



**ANNUAL FINANCIAL REPORT  
HICKMAN COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2010**



**ANNUAL FINANCIAL REPORT**  
**HICKMAN COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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

***DIVISION OF COUNTY AUDIT***  
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***Assistant to the Comptroller***

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***Director***

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***Audit Manager***

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***Auditor 4***

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***JACOB KENNEDY***  
***WENDY HEATH, CFE***  
***State Auditors***

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

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# HICKMAN COUNTY, TENNESSEE

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***Audit Highlights***  
Annual Financial Report  
Hickman County, Tennessee  
For the Year Ended June 30, 2010

***Scope***

We have audited the basic financial statements of Hickman County as of and for the year ended June 30, 2010.

***Results***

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

Our audit resulted in ten 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.

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**OFFICE OF COUNTY MAYOR**

- ◆ The directors of the Emergency Management Agency and the Emergency Medical Services misappropriated drugs and medical supplies, resulting in a cash shortage of \$2,042.81.
  - ◆ Hickman County did not comply with reporting requirements of the American Recovery and Reinvestment Act.
  - ◆ Accounts receivables were written-off as uncollectible by ambulance service personnel without the approval of the Emergency Medical Services Board.
  - ◆ The receipting software for the Landfill Office did not have adequate application controls.
-

## **OFFICE OF COUNTY CLERK**

- ◆ A cash shortage of \$4,628.50 existed in the office as of June 14, 2010.
- 

## **OFFICE OF SHERIFF**

- ◆ The office had deficiencies in the operations of a commissary.
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## **OTHER FINDINGS**

- ◆ Hickman County has material recurring audit findings.
- ◆ Some Hickman County Public Library checks were signed in advance.
- ◆ 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.

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## INTRODUCTORY SECTION

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Hickman County Officials  
June 30, 2010

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**Officials**

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

**Board of County Commissioners**

Mark 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
Melvin Sanders	Ronnie Sullivan
James Hassell	Kenneth Underhill
Steve Hethcote	Frankye Ward
Ronald Gammons	

**Financial Management Committee**

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

**Highway Commission**

Larry Martin, Chairman	Douglas Gardner
James Creech	Ronnie Morgan
Terry Beard	Roy Potts
Robert Chilton	

(Continued)

## Hickman County Officials (Cont.)

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### **Board of Education**

Jackie Deitmen, Chairman  
James Duncan  
Lana Beard  
Timothy Hobbs

Jewell Prince  
Kathy Redden  
Kelvin Sullivan

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

Steve Hethcote, Chairman  
Charles Booker  
Mickey Bunn  
Melvin Sanders

Jack Keller  
Shirley Mayberry  
Annette Elliot, Finance Director  
Kenneth Underhill

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## **FINANCIAL SECTION**

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

**INDEPENDENT AUDITOR'S REPORT**

February 18, 2011

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, 2010, 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 6.1 percent and 4.3 percent, respectively, of the assets and revenues of the aggregate remaining fund information) and the Endowment Fund (a permanent nonmajor governmental fund, which represents 1.8 percent of the assets and .2 percent of the revenues of the aggregate remaining fund information). Also, we did not audit the financial statements of the Hickman County Emergency Communications District, which represent 1.21 percent and .93 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Library Fund, Endowment Fund, and Hickman County Emergency Communications District is based on the reports of 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 reports of other auditors provide a reasonable basis for our opinions.

The financial statements of the Industrial Development Board of Hickman County, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the 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, based on our audit and the reports of other auditors, except for the effects of not including the financial statements of 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 financial position of the aggregate discretely presented component units of Hickman County, Tennessee, as of June 30, 2010, and the results of operations of the aggregate discretely presented component units, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hickman County, Tennessee, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 18, 2011, 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.

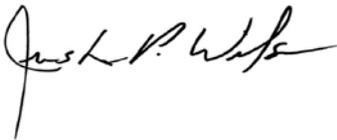
As described in Note V.B., Hickman County has adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which become effective for the year ended June 30, 2010.

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 72 through 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent initial "J" and "W".

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, 2010

	Primary Government		Component Units			
	Governmental Activities	Business-type Activities	Total	Hickman County School Department	Hickman County Health Foundation	Hickman County Emergency Communications District
<u>ASSETS</u>						
Cash	\$ 125,611	\$ 300	\$ 125,911	\$ 490,596	\$ 2,294,812	\$ 496,691
Equity in Pooled Cash and Investments	7,349,398	332,832	7,682,230	5,273,337	0	0
Investments	47,390	0	47,390	0	0	0
Accounts Receivable	843,210	520,485	1,363,695	3,027	0	6,524
Allowance for Uncollectibles	(302,463)	(424,770)	(727,233)	0	0	0
Due from Other Governments	465,980	0	465,980	241,741	0	0
Property Taxes Receivable	5,141,161	0	5,141,161	3,213,443	0	0
Allowance for Uncollectible Property Taxes	(267,434)	0	(267,434)	(167,159)	0	0
Cash Shortage	12,208	0	12,208	0	0	0
Prepaid Items	33,701	2,775	36,476	0	0	0
Deferred Charges - Debt Issuance Costs	5,457	0	5,457	0	0	0
Capital Assets:						
Assets Not Depreciated:						
Land	209,514	111,004	320,518	1,018,261	0	0
Construction in Progress	260,000	0	260,000	70,100	0	0
Assets Net of Accumulated Depreciation:						
Buildings and Improvements	9,399,075	849,808	10,248,883	35,420,351	0	0
Infrastructure	23,927,898	0	23,927,898	26,299	0	0
Other Capital Assets	451,260	259,987	711,247	3,856,652	0	133,039
Total Assets	\$ 47,701,966	\$ 1,652,421	\$ 49,354,387	\$ 49,446,648	\$ 2,294,812	\$ 636,254
<u>LIABILITIES</u>						
Accounts Payable	\$ 34,984	\$ 1,498	\$ 36,482	\$ 2,075	\$ 0	\$ 225
Accrued Interest Payable	10,915	0	10,915	0	0	0
Payroll Deductions Payable	9,980	0	9,980	0	0	0
Deferred Revenue - Current Property Taxes	4,631,133	0	4,631,133	2,894,654	0	0
Noncurrent Liabilities:						
Due Within One Year	2,358,433	51,270	2,409,703	0	0	0
Due in More Than One Year	34,737,588	580,017	35,317,605	67,446	0	0
Total Liabilities	\$ 41,783,033	\$ 632,785	\$ 42,415,818	\$ 2,964,175	\$ 0	\$ 225

(Continued)

Exhibit A

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

	Primary Government		Component Units			
	Governmental Activities	Business-type Activities	Total	Hickman County School Department	Hickman County Health Foundation	Hickman County Emergency Communications District
<u>NET ASSETS</u>						
Invested in Capital Assets,						
Net of Related Debt	\$ 23,336,821	\$ 883,299	\$ 24,220,120	\$ 0	\$ 0	\$ 0
Invested in Capital Assets	0	0	0	40,391,663	0	133,039
Restricted for:						
Capital Projects	1,740,155	0	1,740,155	0	0	0
Debt Service	2,837,858	0	2,837,858	0	0	0
Highway/Public Works	281,255	0	281,255	0	0	0
Adequate Facilities/Development Tax	474,571	0	474,571	0	0	0
Ambulance Service	351,489	0	351,489	0	0	0
Library	173,001	0	173,001	0	0	0
Drug Control	156,907	0	156,907	0	0	0
Courthouse and Jail Maintenance	271,837	0	271,837	0	0	0
Alcohol and Drug Treatment	46,694	0	46,694	0	0	0
Computer System - Register	57,449	0	57,449	0	0	0
Automation Purposes - General Sessions	29,729	0	29,729	0	0	0
Archives and Records Management - County Clerk	26,223	0	26,223	0	0	0
Central Cafeteria	0	0	0	535,163	0	0
School Federal Projects	0	0	0	54,232	0	0
Other Postemployment Benefits Liability	0	0	0	487,073	0	0
Other Purposes	49,277	0	49,277	5,297	0	0
Unrestricted	(23,914,333)	136,337	(23,777,996)	5,009,045	2,294,812	502,990
Total Net Assets	\$ 5,918,933	\$ 1,019,636	\$ 6,938,569	\$ 46,482,473	\$ 2,294,812	\$ 636,029

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, 2010

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 Business-type Activities	Hickman County School Department	Hickman County Health Foundation	Hickman County Emergency Communications District
Primary Government:										
Governmental Activities:										
General Government	\$ 2,141,779	\$ 182,569	\$ 52,695	\$ 0	\$ (1,906,515)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,008,036	514,887	9,101	0	(484,048)	0	0	0	0	0
Administration of Justice	805,558	563,668	9,135	0	(232,755)	0	0	0	0	0
Public Safety	3,006,098	737,299	55,863	0	(2,212,936)	0	0	0	0	0
Public Health and Welfare	1,694,398	880,057	208,835	0	(605,506)	0	0	0	0	0
Social, Cultural, and Recreational Services	250,685	28,039	47,184	0	(175,462)	0	0	0	0	0
Agriculture and Natural Resources	93,212	0	0	0	(93,212)	0	0	0	0	0
Other Operations	115,184	0	0	0	(115,184)	0	0	0	0	0
Highways	4,055,152	7,184	2,016,743	513,412	(1,517,813)	0	0	0	0	0
Interest on Long-term Debt	165,566	0	0	0	(165,566)	0	0	0	0	0
Debt Service	229,911	0	0	0	(229,911)	0	0	0	0	0
Total Governmental Activities	\$ 13,565,579	\$ 2,913,703	\$ 2,399,556	\$ 513,412	\$ (7,738,908)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Business-type Activities:										
Solid Waste Disposal	\$ 1,072,047	\$ 931,409	\$ 122,764	\$ 0	(17,874)	\$ (17,874)	\$ 0	\$ 0	\$ 0	\$ 0
Total Business-type Activities	\$ 1,072,047	\$ 931,409	\$ 122,764	\$ 0	(17,874)	\$ (17,874)	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 14,637,626	\$ 3,845,112	\$ 2,522,320	\$ 513,412	\$ (7,756,782)	\$ (17,874)	\$ (17,874)	\$ 0	\$ 0	\$ 0
Component Units:										
Hickman County School Department	\$ 31,651,897	\$ 698,661	\$ 3,387,970	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Hickman County Health Foundation	155,912	0	100,000	0	0	0	0	0	(55,912)	0
Hickman County Emergency Communications District	205,039	269,312	18,000	0	0	0	0	0	0	82,273
Total Component Units	\$ 32,012,848	\$ 967,973	\$ 3,505,970	\$ 0	\$ 0	\$ 0	\$ 0	\$ (55,912)	\$ (55,912)	\$ 82,273

(Continued)

Exhibit B

Hickman County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	Hickman County School Department	Hickman County Health Foundation	Hickman County Emergency Communications District	
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes				\$ 4,034,452	\$ 0	\$ 4,034,452	\$ 3,144,238	\$ 0	\$ 0	0
Property Taxes Levied for Debt Service				1,027,836	0	1,027,836	0	0	0	0
Local Option Sales Tax				675,036	0	675,036	1,270,261	0	0	0
Wheel Tax				1,014,746	0	1,014,746	0	0	0	0
Wholesale Beer Tax				180,982	0	180,982	0	0	0	0
Adequate Facilities/Development Tax				74,940	0	74,940	0	0	0	0
Litigation Tax - General				96,942	0	96,942	0	0	0	0
Mineral Severance Tax				52,782	0	52,782	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse				88,481	0	88,481	0	0	0	0
Business Tax				33,322	0	33,322	0	0	0	0
Other Local Taxes				41,584	0	41,584	27,440	0	0	0
Grants and Contributions Not Restricted to Specific Programs				719,199	0	719,199	21,714,024	0	0	0
Unrestricted Investment Income				49,127	1,606	50,733	1,394	64,570	271	271
Miscellaneous				169,100	71,541	240,641	266,311	0	0	0
Total General Revenues				\$ 8,258,529	\$ 73,147	\$ 8,331,676	\$ 26,423,668	\$ 64,570	\$ 271	\$ 271
Change in Net Assets				\$ 519,621	\$ 55,273	\$ 574,894	\$ (1,141,598)	\$ 8,658	\$ 82,544	\$ 82,544
Net Assets, July 1, 2009				5,399,312	964,363	6,363,675	47,624,071	2,286,154	553,485	553,485
Net Assets, June 30, 2010				\$ 5,918,933	\$ 1,019,636	\$ 6,938,569	\$ 46,482,473	\$ 2,294,812	\$ 636,029	\$ 636,029

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

Hickman County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2010

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General		General Capital Projects	Other Governmental Funds		
			Debt Service					
\$	0	0	0	0	0	125,611	0	125,611
	1,912,373	437,114	2,302,197	1,740,155	0	957,559	0	7,349,398
	0	0	0	0	0	47,390	0	47,390
	148,822	724	72,146	0	0	621,518	0	843,210
	0	0	0	0	0	(302,463)	0	(302,463)
	0	334,648	131,332	0	0	0	0	465,980
	4,679,186	228,163	233,812	0	0	0	0	5,141,161
	(223,334)	(11,868)	(32,232)	0	0	0	0	(267,434)
	28,035	0	0	0	0	5,666	0	33,701
	12,208	0	0	0	0	0	0	12,208
Total Assets	\$ 6,557,290	\$ 988,781	\$ 2,707,255	\$ 1,740,155	\$ 0	\$ 1,455,281	\$ 0	\$ 13,448,762

ASSETS

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

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts Payable	
Payroll Deductions Payable	
Deferred Revenue - Current Property Taxes	
Deferred Revenue - Delinquent Property Taxes	
Other Deferred Revenues	
Total Liabilities	
Fund Balances	
Reserved for Encumbrances	
Reserved for Alcohol and Drug Treatment	
Reserved for Drug Court	
Reserved for Sexual Offender Registration	
Reserved for Courtroom Security	
Reserved for Courthouse and Jail Maintenance	
Reserved for Computer System - Register	

(Continued)

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other		
					Governmental Funds	Governmental Funds	
\$ 2,517	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,517	
29,729	0	0	0	0	0	29,729	
4,813	0	0	0	0	0	4,813	
17,791	0	0	0	0	0	17,791	
2,718	0	0	0	0	0	2,718	
26,223	0	0	0	0	0	26,223	
0	0	0	0	6,862	0	6,862	
1,589,381	0	0	0	0	0	1,589,381	
0	583,525	0	0	842,944	0	1,426,469	
0	0	2,440,906	0	294,017	0	2,734,923	
0	0	0	1,544,333	0	0	1,544,333	
0	0	0	0	38,579	0	38,579	
\$ 2,070,590	\$ 612,929	\$ 2,440,906	\$ 1,740,155	\$ 1,175,540	\$ 8,040,120	\$ 8,040,120	
\$ 6,557,290	\$ 988,781	\$ 2,707,255	\$ 1,740,155	\$ 1,455,281	\$ 13,448,762	\$ 13,448,762	

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)
Reserved for Automation Purposes - Circuit Court
Reserved for Automation Purposes - General Sessions Court
Reserved for Automation Purposes - Chancery Court
Reserved for Automation Purposes - Sheriff
Reserved for Automation Purposes - County Clerk
Reserved for Archives and Records Management - County Clerk
Reserved for Other General Purposes
Unreserved, Reported In:
General Fund
Special Revenue Funds
Debt Service Funds
Capital Projects Funds
Permanent Funds
Total Fund Balances

Total Liabilities and Fund Balances

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

Hickman County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Assets  
June 30, 2010

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)		\$	8,040,120
(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: buildings and improvements net of accumulated depreciation		9,399,075	
Add: infrastructure net of accumulated depreciation		23,927,898	
Add: other capital assets net of accumulated depreciation		<u>451,260</u>	34,247,747
(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	\$	(2,804,926)	
Less: other loans payable		(32,497,117)	
Less: compensated absences payable		(331,556)	
Less: other postemployment benefits liability		(1,462,422)	
Less: accrued interest on notes		(10,915)	
Add: deferred charges - debt issuance costs		<u>5,457</u>	(37,101,479)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>732,545</u>
Net assets of governmental activities (Exhibit A)		\$	<u>5,918,933</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, 2010

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway /	General	General Capital Projects	Other	Governmental Funds	
		Public Works	Debt Service				
<b>Revenues</b>							
Local Taxes	\$ 4,356,254	\$ 287,591	\$ 2,438,321	\$ 0	\$ 379,364	\$ 7,461,530	
Licenses and Permits	52,894	0	0	0	0	52,894	
Fines, Forfeitures, and Penalties	142,815	0	0	0	58,383	201,198	
Charges for Current Services	43,865	1,828	0	0	992,626	1,038,319	
Other Local Revenues	184,487	41,126	45,686	0	28,790	300,089	
Fees Received from County Officials	1,023,340	0	0	0	0	1,023,340	
State of Tennessee	1,368,412	2,356,483	89,627	30,545	19,550	3,864,617	
Federal Government	55,863	194,495	0	0	27,634	277,992	
Other Governments and Citizens Groups	108,062	0	0	0	14,300	122,362	
<b>Total Revenues</b>	<b>\$ 7,335,992</b>	<b>\$ 2,881,523</b>	<b>\$ 2,573,634</b>	<b>\$ 30,545</b>	<b>\$ 1,520,647</b>	<b>\$ 14,342,341</b>	
<b>Expenditures</b>							
Current:							
General Government	\$ 1,069,141	\$ 0	\$ 0	\$ 0	\$ 749	\$ 1,069,890	
Finance	751,985	0	0	0	0	751,985	
Administration of Justice	596,926	0	0	0	298	597,224	
Public Safety	2,371,257	0	0	0	2,438	2,373,695	
Public Health and Welfare	261,294	0	0	0	1,257,807	1,519,101	
Social, Cultural, and Recreational Services	7,500	0	0	0	252,498	259,998	
Agriculture and Natural Resources	75,477	0	0	0	0	75,477	
Other Operations	1,894,937	0	0	0	0	1,894,937	
Highways	0	2,921,902	0	0	0	2,921,902	
Debt Service:							
Principal on Debt	0	0	1,238,544	0	476,000	1,714,544	
Interest on Debt	0	0	143,061	0	22,668	165,729	
Other Debt Service	0	0	202,492	0	27,419	229,911	
Capital Projects	0	0	0	974,678	0	974,678	
<b>Total Expenditures</b>	<b>\$ 7,028,517</b>	<b>\$ 2,921,902</b>	<b>\$ 1,584,097</b>	<b>\$ 974,678</b>	<b>\$ 2,039,877</b>	<b>\$ 14,549,071</b>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 307,475</b>	<b>\$ (40,379)</b>	<b>\$ 989,537</b>	<b>\$ (944,133)</b>	<b>\$ (519,230)</b>	<b>\$ (206,730)</b>	

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway /	General	General	Other Governmental Funds	Total Governmental Funds	
		Public Works	Debt Service	Capital Projects			
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0 \$	0 \$	0 \$	2,000,000 \$	0 \$	2,000,000	
Insurance Recovery	78,711	17,853	0	129,583	0	226,147	
Transfers In	58,475	23,160	0	0	629,177	710,812	
Transfers Out	(451,227)	(31,121)	(200,000)	0	(28,464)	(710,812)	
Total Other Financing Sources (Uses)	\$ (314,041) \$	9,892 \$	(200,000) \$	2,129,583 \$	600,713 \$	2,226,147	
Net Change in Fund Balances	\$ (6,566) \$	(30,487) \$	789,537 \$	1,185,450 \$	81,483 \$	2,019,417	
Fund Balance, July 1, 2009	2,077,156	643,416	1,651,369	554,705	1,094,057	6,020,703	
Fund Balance, June 30, 2010	\$ 2,070,590 \$	612,929 \$	2,440,906 \$	1,740,155 \$	1,175,540 \$	8,040,120	

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, 2010

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 2,019,417	
(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	\$ 743,694		
Less: current-year depreciation expense	<u>(1,305,190)</u>	(561,496)	
(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, 2010	\$ 732,545		
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(989,686)</u>	(257,141)	
(3) The issuance of long-term debt (e.g., notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items			
Less: note proceeds	\$ (2,000,000)		
Add: principal payments on notes	100,544		
Add: principal payments on other loans	1,614,000		
Less: change in deferred debt issuance costs	<u>(551)</u>	(286,007)	
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$ 714		
Change in compensated absences payable	(6,079)		
Change in other postemployment benefits liability	<u>(389,787)</u>	<u>(395,152)</u>	
Change in net assets of governmental activities (Exhibit B)			<u>\$ 519,621</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, 2010

	Business-type Activities - Major Enterprise Fund
	Solid Waste Disposal Fund
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 300
Equity in Pooled Cash and Investments	332,832
Accounts Receivable	520,485
Allowance for Uncollectibles	(424,770)
Prepaid Items	2,775
Total Current Assets	<u>\$ 431,622</u>
Noncurrent Assets:	
Assets Not Depreciated:	
Land	\$ 111,004
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	849,808
Other Capital Assets	259,987
Total Noncurrent Assets	<u>\$ 1,220,799</u>
Total Assets	<u>\$ 1,652,421</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 1,498
Capital Outlay Notes Payable	37,500
Accrued Liability for Landfill Closure/Postclosure Care Costs	10,815
Accrued Leave	2,955
Total Current Liabilities	<u>\$ 52,768</u>
Noncurrent Liabilities:	
Capital Outlay Notes Payable	\$ 300,000
Accrued Leave	11,819
Accrued Liability for Landfill Closure/Postclosure Care Costs	176,465
Other Postemployment Benefits Liability	91,733
Total Noncurrent Liabilities	<u>\$ 580,017</u>
Total Liabilities	<u>\$ 632,785</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 883,299
Unrestricted	136,337
Total Net Assets	<u>\$ 1,019,636</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, 2010

	Business-type Activities - Major Enterprise Fund <hr/> Solid Waste Disposal Fund <hr/>
<u>Operating Revenues</u>	
Charges for Current Services	\$ 931,409
Other Local Revenues	68,742
Total Operating Revenues	<u>\$ 1,000,151</u>
<u>Operating Expenses</u>	
Sanitation Management	\$ 965,345
Litter and Trash Collection	21,571
Depreciation	69,745
Total Operating Expenses	<u>\$ 1,056,661</u>
Operating Income (Loss)	<u>\$ (56,510)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 1,606
Insurance Recovery	2,799
Interest Expense	(15,386)
Solid Waste Grants	122,764
Total Nonoperating Revenues (Expenses)	<u>\$ 111,783</u>
Change in Net Assets	\$ 55,273
Net Assets, July 1, 2009	<u>964,363</u>
Nets Assets, June 30, 2010	<u><u>\$ 1,019,636</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, 2010

	Business-type Activities - Major Enterprise Fund <hr/> Solid Waste Disposal Fund <hr/>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 935,556
Other Cash Receipts (Payments)	68,742
Payments to Employees	(458,431)
Waste Collection and Disposal Activity	(514,165)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 31,702</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Paid on Notes	\$ (37,500)
Interest Paid on Notes	(15,386)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (52,886)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Grants Received	\$ 122,764
Insurance Recovery	2,799
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 125,563</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 1,606
Net Cash Provided By (Used In) Investing Activities	<u>\$ 1,606</u>
Increase (Decrease) in Cash	\$ 105,985
Cash, July 1, 2009	<u>227,147</u>
Cash, June 30, 2010	<u><u>\$ 333,132</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (56,510)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	69,745
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	3,291
(Increase) Decrease in Allowance for Uncollectibles	(3,508)
(Increase) Decrease in Due from Other Governments	7,139
Increase (Decrease) in Other Long-term Liabilities	21,977
Increase (Decrease) in Accrued Expenses	(8,864)
Increase (Decrease) in Prepaid Items	(2,775)
Increase (Decrease) in Accounts Payable	1,207
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 31,702</u></u>

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

Exhibit E

Hickman County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2010

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 622,892
Accounts Receivable	46
Due from Other Governments	<u>99,925</u>
Total Assets	<u><u>\$ 722,863</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 99,925
Due to Litigants, Heirs, and Others	<u>622,938</u>
Total Liabilities	<u><u>\$ 722,863</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, 2010**

**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 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 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, 2010.

Separate financial statements are provided for governmental funds, proprietary funds (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Hickman County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Hickman County only reports one proprietary fund, an enterprise fund. It has no internal service funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Hickman County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

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

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

Hickman County reports the following major governmental funds:

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

**Highway/Public Works Fund** – This fund accounts for transactions of the county’s Highway Department.

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

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

Hickman County reports the following major proprietary fund:

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

Additionally, Hickman County reports the following fund types:

**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 the Public Library and Endowment 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 three 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. Prepaid Items**

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

**4. Capital Assets**

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

**5. Compensated Absences**

**Primary Government**

It is the county's general policy to permit employees (excluding the Highway Department, which closes the week of July 4th and two weeks during the Christmas holidays) to accumulate earned but unused personal leave (vacation and sick leave) benefits. All personal leave pay is accrued when incurred in the 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.

**6. Long-term Obligations**

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In 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.

**7. Net Assets and Fund Equity**

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

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

As of June 30, 2010, Hickman County had \$24,421,117 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, 2010.

<u>Fund/Purpose</u>	<u>Amount</u>
General:	
United Way	\$ 3,463

**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 Shortages – Current and Prior Years**

A special investigation by our office of the Hickman County Emergency Communications District during the 2005-06 year reported a cash shortage of at least \$11,773.06. Records of the district were so poorly maintained that the cash shortage could exceed the amount noted; however, we were unable to make a determination on the validity of numerous transactions. On September 26, 2007, Darlene Field, the former address coordinator, pled guilty to theft and was placed on probation for a period of two years and ordered to pay restitution of \$7,500. As of June 30, 2010, all of the restitution has been paid to the Hickman County Emergency Communications District.

The audit of Hickman County for the 2008-09 year reported a cash shortage of \$6,357.25 in the Office of County Mayor. 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. 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 for \$250 that had been diverted for personal use, which was not included as part of the cash shortage by the court. 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. As of June 30, 2010, the former employee had paid restitution of \$821. Subsequent to June 30, 2010, the former employee paid the remaining balance of \$5,286.25.

During the 2009-10 year, the Tennessee Bureau of Investigation conducted an investigation into allegations of misconduct by the director of the Hickman County Emergency Management Agency (EMA) and the director of the Hickman County Emergency Medical Services (EMS). The investigation revealed that Terry Cloud, director of the EMA, and Michael Lynn, director of the EMS, misappropriated drugs and medical supplies for their personal use. These misappropriations for personal use resulted in a cash shortage totaling \$2,042.81 at June 30, 2010. On October 26, 2010, Mr. Lynn entered a guilty plea of official misconduct, received two years supervised probation, and was ordered to pay restitution of \$840.25. On December 21, 2010, Mr. Cloud entered a guilty plea of official misconduct, received two years supervised probation, and was ordered to pay restitution of \$1,202.56. As of June 30, 2010, no restitution had been paid.

During the 2009-10 year, our office, along with the assistance of a criminal investigator from the Office of District Attorney General, conducted a special investigation in the Office of Hickman County Clerk. On May 13, 2010, the Hickman County Mayor informed us of suspected irregularities concerning falsified records and missing inventory in the County Clerk's Office. Our investigation revealed that the county clerk, Andrea Totty, manipulated motor vehicle renewal transactions, resulting in a cash shortage of \$4,628.50 at June 30, 2010. Our investigation also disclosed personal use of county owned computers and certain accounting deficiencies in the operation of the office. On June 14, 2010, Ms. Totty admitted to diverting office funds for her personal use and immediately resigned from the office. On October 6, 2010, the former clerk was indicted on official misconduct and theft of property over \$1,000 but less than \$10,000. Subsequent to June 30, 2010, Hickman County's insurance company paid \$4,628.50 for the theft.

**C. Health Foundation Accountability**

As previously noted, the Hickman County Health Foundation was created pursuant to a lawsuit settlement agreement related to the sale of the Hickman County Hospital. During the year ended June 30, 1999, the foundation received net funds related to the sale of the Hickman County Hospital to Baptist Hospital. The settlement agreement required these funds to be used for health-related projects in Hickman County and administered by a board of directors. In addition to the initial amounts paid, Baptist Hospital agreed to make annual contributions of \$100,000 per year to the

foundation for 15 years. The foundation agreed to pay Baptist Hospital \$37,500 for the first five years and \$20,000 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 Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

**Investment Balances.** As of June 30, 2010, 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	\$ 10,110,009

**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, 2010, 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, 2010, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-09	Increases	Balance 6-30-10
Capital Assets Not Depreciated:			
Land	\$ 209,514	\$ 0	\$ 209,514
Construction in Progress	260,000	0	260,000
Total Capital Assets Not Depreciated	<u>\$ 469,514</u>	<u>\$ 0</u>	<u>\$ 469,514</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 11,013,941	\$ 62,367	\$ 11,076,308
Infrastructure	46,364,717	681,327	47,046,044
Other Capital Assets	2,524,994	0	2,524,994
Total Capital Assets Depreciated	<u>\$ 59,903,652</u>	<u>\$ 743,694</u>	<u>\$ 60,647,346</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 1,406,831	\$ 270,402	\$ 1,677,233
Infrastructure	22,235,315	882,831	23,118,146
Other Capital Assets	1,921,777	151,957	2,073,734
Total Accumulated Depreciation	<u>\$ 25,563,923</u>	<u>\$ 1,305,190</u>	<u>\$ 26,869,113</u>
Total Capital Assets Depreciated, Net	<u>\$ 34,339,729</u>	<u>\$ (561,496)</u>	<u>\$ 33,778,233</u>
Governmental Activities Capital Assets, Net	<u>\$ 34,809,243</u>	<u>\$ (561,496)</u>	<u>\$ 34,247,747</u>

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

**Governmental Activities:**

General Government	\$ 59,446
Administration of Justice	39,896
Public Safety	159,389
Public Health and Welfare	115,266
Social, Cultural, and Recreational Services	1,299
Highway/Public Works	<u>929,894</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,305,190</u>

**Business-type Activities:**

	Balance 7-1-09	Increases	Balance 6-30-10
Capital Assets Not Depreciated:			
Land	\$ 111,004	\$ 0	\$ 111,004
Total Capital Assets Not Depreciated	<u>\$ 111,004</u>	<u>\$ 0</u>	<u>\$ 111,004</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 1,077,579	\$ 0	\$ 1,077,579
Other Capital Assets	750,901	0	750,901
Total Capital Assets Depreciated	<u>\$ 1,828,480</u>	<u>\$ 0</u>	<u>\$ 1,828,480</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 200,832	\$ 26,939	\$ 227,771
Other Capital Assets	448,108	42,806	490,914
Total Accumulated Depreciation	<u>\$ 648,940</u>	<u>\$ 69,745</u>	<u>\$ 718,685</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,179,540</u>	<u>\$ (69,745)</u>	<u>\$ 1,109,795</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,290,544</u>	<u>\$ (69,745)</u>	<u>\$ 1,220,799</u>

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

**Business-type Activities:**

Sanitation Management	<u>\$ 69,745</u>
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**Discretely Presented Hickman County School Department**

**Governmental Activities:**

	Balance 7-1-09	Increases	Balance 6-30-10
Capital Assets Not Depreciated:			
Land	\$ 1,018,261	\$ 0	\$ 1,018,261
Construction in Progress	0	0	0
Construction in Progress	0	70,100	70,100
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 1,018,261</b>	<b>\$ 70,100</b>	<b>\$ 1,088,361</b>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 51,861,750	\$ 438,638	\$ 52,300,388
Infrastructure	0	27,206	27,206
Other Capital Assets	6,179,528	145,900	6,325,428
<b>Total Capital Assets Depreciated</b>	<b>\$ 58,041,278</b>	<b>\$ 611,744</b>	<b>\$ 58,653,022</b>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 15,559,025	\$ 1,321,012	\$ 16,880,037
Infrastructure	0	907	907
Other Capital Assets	1,955,876	512,900	2,468,776
<b>Total Accumulated Depreciation</b>	<b>\$ 17,514,901</b>	<b>\$ 1,834,819</b>	<b>\$ 19,349,720</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 40,526,377</b>	<b>\$ (1,223,075)</b>	<b>\$ 39,303,302</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 41,544,638</b>	<b>\$ (1,152,975)</b>	<b>\$ 40,391,663</b>

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

**Governmental Activities:**

Instruction	\$ 43,504
Support Services	1,775,240
Operation of Non-Instructional Services	<u>16,075</u>
<b>Total Depreciation Expense - Governmental Activities</b>	<b><u>\$ 1,834,819</u></b>

**C. Construction Commitments**

At June 30, 2010, the General Capital Projects Fund had uncompleted construction contracts of approximately \$188,960 for the repair of flood damaged roads and bridges. Funding has been received for these future expenditures.

**D. Interfund Transfers**

Interfund transfers for the year ended June 30, 2010, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In		
	General Fund	Highway/ Public Works Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 23,160	\$ 428,067
Highway/Public Works Fund	31,121	0	0
General Debt Service Fund	0	0	200,000
Nonmajor governmental funds	27,354	0	1,110
<b>Total</b>	<b>\$ 58,475</b>	<b>\$ 23,160</b>	<b>\$ 629,177</b>

**Discretely Presented Hickman County School Department**

Transfer Out	Transfer In
	General Purpose School Fund
Nonmajor governmental funds	\$ 51,845

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

**E. Long-term Debt**

**Primary Government**

**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, 2010, will be retired from the General Debt Service or Education Debt Service funds.

Capital outlay notes and other loans outstanding as of June 30, 2010, for governmental activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-10</u>
Capital Outlay Notes	0 to 4.15 %	\$ 3,142,142	\$ 2,804,926
Other Loans	variable	41,496,117	32,497,117

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, 2010, the variable interest rate was .52 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, 2010, the variable interest rate was .44 percent, and other fees totaled \$60 per month (trustee), .5 percent (letter of credit), and .08 percent (remarketing) of the outstanding loan principal for the \$22,000,000, \$6,140,000, and \$2,000,000 loans.

Also, in prior years, Hickman County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$1,000,000 available for loan to Hickman

County on an as-needed basis for various renovation and construction projects. Hickman County had borrowed \$657,000 of the loan at June 30, 2010. 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, 2010, the variable interest rate was .44 percent, and other fees totaled \$60 per month (trustee), .3 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, 2010, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 600,544	\$ 89,258	\$ 689,802
2012	600,544	71,767	672,311
2013	1,100,544	54,034	1,154,578
2014	100,547	22,541	123,088
2015	91,667	18,718	110,385
2016-2020	311,080	37,374	348,454
Total	\$ 2,804,926	\$ 293,692	\$ 3,098,618

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2011	\$ 1,675,000	\$ 147,748	\$ 179,637	\$ 2,002,385
2012	1,738,000	139,901	171,083	2,048,984
2013	1,806,000	131,751	162,220	2,099,971
2014	1,875,000	123,276	153,027	2,151,303
2015	1,948,000	114,469	143,497	2,205,966
2016-2020	8,787,117	433,442	562,043	9,782,602
2021-2025	7,262,000	260,691	345,276	7,867,967
2026-2030	6,970,860	90,984	125,864	7,187,708
2031-2033	435,140	3,199	6,733	445,072
Total	\$ 32,497,117	\$ 1,445,461	\$ 1,849,380	\$ 35,791,958

There is \$2,440,906 available in the General Debt Service Fund and \$294,017 in the Education Debt Service Fund to service long-term debt. Debt per capita, including notes and other loans, totaled \$1,583, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Notes	Other Loans
Balance, July 1, 2009	\$ 905,470	\$ 34,111,117
Additions	2,000,000	0
Deductions	(100,544)	(1,614,000)
Balance, June 30, 2010	<u>\$ 2,804,926</u>	<u>\$ 32,497,117</u>
Balance Due Within One Year	<u>\$ 600,544</u>	<u>\$ 1,675,000</u>

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2009	\$ 325,477	\$ 1,072,635
Additions	314,779	421,878
Deductions	(308,700)	(32,091)
Balance, June 30, 2010	<u>\$ 331,556</u>	<u>\$ 1,462,422</u>
Balance Due Within One Year	<u>\$ 82,889</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 37,096,021
Less: Balance Due Within One Year	<u>(2,358,433)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 34,737,588</u>

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

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

Capital outlay notes outstanding as of June 30, 2010, for business-type activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
Capital Outlay Notes	4.05 %	\$ 450,000	\$ 337,500

The annual requirements to amortize all notes outstanding as of June 30, 2010, including interest payments, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
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	37,500	7,699	45,199
2016-2019	150,000	15,415	165,415
Total	\$ 337,500	\$ 69,343	\$ 406,843

#### Changes in Long-term Liabilities

Long-term liability activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2010, was as follows:

#### Business-type Activities:

	Notes	Compensated Absences
Balance, July 1, 2009	\$ 375,000	\$ 14,693
Additions	0	27,079
Deductions	(37,500)	(26,998)
Balance, June 30, 2010	\$ 337,500	\$ 14,774
Balance Due Within One Year	\$ 37,500	\$ 2,955

	Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2009	\$ 196,225	\$ 69,756
Additions	0	23,836
Deductions	(8,945)	(1,859)
Balance, June 30, 2010	<u>\$ 187,280</u>	<u>\$ 91,733</u>
Balance Due Within One Year	<u>\$ 10,815</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 631,287
Less: Balance Due Within One Year	<u>(51,270)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 580,017</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, 2010, was as follows:

Governmental Activities:	Other Postemployment Benefits
Balance, July 1, 2009	\$ 33,312
Additions	177,079
Deductions	<u>(142,945)</u>
Balance, June 30, 2010	<u>\$ 67,446</u>
Balance Due Within One Year	<u>\$ 0</u>

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

The State of Tennessee pays health insurance premiums for retired employees and teachers on-behalf of Hickman County and 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, 2010, were \$34,774 and \$15,570, respectively. The county and the School Department have recognized these on-behalf payments as revenues and expenditures in the General and General Purpose School funds.

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. 51, Accounting and Financial Reporting for Intangible Assets; and

Statement No. 53, Accounting and Financial Reporting for Derivative Instruments became effective for the year ended June 30, 2010.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets. Intangible assets have three characteristics: lack of physical substance; nonfinancial in nature; and a useful life that extends beyond a single reporting period. Assets that have these characteristics and are identifiable to the government should be recorded as capital assets and amortized over their useful lives. Easements, water rights, patents, and computer software are examples of intangible assets that should be recognized under GASB Statement No. 51. Hickman County had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably expected that Hickman County may acquire intangible assets in subsequent years.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the costs of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. For the same reasons, derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Hickman County's derivative transactions. GASB Statement No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investment purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statement of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e., effective) derivative instruments are reported in the Statement of Net Assets as deferrals. Hickman County had not participated in derivative transactions as June 30, 2010. However, it is reasonably expected that Hickman County may enter into derivative transactions in subsequent years.

**C. Subsequent Events**

On August 31, 2010, Hickman County issued capital outlay notes totaling \$2,000,000 for additional repairs of roads and bridges due to flood disaster.

On August 31, 2010, Eddie Cook, Jr., left the Office of Road Superintendent and was succeeded by Ronald Coates, and Tracy Wright left the Office of County Clerk and was succeeded by Casey Dorton.

On November 13, 2010, Hickman County issued capital outlay notes totaling \$265,500 for the purchase of two ambulances.

**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. Changes in Administration**

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.

On June 14, 2010, Andrea Totty resigned from the Office of County Clerk. Tracy Wright served as interim county clerk for the remainder of June and was appointed clerk by the County Commission effective July 1, 2010.

**F. 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 \$187,280 reported as postclosure care liability at June 30, 2010, represents amounts based on what it would cost to perform all postclosure care in 2010. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**G. Joint Ventures**

Hickman County and the Town of Centerville entered into a joint venture to foster communication and facilitate economic and community development between and among governmental entities, industry, and private

citizens. This joint venture is administered by the Hickman County Economic and Community Development Association Board (Vision 21). Hickman County contributed \$30,278 to the Hickman County Joint Economic and Community Development Association Board for the year ended June 30, 2010.

The Twenty-first Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-first Judicial District, Williamson, Lewis, Hickman, and Perry counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Hickman County did not contribute to the DTF for the year ended June 30, 2010.

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

**H. Jointly Governed Organization**

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

## **I. Retirement Commitments**

### **Employees**

#### **Plan Description**

Employees of Hickman County are members of the Political Subdivision Pension Plan (PAPP), 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/PS/](http://www.tn.gov/treasury/tcrs/PS/).

#### **Funding Policy**

Hickman County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, 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, 2010, Hickman County's annual pension cost of \$940,920 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, 2009, which established contribution rates effective July 1, 2010.

### Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$940,920	100%	\$0
6-30-09	937,256	100	0
6-30-08	881,174	100	0

### Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 83.96 percent funded. The actuarial accrued liability for benefits was \$19.23 million, and the actuarial value of assets was \$16.14 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.08 million. The covered payroll (annual payroll of active employees covered by the plan) was \$7.45 million, and the ratio of the UAAL to the covered payroll was 41.39 percent.

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

The TCRS uses the frozen entry age actuarial cost method to calculate the annual required contribution. Effective July 1, 2009, the TCRS reestablished the unfunded accrued liabilities for all groups.

## **School Teachers**

### **Plan Description**

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

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

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Hickman County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2010, 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, 2010, 2009, and 2008, were \$893,800, \$883,225, and \$830,859, respectively, equal to the required contributions for each year.

**J. Other Postemployment Benefits (OPEB)**

Plan Description

Hickman County and the Hickman County School Department participate in the state-administered Local Government Group Insurance Plan, Local Education Group Insurance Plan, and Medicare Supplement 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, Section 8-27-207, TCA, for local governments, and Section 8-27-701, TCA, for medicare supplement. 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, however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2010, Hickman County and the School Department made contributions totaling \$33,950 and \$142,945, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Medicare Supplement Plan - County
ARC	\$ 432,000	\$ 11,000
Interest on the NPO	51,407	0
Adjustment to the ARC	(48,693)	0
Annual OPEB cost	\$ 434,714	\$ 11,000
Amount of contribution	(32,990)	(960)
Increase/decrease in NPO	\$ 401,724	\$ 10,040
Net OPEB obligation, 7-1-09	1,142,391	0
Net OPEB obligation, 6-30-10	\$ 1,544,115	\$ 10,040

	Local Education Group Plan	Medicare Supplement Plan - Schools
ARC	\$ 131,000	\$ 46,000
Interest on the NPO	1,499	0
Adjustment to the ARC	(1,420)	0
Annual OPEB cost	\$ 131,079	\$ 46,000
Amount of contribution	(142,945)	0
Increase/decrease in NPO	\$ (11,866)	\$ 46,000
Net OPEB obligation, 7-1-09	33,312	0
Net OPEB obligation, 6-30-10	\$ 21,446	\$ 46,000

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
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Primary Government

6-30-08	Local Government Group	\$ 615,000	8 %	\$ 568,276
6-30-09	"	621,683	8	1,142,391
6-30-10	"	434,714	8	1,544,115
6-30-10	Medicare Supplement*	11,000	9	10,040

\*Data only available for one year

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
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Discretely Presented School Department

6-30-08	Local Education Group	\$ 178,052	99 %	\$ 1,573
6-30-09	"	180,164	82	33,312
6-30-10	"	131,079	109	21,446
6-30-10	Medicare Supplement*	46,000	0	46,000

\* Data only available for one year.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, was as follows:

Primary Government

	Local Government Insurance Plan	Medicare Supplement Plan - County
Actuarial valuation date	7-1-09	7-1-09
Actuarial accrued liability (AAL)	\$ 3,067,000	\$ 99,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 3,067,000	\$ 99,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 3,987,000	N/A
UAAL as a % of covered payroll	77%	N/A

Discretely Presented School Department

	Local Education Group Plan	Medicare Supplement Plan - Schools
Actuarial valuation date	7-1-09	7-1-09
Actuarial accrued liability (AAL)	\$ 1,324,000	\$ 576,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,324,000	\$ 576,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 16,962,000	N/A
UAAL as a % of covered payroll	8%	N/A

The Hickman County Board of Education has reserved \$487,073 of fund balance toward the funding of its OPEB obligation and has placed that amount, by contract, with the Tennessee School Board Association (TSBA). However, the agreement under which the funds were placed with the TSBA does not constitute an irrevocable trust. Therefore, the \$487,073 placed with TSBA is not reported as OPEB plan assets.

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

#### Actuarial Methods and Assumptions

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

In the July 1, 2009, actuarial valuation, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses). The annual healthcare cost trend rate for the Local Education Plan was four percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Local Government Plan was two percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Medicare Supplement Plan was one percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. 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.

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

Office of Director of Finance

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

**L. Purchasing Law**

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by her to serve as the county purchasing agent. The finance director serves as the purchasing agent for Hickman County. All 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.

**M. Financial Policy**

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

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

**A. Summary of Significant Accounting Policies**

**1. Organization**

The Hickman County Public Library 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 \$8,811 and the Endowment Fund totaling \$38,579.

	<u>Cost</u>	<u>Market Value</u>
Mutual Funds	\$ 36,204	\$ 26,699
Certificate of Deposit	<u>20,691</u>	<u>20,691</u>
Total	<u><u>\$ 56,895</u></u>	<u><u>\$ 47,390</u></u>

**5. Capital Assets**

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

**6. 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.

**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 73 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.

**D. Subsequent Events/GASB 54**

The library considered events and transactions that occur after the balance sheet, but before the financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. These financial statements were issued on September 20, 2010, and subsequent events have been evaluated through that date. Under GASB Statement No. 54, the Hickman County Public Library will no longer meet the definition of a special revenue fund of Hickman County. While the statement is not effective until next year, counties have been instructed by the state to take steps now to implement this new accounting standard as they prepare next fiscal year's annual operating budget. Hickman County passed Resolution No. 10-45 on July 26, 2010, to transfer the Library Fund to the county's General Fund effective June 30, 2010. As of June 30, 2010, the library has transferred the majority of its operating funds to the county. As of September 20, 2010, there

are investment accounts that are still being reviewed by the library and the county as to whether the funds should be allocated to the county's General Fund or set up as a separate Library Trust Fund.

**VII. OTHER NOTES – DISCRETELY PRESENTED HICKMAN COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

**A. Summary of Significant Accounting Policies**

**1. Reporting Entity**

Hickman County Emergency Communications District was created as a public corporation under authority of the provisions of Chapter 867 of the Tennessee Public Acts of 1984. The district was formed to establish local emergency telephone service and a primary emergency number for the residents of Hickman County, Tennessee. The powers of the district are vested in and exercised by a majority of the members of the board of directors, who are appointed by the county. The board consists of nine members (seven voting and two non-voting). The district is considered a political subdivision and is exempt from federal and state income taxes. The district is considered a component unit of Hickman County. The county appoints the board of directors, and the County Commission may adjust service fees and must approve bonded debt. As a result, the Hickman County Commission indirectly imposes its will on the district.

**2. Basis of Presentation and Accounting**

The accompanying financial statements of the district have been prepared on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred. Expenditures are recognized in the accounting period in which the liability is incurred and is measurable.

The district applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) and Accounting Principles Board (APB) Opinions; issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. The district has elected not to apply FASB statements and interpretations issued after November 30, 1989.

**3. Cash and Cash Equivalents**

The district considers all highly liquid debt instruments purchased with maturities of 90 days or less to be cash equivalents.

4. **Supply Inventory**

Supply inventory is valued at the lower of cost (first-in, first-out) or market. Inventory items are considered expenditures when used (consumption method).

5. **Capital Assets**

Capital assets of the district are recorded at cost. Depreciation is computed over the estimated life of the assets using the straight-line method. The estimated life for property, plant, and equipment in service is from 5 to 40 years. The district does capitalize interest incurred on construction projects. No such amounts have been capitalized. Capital assets are defined by the district as assets with an individual cost of \$5,000 and an estimated useful life in excess of five years.

6. **Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

7. **Operating Revenues and Expenses**

The district recognizes operating revenues and operating expenses resulting from providing services and producing goods to its customers. All other revenues and services are deemed nonoperating.

8. **Budgeting**

The district's annual budget is required by state law. The district's board of directors formally approves the budget. The budget is adopted on a basis consistent with generally accepted accounting principles except that depreciation is not budgeted, and the budgeted costs of capital assets purchased and debt service are included as expenditures. The budget may be amended by the board as conditions warrant during the year.

**B. Cash and Certificates of Deposit**

The district is authorized to invest funds in financial institutions and direct obligations of the federal government. During the year, the district invested funds that were not immediately needed in deposit accounts. The district has deposit policies to minimize custodial credit risks. Deposits in financial

institutions are required by state statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and be deposited in an escrow account in a second bank for the benefit of the district and must total a minimum of 105 percent of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. The district's deposits with financial institutions are fully insured or collateralized by securities held in the government's name.

**C. Capital Assets**

A summary of changes in capital assets in service is as follows:

	Balance 7-1-09	Additions	Balance 6-30-10
Operating System	\$ 194,437	\$ 0	\$ 194,437
Vehicles	12,800	0	12,800
Furniture and Fixtures	2,469	0	2,469
Communications Equipment	278,177	4,679	282,856
Subtotal	\$ 487,883	\$ 4,679	\$ 492,562
Less: Accumulated Depreciation	(281,991)	(77,532)	(359,523)
Total	\$ 205,892	\$ (72,853)	\$ 133,039

All assets are being depreciated. Depreciation expense for the year was \$77,532.

**D. Operating Leases**

The district leases communications equipment from AT&T. The lease is annually renewable, and lease payments for the year ended June 30, 2010, totaled \$44,400. The district also leases office space from the Town of Centerville under a two-year renewable lease. Annual lease payments totaled \$2,200 for the current year.

**E. Risk Management**

The district is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions, and natural disasters. The district purchases commercial financial bonded insurance for its treasurer and chairman. For all other risks, the district is included in the liability insurance of the Hickman County government. The coverage also includes fire and extended insurance for damages or loss which might occur to the district's equipment. There have been no claims during the last three 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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 4,356,254	\$ 0	\$ 4,356,254	\$ 4,438,135	\$ 4,438,135	\$ (81,881)
Licenses and Permits	52,894	0	52,894	66,016	66,016	(13,122)
Fines, Forfeitures, and Penalties	142,815	0	142,815	131,531	131,531	11,284
Charges for Current Services	43,865	0	43,865	45,620	45,620	(1,755)
Other Local Revenues	184,487	0	184,487	71,400	119,645	64,842
Fees Received from County Officials	1,023,340	0	1,023,340	1,027,500	1,027,500	(4,160)
State of Tennessee	1,368,412	0	1,368,412	1,099,592	1,099,914	268,498
Federal Government	55,863	0	55,863	94,763	166,956	(111,093)
Other Governments and Citizens Groups	108,062	0	108,062	70,000	98,715	9,347
<u>Total Revenues</u>	<u>\$ 7,335,992</u>	<u>\$ 0</u>	<u>\$ 7,335,992</u>	<u>\$ 7,044,557</u>	<u>\$ 7,194,032</u>	<u>\$ 141,960</u>
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 67,259	\$ 0	\$ 67,259	\$ 58,400	\$ 85,900	\$ 18,641
Board of Equalization	2,550	0	2,550	3,500	3,500	950
Beer Board	0	0	0	600	600	600
County Mayor/Executive	102,175	0	102,175	104,589	104,589	2,414
County Attorney	15,568	0	15,568	10,000	20,000	4,432
Election Commission	126,506	0	126,506	150,868	150,868	24,362
Register of Deeds	115,530	0	115,530	130,390	130,390	14,860
Planning	76,350	0	76,350	90,438	90,438	14,088
County Buildings	141,820	(323)	141,497	160,477	160,477	18,980
Other Facilities	391,567	0	391,567	411,000	451,504	59,937
Other General Administration	4,958	0	4,958	30,660	7,500	2,542
Preservation of Records	24,858	0	24,858	29,082	29,082	4,224

(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 7/1/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance</u>						
Accounting and Budgeting	\$ 213,342	\$ 0	\$ 213,342	\$ 224,794	\$ 224,794	\$ 11,452
Property Assessor's Office	182,874	(2,726)	180,148	212,413	213,580	33,432
County Trustee's Office	147,640	0	147,640	150,731	150,731	3,091
County Clerk's Office	208,129	0	208,129	224,030	224,030	15,901
<u>Administration of Justice</u>						
Circuit Court	259,277	0	259,277	258,007	263,007	3,730
General Sessions Court	180,861	0	180,861	183,031	183,031	2,170
Chancery Court	128,125	0	128,125	132,848	134,348	6,223
Judicial Commissioners	28,663	0	28,663	28,664	28,664	1
<u>Public Safety</u>						
Sheriff's Department	1,385,767	(1,368)	1,384,399	1,437,523	1,509,223	124,824
Jail	818,949	0	818,949	989,960	993,101	174,152
Fire Prevention and Control	2,000	0	2,000	2,000	2,000	0
Civil Defense	131,785	0	131,785	170,028	170,088	38,303
Rescue Squad	14,832	0	14,832	10,000	14,832	0
County Coroner/Medical Examiner	17,924	0	17,924	26,400	26,400	8,476
<u>Public Health and Welfare</u>						
Local Health Center	44,887	0	44,887	49,001	49,001	4,114
Alcohol and Drug Programs	19,137	0	19,137	15,765	24,016	4,879
Other Local Health Services	192,270	0	192,270	267,800	337,500	145,230
Regional Mental Health Center	5,000	0	5,000	2,500	5,000	0
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	7,500	0	7,500	7,500	7,500	0

(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 7/1/2009	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	\$ 48,484	\$ 0	\$ 48,484	\$ 48,627	\$ 48,627	\$ 143
Soil Conservation	26,993	0	26,993	29,995	29,995	3,002
<u>Other Operations</u>						
Tourism	500	0	500	500	500	0
Industrial Development	30,278	0	30,278	30,278	30,278	0
Other Economic and Community Development	657	0	657	1,000	1,000	343
Other Charges	424,387	0	424,387	499,900	490,222	65,835
Employee Benefits	1,339,258	0	1,339,258	1,515,000	1,515,000	175,742
Miscellaneous	99,857	0	99,857	99,050	103,050	3,193
Total Expenditures	\$ 7,028,517	\$ (4,417)	\$ 7,024,100	\$ 7,797,349	\$ 8,014,366	\$ 990,266
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ 307,475	\$ 4,417	\$ 311,892	\$ (752,792)	\$ (820,334)	\$ 1,132,226
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 78,711	\$ 0	\$ 78,711	\$ 25,000	\$ 70,235	\$ 8,476
Transfers In	58,475	0	58,475	31,121	31,121	27,354
Transfers Out	(451,227)	0	(451,227)	(653,475)	(676,635)	225,408
Total Other Financing Sources (Uses)	\$ (314,041)	\$ 0	\$ (314,041)	\$ (597,354)	\$ (575,279)	\$ 261,238
Net Change in Fund Balance	\$ (6,566)	\$ 4,417	\$ (2,149)	\$ (1,350,146)	\$ (1,395,613)	\$ 1,393,464
Fund Balance, July 1, 2009	2,077,156	(4,417)	2,072,739	1,700,000	2,077,156	(4,417)
Fund Balance, June 30, 2010	\$ 2,070,590	\$ 0	\$ 2,070,590	\$ 349,854	\$ 681,543	\$ 1,389,047

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, 2010

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 287,591	\$ 0	\$ 287,591	\$ 306,592	\$ 306,592	\$ (19,001)
Charges for Current Services	1,828	0	1,828	2,400	2,400	(572)
Other Local Revenues	41,126	0	41,126	43,200	43,200	(2,074)
State of Tennessee	2,356,483	0	2,356,483	3,138,440	3,138,440	(781,957)
Federal Government	194,495	0	194,495	202,443	202,443	(7,948)
Total Revenues	\$ 2,881,523	\$ 0	\$ 2,881,523	\$ 3,693,075	\$ 3,693,075	\$ (811,552)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 163,791	\$ 0	\$ 163,791	\$ 184,527	\$ 184,527	\$ 20,736
Highway and Bridge Maintenance	998,429	25,000	1,023,429	1,221,130	1,406,130	382,701
Operation and Maintenance of Equipment	362,160	405	362,565	454,940	454,940	92,375
Other Charges	62,609	0	62,609	85,120	85,120	22,511
Employee Benefits	540,228	499	540,727	579,325	579,325	38,598
Capital Outlay	794,685	3,500	798,185	1,164,274	1,464,274	666,089
Total Expenditures	\$ 2,921,902	\$ 29,404	\$ 2,951,306	\$ 3,689,316	\$ 4,174,316	\$ 1,223,010
Excess (Deficiency) of Revenues Over Expenditures	\$ (40,379)	\$ (29,404)	\$ (69,783)	\$ 3,759	\$ (481,241)	\$ 411,458
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 17,853	\$ 0	\$ 17,853	\$ 0	\$ 0	\$ 17,853
Transfers In	23,160	0	23,160	23,160	23,160	0
Transfers Out	(31,121)	0	(31,121)	(31,121)	(31,121)	0
Total Other Financing Sources (Uses)	\$ 9,892	\$ 0	\$ 9,892	\$ (7,961)	\$ (7,961)	\$ 17,853
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (30,487)	\$ (29,404)	\$ (59,891)	\$ (4,202)	\$ (489,202)	\$ 429,311
	643,416	0	643,416	600,000	643,416	0
Fund Balance, June 30, 2010	\$ 612,929	\$ (29,404)	\$ 583,525	\$ 595,798	\$ 154,214	\$ 429,311

Exhibit F-3

Hickman County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Hickman County School Department  
June 30, 2010

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-09	\$ 16,142	\$ 19,227	\$ 3,085	83.96 %	7,452	41.39 %
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 frozen entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the frozen entry age actuarial cost method was a change made during the year of the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

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, 2010

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date *	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-07	\$ 0	\$ 4,756	\$ 4,756	0	\$ 4,405	108 %
"	7-1-09	0	3,067	3,067	0	3,987	77
Medicare Supplement	7-1-09	0	99	99	0	N/A	N/A
<u>DISCRETELY PRESENTED HICKMAN COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-07	0	1,652	1,652	0	15,740	10
"	7-1-09	0	1,324	1,324	0	16,962	8
Medicare Supplement	7-1-09	0	576	576	0	N/A	N/A

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

**HICKMAN COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2010**

**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 SHORTAGES (CURRENT AND PRIOR YEARS)**

The audit of Hickman County for the 2008-09 year reported a cash shortage of \$6,357.25 in the Office of County Mayor. 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. 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 for \$250 that had been diverted for personal use, which was not included as part of the cash shortage by the court. 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. As of June 30, 2010, the former employee had paid restitution of \$821. Subsequent to June 30, 2010, the former employee paid the remaining balance of \$5,286.25.

During the 2009-10 year, the Tennessee Bureau of Investigation conducted an investigation into allegations of misconduct by the director of the Hickman County Emergency Management Agency (EMA) and the director of the Hickman County Emergency Medical Services (EMS). The investigation revealed that Terry Cloud, director of the EMA, and Michael Lynn, director of the EMS, misappropriated drugs

and medical supplies for their personal use. These misappropriations for personal use resulted in a cash shortage totaling \$2,042.81 at June 30, 2010. On October 26, 2010, Mr. Lynn entered a guilty plea of official misconduct, received two years supervised probation, and was ordered to pay restitution of \$840.25. On December 21, 2010, Mr. Cloud entered a guilty plea of official misconduct, received two years supervised probation, and was ordered to pay restitution of \$1,202.56. As of June 30, 2010, no restitution had been paid.

During the 2009-10 year, our office, along with the assistance of a criminal investigator from the Office of District Attorney General, conducted a special investigation in the Office of Hickman County Clerk. On May 13, 2010, the Hickman County Mayor informed us of suspected irregularities concerning falsified records and missing inventory in the County Clerk's Office. Our investigation revealed that the county clerk, Andrea Totty, manipulated motor vehicle renewal transactions, resulting in a cash shortage of \$4,628.50 at June 30, 2010. Our investigation also disclosed personal use of county owned computers and certain accounting deficiencies in the operation of the office. On June 14, 2010, Ms. Totty admitted to diverting office funds for her personal use and immediately resigned from the office. On October 6, 2010, the former clerk was indicted on official misconduct and theft of property over \$1,000 but less than \$10,000. Subsequent to June 30, 2010, Hickman County's insurance company paid \$4,628.50 for the theft.

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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Public Library Fund – The Public Library Fund is used to account for revenue received at the Hickman County Public Library from donations, fines, and fees.

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

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

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

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

# Debt Service Fund

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

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

# Permanent Fund

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

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Endowment Fund – The Endowment Fund is used by the Hickman County Public Library to account for revenue received from investments and related expenditures.

Exhibit G-1

Hickman County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2010

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Adequate Facilities/ Development Tax			Debt Service Fund		Permanent Fund	Total	
	Public Library	Ambulance Service	Drug Control	Education Debt Service	Endowment			
\$ 125,611	\$ 0	\$ 0	\$ 0	\$ 125,611	\$ 0	\$ 0	\$ 125,611	
0	63,870	156,021	474,571	694,462	263,097	0	957,559	
8,811	0	0	0	8,811	0	38,579	47,390	
0	589,712	886	0	590,598	30,920	0	621,518	
0	(302,463)	0	0	(302,463)	0	0	(302,463)	
0	5,666	0	0	5,666	0	0	5,666	
\$ 134,422	\$ 356,785	\$ 156,907	\$ 474,571	\$ 1,122,685	\$ 294,017	\$ 38,579	\$ 1,455,281	

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities  
 Accounts Payable  
 Other Deferred Revenues  
 Total Liabilities

Fund Balances

Unreserved  
 Total Fund Balances

Total Liabilities and Fund Balances

\$ 0	\$ 5,296	\$ 0	\$ 0	\$ 5,296	\$ 0	\$ 0	\$ 5,296
0	274,445	0	0	274,445	0	0	274,445
0	279,741	0	0	279,741	0	0	279,741
\$ 134,422	\$ 77,044	\$ 156,907	\$ 474,571	\$ 842,944	\$ 294,017	\$ 38,579	\$ 1,175,540
\$ 134,422	\$ 77,044	\$ 156,907	\$ 474,571	\$ 842,944	\$ 294,017	\$ 38,579	\$ 1,175,540
\$ 134,422	\$ 356,785	\$ 156,907	\$ 474,571	\$ 1,122,685	\$ 294,017	\$ 38,579	\$ 1,455,281

Exhibit G-2

Hickman County, Tennessee  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2010

	Special Revenue Funds							Total	Education Debt Service	Permanent Fund	Total Nonmajor Governmental Funds
	Public Library	Ambulance Service	Drug Control	Adequate Facilities/ Development Tax	Constitu- tional Officers - Fees	Debt Service Fund					
						Endowment	Fund				
<b>Revenues</b>											
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 74,940	\$ 0	\$ 0	\$ 74,940	\$ 304,424	\$ 0	\$ 379,364	
Fines, Forfeitures, and Penalties	0	0	58,383	0	0	0	58,383	0	0	58,383	
Charges for Current Services	5,995	986,333	0	0	298	0	992,626	0	0	992,626	
Other Local Revenues	25,867	0	0	0	0	0	25,867	0	2,923	28,790	
State of Tennessee	19,550	0	0	0	0	0	19,550	0	0	19,550	
Federal Government	0	27,634	0	0	0	0	27,634	0	0	27,634	
Other Governments and Citizens Groups	14,250	50	0	0	0	0	14,300	0	0	14,300	
<b>Total Revenues</b>	\$ 65,662	\$ 1,014,017	\$ 58,383	\$ 74,940	\$ 298	\$ 1,213,300	\$ 304,424	\$ 2,923	\$ 1,520,647		
<b>Expenditures</b>											
Current:											
General Government	\$ 0	\$ 0	\$ 0	\$ 749	\$ 0	\$ 0	\$ 749	\$ 0	\$ 0	\$ 749	
Administration of Justice	0	0	0	0	298	0	298	0	0	298	
Public Safety	0	0	2,438	0	0	0	2,438	0	0	2,438	
Public Health and Welfare	0	1,257,807	0	0	0	0	1,257,807	0	0	1,257,807	
Social, Cultural, and Recreational Services	252,498	0	0	0	0	0	252,498	0	0	252,498	
Debt Service:											
Principal on Debt	0	0	0	0	0	0	0	476,000	0	476,000	
Interest on Debt	0	0	0	0	0	0	0	22,668	0	22,668	
Other Debt Service	0	0	0	0	0	0	0	27,419	0	27,419	
<b>Total Expenditures</b>	\$ 252,498	\$ 1,257,807	\$ 2,438	\$ 749	\$ 298	\$ 1,513,790	\$ 526,087	\$ 0	\$ 2,039,877		
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ (186,836)	\$ (243,790)	\$ 55,945	\$ 74,191	\$ 0	\$ (300,490)	\$ (221,663)	\$ 2,923	\$ (519,230)		
<b>Other Financing Sources (Uses)</b>											
Transfers In	\$ 179,177	\$ 250,000	\$ 0	\$ 0	\$ 0	\$ 429,177	\$ 200,000	\$ 0	\$ 629,177		
Transfers Out	(27,354)	0	0	0	0	(27,354)	0	(1,110)	(28,464)		
<b>Total Other Financing Sources (Uses)</b>	\$ 151,823	\$ 250,000	\$ 0	\$ 0	\$ 0	\$ 401,823	\$ 200,000	\$ (1,110)	\$ 600,713		
<b>Net Change in Fund Balances</b>	\$ (35,013)	\$ 6,210	\$ 55,945	\$ 74,191	\$ 0	\$ 101,333	\$ (21,663)	\$ 1,813	\$ 81,483		
<b>Fund Balance, July 1, 2009</b>	169,435	70,834	100,962	400,380	0	741,611	315,680	36,766	1,094,057		
<b>Fund Balance, June 30, 2010</b>	\$ 134,422	\$ 77,044	\$ 156,907	\$ 474,571	\$ 0	\$ 842,944	\$ 294,017	\$ 38,579	\$ 1,175,540		

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 5,995	\$ 3,300	\$ 4,700	\$ 1,295
Other Local Revenues	25,867	43,300	47,200	(21,333)
State of Tennessee	19,550	8,000	15,750	3,800
Other Governments and Citizens Groups	14,250	0	2,500	11,750
Total Revenues	<u>\$ 65,662</u>	<u>\$ 54,600</u>	<u>\$ 70,150</u>	<u>\$ (4,488)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 252,498	\$ 238,362	\$ 280,529	\$ 28,031
Total Expenditures	<u>\$ 252,498</u>	<u>\$ 238,362</u>	<u>\$ 280,529</u>	<u>\$ 28,031</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (186,836)</u>	<u>\$ (183,762)</u>	<u>\$ (210,379)</u>	<u>\$ 23,543</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 179,177	\$ 178,067	\$ 178,067	\$ 1,110
Transfers Out	(27,354)	0	0	(27,354)
Total Other Financing Sources (Uses)	<u>\$ 151,823</u>	<u>\$ 178,067</u>	<u>\$ 178,067</u>	<u>\$ (26,244)</u>
Net Change in Fund Balance	\$ (35,013)	\$ (5,695)	\$ (32,312)	\$ (2,701)
Fund Balance, July 1, 2009	169,435	177,583	169,435	0
Fund Balance, June 30, 2010	<u>\$ 134,422</u>	<u>\$ 171,888</u>	<u>\$ 137,123</u>	<u>\$ (2,701)</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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 986,333	\$ 762,000	\$ 815,000	\$ 171,333
Federal Government	27,634	0	27,634	0
Other Governments and Citizens Groups	50	0	0	50
Total Revenues	<u>\$ 1,014,017</u>	<u>\$ 762,000</u>	<u>\$ 842,634</u>	<u>\$ 171,383</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 1,257,807	\$ 1,237,408	\$ 1,326,122	\$ 68,315
Total Expenditures	<u>\$ 1,257,807</u>	<u>\$ 1,237,408</u>	<u>\$ 1,326,122</u>	<u>\$ 68,315</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (243,790)</u>	<u>\$ (475,408)</u>	<u>\$ (483,488)</u>	<u>\$ 239,698</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 250,000	\$ 475,408	\$ 475,408	\$ (225,408)
Total Other Financing Sources (Uses)	<u>\$ 250,000</u>	<u>\$ 475,408</u>	<u>\$ 475,408</u>	<u>\$ (225,408)</u>
Net Change in Fund Balance	\$ 6,210	\$ 0	\$ (8,080)	\$ 14,290
Fund Balance, July 1, 2009	<u>70,834</u>	<u>41,573</u>	<u>70,834</u>	<u>0</u>
Fund Balance, June 30, 2010	<u>\$ 77,044</u>	<u>\$ 41,573</u>	<u>\$ 62,754</u>	<u>\$ 14,290</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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 58,383	\$ 50,200	\$ 50,200	\$ 8,183
Total Revenues	\$ 58,383	\$ 50,200	\$ 50,200	\$ 8,183
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 2,438	\$ 6,000	\$ 6,000	\$ 3,562
Total Expenditures	\$ 2,438	\$ 6,000	\$ 6,000	\$ 3,562
Excess (Deficiency) of Revenues Over Expenditures	\$ 55,945	\$ 44,200	\$ 44,200	\$ 11,745
Net Change in Fund Balance	\$ 55,945	\$ 44,200	\$ 44,200	\$ 11,745
Fund Balance, July 1, 2009	100,962	90,000	100,962	0
Fund Balance, June 30, 2010	\$ 156,907	\$ 134,200	\$ 145,162	\$ 11,745

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 74,940	\$ 146,000	\$ 146,000	\$ (71,060)
Total Revenues	\$ 74,940	\$ 146,000	\$ 146,000	\$ (71,060)
<u>Expenditures</u>				
<u>General Government</u>				
Building	\$ 749	\$ 1,460	\$ 1,460	\$ 711
Total Expenditures	\$ 749	\$ 1,460	\$ 1,460	\$ 711
Excess (Deficiency) of Revenues Over Expenditures	\$ 74,191	\$ 144,540	\$ 144,540	\$ (70,349)
Net Change in Fund Balance	\$ 74,191	\$ 144,540	\$ 144,540	\$ (70,349)
Fund Balance, July 1, 2009	400,380	400,000	400,380	0
Fund Balance, June 30, 2010	\$ 474,571	\$ 544,540	\$ 544,920	\$ (70,349)

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 304,424	\$ 271,398	\$ 271,398	\$ 33,026
Total Revenues	\$ 304,424	\$ 271,398	\$ 271,398	\$ 33,026
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 476,000	\$ 476,000	\$ 476,000	\$ 0
<u>Interest on Debt</u>				
Education	22,668	262,506	257,720	235,052
<u>Other Debt Service</u>				
General Government	3,000	3,000	3,000	0
Education	24,419	21,150	25,936	1,517
Total Expenditures	\$ 526,087	\$ 762,656	\$ 762,656	\$ 236,569
Excess (Deficiency) of Revenues Over Expenditures	\$ (221,663)	\$ (491,258)	\$ (491,258)	\$ 269,595
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 200,000	\$ 491,258	\$ 491,258	\$ (291,258)
Total Other Financing Sources (Uses)	\$ 200,000	\$ 491,258	\$ 491,258	\$ (291,258)
Net Change in Fund Balance	\$ (21,663)	\$ 0	\$ 0	\$ (21,663)
Fund Balance, July 1, 2009	315,680	250,000	315,680	0
Fund Balance, June 30, 2010	\$ 294,017	\$ 250,000	\$ 315,680	\$ (21,663)

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit H

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,438,321	\$ 2,203,566	\$ 2,203,566	\$ 234,755
Other Local Revenues	45,686	195,000	195,000	(149,314)
State of Tennessee	89,627	45,593	45,593	44,034
Total Revenues	<u>\$ 2,573,634</u>	<u>\$ 2,444,159</u>	<u>\$ 2,444,159</u>	<u>\$ 129,475</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 385,877	\$ 396,295	\$ 385,877	\$ 0
Highways and Streets	41,667	31,250	41,668	1
Education	811,000	811,000	811,000	0
<u>Interest on Debt</u>				
General Government	50,851	444,601	401,635	350,784
Highways and Streets	16,828	13,380	16,828	0
Education	75,382	1,022,900	1,011,759	936,377
<u>Other Debt Service</u>				
General Government	82,034	43,015	82,533	499
Education	120,458	109,317	120,458	0
Total Expenditures	<u>\$ 1,584,097</u>	<u>\$ 2,871,758</u>	<u>\$ 2,871,758</u>	<u>\$ 1,287,661</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 989,537</u>	<u>\$ (427,599)</u>	<u>\$ (427,599)</u>	<u>\$ 1,417,136</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	<u>\$ (200,000)</u>	<u>\$ (491,258)</u>	<u>\$ (491,258)</u>	<u>\$ 291,258</u>
Total Other Financing Sources (Uses)	<u>\$ (200,000)</u>	<u>\$ (491,258)</u>	<u>\$ (491,258)</u>	<u>\$ 291,258</u>
Net Change in Fund Balance	\$ 789,537	\$ (918,857)	\$ (918,857)	\$ 1,708,394
Fund Balance, July 1, 2009	<u>1,651,369</u>	<u>1,200,000</u>	<u>1,651,369</u>	<u>0</u>
Fund Balance, June 30, 2010	<u>\$ 2,440,906</u>	<u>\$ 281,143</u>	<u>\$ 732,512</u>	<u>\$ 1,708,394</u>

# Fiduciary Funds

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

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

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

Exhibit I-1

Hickman County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2010

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 622,892	\$ 622,892
Accounts Receivable	0	46	46
Due from Other Governments	99,925	0	99,925
Total Assets	<u>\$ 99,925</u>	<u>\$ 622,938</u>	<u>\$ 722,863</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 99,925	\$ 0	\$ 99,925
Due to Litigants, Heirs, and Others	0	622,938	622,938
Total Liabilities	<u>\$ 99,925</u>	<u>\$ 622,938</u>	<u>\$ 722,863</u>

Exhibit I-2

Hickman County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 595,362	\$ 595,362	\$ 0
Due from Other Governments	101,464	99,925	101,464	99,925
<b>Total Assets</b>	<b>\$ 101,464</b>	<b>\$ 695,287</b>	<b>\$ 696,826</b>	<b>\$ 99,925</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 101,464	\$ 695,287	\$ 696,826	\$ 99,925
<b>Total Liabilities</b>	<b>\$ 101,464</b>	<b>\$ 695,287</b>	<b>\$ 696,826</b>	<b>\$ 99,925</b>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 413,718	\$ 4,827,161	\$ 4,617,987	\$ 622,892
Accounts Receivable	180	46	180	46
<b>Total Assets</b>	<b>\$ 413,898</b>	<b>\$ 4,827,207</b>	<b>\$ 4,618,167</b>	<b>\$ 622,938</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 413,898	\$ 4,827,207	\$ 4,618,167	\$ 622,938
<b>Total Liabilities</b>	<b>\$ 413,898</b>	<b>\$ 4,827,207</b>	<b>\$ 4,618,167</b>	<b>\$ 622,938</b>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 413,718	\$ 4,827,161	\$ 4,617,987	\$ 622,892
Equity in Pooled Cash and Investments	0	595,362	595,362	0
Due from Other Governments	101,464	99,925	101,464	99,925
Accounts Receivable	180	46	180	46
<b>Total Assets</b>	<b>\$ 515,362</b>	<b>\$ 5,522,494</b>	<b>\$ 5,314,993</b>	<b>\$ 722,863</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 101,464	\$ 695,287	\$ 696,826	\$ 99,925
Due to Litigants, Heirs, and Others	413,898	4,827,207	4,618,167	622,938
<b>Total Liabilities</b>	<b>\$ 515,362</b>	<b>\$ 5,522,494</b>	<b>\$ 5,314,993</b>	<b>\$ 722,863</b>

# Hickman County School Department

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

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

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

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

Exhibit J-1

Hickman County, Tennessee  
Statement of Activities  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 17,902,997	\$ 39,034	\$ 2,033,032	\$ (15,830,931)
Support Services	11,323,659	2,280	55,982	(11,265,397)
Operation of Non-Instructional Services	2,425,241	657,347	1,298,956	(468,938)
Total Governmental Activities	\$ 31,651,897	\$ 698,661	\$ 3,387,970	\$ (27,565,266)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 3,144,238
Local Option Sales Taxes				1,270,261
Other Local Taxes				27,440
Grants and Contributions Not Restricted to Specific Programs				21,714,024
Unrestricted Investment Income				1,394
Miscellaneous				266,311
Total General Revenues				\$ 26,423,668
Change in Net Assets				\$ (1,141,598)
Net Assets, July 1, 2009				47,624,071
Net Assets, June 30, 2010				\$ 46,482,473

Exhibit J-2

Hickman County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Hickman County School Department  
June 30, 2010

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 487,073	\$ 3,523	\$ 490,596
Equity in Pooled Cash and Investments	4,688,139	585,198	5,273,337
Accounts Receivable	2,398	629	3,027
Due from Other Governments	241,696	45	241,741
Property Taxes Receivable	3,213,443	0	3,213,443
Allowance for Uncollectible Property Taxes	(167,159)	0	(167,159)
Total Assets	<u>\$ 8,465,590</u>	<u>\$ 589,395</u>	<u>\$ 9,054,985</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 2,075	\$ 0	\$ 2,075
Deferred Revenue - Current Property Taxes	2,894,654	0	2,894,654
Deferred Revenue - Delinquent Property Taxes	136,216	0	136,216
Other Deferred Revenues	121,108	0	121,108
Total Liabilities	<u>\$ 3,154,053</u>	<u>\$ 0</u>	<u>\$ 3,154,053</u>
<u>Fund Balances</u>			
Reserved for Career Ladder Program	\$ 5,297	\$ 0	\$ 5,297
Reserved for Title I Grants to Local Education Agencies	0	36,815	36,815
Reserved for Special Education - Grants to States	0	15,376	15,376
Other Federal Reserves	0	2,041	2,041
Reserved for Other General Purposes	487,073	0	487,073
Unreserved, Reported In:			
General Fund	4,819,167	0	4,819,167
Special Revenue Funds	0	535,163	535,163
Total Fund Balances	<u>\$ 5,311,537</u>	<u>\$ 589,395</u>	<u>\$ 5,900,932</u>
Total Liabilities and Fund Balances	<u>\$ 8,465,590</u>	<u>\$ 589,395</u>	<u>\$ 9,054,985</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, 2010

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)		\$ 5,900,932
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,018,261	
Add: construction in progress	70,100	
Add: buildings and improvements net of accumulated depreciation	35,420,351	
Add: infrastructure net of accumulated depreciation	26,299	
Add: other capital assets net of accumulated depreciation	<u>3,856,652</u>	40,391,663
(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		(67,446)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		
		<u>257,324</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 46,482,473</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, 2010

	<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	\$ 4,535,121	\$ 0	\$ 4,535,121
Licenses and Permits	1,311	0	1,311
Charges for Current Services	97,637	657,006	754,643
Other Local Revenues	272,527	5,018	277,545
State of Tennessee	20,797,751	0	20,797,751
Federal Government	147,164	4,062,387	4,209,551
Total Revenues	<u>\$ 25,851,511</u>	<u>\$ 4,724,411</u>	<u>\$ 30,575,922</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 15,929,480	\$ 1,895,879	\$ 17,825,359
Support Services	8,793,503	839,308	9,632,811
Operation of Non-Instructional Services	565,223	1,865,370	2,430,593
Capital Outlay	576,025	0	576,025
Total Expenditures	<u>\$ 25,864,231</u>	<u>\$ 4,600,557</u>	<u>\$ 30,464,788</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ (12,720)</u>	<u>\$ 123,854</u>	<u>\$ 111,134</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 8,224	\$ 0	\$ 8,224
Transfers In	51,845	0	51,845
Transfers Out	0	(51,845)	(51,845)
Total Other Financing Sources (Uses)	<u>\$ 60,069</u>	<u>\$ (51,845)</u>	<u>\$ 8,224</u>
Net Change in Fund Balances	\$ 47,349	\$ 72,009	\$ 119,358
Fund Balance, July 1, 2009	<u>5,264,188</u>	<u>517,386</u>	<u>5,781,574</u>
Fund Balance, June 30, 2010	<u>\$ 5,311,537</u>	<u>\$ 589,395</u>	<u>\$ 5,900,932</u>

Exhibit J-5

Hickman County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2010

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)		\$ 119,358
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 681,844	
Less: current-year depreciation expense	<u>(1,834,819)</u>	(1,152,975)
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2010	\$ 257,324	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(331,171)</u>	(73,847)
<p>(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.</p>		
Change in other postemployment benefits liability		<u>(34,134)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (1,141,598)</u>

Exhibit J-6

Hickman County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Hickman County School Department  
June 30, 2010

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 3,523	\$ 3,523
Equity in Pooled Cash and Investments	53,558	531,640	585,198
Accounts Receivable	629	0	629
Due from Other Governments	45	0	45
	<hr/>		
Total Assets	\$ 54,232	\$ 535,163	\$ 589,395
<u>FUND BALANCES</u>			
Reserved for Title I Grants to Local Education Agencies	\$ 36,815	\$ 0	\$ 36,815
Reserved for Special Education - Grants to States	15,376	0	15,376
Other Federal Reserves	2,041	0	2,041
Unreserved	0	535,163	535,163
	<hr/>		
Total Fund Balances	\$ 54,232	\$ 535,163	\$ 589,395
	<hr/>		

Exhibit J-7

Hickman County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2010

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 657,006	\$ 657,006
Other Local Revenues	0	5,018	5,018
Federal Government	2,783,771	1,278,616	4,062,387
Total Revenues	<u>\$ 2,783,771</u>	<u>\$ 1,940,640</u>	<u>\$ 4,724,411</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,895,879	\$ 0	\$ 1,895,879
Support Services	839,308	0	839,308
Operation of Non-Instructional Services	0	1,865,370	1,865,370
Total Expenditures	<u>\$ 2,735,187</u>	<u>\$ 1,865,370</u>	<u>\$ 4,600,557</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 48,584</u>	<u>\$ 75,270</u>	<u>\$ 123,854</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (51,845)	\$ 0	\$ (51,845)
Total Other Financing Sources (Uses)	<u>\$ (51,845)</u>	<u>\$ 0</u>	<u>\$ (51,845)</u>
Net Change in Fund Balances	\$ (3,261)	\$ 75,270	\$ 72,009
Fund Balance, July 1, 2009	57,493	459,893	517,386
Fund Balance, June 30, 2010	<u>\$ 54,232</u>	<u>\$ 535,163</u>	<u>\$ 589,395</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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,535,121	\$ 4,412,040	\$ 4,412,040	\$ 123,081
Licenses and Permits	1,311	1,500	1,500	(189)
Charges for Current Services	97,637	109,100	109,100	(11,463)
Other Local Revenues	272,527	156,000	156,000	116,527
State of Tennessee	20,797,751	20,799,731	20,849,752	(52,001)
Federal Government	147,164	166,000	166,000	(18,836)
Total Revenues	<u>\$ 25,851,511</u>	<u>\$ 25,644,371</u>	<u>\$ 25,694,392</u>	<u>\$ 157,119</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 12,409,949	\$ 13,226,130	\$ 13,226,130	\$ 816,181
Alternative Instruction Program	145,592	154,300	154,300	8,708
Special Education Program	2,068,551	2,228,725	2,228,725	160,174
Vocational Education Program	1,229,309	1,265,000	1,265,000	35,691
Adult Education Program	76,079	82,630	82,630	6,551
<u>Support Services</u>				
Attendance	143,386	146,910	146,910	3,524
Health Services	208,985	221,500	221,500	12,515
Other Student Support	794,441	848,200	848,200	53,759
Regular Instruction Program	888,503	960,000	960,000	71,497
Alternative Instruction Program	295	500	500	205
Special Education Program	88,378	99,250	99,250	10,872
Vocational Education Program	84,536	90,600	90,600	6,064
Adult Programs	73,531	73,730	73,730	199
Other Programs	50,022	0	50,022	0
Board of Education	419,814	469,500	469,500	49,686
Director of Schools	225,778	247,800	247,800	22,022
Office of the Principal	879,093	914,200	914,200	35,107
Operation of Plant	2,187,062	2,334,000	2,334,000	146,938
Maintenance of Plant	1,312,806	1,342,340	1,342,340	29,534
Transportation	1,225,378	1,549,150	1,549,150	323,772
Central and Other	211,495	235,000	235,000	23,505
<u>Operation of Non-Instructional Services</u>				
Food Service	21,677	22,000	22,000	323
Community Services	137,377	153,600	153,600	16,223
Early Childhood Education	406,169	406,170	406,169	0
<u>Capital Outlay</u>				
Regular Capital Outlay	576,025	750,000	750,000	173,975
Total Expenditures	<u>\$ 25,864,231</u>	<u>\$ 27,821,235</u>	<u>\$ 27,871,256</u>	<u>\$ 2,007,025</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (12,720)</u>	<u>\$ (2,176,864)</u>	<u>\$ (2,176,864)</u>	<u>\$ 2,164,144</u>

(Continued)

Exhibit J-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 8,224	\$ 5,000	\$ 5,000	\$ 3,224
Transfers In	51,845	225,000	225,000	(173,155)
Total Other Financing Sources (Uses)	<u>\$ 60,069</u>	<u>\$ 230,000</u>	<u>\$ 230,000</u>	<u>\$ (169,931)</u>
Net Change in Fund Balance	\$ 47,349	\$ (1,946,864)	\$ (1,946,864)	\$ 1,994,213
Fund Balance, July 1, 2009	5,264,188	4,500,000	5,264,188	0
Fund Balance, June 30, 2010	<u>\$ 5,311,537</u>	<u>\$ 2,553,136</u>	<u>\$ 3,317,324</u>	<u>\$ 1,994,213</u>

Exhibit J-9

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Hickman County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,783,771	\$ 3,737,591	\$ 3,737,591	\$ (953,820)
Total Revenues	\$ 2,783,771	\$ 3,737,591	\$ 3,737,591	\$ (953,820)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,019,190	\$ 1,127,282	\$ 1,127,282	\$ 108,092
Special Education Program	814,881	1,176,117	1,176,117	361,236
Vocational Education Program	61,808	61,808	61,808	0
<u>Support Services</u>				
Other Student Support	198,131	474,769	474,769	276,638
Regular Instruction Program	326,443	478,685	478,685	152,242
Special Education Program	291,969	352,030	352,030	60,061
Transportation	22,765	55,000	55,000	32,235
Total Expenditures	\$ 2,735,187	\$ 3,725,691	\$ 3,725,691	\$ 990,504
Excess (Deficiency) of Revenues Over Expenditures	\$ 48,584	\$ 11,900	\$ 11,900	\$ 36,684
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (51,845)	\$ (55,045)	\$ (55,045)	\$ 3,200
Total Other Financing Sources (Uses)	\$ (51,845)	\$ (55,045)	\$ (55,045)	\$ 3,200
Net Change in Fund Balance	\$ (3,261)	\$ (43,145)	\$ (43,145)	\$ 39,884
Fund Balance, July 1, 2009	57,493	54,232	54,232	3,261
Fund Balance, June 30, 2010	\$ 54,232	\$ 11,087	\$ 11,087	\$ 43,145

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 657,006	\$ 835,000	\$ 835,000	\$ (177,994)
Other Local Revenues	5,018	2,400	2,400	2,618
Federal Government	1,278,616	1,177,000	1,177,000	101,616
Total Revenues	<u>\$ 1,940,640</u>	<u>\$ 2,014,400</u>	<u>\$ 2,014,400</u>	<u>\$ (73,760)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,865,370	\$ 2,128,000	\$ 2,128,000	\$ 262,630
Total Expenditures	<u>\$ 1,865,370</u>	<u>\$ 2,128,000</u>	<u>\$ 2,128,000</u>	<u>\$ 262,630</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 75,270</u>	<u>\$ (113,600)</u>	<u>\$ (113,600)</u>	<u>\$ 188,870</u>
Net Change in Fund Balance	\$ 75,270	\$ (113,600)	\$ (113,600)	\$ 188,870
Fund Balance, July 1, 2009	<u>459,893</u>	<u>430,000</u>	<u>459,893</u>	<u>0</u>
Fund Balance, June 30, 2010	<u><u>\$ 535,163</u></u>	<u><u>\$ 316,400</u></u>	<u><u>\$ 346,293</u></u>	<u><u>\$ 188,870</u></u>

# Hickman County Health Foundation

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

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

Exhibit K-1

Hickman County, Tennessee  
Statement of Net Assets and Governmental Fund Balance Sheet  
Discretely Presented Hickman County Health Foundation  
June 30, 2010

	Health Foundation Fund	Adjustments	Statement of Net Assets
<u>ASSETS</u>			
Cash	\$ 2,294,812	\$ 0	\$ 2,294,812
Total Assets	<u>\$ 2,294,812</u>	<u>\$ 0</u>	<u>\$ 2,294,812</u>
<u>FUND BALANCE/NET ASSETS</u>			
Fund Balance:			
Unreserved	\$ 2,294,812	\$ (2,294,812)	\$ 0
Total Fund Balance	<u>\$ 2,294,812</u>	<u>\$ (2,294,812)</u>	<u>\$ 0</u>
Total Fund Balance	<u>\$ 2,294,812</u>		
Net Assets:			
Unrestricted		<u>\$ 2,294,812</u>	<u>\$ 2,294,812</u>
Total Net Assets		<u>\$ 2,294,812</u>	<u>\$ 2,294,812</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, 2010

	Health Foundation Fund	Adjustments	Statement of Activities
Expenditures/Expenses:			
General Government:			
County Commission	\$ 391	\$ 0	\$ 391
Public Health and Welfare:			
Ambulance/Emergency Medical Services	13,675	0	13,675
Other Public Health and Welfare	140,000	0	140,000
Miscellaneous	1,846	0	1,846
Total Expenditures/Expenses	<u>\$ 155,912</u>	<u>\$ 0</u>	<u>\$ 155,912</u>
Program Revenues:			
Operating Grants and Contributions:			
Public Health and Welfare	\$ 100,000	\$ 0	\$ 100,000
Net Program Expense			<u>\$ 55,912</u>
General Revenues:			
Investment Income	\$ 64,570	\$ 0	\$ 64,570
Total General Revenues	<u>\$ 64,570</u>	<u>\$ 0</u>	<u>\$ 64,570</u>
Excess of Revenues Over Expenditures	\$ 8,658	\$ (8,658)	\$ 0
Change in Net Assets	0	8,658	8,658
Fund Balance/Net Assets:			
July 1, 2009	<u>2,286,154</u>	0	<u>2,286,154</u>
June 30, 2010	<u>\$ 2,294,812</u>	<u>\$ 0</u>	<u>\$ 2,294,812</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit L-1

Hickman County, Tennessee  
Schedule of Changes in Long-term Notes and Other Loans  
For the Year Ended June 30, 2010

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-10
<b><u>GOVERNMENTAL ACTIVITIES:</u></b>								
<b><u>NOTES PAYABLE</u></b>								
<u>Payable through General Debt Service Fund</u>								
Highway Capital Outlay Note	\$ 125,000	4.15 %	8-2-04	8-2-16	\$ 83,332	\$ 0	10,417	\$ 72,915
MLEC Building	605,000	4.1	1-12-07	1-12-19	459,000	0	50,000	409,000
Energy Efficiency	62,142	0	3-14-07	4-15-14	44,388	0	8,877	35,511
Highway Capital Outlay Note	350,000	4	6-30-08	6-30-20	318,750	0	31,250	287,500
Flood Disaster Capital Outlay Note	2,000,000	2.76	5-28-10	5-28-13	0	2,000,000	0	2,000,000
Total Notes Payable					\$ 905,470	\$ 2,000,000	\$ 100,544	\$ 2,804,926
<b><u>OTHER LOANS PAYABLE</u></b>								
<u>Payable through Education Debt Service Fund</u>								
School Construction	8,949,117	Variable	12-15-1997	5-25-18	\$ 5,250,117	\$ 0	476,000	\$ 4,774,117
Total Payable through Education Debt Service Fund					\$ 5,250,117	\$ 0	476,000	\$ 4,774,117
<u>Payable through General Debt Service Fund</u>								
Court Facility	1,750,000	Variable	2-9-1998	5-25-18	\$ 919,000	\$ 0	92,000	\$ 827,000
School Construction	22,000,000	Variable	6-28-04	5-25-29	19,854,000	0	756,000	19,098,000
Jail Construction	6,140,000	Variable	10-27-05	5-25-31	5,650,000	0	177,000	5,473,000
Sewer Line	2,000,000	Variable	3-30-06	5-25-33	1,834,000	0	58,000	1,776,000
School Construction	(1)	Variable	8-27-07	5-25-19	604,000	0	55,000	549,000
Total Payable through General Debt Service Fund					\$ 28,861,000	\$ 0	1,138,000	\$ 27,723,000
Total Other Loans Payable					\$ 34,111,117	\$ 0	1,614,000	\$ 32,497,117
<b><u>BUSINESS-TYPE ACTIVITIES:</u></b>								
<b><u>NOTES PAYABLE</u></b>								
<u>Payable through Solid Waste Disposal Fund:</u>								
Recycling Center	450,000	4.05	3-23-07	3-23-19	\$ 375,000	\$ 0	37,500	\$ 337,500

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

Exhibit L-2

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

GOVERNMENTAL ACTIVITIES:

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 600,544	\$ 89,258	\$ 689,802
2012	600,544	71,767	672,311
2013	1,100,544	54,034	1,154,578
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	\$ 2,804,926	\$ 293,692	\$ 3,098,618

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2011	\$ 1,675,000	\$ 147,748	\$ 179,637	\$ 2,002,385
2012	1,738,000	139,901	171,083	2,048,984
2013	1,806,000	131,751	162,220	2,099,971
2014	1,875,000	123,276	153,027	2,151,303
2015	1,948,000	114,469	143,497	2,205,966
2016	2,024,000	105,311	133,608	2,262,919
2017	2,102,000	95,790	123,351	2,321,141
2018	2,034,117	85,891	112,596	2,232,604
2019	1,298,000	76,063	99,905	1,473,968
2020	1,329,000	70,387	92,583	1,491,970
2021	1,367,000	64,539	85,043	1,516,582
2022	1,409,000	58,525	77,287	1,544,812
2023	1,451,000	52,325	69,294	1,572,619
2024	1,495,000	45,940	61,065	1,602,005
2025	1,540,000	39,362	52,587	1,631,949
2026	1,587,000	32,586	43,855	1,663,441
2027	1,634,000	25,604	34,857	1,694,461
2028	1,684,000	18,414	25,595	1,728,009
2029	1,734,000	11,005	16,052	1,761,057
2030	331,860	3,375	5,505	340,740
2031	241,140	1,914	3,746	246,800
2032	96,000	854	1,748	98,602
2033	98,000	431	1,239	99,670
Total	\$ 32,497,117	\$ 1,445,461	\$ 1,849,380	\$ 35,791,958

(Continued)

Exhibit L-2

Hickman County, Tennessee  
Schedule of Long-term Debt Requirements by Year (Cont.)

BUSINESS-TYPE ACTIVITIES:

Year Ending June 30	Notes		Total
	Principal	Interest	
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	37,500	7,699	45,199
2016	37,500	6,175	43,675
2017	37,500	4,620	42,120
2018	37,500	3,080	40,580
2019	37,500	1,540	39,040
Total	\$ 337,500	\$ 69,343	\$ 406,843

Exhibit L-3

Hickman County, Tennessee  
Schedule of Investments  
June 30, 2010

Fund and Type	Amount
Public Library Fund:	
Mutual Funds	<u>\$ 8,811</u>
Endowment Fund:	
Mutual Funds	\$ 17,888
Certificate of Deposit	<u>20,691</u>
Total Endowment Fund	<u>\$ 38,579</u>
Total Investments	<u><u>\$ 47,390</u></u>

Exhibit L-4

Hickman County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2010

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Public Library	Operations	\$ 178,067
General	Ambulance Service	Operations	250,000
General	Highway/Public Works	Fund information technology position	23,160
Public Library	General	Close bank account	27,354
Highway/Public Works	General	Administrative costs	31,121
General Debt Service	Education Debt Service	Debt retirement	200,000
Endowment	Public Library	Operations	<u>1,110</u>
Total Transfers Primary Government			<u>\$ 710,812</u>
<u>DISCRETELY PRESENTED HICKMAN</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Transfer special education excess costs	\$ 13,891
School Federal Projects	General Purpose School	Indirect costs	<u>37,954</u>
Total Transfers Discretely Presented Hickman County School Department			<u>\$ 51,845</u>

Exhibit L-5

Hickman County, Tennessee  
 Schedule of Salaries and Official Bonds of Principal Officials  
 Primary Government and Discretely Presented Hickman County School Department  
 For the Year Ended June 30, 2010

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 66,702	\$ 50,000	State Farm Fire and Casualty Company
Road Superintendent	Section 8-24-102, TCA	63,527	100,000	Auto Owners Mutual Insurance Company
Director of Schools	State Board of Education and Local Board of Education	96,550 (1)	(8)	
Trustee	Section 8-24-102, TCA	57,751	1,029,435	State Farm Fire and Casualty Company
Assessor of Property	Section 8-24-102, TCA	58,918 (2)	12,000	Auto Owners Mutual Insurance Company
County Clerk:				
Randel Totty (7-1-09 through 7-31-09)	Section 8-24-102, TCA	8,218	50,000	Old Republic Surety Company
Andrea Totty (8-1-09 through 6-14-10)	Section 8-24-102, TCA	49,533	50,000	"
Tracy Wright (6-15-10 through 6-30-10)	Section 8-24-102, TCA	(3)	50,000	"
Circuit Court Clerk	Section 8-24-102, TCA	57,751	50,000	State Farm Fire and Casualty Company
Clerk and Master	Section 8-24-102, TCA, and Chancery Judge	53,086 (4) (5)	55,000	"
Register	Section 8-24-102, TCA	57,751	25,000	Auto Owners Mutual Insurance Company
Sheriff	Section 8-24-102, TCA	64,127 (6)	25,000	Travelers Casualty and Surety Company
Finance Director	County Commission	62,074 (7)	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) Includes \$1,167 as a training supplement.
- (3) Served as interim county clerk from 6-15-10 through 6-30-10 and was appointed clerk by the County Commission effective 7-1-10.
- (4) Does not include \$285 in special commissioner fees.
- (5) Linda Gossett was appointed clerk and master effective 7-10-09.
- (6) Includes \$600 as a law enforcement training supplement.
- (7) Includes \$1,500 as a training supplement.
- (8) 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, 2010

	Special Revenue Funds							Highway / Public Works
	General	Public Library	Ambulance Service	Drug Control	Adequate Facilities/ Development Tax	Constitu- tional Officers - Fees		
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 3,547,821	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	209,006
Trustee's Collections - Prior Year	191,159	0	0	0	0	0	0	11,202
Circuit/Clerk & Master Collections - Prior Years	140,161	0	0	0	0	0	0	7,343
Interest and Penalty	35,101	0	0	0	0	0	0	2,074
Payments in-Lieu-of Taxes - T.V.A.	6,430	0	0	0	0	0	0	349
Payments in-Lieu-of Taxes - Local Utilities	7,742	0	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	1,595	0	0	0	0	0	0	0
<u>County Local Option Taxes</u>								
Local Option Sales Tax	2,477	0	0	0	0	0	0	0
Hotel/Motel Tax	13,816	0	0	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0	0	0
Litigation Tax - General	96,942	0	0	0	0	0	0	0
Litigation Tax - Special Purpose	13,050	0	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	88,481	0	0	0	0	0	0	0
Business Tax	23,802	0	0	0	0	0	0	1,706
Mineral Severance Tax	0	0	0	0	0	0	0	55,911
Adequate Facilities/Development Tax	0	0	0	0	74,940	0	0	0
<u>Statutory Local Taxes</u>								
Bank Excise Tax	5,171	0	0	0	0	0	0	0
Wholesale Beer Tax	180,982	0	0	0	0	0	0	0
Interstate Telecommunications Tax	1,524	0	0	0	0	0	0	0
Other Statutory Local Taxes	0	0	0	0	0	0	0	0
Total Local Taxes	\$ 4,356,254	\$ 0	\$ 0	\$ 0	\$ 74,940	\$ 0	\$ 0	287,591
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	\$ 10,439	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>								
Beer Permits	3,283	0	0	0	0	0	0	0
Building Permits	39,172	0	0	0	0	0	0	0
Total Licenses and Permits	\$ 52,894	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds						
	General	Public Library	Ambulance Service	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 12,140	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	7,010	0	0	0	0	0	0
Drug Control Fines	0	0	0	14,535	0	0	0
Drug Court Fees	2,188	0	0	0	0	0	0
DUI Treatment Fines	1,391	0	0	0	0	0	0
Data Entry Fee - Circuit Court	297	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	42,678	0	0	0	0	0	0
Officers Costs	31,221	0	0	0	0	0	0
Drug Control Fines	0	0	0	11,622	0	0	0
Drug Court Fees	8,534	0	0	0	0	0	0
Jail Fees	14,259	0	0	0	0	0	0
DUI Treatment Fines	6,595	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	6,231	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	2,418	0	0	0	0	0	0
Data Entry Fee - Chancery Court	1,874	0	0	0	0	0	0
<u>Judicial District Drug Program</u>							
Courtroom Security Fee	1,525	0	0	0	0	0	0
Other Fines, Forfeitures, and Penalties							
Proceeds from Confiscated Property	4,454	0	0	32,226	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 142,815	\$ 0	\$ 0	\$ 58,383	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Patient Charges	\$ 0	\$ 0	\$ 986,333	\$ 0	\$ 0	\$ 0	\$ 0
Fees							
Copy Fees	2,069	3,175	0	0	0	0	0
Library Fees	0	2,820	0	0	0	0	0
Archives and Records Management Fee - County Clerk	26,223	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						
	General	Public Library	Ambulance Service	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>							
<u>Fees (Cont.)</u>							
Vending Machine Collections	\$ 327	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,828
Constitutional Officers' Fees and Commissions	0	0	0	0	0	298	0
Data Processing Fee - Register	9,668	0	0	0	0	0	0
Probation Fees	2,359	0	0	0	0	0	0
Data Processing Fee - Sheriff	215	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,758	0	0	0	0	0	0
Data Processing Fee - County Clerk	1,246	0	0	0	0	0	0
Total Charges for Current Services	\$ 43,865	\$ 5,995	\$ 986,333	\$ 0	\$ 0	\$ 298	\$ 1,828
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 518	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	8,150	130	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0	36,097
Commissary Sales	9,994	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0	0	5,029
Miscellaneous Refunds	119,257	0	0	0	0	0	0
<u>Nonrecurring Items</u>							
Sale of Property	46,035	0	0	0	0	0	0
Contributions and Gifts	1,051	0	0	0	0	0	0
<u>Other Local Revenues</u>							
Other Local Revenues	0	25,219	0	0	0	0	0
Total Other Local Revenues	\$ 184,487	\$ 25,867	\$ 0	\$ 0	\$ 0	\$ 0	\$ 41,126
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 201,319	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	276,969	0	0	0	0	0	0
Clerk and Master	119,524	0	0	0	0	0	0
Register	85,504	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds							Highway / Public Works
	General	Public Library	Ambulance Service	Drug Control	Adequate Facilities/ Development Tax	Constitu- tional Officers - Fees		
<u>Fees Received from County Officials (Cont.)</u>								
<u>Fees in-Lieu-of Salary (Cont.)</u>								
Sheriff	\$ 32,946	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee	307,078	0	0	0	0	0	0	0
<b>Total Fees Received from County Officials</b>	<b>\$ 1,023,340</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 9,135	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
State Reappraisal Grant	9,101	0	0	0	0	0	0	0
On-Behalf Contributions for OPEB	322	0	0	0	0	0	0	0
<u>Health and Welfare Grants</u>								
Health Department Programs	208,835	0	0	0	0	0	0	0
<u>Public Works Grants</u>								
State Aid Program	0	0	0	0	0	0	0	513,412
<u>Other State Revenues</u>								
Income Tax	61,138	0	0	0	0	0	0	0
Beer Tax	8,195	0	0	0	0	0	0	0
Alcoholic Beverage Tax	60,111	0	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	333,719	0	0	0	0	0	0	19,660
Contracted Prisoner Boarding	655,706	0	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0	1,805,506
Petroleum Special Tax	0	0	0	0	0	0	0	17,905
Registrar's Salary Supplement	12,285	0	0	0	0	0	0	0
Other State Grants	8,865	19,550	0	0	0	0	0	0
Other State Revenues	1,000	0	0	0	0	0	0	0
<b>Total State of Tennessee</b>	<b>\$ 1,368,412</b>	<b>\$ 19,550</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>2,356,483</b>
<u>Federal Government</u>								
<u>Federal Through State</u>								
Homeland Security Grants	\$ 48,570	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Federal through State	4,800	0	27,634	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						
	General	Public Library	Ambulance Service	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>Federal Government (Cont.)</u>							
<u>Direct Federal Revenue</u>							
ARRA Grant No. 7	\$ 2,493	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Direct Federal Revenue	0	0	0	0	0	0	194,495
Total Federal Government	\$ 55,863	\$ 0	\$ 27,634	\$ 0	\$ 0	\$ 0	\$ 194,495
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 108,000	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Citizens Groups	62	12,250	50	0	0	0	0
Donations	\$ 108,062	\$ 14,250	\$ 50	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 7,335,992	\$ 65,662	\$ 1,014,017	\$ 58,383	\$ 74,940	\$ 298	\$ 2,881,523
Total							

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

	Debt Service Funds			Capital Projects Fund		Permanent Fund	Total
	General Debt Service	Education Debt Service	0	Capital Projects Fund			
				General Capital Projects	Endowment		
<b>Local Taxes</b>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 956,323	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,713,150
Trustee's Collections - Prior Year	49,094	0	0	0	0	0	251,455
Circuit/Clerk & Master Collections - Prior Years	34,347	0	0	0	0	0	181,851
Interest and Penalty	9,422	0	0	0	0	0	46,597
Payments in-Lieu-of Taxes - T.V.A.	1,727	0	0	0	0	0	8,506
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	7,742
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	1,595
<u>County Local Option Taxes</u>							
Local Option Sales Tax	656,078	0	0	0	0	0	658,555
Hotel/Motel Tax	0	0	0	0	0	0	13,816
Wheel Tax	710,322	304,424	0	0	0	0	1,014,746
Litigation Tax - General	0	0	0	0	0	0	96,942
Litigation Tax - Special Purpose	0	0	0	0	0	0	13,050
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	88,481
Business Tax	7,814	0	0	0	0	0	33,322
Mineral Severance Tax	0	0	0	0	0	0	55,911
Adequate Facilities/Development Tax	0	0	0	0	0	0	74,940
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	0	0	0	0	5,171
Wholesale Beer Tax	0	0	0	0	0	0	180,982
Interstate Telecommunications Tax	0	0	0	0	0	0	1,524
Other Statutory Local Taxes	13,194	0	0	0	0	0	13,194
<b>Total Local Taxes</b>	<b>\$ 2,438,321</b>	<b>\$ 304,424</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,461,530</b>
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	0	0	0	0	0	0	10,439
<u>Permits</u>							
Beer Permits	0	0	0	0	0	0	3,283
Building Permits	0	0	0	0	0	0	39,172
<b>Total Licenses and Permits</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 52,894</b>

(Continued)

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

	Debt Service Funds			Capital Projects Fund		Permanent Fund	Total
	General Debt Service	Education Debt Service	General Capital Projects	Endowment			
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 0	0	0	0	0	0	12,140
Officers Costs	0	0	0	0	0	0	7,010
Drug Control Fines	0	0	0	0	0	0	14,535
Drug Court Fees	0	0	0	0	0	0	2,188
DUI Treatment Fines	0	0	0	0	0	0	1,391
Data Entry Fee - Circuit Court	0	0	0	0	0	0	297
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	42,678
Officers Costs	0	0	0	0	0	0	31,221
Drug Control Fines	0	0	0	0	0	0	11,622
Drug Court Fees	0	0	0	0	0	0	8,534
Jail Fees	0	0	0	0	0	0	14,259
DUI Treatment Fines	0	0	0	0	0	0	6,595
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	6,231
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	2,418
Data Entry Fee - Chancery Court	0	0	0	0	0	0	1,874
<u>Judicial District Drug Program</u>							
Courtroom Security Fee	0	0	0	0	0	0	1,525
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	36,680
Total Fines, Forfeitures, and Penalties	\$ 0	0	0	0	0	0	201,198
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Patient Charges	\$ 0	0	0	0	0	0	986,333
<u>Fees</u>							
Copy Fees	0	0	0	0	0	0	5,244
Library Fees	0	0	0	0	0	0	2,820
Archives and Records Management Fee - County Clerk	0	0	0	0	0	0	26,223

(Continued)

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

	Debt Service Funds			Capital Projects Fund		Permanent Fund	Total
	General Debt Service	Education Debt Service	General Capital Projects	Capital Projects Fund			
				Endowment			
<u>Charges for Current Services (Cont.)</u>							
<u>Fees (Cont.)</u>							
Vending Machine Collections	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	2,155
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	298
Data Processing Fee - Register	0	0	0	0	0	0	9,668
Probation Fees	0	0	0	0	0	0	2,359
Data Processing Fee - Sheriff	0	0	0	0	0	0	215
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	1,758
Data Processing Fee - County Clerk	0	0	0	0	0	0	1,246
Total Charges for Current Services	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,038,319
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 45,686 \$	0 \$	0 \$	0 \$	2,923 \$	0 \$	49,127
Lease/Rentals	0	0	0	0	0	0	8,280
Sale of Materials and Supplies	0	0	0	0	0	0	36,097
Commissary Sales	0	0	0	0	0	0	9,994
Sale of Recycled Materials	0	0	0	0	0	0	5,029
Miscellaneous Refunds	0	0	0	0	0	0	119,257
<u>Nonrecurring Items</u>							
Sale of Property	0	0	0	0	0	0	46,035
Contributions and Gifts	0	0	0	0	0	0	1,051
<u>Other Local Revenues</u>							
Other Local Revenues	0	0	0	0	0	0	25,219
Total Other Local Revenues	\$ 45,686 \$	0 \$	0 \$	0 \$	2,923 \$	0 \$	300,089
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	201,319
Circuit Court Clerk	0	0	0	0	0	0	276,969
Clerk and Master	0	0	0	0	0	0	119,524
Register	0	0	0	0	0	0	85,504

(Continued)

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

	Debt Service Funds			Capital Projects Fund		Permanent Fund	Total
	General Debt Service	Education Debt Service	General Capital Projects	Endowment			
<u>Fees Received from County Officials (Cont.)</u>							
<u>Fees in-Lieu-of Salary (Cont.)</u>							
Sheriff	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,946
Trustee	0	0	0	0	0	0	307,078
<b>Total Fees Received from County Officials</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,023,340</b>
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,135
State Reappraisal Grant	0	0	0	0	0	0	9,101
On-Behalf Contributions for OPEB	0	0	0	0	0	0	322
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	0	0	208,835
Public Works Grants							
State Aid Program	0	0	0	0	0	0	513,412
<u>Other State Revenues</u>							
Income Tax	0	0	0	0	0	0	61,138
Beer Tax	0	0	0	0	0	0	8,195
Alcoholic Beverage Tax	0	0	0	0	0	0	60,111
State Revenue Sharing - T.V.A.	89,627	0	0	0	0	0	443,006
Contracted Prisoner Boarding	0	0	0	0	0	0	655,706
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	1,805,506
Petroleum Special Tax	0	0	0	0	0	0	17,905
Registrar's Salary Supplement	0	0	0	0	0	0	12,285
Other State Grants	0	0	30,545	0	0	0	58,960
Other State Revenues	0	0	0	0	0	0	1,000
<b>Total State of Tennessee</b>	<b>\$ 89,627</b>	<b>\$ 0</b>	<b>\$ 30,545</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,864,617</b>
<u>Federal Government</u>							
<u>Federal Through State</u>							
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 48,570
Other Federal through State	0	0	0	0	0	0	32,434

(Continued)

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

	Debt Service Funds			Capital Projects Fund		Permanent Fund	Total
	General Debt Service	Education Debt Service	General Capital Projects	Endowment			
<u>Federal Government (Cont.)</u>							
<u>Direct Federal Revenue</u>							
ARRA Grant No. 7	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,493
Other Direct Federal Revenue	0	0	0	0	0	0	194,495
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 277,992
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 110,000
Citizens Groups	0	0	0	0	0	0	12,362
Donations	0	0	0	0	0	0	122,362
Total Other Governments and Citizens Groups	\$ 2,573,634	\$ 304,424	\$ 30,545	\$ 2,923	\$ 14,342,341		

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, 2010

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 2,943,740	\$ 0	\$ 0	\$ 2,943,740
Trustee's Collections - Prior Year	158,014	0	0	158,014
Circuit/Clerk & Master Collections - Prior Years	106,113	0	0	106,113
Interest and Penalty	29,140	0	0	29,140
Payments in-Lieu-of Taxes - T.V.A.	5,335	0	0	5,335
Payments in-Lieu-of Taxes - Local Utilities	6,000	0	0	6,000
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,251,339	0	0	1,251,339
Business Tax	25,603	0	0	25,603
<u>Statutory Local Taxes</u>				
Bank Excise Tax	8,000	0	0	8,000
Interstate Telecommunications Tax	1,837	0	0	1,837
Total Local Taxes	\$ 4,535,121	\$ 0	\$ 0	\$ 4,535,121
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,311	\$ 0	\$ 0	\$ 1,311
Total Licenses and Permits	\$ 1,311	\$ 0	\$ 0	\$ 1,311
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Summer School	\$ 3,396	\$ 0	\$ 0	\$ 3,396
Tuition - Other	35,638	0	0	35,638
Lunch Payments - Children	0	0	288,533	288,533
Lunch Payments - Adults	0	0	67,013	67,013
Income from Breakfast	0	0	69,048	69,048
A la carte Sales	0	0	232,412	232,412
Receipts from Individual Schools	55,982	0	0	55,982
Community Service Fees - Adults	341	0	0	341
TBI Criminal Background Fees	2,280	0	0	2,280
Total Charges for Current Services	\$ 97,637	\$ 0	\$ 657,006	\$ 754,643
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 1,394	\$ 1,394
Lease/Rentals	1,025	0	0	1,025
Refund of Telecommunication and Internet Fees (E-Rate)	42,468	0	0	42,468
Miscellaneous Refunds	137,184	0	0	137,184
<u>Nonrecurring Items</u>				
Sale of Equipment	1,346	0	3,624	4,970
Damages Recovered from Individuals	11,038	0	0	11,038
Contributions and Gifts	18,064	0	0	18,064
<u>Other Local Revenues</u>				
Other Local Revenues	61,402	0	0	61,402
Total Other Local Revenues	\$ 272,527	\$ 0	\$ 5,018	\$ 277,545

(Continued)

Exhibit L-7

Hickman County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Discretely Presented 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	\$ 50,022	\$ 0	\$ 0	\$ 50,022
<u>State Education Funds</u>				
Basic Education Program	18,791,244	0	0	18,791,244
Basic Education Program - ARRA	707,100	0	0	707,100
Early Childhood Education	413,125	0	0	413,125
School Food Service	20,340	0	0	20,340
Energy Efficient School Initiative	81,680	0	0	81,680
Driver Education	8,464	0	0	8,464
Other State Education Funds	33,879	0	0	33,879
Coordinated School Health - ARRA	90,000	0	0	90,000
Internet Connectivity - ARRA	11,019	0	0	11,019
Family Resource Centers - ARRA	66,600	0	0	66,600
Statewide Student Management System (SSMS) - ARRA	9,393	0	0	9,393
Career Ladder Program	155,883	0	0	155,883
Career Ladder - Extended Contract - ARRA	57,905	0	0	57,905
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	276,897	0	0	276,897
Safe Schools - ARRA	24,200	0	0	24,200
Total State of Tennessee	\$ 20,797,751	\$ 0	\$ 0	\$ 20,797,751
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 837,980	\$ 837,980
USDA - Commodities	0	0	72,194	72,194
Breakfast	0	0	347,014	347,014
USDA Food Service Equipment Grant - ARRA	0	0	21,428	21,428
Adult Education State Grant Program	89,302	0	0	89,302
Vocational Education - Basic Grants to States	0	71,941	0	71,941
Title I Grants to Local Education Agencies	0	1,096,172	0	1,096,172
Special Education - Grants to States	0	1,262,665	0	1,262,665
Special Education Preschool Grants	0	35,419	0	35,419
Safe and Drug-free Schools - State Grants	0	14,077	0	14,077
Rural Education	0	86,636	0	86,636
Eisenhower Professional Development State Grants	0	201,167	0	201,167
Other Federal through State	0	15,694	0	15,694
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	57,862	0	0	57,862
Total Federal Government	\$ 147,164	\$ 2,783,771	\$ 1,278,616	\$ 4,209,551
Total	\$ 25,851,511	\$ 2,783,771	\$ 1,940,640	\$ 30,575,922

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, 2010

	Other Special Revenue Fund
<hr/>	
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Investment Income	\$ 64,570
<u>Nonrecurring Items</u>	
Contributions and Gifts	<u>100,000</u>
Total Other Local Revenues	<u>\$ 164,570</u>
 Total	 <u><u>\$ 164,570</u></u>

Exhibit L-9

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2010

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	37,725	
Accounting Services		1,027	
Audit Services		6,689	
Legal Services		18,708	
Legal Notices, Recording, and Court Costs		2,826	
Travel		284	
Total County Commission			\$ 67,259

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)		22,757	
Legal Notices, Recording, and Court Costs		603	
Travel		4,446	
Other Contracted Services		2,778	
Office Supplies		2,037	
Office Equipment		2,852	
Total County Mayor/Executive			102,175

County Attorney

Legal Services	\$	15,568	
Total County Attorney			15,568

Election Commission

County Official/Administrative Officer	\$	51,976	
Deputy(ies)		23,392	
Part-time Personnel		7,775	
Longevity Pay		500	
Election Commission		1,200	
Election Workers		10,565	
Data Processing Services		5,786	
Legal Notices, Recording, and Court Costs		838	
Printing, Stationery, and Forms		659	
Rentals		1,165	
Travel		5,599	
Other Contracted Services		10,386	
Office Supplies		2,348	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Office Equipment	\$ 4,317	
Total Election Commission		\$ 126,506

Register of Deeds

County Official/Administrative Officer	\$ 57,751	
Deputy(ies)	23,779	
Salary Supplements	1,125	
Clerical Personnel	20,864	
Longevity Pay	600	
In-Service Training	175	
Data Processing Services	8,339	
Maintenance and Repair Services - Office Equipment	516	
Travel	618	
Other Contracted Services	1,000	
Office Supplies	614	
Office Equipment	149	
Total Register of Deeds		115,530

Planning

Supervisor/Director	\$ 34,276	
Deputy(ies)	23,085	
Salary Supplements	1,500	
Longevity Pay	500	
Board and Committee Members Fees	2,100	
Contracts with Government Agencies	9,250	
Data Processing Services	944	
Legal Notices, Recording, and Court Costs	1,202	
Printing, Stationery, and Forms	436	
Travel	1,287	
Office Supplies	720	
Other Supplies and Materials	50	
Office Equipment	1,000	
Total Planning		76,350

County Buildings

Supervisor/Director	\$ 41,190
Custodial Personnel	23,787
Longevity Pay	1,500
Maintenance and Repair Services - Buildings	57,907
Maintenance and Repair Services - Equipment	1,932

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Maintenance and Repair Services - Vehicles	\$	557	
Disposal Fees		63	
Custodial Supplies		4,536	
Gasoline		2,278	
Office Supplies		361	
Uniforms		3,636	
Other Charges		4,073	
Total County Buildings			\$ 141,820

Other Facilities

Communication	\$	138,781	
Pest Control		5,375	
Electricity		160,636	
Utilities		86,775	
Total Other Facilities			391,567

Other General Administration

Maintenance and Repair Services - Equipment	\$	2,500	
Other Supplies and Materials		54	
Office Equipment		2,404	
Total Other General Administration			4,958

Preservation of Records

Clerical Personnel	\$	17,021	
Travel		366	
Other Contracted Services		1,080	
Office Supplies		6,095	
Other Supplies and Materials		256	
Other Charges		40	
Total Preservation of Records			24,858

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	62,074	
Assistant(s)		31,467	
Accountants/Bookkeepers		22,397	
Data Processing Personnel		20,864	
Salary Supplements		2,625	
Clerical Personnel		44,526	
Longevity Pay		3,100	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

In-Service Training	\$	600	
Data Processing Services		8,595	
Legal Notices, Recording, and Court Costs		7,155	
Printing, Stationery, and Forms		4,319	
Travel		1,303	
Office Supplies		4,168	
Premiums on Corporate Surety Bonds		149	
Total Accounting and Budgeting			\$ 213,342

Property Assessor's Office

County Official/Administrative Officer	\$	58,918	
Deputy(ies)		24,556	
Assessment Personnel		19,823	
Salary Supplements		2,100	
Secretary(ies)		13,238	
Clerical Personnel		19,785	
Part-time Personnel		7,000	
Longevity Pay		1,900	
In-Service Training		776	
Contracts with Private Agencies		3,500	
Data Processing Services		13,113	
Legal Notices, Recording, and Court Costs		1,811	
Maintenance and Repair Services - Office Equipment		2,247	
Travel		1,909	
Other Contracted Services		5,425	
Gasoline		256	
Office Supplies		1,588	
Other Charges		600	
Office Equipment		4,329	
Total Property Assessor's Office			182,874

County Trustee's Office

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		25,356	
Data Processing Personnel		19,823	
Salary Supplements		3,000	
Clerical Personnel		23,587	
Part-time Personnel		4,075	
Longevity Pay		3,100	
In-Service Training		300	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Data Processing Services	\$	5,962	
Legal Notices, Recording, and Court Costs		160	
Travel		650	
Office Supplies		2,681	
Office Equipment		1,195	
Total County Trustee's Office			\$ 147,640

County Clerk's Office

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		21,787	
Salary Supplements		1,500	
Secretary(ies)		21,910	
Clerical Personnel		63,994	
Part-time Personnel		10,643	
Longevity Pay		1,500	
In-Service Training		900	
Data Processing Services		14,606	
Printing, Stationery, and Forms		2,870	
Travel		2,454	
Office Supplies		2,852	
Premiums on Corporate Surety Bonds		252	
Office Equipment		5,110	
Total County Clerk's Office			208,129

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		135,272	
Part-time Personnel		11,905	
Longevity Pay		2,400	
Other Salaries and Wages		16,433	
Jury and Witness Expense		8,321	
Data Processing Services		8,006	
Legal Notices, Recording, and Court Costs		536	
Maintenance and Repair Services - Office Equipment		2,313	
Travel		910	
Office Supplies		5,926	
Premiums on Corporate Surety Bonds		50	
Office Equipment		9,454	
Total Circuit Court			259,277

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Judge(s)	\$	89,423	
Guidance Personnel		57,751	
Salary Supplements		1,500	
Secretary(ies)		25,256	
Longevity Pay		1,800	
Travel		3,271	
Other Contracted Services		132	
Library Books/Media		644	
Office Supplies		539	
Office Equipment		545	
Total General Sessions Court			\$ 180,861

Chancery Court

County Official/Administrative Officer	\$	53,086	
Assistant(s)		24,553	
Deputy(ies)		21,266	
Part-time Personnel		10,566	
Longevity Pay		1,300	
Data Processing Services		6,274	
Legal Notices, Recording, and Court Costs		34	
Travel		499	
Office Supplies		6,916	
Premiums on Corporate Surety Bonds		1,205	
Office Equipment		2,426	
Total Chancery Court			128,125

Judicial Commissioners

Part-time Personnel	\$	7,714	
Other Salaries and Wages		16,612	
In-Service Training		160	
Travel		3,997	
Other Charges		180	
Total Judicial Commissioners			28,663

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	64,127	
Deputy(ies)		614,409	
Salary Supplements		14,320	
Dispatchers/Radio Operators		211,049	

(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.)

Secretary(ies)	\$	24,487	
Clerical Personnel		23,703	
Longevity Pay		3,800	
Overtime Pay		34,077	
Other Salaries and Wages		61,463	
In-Service Training		8,673	
Data Processing Services		7,894	
Legal Services		18	
Maintenance and Repair Services - Buildings		4,220	
Maintenance and Repair Services - Equipment		1,665	
Maintenance and Repair Services - Vehicles		38,046	
Medical and Dental Services		80	
Postal Charges		312	
Travel		552	
Gasoline		84,636	
Law Enforcement Supplies		39,626	
Office Supplies		7,178	
Tires and Tubes		12,169	
Uniforms		11,384	
Premiums on Corporate Surety Bonds		1,634	
Motor Vehicles		113,950	
Office Equipment		2,295	
Total Sheriff's Department			\$ 1,385,767

Jail

Medical Personnel	\$	3,364
Guards		375,328
Overtime Pay		25,451
Other Salaries and Wages		20,173
Maintenance and Repair Services - Buildings		19,970
Medical and Dental Services		119,407
Travel		341
Other Contracted Services		30,800
Custodial Supplies		10,582
Drugs and Medical Supplies		39,555
Food Supplies		152,686
Office Supplies		2,812
Prisoners Clothing		4,995
Uniforms		6,655
Other Supplies and Materials		4,260

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Data Processing Equipment	\$	1,444	
Office Equipment		<u>1,126</u>	
Total Jail			\$ 818,949

Fire Prevention and Control

Contracts with Government Agencies	\$	<u>2,000</u>	
Total Fire Prevention and Control			2,000

Civil Defense

Supervisor/Director	\$	55,000	
Other Salaries and Wages		20,864	
In-Service Training		1,239	
Operating Lease Payments		1,200	
Maintenance and Repair Services - Equipment		2,654	
Maintenance and Repair Services - Vehicles		9,294	
Drugs and Medical Supplies		1,757	
Gasoline		798	
Office Supplies		997	
Uniforms		550	
Other Supplies and Materials		18,068	
Other Charges		481	
Communication Equipment		<u>18,883</u>	
Total Civil Defense			131,785

Rescue Squad

Contributions	\$	<u>14,832</u>	
Total Rescue Squad			14,832

County Coroner/Medical Examiner

Medical Personnel	\$	2,325	
Other Contracted Services		15,513	
Premiums on Corporate Surety Bonds		<u>86</u>	
Total County Coroner/Medical Examiner			17,924

Public Health and Welfare

Local Health Center

Contributions	\$	39,031	
Other Contracted Services		5,114	
Other Supplies and Materials		504	
Other Charges		<u>238</u>	
Total Local Health Center			44,887

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Alcohol and Drug Programs

Supervisor/Director	\$	7,500	
In-Service Training		504	
Social Security		574	
Travel		431	
Office Supplies		1,877	
Other Charges		<u>8,251</u>	
Total Alcohol and Drug Programs			\$ 19,137

Other Local Health Services

Medical Personnel	\$	137,183	
Educational Assistants		35,603	
Temporary Personnel		950	
Other Salaries and Wages		226	
Travel		11,501	
Other Supplies and Materials		<u>6,807</u>	
Total Other Local Health Services			192,270

Regional Mental Health Center

Contributions	\$	<u>5,000</u>	
Total Regional Mental Health Center			5,000

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	<u>7,500</u>	
Total Senior Citizens Assistance			7,500

Agriculture and Natural Resources

Agriculture Extension Service

Contributions	\$	45,403	
Maintenance and Repair Services - Office Equipment		700	
Travel		962	
Custodial Supplies		185	
Office Supplies		<u>1,234</u>	
Total Agriculture Extension Service			48,484

Soil Conservation

Secretary(ies)	\$	<u>26,993</u>	
Total Soil Conservation			26,993

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Other Operations

Tourism

Contributions	\$ 500	
Total Tourism		\$ 500

Industrial Development

Contributions	\$ 30,278	
Total Industrial Development		30,278

Other Economic and Community Development

Other Charges	\$ 657	
Total Other Economic and Community Development		657

Other Charges

On-Behalf Payments to OPEB	\$ 322	
Consultants	9,900	
Liability Insurance	224,438	
Trustee's Commission	103,252	
Workers' Compensation Insurance	86,475	
Total Other Charges		424,387

Employee Benefits

Social Security	\$ 238,141	
State Retirement	372,891	
Life Insurance	22,541	
Medical Insurance	694,425	
Unemployment Compensation	11,260	
Total Employee Benefits		1,339,258

Miscellaneous

Contracts with Government Agencies	\$ 12,906	
Contributions	30,500	
Dues and Memberships	11,399	
Postal Charges	42,379	
Rentals	2,533	
Other Charges	140	
Total Miscellaneous		99,857

Total General Fund		\$ 7,028,517
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(Continued)

Exhibit L-9

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

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Librarians	\$	123,108	
Dues and Memberships		3,850	
Postal Charges		2,588	
Travel		419	
Library Books/Media		9,370	
Utilities		23,737	
Other Supplies and Materials		61,892	
Other Charges		24,835	
Other Capital Outlay		2,699	
Total Libraries			\$ 252,498

Total Public Library Fund \$ 252,498

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Medical Personnel	\$	502,380	
Part-time Personnel		69,296	
Overtime Pay		122,204	
In-Service Training		8,495	
Other Per Diem and Fees		2,000	
Social Security		50,802	
State Retirement		74,048	
Medical Insurance		128,667	
Dues and Memberships		280	
Maintenance and Repair Services - Buildings		2,275	
Maintenance and Repair Services - Equipment		2,578	
Maintenance and Repair Services - Vehicles		42,809	
Travel		603	
Other Contracted Services		110,263	
Custodial Supplies		1,241	
Diesel Fuel		45,934	
Drugs and Medical Supplies		37,490	
Equipment Parts - Light		31,360	
Office Supplies		665	
Tires and Tubes		5,227	
Uniforms		4,864	
Other Supplies and Materials		1,394	
Trustee's Commission		10,174	
Other Charges		2,758	
Total Ambulance/Emergency Medical Services			\$ 1,257,807

Total Ambulance Service Fund 1,257,807

(Continued)

Exhibit L-9

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

<u>Drug Control Fund</u>			
<u>Public Safety</u>			
<u>Sheriff's Department</u>			
Instructional Supplies and Materials	\$	2,438	
Total Sheriff's Department			\$ 2,438
Total Drug Control Fund			\$ 2,438
 <u>Adequate Facilities/Development Tax Fund</u>			
<u>General Government</u>			
<u>Building</u>			
Trustee's Commission	\$	749	
Total Building			\$ 749
Total Adequate Facilities/Development Tax Fund			749
 <u>Constitutional Officers - Fees Fund</u>			
<u>Administration of Justice</u>			
<u>Circuit Court</u>			
Constitutional Officers' Operating Expenses	\$	13	
Total Circuit Court			\$ 13
 <u>Chancery Court</u>			
Special Commissioner Fees/Special Master Fees	\$	285	
Total Chancery Court			285
Total Constitutional Officers - Fees Fund			298
 <u>Highway/Public Works Fund</u>			
<u>Highways</u>			
<u>Administration</u>			
County Official/Administrative Officer	\$	63,527	
Salary Supplements		1,500	
Secretary(ies)		30,012	
Overtime Pay		1,358	
Other Salaries and Wages		39,986	
Board and Committee Members Fees		12,750	
In-Service Training		700	
Contributions		500	
Dues and Memberships		2,925	
Legal Notices, Recording, and Court Costs		606	
Travel		3,304	
Other Contracted Services		5,732	

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Office Supplies	\$	461	
Office Equipment		430	
Total Administration			\$ 163,791

Highway and Bridge Maintenance

Salary Supplements	\$	3,000	
Foremen		193,135	
Equipment Operators		241,361	
Laborers		169,557	
Overtime Pay		10,874	
Explosive and Drilling Services		1,200	
Asphalt - Cold Mix		35,577	
Asphalt - Liquid		153,016	
Crushed Stone		123,625	
General Construction Materials		611	
Other Road Supplies		8,435	
Pipe		16,304	
Road Signs		15,095	
Salt		3,556	
Small Tools		1,713	
Wood Products		36	
Chemicals		21,334	
Total Highway and Bridge Maintenance			998,429

Operation and Maintenance of Equipment

Foremen	\$	29,568	
Mechanic(s)		27,780	
Overtime Pay		880	
Laundry Service		4,840	
Diesel Fuel		124,549	
Equipment and Machinery Parts		83,053	
Garage Supplies		28,062	
Gasoline		23,009	
Lubricants		11,066	
Tires and Tubes		29,353	
Total Operation and Maintenance of Equipment			362,160

Other Charges

Communication	\$	4,339	
Legal Services		430	

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Electricity	\$	4,536	
Water and Sewer		4,506	
Liability Insurance		25,140	
Trustee's Commission		23,658	
Total Other Charges			\$ 62,609

Employee Benefits

Social Security	\$	63,309	
State Retirement		98,302	
Employee and Dependent Insurance		276,157	
Unemployment Compensation		10,480	
Workers' Compensation Insurance		88,092	
Other Charges		3,888	
Total Employee Benefits			540,228

Capital Outlay

Bridge Construction	\$	50,729	
Communication Equipment		2,448	
Highway Construction		728,908	
Motor Vehicles		12,600	
Total Capital Outlay			794,685

Total Highway/Public Works Fund \$ 2,921,902

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$	58,877	
Principal on Other Loans		327,000	
Total General Government			\$ 385,877

Highways and Streets

Principal on Notes	\$	41,667	
Total Highways and Streets			41,667

Education

Principal on Other Loans	\$	811,000	
Total Education			811,000

(Continued)

Exhibit L-9

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Notes	\$ 19,297	
Interest on Other Loans	<u>31,554</u>	
Total General Government		\$ 50,851

Highways and Streets

Interest on Notes	<u>\$ 16,828</u>	
Total Highways and Streets		16,828

Education

Interest on Other Loans	<u>\$ 75,382</u>	
Total Education		75,382

Other Debt Service

General Government

Trustee's Commission	\$ 35,391	
Other Debt Service	<u>46,643</u>	
Total General Government		82,034

Education

Other Debt Service	<u>\$ 120,458</u>	
Total Education		<u>120,458</u>

Total General Debt Service Fund \$ 1,584,097

Education Debt Service Fund

Principal on Debt

Education

Principal on Other Loans	<u>\$ 476,000</u>	
Total Education		\$ 476,000

Interest on Debt

Education

Interest on Other Loans	<u>\$ 22,668</u>	
Total Education		22,668

Other Debt Service

General Government

Trustee's Commission	<u>\$ 3,017</u>	
Total General Government		3,017

(Continued)

Exhibit L-9

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

Education Debt Service Fund (Cont.)

Other Debt Service (Cont.)

Education

Other Debt Service	\$ 24,402	
Total Education		\$ 24,402

Total Education Debt Service Fund \$ 526,087

General Capital Projects Fund

Capital Projects

General Administration Projects

Overtime Pay	\$ 9,058	
Maintenance and Repair Services - Buildings	604	
Maintenance and Repair Services - Equipment	5,901	
Gasoline	70	
Other Supplies and Materials	6,307	
Other Construction	<u>32,009</u>	
Total General Administration Projects		\$ 53,949

Public Safety Projects

Building Improvements	\$ 8,114	
Total Public Safety Projects		8,114

Public Health and Welfare Projects

Building Improvements	\$ 158	
Total Public Health and Welfare Projects		158

Social, Cultural, and Recreation Projects

Site Development	\$ 51,755	
Total Social, Cultural, and Recreation Projects		51,755

Other General Government Projects

Communication Equipment	\$ 9,891	
Site Development	<u>33,005</u>	
Total Other General Government Projects		42,896

Highway and Street Capital Projects

Overtime Pay	\$ 41,095	
Crushed Stone	79,970	
Garage Supplies	5,953	
Other Road Supplies	12,580	
Pipe	93,718	
Tires and Tubes	32	
Bridge Construction	2,221	
Communication Equipment	3,174	
Highway Construction	<u>579,063</u>	
Total Highway and Street Capital Projects		<u>817,806</u>

Total General Capital Projects Fund 974,678

Total Governmental Funds - Primary Government \$ 14,549,071

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, 2010

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 7,871,094	
Career Ladder Program	133,000	
Career Ladder Extended Contracts	51,382	
Homebound Teachers	8,010	
Educational Assistants	411,071	
Other Salaries and Wages	420,204	
Non-certified Substitute Teachers	132,066	
Social Security	749,160	
State Retirement	508,293	
Medical Insurance	1,605,950	
Maintenance and Repair Services - Equipment	39,274	
Other Contracted Services	27,414	
Instructional Supplies and Materials	108,324	
Textbooks	130,082	
Other Supplies and Materials	2,300	
Other Charges	68,417	
Regular Instruction Equipment	143,908	
Total Regular Instruction Program		\$ 12,409,949

Alternative Instruction Program

Other Salaries and Wages	\$ 110,504	
Social Security	8,053	
State Retirement	9,000	
Medical Insurance	17,000	
Instructional Supplies and Materials	430	
Other Supplies and Materials	605	
Total Alternative Instruction Program		145,592

Special Education Program

Teachers	\$ 1,399,888	
Educational Assistants	97,072	
Speech Pathologist	111,383	
Non-certified Substitute Teachers	38,106	
Social Security	120,785	
State Retirement	107,990	
Medical Insurance	124,060	
Other Contracted Services	69,267	
Total Special Education Program		2,068,551

(Continued)

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	\$	910,829	
Non-certified Substitute Teachers		12,470	
Social Security		69,394	
State Retirement		62,000	
Medical Insurance		170,000	
Instructional Supplies and Materials		4,512	
Other Charges		104	
Total Vocational Education Program			\$ 1,229,309

Adult Education Program

Teachers	\$	25,302	
Other Salaries and Wages		31,479	
In-Service Training		905	
Social Security		4,060	
State Retirement		7,340	
Medical Insurance		4,500	
Instructional Supplies and Materials		1,381	
Other Charges		1,112	
Total Adult Education Program			76,079

Support Services

Attendance

Supervisor/Director	\$	63,069	
Other Salaries and Wages		39,330	
Social Security		7,804	
State Retirement		8,860	
Medical Insurance		9,000	
Travel		3,352	
Other Supplies and Materials		1,417	
Other Charges		10,554	
Total Attendance			143,386

Health Services

Medical Personnel	\$	75,193	
Other Salaries and Wages		76,523	
Social Security		11,606	
State Retirement		10,500	
Medical Insurance		26,000	
Travel		2,571	

(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	\$	2,596	
Drugs and Medical Supplies		1,609	
Other Supplies and Materials		1,485	
Other Charges		902	
Total Health Services			\$ 208,985

Other Student Support

Guidance Personnel	\$	476,754	
Psychological Personnel		7,860	
Social Security		35,909	
State Retirement		32,420	
Medical Insurance		77,000	
Evaluation and Testing		21,427	
Travel		2,010	
Other Contracted Services		12,860	
Other Charges		128,201	
Total Other Student Support			794,441

Regular Instruction Program

Supervisor/Director	\$	59,602	
Librarians		289,720	
Secretary(ies)		171,125	
Clerical Personnel		140,786	
Other Salaries and Wages		4,632	
Social Security		49,738	
State Retirement		65,500	
Medical Insurance		88,000	
Maintenance and Repair Services - Equipment		2,925	
Travel		5,840	
Library Books/Media		2,883	
Other Supplies and Materials		3,943	
Other Charges		3,809	
Total Regular Instruction Program			888,503

Alternative Instruction Program

Travel	\$	295	
Total Alternative Instruction Program			295

(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.)

Special Education Program

Supervisor/Director	\$	59,237	
In-Service Training		678	
Social Security		4,944	
State Retirement		4,300	
Medical Insurance		7,000	
Maintenance and Repair Services - Equipment		6,122	
Travel		6,097	
Total Special Education Program			\$ 88,378

Vocational Education Program

Supervisor/Director	\$	63,174	
Social Security		4,833	
State Retirement		4,200	
Medical Insurance		7,000	
Maintenance and Repair Services - Equipment		1,099	
Travel		2,139	
Other Supplies and Materials		2,091	
Total Vocational Education Program			84,536

Adult Programs

Supervisor/Director	\$	57,169	
Social Security		4,199	
State Retirement		3,680	
Medical Insurance		7,000	
Travel		1,483	
Total Adult Programs			73,531

Other Programs

On-Behalf Payments to OPEB	\$	50,022	
Total Other Programs			50,022

Board of Education

Board and Committee Members Fees	\$	8,414	
In-Service Training		6,211	
Social Security		464	
Audit Services		18,898	
Dues and Memberships		13,028	
Legal Services		23,065	
Liability Insurance		92,000	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Trustee's Commission	\$	114,932	
Workers' Compensation Insurance		137,582	
Refund to Applicant for Criminal Investigation		5,220	
Total Board of Education			\$ 419,814

Director of Schools

County Official/Administrative Officer	\$	96,550	
Secretary(ies)		61,784	
Other Salaries and Wages		1,750	
Social Security		11,810	
State Retirement		15,000	
Medical Insurance		10,000	
Communication		14,634	
Maintenance and Repair Services - Equipment		5,966	
Postal Charges		1,232	
Travel		3,217	
Office Supplies		1,500	
Other Charges		2,335	
Total Director of Schools			225,778

Office of the Principal

Principals	\$	517,733	
Assistant Principals		125,004	
Social Security		48,916	
State Retirement		43,000	
Medical Insurance		70,000	
Travel		516	
Other Charges		73,924	
Total Office of the Principal			879,093

Operation of Plant

Communication	\$	59,989	
Other Contracted Services		584,662	
Custodial Supplies		13,042	
Electricity		1,137,708	
Natural Gas		132,559	
Water and Sewer		200,427	
Boiler Insurance		2,700	
Building and Contents Insurance		40,000	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Plant Operation Equipment	\$ 15,975	
Total Operation of Plant		\$ 2,187,062

Maintenance of Plant

Supervisor/Director	\$ 49,081	
Secretary(ies)	10,150	
Other Salaries and Wages	131,529	
Social Security	12,679	
State Retirement	20,000	
Maintenance and Repair Services - Buildings	577,847	
Maintenance and Repair Services - Equipment	147,010	
Travel	372	
Other Contracted Services	51,169	
Gasoline	1,000	
Other Supplies and Materials	1,810	
Building Improvements	294,159	
Maintenance Equipment	16,000	
Total Maintenance of Plant		1,312,806

Transportation

Supervisor/Director	\$ 49,314	
Mechanic(s)	77,678	
Bus Drivers	539,585	
Secretary(ies)	10,150	
Social Security	48,815	
State Retirement	80,000	
Medical Insurance	60,000	
Other Fringe Benefits	4,903	
Other Contracted Services	10,813	
Diesel Fuel	144,534	
Equipment and Machinery Parts	1,352	
Garage Supplies	600	
Gasoline	18,064	
Lubricants	1,490	
Tires and Tubes	26,052	
Vehicle Parts	47,196	
Vehicle and Equipment Insurance	36,373	
Other Charges	1,904	
Plant Operation Equipment	66,555	
Total Transportation		1,225,378

(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.)

Central and Other

Unemployment Compensation	\$	10,465	
Other Fringe Benefits		31,359	
Contributions		138,000	
Other Contracted Services		31,671	
Total Central and Other			\$ 211,495

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	16,000	
Social Security		1,271	
State Retirement		1,956	
Travel		350	
In Service/Staff Development		2,100	
Total Food Service			21,677

Community Services

Supervisor/Director	\$	55,662	
Part-time Personnel		25,584	
Other Salaries and Wages		21,596	
Social Security		7,830	
State Retirement		9,910	
Medical Insurance		3,000	
Travel		1,142	
Other Supplies and Materials		5,579	
In Service/Staff Development		100	
Other Charges		4,351	
Other Equipment		2,623	
Total Community Services			137,377

Early Childhood Education

Supervisor/Director	\$	29,886	
Teachers		146,896	
Educational Assistants		54,970	
Non-certified Substitute Teachers		7,107	
Social Security		15,791	
State Retirement		18,230	
Medical Insurance		33,588	
Travel		1,001	
Food Supplies		7,829	

(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.)

Instructional Supplies and Materials	\$	30,694	
Other Supplies and Materials		19,908	
Other Equipment		40,269	
Total Early Childhood Education			\$ 406,169

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$	576,025	
Total Regular Capital Outlay			576,025

Total General Purpose School Fund \$ 25,864,231

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	693,398	
Social Security		48,782	
State Retirement		38,970	
Medical Insurance		115,782	
Unemployment Compensation		2,010	
Maintenance and Repair Services - Equipment		30,000	
Other Contracted Services		5	
Instructional Supplies and Materials		79,380	
Textbooks		9,290	
Other Charges		98	
Regular Instruction Equipment		1,475	
Total Regular Instruction Program			\$ 1,019,190

Special Education Program

Teachers	\$	134,510	
Educational Assistants		375,656	
Social Security		38,224	
State Retirement		50,400	
Medical Insurance		67,284	
Unemployment Compensation		659	
Other Contracted Services		105,092	
Instructional Supplies and Materials		14,401	
Other Supplies and Materials		8,738	
Special Education Equipment		19,917	
Total Special Education Program			814,881

(Continued)

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Educational Assistants	\$	15,123	
Social Security		1,230	
State Retirement		2,650	
Medical Insurance		1,500	
Unemployment Compensation		150	
Other Contracted Services		810	
Other Supplies and Materials		17,148	
Vocational Instruction Equipment		23,197	
Total Vocational Education Program			\$ 61,808

Support Services

Other Student Support

Other Salaries and Wages	\$	23,621	
Social Security		454	
State Retirement		154	
Evaluation and Testing		16,926	
Travel		8,693	
Other Contracted Services		148,283	
Total Other Student Support			198,131

Regular Instruction Program

Supervisor/Director	\$	61,569	
Secretary(ies)		16,830	
Social Security		5,986	
State Retirement		7,235	
Medical Insurance		8,700	
Unemployment Compensation		400	
Communication		4,641	
Maintenance and Repair Services - Equipment		26,207	
Postal Charges		572	
Travel		4,128	
Other Contracted Services		21,197	
Library Books/Media		27,614	
Periodicals		715	
Other Supplies and Materials		11,011	
In Service/Staff Development		109,260	
Other Charges		18,594	
Other Equipment		1,784	
Total Regular Instruction Program			326,443

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	5,385	
Psychological Personnel		104,197	
Clerical Personnel		25,303	
Other Salaries and Wages		19,606	
Social Security		10,432	
State Retirement		9,470	
Medical Insurance		15,294	
Unemployment Compensation		600	
Consultants		28,478	
Maintenance and Repair Services - Equipment		8,912	
Travel		8,512	
Other Contracted Services		46,191	
Other Supplies and Materials		9,177	
In Service/Staff Development		412	
Total Special Education Program			\$ 291,969

Transportation

Contracts with Parents	\$	2,470	
Transportation Equipment		20,295	
Total Transportation			22,765

Total School Federal Projects Fund \$ 2,735,187

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	34,113	
Accountants/Bookkeepers		96,293	
Cafeteria Personnel		433,833	
Social Security		43,156	
State Retirement		60,289	
Medical Insurance		80,000	
Unemployment Compensation		5,000	
Communication		2,427	
Maintenance and Repair Services - Equipment		31,194	
Transportation - Other than Students		13,565	
Travel		1,520	
Other Contracted Services		61,973	
Food Supplies		718,696	

(Continued)

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>		
Utilities	\$	62,712
USDA - Commodities		72,194
Other Supplies and Materials		80,192
Other Charges		22,519
Food Service Equipment		<u>45,694</u>
Total Food Service		<u>\$ 1,865,370</u>
Total Central Cafeteria Fund		<u>\$ 1,865,370</u>
Total Governmental Funds - Discretely Presented Hickman County School Department		<u>\$ 30,464,788</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, 2010

Other Special Revenue Fund

General Government

County Commission

Audit Services	\$ 351	
Legal Notices, Recording, and Court Costs	40	
Total County Commission	<u>391</u>	\$ 391

Public Health and Welfare

Ambulance/Emergency Medical Services

Contributions	\$ 5,900	
Maintenance and Repair Services - Equipment	2,831	
Other Contracted Services	2,000	
Instructional Supplies and Materials	2,944	
Total Ambulance/Emergency Medical Services	<u>13,675</u>	13,675

Other Public Health and Welfare

Contributions	\$ 140,000	
Total Other Public Health and Welfare	<u>140,000</u>	140,000

Other Operations

Miscellaneous

Contributions	\$ 1,846	
Total Miscellaneous	<u>1,846</u>	1,846

Total Other Special Revenue Fund \$ 155,912

Total Governmental Funds - Hickman County Health Foundation \$ 155,912

Hickman County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Solid Waste Disposal Fund  
For the Year Ended June 30, 2010

	Major Enterprise Fund <u>Solid Waste Disposal Fund</u>
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Commercial and Industrial Waste Collection Charge	\$ 120,513
Residential Waste Collection Charge	173,278
Transfer Waste Station Collection Charge	1,139
Tipping Fees	27,096
Solid Waste Disposal Fees	609,383
Total Charges for Current Services	<u>\$ 931,409</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Lease/Rentals	\$ 13,750
Sale of Recycled Materials	54,992
Total Other Local Revenues	<u>\$ 68,742</u>
Total Operating Revenues	<u>\$ 1,000,151</u>
<u>Nonoperating Revenues</u>	
Investment Income	\$ 1,606
Insurance Recovery	2,799
Litter Program	22,745
Solid Waste Grants	100,019
Total Nonoperating Revenues	<u>\$ 127,169</u>
Total Revenues	<u>\$ 1,127,320</u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Sanitation Management</u>	
Supervisor/Director	\$ 45,381
Deputies	24,993
Data Processing Personnel	19,311
Equipment Operators	21,406

(Continued)

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

	Major Enterprise Fund <hr/> Solid Waste Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Sanitation Management (Cont.)</u>	
Equipment Operators - Heavy Laborers	\$ 31,687
Clerical Personnel	135,889
Part-time Personnel	22,272
Longevity	26,951
Overtime Pay	2,400
Social Security	4,056
State Retirement	25,733
Medical Insurance	35,786
Communication	91,675
Data Processing Services	5,498
Debt Collection Services	2,866
Engineering Services	267
Maintenance and Repair Services - Buildings	100
Maintenance and Repair Services - Equipment	5,552
Maintenance and Repair Services - Vehicles	20,358
Pest Control	5,038
Postal Charges	1,100
Printing, Stationery, and Forms	1,212
Travel	250
Disposal Fees	590
Other Contracted Services	267,871
Custodial Supplies	29,567
Diesel Fuel	1,110
Electricity	28,279
Gasoline	15,701
	1,828

(Continued)

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

	Major Enterprise Fund <hr/> Solid Waste Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Sanitation Management (Cont.)</u>	
Lubricants	\$ 1,754
Office Supplies	2,311
Other Road Supplies	639
Small Tools	396
Tires and Tubes	8,315
Uniforms	5,310
Utilities	1,856
Wire	1,613
Testing	664
Other Supplies and Materials	3,487
Trustee's Commission	9,852
Depreciation	69,745
Surcharge	3,000
Office Equipment	709
Solid Waste Equipment	35,943
Other Construction	14,769
Total Sanitation Management	<u>\$ 1,035,090</u>
 <u>Litter and Trash Collection</u>	
Assistant(s)	\$ 3,599
Supervisor/Director	11,246
Instructional Supplies and Material	6,300
Other Charges	426
Total Other Charges	<u>\$ 21,571</u>
 <u>Nonoperating Expenses</u>	
Interest on Notes	\$ 15,386
Total Nonoperating Expenses	<u>\$ 15,386</u>
 Total Expenses	 <u><u>\$ 1,072,047</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, 2010

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 595,362
Total Cash Receipts	<u>\$ 595,362</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 589,408
Trustee's Commission	5,954
Total Cash Disbursements	<u>\$ 595,362</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2009	<u>0</u>
 Cash Balance, June 30, 2010	 <u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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

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

February 18, 2011

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, 2010, which collectively comprise Hickman County's basic financial statements and have issued our report thereon dated February 18, 2011. Our report includes 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 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) and the Hickman County Emergency Communications District 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 10.01, 10.02, 10.04, 10.06, 10.08, and 10.09.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 10.05, 10.07(A-H), and 10.10.

## Compliance and Other Matters

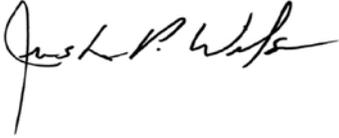
As part of obtaining reasonable assurance about whether Hickman County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 item 10.03 and 10.07(I-K).

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 the responses.

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 prominent vertical stroke at the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb



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

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

February 18, 2011

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, 2010. 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, 2010.

However, as described in items 10.03 and 10.11 in the accompanying Schedule of Findings and Questioned Costs, Hickman County did not comply with reporting requirements that are applicable to the Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Governments (CFDA No. 16.804), which is a nonmajor federal program. Compliance with such requirements is necessary, in our opinion, for Hickman County to comply with the requirements applicable to this program.

### 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, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hickman County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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

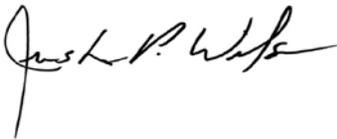
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hickman County as of and for the year ended June 30, 2010, and have issued our report thereon dated February 18, 2011. Our report on the aggregate discretely presented component units was qualified due to not including the

financial statements of 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 the responses.

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,



Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

Hickman County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2010

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	\$ 72,194 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	347,014
National School Lunch Program	10.555	N/A	837,980 (3)
Child Nutrition Discretionary Grants Limited Availability, Recovery Act	10.579	N/A	21,428
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	194,495
Total U.S. Department of Agriculture			<u>\$ 1,473,111</u>
U.S. Department of Justice:			
Direct Program:			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Governments	16.804	N/A	\$ 2,493
Total U.S. Department of Justice			<u>\$ 2,493</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	N/A	\$ 4,800
Total U.S. Department of Transportation			<u>\$ 4,800</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(4)	\$ 89,302
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	902,109
Title 1 Grants to Local Educational Agencies, Recovery Act	84.389	N/A	187,429
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	798,590
Special Education - Preschool Grants	84.173	N/A	18,316
Special Education - Grants to States, Recovery Act	84.391	N/A	463,952
Special Education - Preschool Grants, Recovery Act	84.392	N/A	16,200
Career and Technical Education - Basic Grants to States	84.048	N/A	72,506
Safe and Drug-free Schools and Communities - State Grants	84.186	N/A	14,077
Technology Cluster:			
Education Technology State Grants	84.318	N/A	2,252
Education Technology State Grants, Recovery Act	84.386	N/A	12,673
Improving Teacher Quality State Grants	84.367	N/A	207,265
Rural Education	84.358	N/A	91,663
State Fiscal Stabilization Cluster:			
State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	N/A	707,100
State Fiscal Stabilization Fund - Government Services, Recovery Act	84.397	N/A	259,117
Total U.S. Department of Education			<u>\$ 3,842,551</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Assistance to Firefighters Grant	97.044	N/A	\$ 27,634
Homeland Security Grant Program	97.067	N/A	48,570
Total U.S. Department of Homeland Security			<u>\$ 76,204</u>
Total Expenditures of Federal Grants			<u>\$ 5,399,159</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>			
Energy Efficient School Grant - State Department of Education	N/A	(2)	\$ 81,680
Early Childhood Education - State Department of Education	N/A	(2)	413,125
ACT Planning Grant - State Department of Education	N/A	(2)	4,110
Adult Education - State Department of Labor and Workforce Development	N/A	(5)	29,769
Arts Build Communities Grant Program - Tennessee Arts Commission	N/A	(2)	19,550
Local Health Services - State Department of Health and Human Services	N/A	(6)	208,835
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	9,101
Litter Grant - State Department of Transportation	N/A	Z-10-220341-00	22,745
Used Oil Grant - State Department of Transportation	N/A	(2)	20,108
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	Z-05-020934-00	25,000
Waste Tire Clean Up Grant - State Department of Environment and Conservation	N/A	Z-07-037119-00	39,407
Optional Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-213017-02	15,504
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	Z-08-023300-00	9,135
Archives Development Grant - Tennessee Secretary of State	N/A	(2)	8,865
Accurate Energetic Systems - State Department of Economic and Community Development	N/A	GG-07-12787-00	<u>30,545</u>
Total State Grants			<u>\$ 937,479</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: \$910,174.
- (4) Z-09-213474-00: \$18,566; Z-10-218518-00: \$70,736.
- (5) Z-09-213474-00: \$6,189; Z-10-215180-00: \$23,580.
- (6) Z-09-213736-00: \$18,970; Z-10-219839-00: \$189,865.

Hickman County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2010

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, 2009, which have not been corrected.

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

Finding Number	Page Number	Subject
09.01	188	Hickman County, 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

**OFFICE OF COUNTY MAYOR**

Finding Number	Page Number	Subject
09.04	194	Accounts receivable were written-off as uncollectible by ambulance service personnel without the approval of the Emergency Medical Services Board
09.06	196	The receipting software for the Landfill Office did not have adequate application controls

**OFFICE OF SHERIFF**

Finding Number	Page Number	Subject
09.12 (A,B,C,F, J,K,L,O,P,Q)	198	The office had deficiencies in the operation of a commissary

Hickman County, Tennessee  
Schedule of Audit Findings Not Corrected (Cont.)

**OTHER FINDING**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.13	201	Duties were not segregated adequately in the Solid Waste Department, Planning and Zoning Department, and the Office of Clerk and Master

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**HICKMAN COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2010**

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

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Hickman County disclosed significant deficiencies in internal control. Six 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 one finding that is required to be reported under Section 510(a) of OMB Circular A-133.
7. The Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); and the State Fiscal Stabilization Fund Cluster: State Fiscal Stabilization Fund – Education State Grants, Recovery Act and State Fiscal Stabilization Fund Government Services, Recovery Act (CFDA No. 84.394 and 84.397) 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, director of schools, and library board are paraphrased in this report.

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

**FINDING 10.01      **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 – DIRECTOR OF SCHOOLS

I agree. The school system is required by Hickman County’s adoption of the County Financial Management System of 1981 to be dependent upon the Hickman County Finance Office to provide these services. During 2009-10, the Finance Office did not have the resources to provide the service.

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OFFICE OF COUNTY MAYOR

FINDING 10.02      **THE DIRECTORS OF THE EMERGENCY MANAGEMENT AGENCY AND THE EMERGENCY MEDICAL SERVICES MISAPPROPRIATED DRUGS AND MEDICAL SUPPLIES, RESULTING IN A CASH SHORTAGE OF \$2,042.81**  
(Internal Control – Material Weakness Under Government Auditing Standards)

The Tennessee Bureau of Investigation conducted an investigation into allegations of misconduct by the director of the Hickman County Emergency Management Agency (EMA) and the director of the Hickman County Emergency Medical Services (EMS). The investigation revealed that Terry Cloud, director of the EMA, and Michael Lynn, director of the EMS, misappropriated drugs and medical supplies for their personal use. These misappropriations for personal use resulted in a cash shortage of \$2,042.81. On October 26, 2010, Mr. Lynn entered a guilty plea of official misconduct, received two years supervised probation, and was ordered to pay restitution of \$840.25. On December 21, 2010, Mr. Cloud entered a guilty plea of official misconduct, received two years supervised probation, and was ordered to pay restitution of \$1,202.56. No restitution has been paid on this shortage as of the date of this report. Both employees are currently on medical leave.

RECOMMENDATION

County officials should continue efforts to recover the losses.

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FINDING 10.03      **HICKMAN COUNTY DID NOT COMPLY WITH REPORTING REQUIREMENTS OF THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**  
(Noncompliance Under Government Auditing Standards and OMB Circular A-133)

Section 1512 of ARRA requires grant recipients to file reports with the federal government that present certain required data elements for each ARRA grant. The reports are intended to promote transparency and accountability. The Office of Management and Budget (OMB) has issued memoranda to address reporting under Section 1512, most notably memorandum M-09-21. Hickman County did not follow reporting procedures required by OMB M-09-21 or comply with ARRA Section 1512 reporting requirements by not filing the

required reports to the federal government for the Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government for the third quarter of 2009. County officials stated they had difficulties in registering for the federal reporting website, which resulted in the failure to file the report. Therefore, accountability and transparency for the Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government were not achieved.

When ARRA grant requirements are not followed, the OMB can terminate the grants; suspend or debar the county from receiving grants; or, in serious cases, may apply civil or criminal penalties.

#### RECOMMENDATION

Hickman County should follow OMB reporting memoranda to ensure compliance with ARRA Section 1512 reporting requirements and to achieve accountability and transparency for all ARRA grants.

#### MANAGEMENT'S RESPONSE – COUNTY MAYOR

We did make every effort to follow through on reporting requirements in a timely manner. However, due to an apparent overload on servers with the federal reporting website we could not log in properly to upload the report. We have since managed to get into the servers but have been notified we must now wait until the beginning of the next reporting period to file. This is not offered as an excuse but as an explanation of what happened. As of the date of this audit report, we are in compliance with ARRA reporting requirements.

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FINDING 10.04      **ACCOUNTS RECEIVABLES 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)

During the year, ambulance service personnel wrote-off accumulated balances of accounts receivable totaling \$393,575 as uncollectible, 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.

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**FINDING 10.05      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. Since the vendor did not design the system with proper controls, inappropriate system activity could occur.

## RECOMMENDATION

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

---

## OFFICE OF COUNTY CLERK

**FINDING 10.06      A CASH SHORTAGE OF \$4,628.50 EXISTED IN THE OFFICE AS OF JUNE 14, 2010**  
(Internal Control – Material Weakness Under Government Auditing Standards)

On August 4, 2010, our office issued a special report on the Hickman County Clerk for the period July 1, 2008, through June 14, 2010. This report disclosed that the county clerk manipulated motor vehicle renewal transactions, resulting in a cash shortage of \$4,268.50 as of June 14, 2010. The report also disclosed personal use of county owned computers and certain accounting deficiencies in the operation of the office. This report is available at [www.tn.gov/comptroller](http://www.tn.gov/comptroller).

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## OFFICE OF SHERIFF

### FINDING 10.07      **THE OFFICE HAD DEFICIENCIES IN THE OPERATION OF A COMMISSARY**

(A. through H. – Internal Control – Significant Deficiency Under Government Auditing Standards; I. through K. – Noncompliance Under Government Auditing Standards)

The Sheriff's Department operated a commissary to provide inmates with various items. Our audit revealed the following 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 us with a trial balance of inmates' accounts; however, this trial balance reflected a negative balance of \$7,583.
- D. We noted a few instances where an inmate issued receipts for collections.
- E. Bank statements were not reconciled to the checkbook ledger during the year.
- F. 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.
- G. Although an inventory tracking system was maintained for commissary items, the inventory was not periodically inspected by someone independent of overseeing the inventory.
- H. For the year ended June 30, 2010, 26 purchases made by the commissary totaling \$4,100.54 did not have any supporting documentation.
- I. The Sheriff's Department did not include the commissary activity on its annual financial report. Section 5-8-505, Tennessee Code Annotated (TCA), requires all county officials having public funds or moneys in their charge and custody to file an annual financial report with the county mayor and county clerk.
- J. The office did not remit commissary profits to the county trustee from September 10, 2009, through June 30, 2010. 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.

- K. 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. We 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. Only Sheriff's Department personnel should be allowed to collect commissary funds.
- E. Bank statements should be reconciled with the checkbook ledger monthly.
- F. Inmates should not be allowed to purchase commissary items on credit. Commissary charges should be posted timely to avoid negative account balances.
- G. 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.
- H. All purchases from the commissary bank account should have detailed invoices on file to support the expenditures.
- I. The annual financial report should include the operations of the commissary as required by state statute.
- J. Any profit should be remitted to the county monthly. Calculations of profit should be well documented and retained for audit inspection.
- K. Official prenumbered receipts should be issued for all collections.

**OTHER FINDINGS AND RECOMMENDATIONS**

**FINDING 10.08      **HICKMAN COUNTY HAS MATERIAL RECURRING AUDIT FINDINGS**  
(Internal Control – Material Weakness Under Government Auditing Standards)**

Hickman County has material audit findings that have been reported in its annual financial reports for three or more consecutive years. These recurring material findings are listed below:

<u>Finding Numbers</u>	<u>Description</u>
10.01, 09.01, 08.01	Hickman County, the Health Foundation, and the School Department do not have the resources to produce financial statements and notes to the financial statements
10.05, 09.04, 08.02	Accounts receivable were written-off as uncollectible by ambulance service personnel without the approval of the emergency medical services board

The recurring nature of the above-noted findings indicates that management is either unwilling or unable to address the deficiencies. The Local Government Modernization Act of 2005 in Section 9-3-405, Tennessee Code Annotated (TCA), encourages local governments to consider establishing an Audit Committee and further provides that the Comptroller may require that an Audit Committee be established in any local government that (1) is in noncompliance with the accounting and financial reporting standards required by the Governmental Accounting Standards Board, or (2) has recurring findings from the annual audit for three or more consecutive years as determined by the Comptroller to be a material weakness in internal control or material noncompliance under Government Auditing Standards. The responsibilities and duties of an Audit Committee are to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

**RECOMMENDATION**

Hickman County should establish an Audit Committee to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics. This Audit Committee should provide management with guidance to correct all reported material weaknesses in internal control and material noncompliance. If these findings continue to recur, Hickman County may be required to establish an Audit Committee under the provisions of Section 9-3-405, TCA.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

The finding is correct. However, because the school system is required by Hickman County Government to participate in the County Financial Management System of 1981, the School Department has no authority or ability to address this recurring finding. The School Department respectfully requests that the Finance Office provide these services.

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FINDING 10.09      **SOME HICKMAN COUNTY PUBLIC LIBRARY CHECKS WERE SIGNED IN ADVANCE**  
(Internal Control – Material Weakness Under Government Auditing Standards)

The Hickman County Public Library’s independent auditor noted instances where some checks had been signed in advance of their preparation and issuance. Internal controls should be in place to provide reasonable assurance that disbursements have the proper management approval. The Internal Control and Compliance Manual for Tennessee Municipalities, Title 5, Chapter 19, Section 6 states, “Municipal officials should require two signatures on all checks and should never sign checks in advance of their preparation and issuance.” Disbursements may be issued that have not been properly approved.

RECOMMENDATION

To help prevent unauthorized payments, all checks should be properly prepared before any official presents their signature.

MANAGEMENT’S RESPONSE – LIBRARY BOARD

We concur and will make sure all checks are properly prepared before any signatures to verify approval.

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FINDING 10.10      **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.

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

Federal/Pass-through Agency	Finding Number	Federal CFDA Number	Criteria	Explanation	Amount Questioned
U.S. Department of Justice: Direct Program: Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Governments	10.11	16.804	OMB Circular A-133, Compliance Supplement Part 3L	Significant deficiency in internal control. See Finding No. 10.03 - Hickman County did not comply with reporting requirements of the American Recovery and Reinvestment Act (ARRA)	\$ 0

**HICKMAN COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2010**

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

**County Mayor – Corrective Action Plan for Current-Year's Findings**

**FINDINGS 10.03 and 10.11**

Contact person: Steve Gregory

Corrective action planned: We did make every effort to follow through on reporting requirements in a timely manner. However, due to an apparent overload on servers with the Federal Reporting website, we could not log in properly to upload the report. We have since managed to get into the servers but have been notified we must now wait until the beginning of the next reporting period to file. This is not offered as an excuse but as an explanation of what happened.

Anticipated completion date: 2010-11