LOGS** (Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated daily logs that displayed changes made by users. Since the logs provided the only audit trail of these changes, they should be reviewed daily for inappropriate activity. During the prior-year audit, we advised management of the importance of these logs; however, management chose not to implement procedures to review the logs. The importance of these logs was again brought to management's attention in November 2008. Management did not start reviewing the logs until several months into the fiscal year. Procedures for reviewing these logs are currently in place.

OFFICE OF REGISTER

FINDING 09.11 **THE OFFICE DID NOT REVIEW SOFTWARE AUDIT LOGS** (Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated daily logs that displayed changes made by users. Since the logs provided the only audit trail of these changes, they should be reviewed daily for inappropriate activity. During the prior-year audit, management reviewed the logs. However, during the current period, management chose to discontinue their review. When the importance of these logs was again brought to management's attention in November 2008, they resumed the review process.

RECOMMENDATION

Management should be consistent in their review of the software audit logs as a means of strengthening internal controls.

MANAGEMENT'S RESPONSE - REGISTER

In the past, logs of modifications were reviewed daily. Since all personnel have remained the same and most changes were of the same nature, I reviewed the logs only randomly.

Beginning December 8, 2009, logs will be reviewed on a daily basis and maintained in the office for future reference.

OFFICE OF SHERIFF

FINDING 09.12 **THE OFFICE HAD DEFICIENCIES IN THE OPERATION OF A COMMISSARY (A. through M. – Internal Control – Significant Deficiency Under Government Auditing Standards; N. through Q. – Noncompliance Under Government Auditing Standards)**

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

- 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 provided auditors with a trial balance of inmates' accounts; however, this trial balance only included inmates that were in jail as of June 30, 2009. The report failed to include money held for inmates that had previously been released. 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. Checkbook ledgers were missing for the months of July 2008 through May 2009.
- E. We noted overdraft charges of \$94.25 in April 2009.
- F. We noted a few instances where an inmate issued receipts for collections.
- G. An invoice to Coca-Cola Bottling Company for \$54.90 was paid twice.
- H. The commissary bookkeeper returned merchandise for a cash refund of \$78.98 that was not deposited back into the commissary bank account.
- I. Auditors noted one instance where cash totaling \$314 was given to an inmate upon release.

- J. Charges for medical visits were not posted to inmates accounts on a timely basis. This allowed inmates to continue purchasing commissary items even when they had no money in their accounts, thus several inmates accounts had negative balances.
- K. Although an inventory tracking system was maintained for commissary items, the inventory was not periodically inspected by someone independent of overseeing the inventory.
- L. For the fiscal year ended June 30, 2009, 17 purchases made by the commissary totaling \$3,061 did not have any supporting documentation. Also, six purchases made subsequent to June 30, 2009, totaling \$761 did not have any supporting documentation.
- M. An employee was allowed to purchase directly from the county's Coca-Cola Bottling Company account. The employee received the county's discount and paid for his portion of the purchase; however, sales tax on the whole purchase was paid by the county.
- N. Five purchases of inventory totaling \$108 were paid with commissary cash. Section 5-8-207, Tennessee Code Annotated (TCA), requires county officials to make all disbursements by official prenumbered checks.
- O. The Sheriff's Department did not include the commissary activity on the annual financial report. Section 5-8-505, 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.
- P. The office occasionally remitted commissary profits to the county trustee during the year; however, the bookkeeper could not provide any supporting documentation on the calculation of the profit remitted. 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.
- Q. Prenumbered receipts were issued for some commissary collections; however, the receipts were generic, some receipts were missing, and the books were not in sequential order. Also, receipts were not always issued for collections at the commissary. Auditors were also advised that receipt books for money taken during the booking process were destroyed when no longer needed. 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 properly.

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. The Sheriff's Department should ensure the safekeeping of all commissary records.
 - E. Officials should monitor bank account activity to ensure adequate funds are available before making disbursements.
 - F. Only Sheriff's Department personnel should be allowed to collect commissary funds.
 - G. Duplicate payments should not be made for items purchased.
 - H. All refunds should be deposited into the commissary bank account.
 - I. All disbursements should be made by official prenumbered checks.
 - J. Inmates should not be allowed to purchase commissary items on credit. Commissary charges should be posted timely to avoid negative account balances.
 - K. 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.
 - L. All purchases from the commissary bank account should have detailed invoices on file to support the expenditures.
 - M. Only commissary inventory should be purchased through the county's vendor accounts.
 - N. Commissary inventory should be purchased by official prenumbered checks drawn on the commissary bank account.
 - O. The annual financial report should include the operations of the commissary as required by state statute.
 - P. Any profit should be remitted to the county monthly. Calculations of profit should be well documented and retained for audit inspection.
 - Q. Official prenumbered receipts should be issued for all collections.
-

OTHER FINDING AND RECOMMENDATION

FINDING 09.13 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE DEPARTMENTS OF SOLID WASTE AND PLANNING AND ZONING, AND IN THE OFFICE OF 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 Office of Clerk and Master. Employees who were responsible for maintaining accounting records in the offices were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

While in overall agreement with this finding, management realizes this problem cannot be adequately addressed without additional personnel. Management will, however, endeavor to segregate duties in these offices as much as can reasonably be expected pursuant to budgetary restrictions.

**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, 2009**

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