



**ANNUAL FINANCIAL REPORT  
HICKMAN COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2012**



**ANNUAL FINANCIAL REPORT**  
**HICKMAN COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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

***DIVISION OF LOCAL GOVERNMENT AUDIT***  
***JAMES R. ARNETTE***  
***Director***

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

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

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

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

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## HICKMAN COUNTY, TENNESSEE

### TABLE OF CONTENTS

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	Exhibit	Page(s)
Audit Highlights		6-7
<u>INTRODUCTORY SECTION</u>		8
Hickman County Officials		9-10
<u>FINANCIAL SECTION</u>		11
Independent Auditor's Report		12-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Assets	A	16-17
Statement of Activities	B	18-19
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	20-21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	23-24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	25
Proprietary Fund:		
Statement of Net Assets	D-1	26
Statement of Revenues, Expenses, and Changes in Net Assets	D-2	27
Statement of Cash Flows	D-3	28
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	29
Notes to the Financial Statements		30-65
REQUIRED SUPPLEMENTARY INFORMATION:		66
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	F-1	67-68
Highway/Public Works Fund	F-2	69
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Hickman County School Department	F-3	70
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Hickman County School Department	F-4	71
Notes to the Required Supplementary Information		72

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		73
Nonmajor Governmental Funds:		74
Combining Balance Sheet	G-1	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	76
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Drug Control Fund	G-3	77
Adequate Facilities/Development Tax Fund	G-4	78
Education Debt Service Fund	G-5	79
Major Governmental Fund:		80
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	81
Fiduciary Funds:		82
Combining Statement of Fiduciary Assets and Liabilities	I-1	83
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	84
Component Unit:		
Discretely Presented Hickman County School Department:		85
Statement of Activities	J-1	86
Balance Sheet – Governmental Funds	J-2	87
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	J-3	88
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	89
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	90
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Purpose School Fund	J-6	91-92
School Federal Projects Fund	J-7	93
Central Cafeteria Fund	J-8	94
Component Unit:		
Discretely Presented Hickman County Health Foundation:		95
Statement of Net Assets and Governmental Fund Balance Sheet	K-1	96
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Net Assets	K-2	97

	Exhibit	Page(s)
Miscellaneous Schedules:		98
Schedule of Changes in Long-term Notes and Other Loans	L-1	99
Schedule of Long-term Debt Requirements by Year	L-2	100-101
Schedule of Transfers – Primary Government and Discretely Presented Hickman County School Department	L-3	102
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Hickman County School Department	L-4	103
Schedule of Detailed Revenues – All Governmental Fund Types	L-5	104-108
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Hickman County School Department	L-6	109-110
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Hickman County Health Foundation	L-7	111
Schedule of Detailed Expenditures – All Governmental Fund Types	L-8	112-127
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Hickman County School Department	L-9	128-138
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Hickman County Health Foundation	L-10	139
Schedule of Detailed Revenues and Expenses – Solid Waste Disposal Fund (Enterprise Fund)	L-11	140-142
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	L-12	143
 <u>SINGLE AUDIT SECTION</u>		 144
Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		145-146
Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133		147-149
Schedule of Expenditures of Federal Awards and State Grants		150-151
Schedule of Audit Findings Not Corrected		152
Schedule of Findings and Questioned Costs		153-157
Auditee Reporting Responsibilities		158

***Audit Highlights***  
Annual Financial Report  
Hickman County, Tennessee  
For the Year Ended June 30, 2012

***Scope***

We have audited the basic financial statements of Hickman County as of and for the year ended June 30, 2012.

***Results***

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

Our audit resulted in five findings and recommendations, which we have reviewed with Hickman County management. The detailed findings and recommendations are included in the Single Audit section of this report.

***Findings and Best Practice***

The following are summaries of the audit findings and best practice:

**OFFICE OF COUNTY MAYOR**

- ◆ The receipting software for the Landfill Office did not have adequate application controls.

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**OFFICE OF FINANCE DIRECTOR**

- ◆ The office had deficiencies in purchasing procedures.
- ◆ Some expenditures were misclassified.

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**OFFICE OF SHERIFF**

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

**DEPARTMENTS OF SOLID WASTE AND PLANNING AND ZONING AND  
THE OFFICE OF CLERK AND MASTER**

- ◆ Duties were not segregated adequately.
- 

**BEST PRACTICE**

Hickman County does not have an Audit Committee. The Division of Local Government Audit strongly believes that an Audit Committee is a best practice that should be adopted by the governing body to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

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# INTRODUCTORY SECTION

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Hickman County Officials  
June 30, 2012

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**Officials**

Steve Gregory, County Mayor  
Ronald Coates, Road Superintendent  
Jerry Nash, Director of Schools  
Cheryl Chessor, Trustee  
Delton Mayberry, Assessor of Property  
Casey Dorton, County Clerk  
Dana Nicholson, Circuit and General Sessions Courts Clerk  
Linda Gossett, Clerk and Master  
Patty Sisk, Register  
Randall Ward, Sheriff  
Annette Elliott, Finance Director

**Board of County Commissioners**

Steve Gregory, County Mayor, Chairman	Lloyd Mangrum
Roy Crews	Kenneth Bates
Billy Blackwell	Ricky Murray
Charles Booker	Keith Nash
Chris Chilton	Brad Leeper
Robert Capps	Gary Hanes
John Deal	Wayne Thomasson
Dusty Jordan	Ronny George
James Hassell	Susan Sullivan
Ron Puckett	Frankye Ward
Ronald Gammons	Todd Collins

**Financial Management Committee**

Brad Leeper, Chairman	Keith Nash
Steve Gregory, County Mayor	Ron Puckett
Rick Murray	Ronald Coates, Road Superintendent
Jerry Nash, Director of Schools	

**Highway Commission**

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

(Continued)

## Hickman County Officials (Cont.)

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### **Board of Education**

Jackie Deitmen, Chairman  
Dwight Sullivan  
Lana Beard  
Timothy Hobbs

Jewell Prince  
Kathy Redden  
Tony Duncan

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

James Hassell, Chairman  
Charles Booker  
Kenneth Bates  
Ronald Gammons

Jack Keller  
Chris Chilton  
Annette Elliot, Finance Director

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## FINANCIAL SECTION

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

**INDEPENDENT AUDITOR'S REPORT**

September 17, 2012

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, 2012, 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 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 provides a reasonable basis for our opinions.

The financial statements of the Hickman County Emergency Communications District and the Industrial Development Board of Hickman County, component units requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the Hickman County Emergency Communications District and the Industrial Development Board of Hickman County, which

should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Hickman County Emergency Communications District and the Industrial Development Board of Hickman County as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Hickman County, Tennessee, as of June 30, 2012, 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, 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, 2012, and the respective changes in financial position and, where applicable, cash flows 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 September 17, 2012, 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.

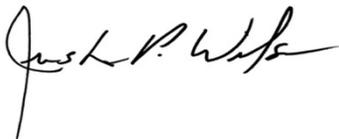
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 67 through 72 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 financial statements as a whole. 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 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Hickman County, Tennessee  
Statement of Net Assets  
June 30, 2012

	<u>Primary Government</u>		<u>Component Units</u>	
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Hickman</u> <u>County</u> <u>School</u> <u>Department</u>	<u>Hickman</u> <u>County</u> <u>Health</u> <u>Foundation</u>
<u>ASSETS</u>				
Cash	\$ 63,050	\$ 300	\$ 1,183,760	\$ 2,341,734
Equity in Pooled Cash and Investments	10,520,604	499,363	5,197,511	0
Accounts Receivable	788,258	538,849	261	0
Allowance for Uncollectibles	(225,625)	(380,938)	0	0
Due from Other Governments	805,576	14,666	308,738	0
Property Taxes Receivable	5,691,618	0	3,354,663	0
Allowance for Uncollectible Property Taxes	(131,871)	0	(77,725)	0
Cash Shortage	680	0	0	0
Deferred Charges - Debt Issuance Costs	4,355	0	0	0
Restricted Assets:				
Other Restricted Assets	165,000	0	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	209,514	111,004	1,018,261	0
Construction in Progress	260,000	0	0	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	8,854,633	795,929	33,872,455	0
Infrastructure	23,642,344	0	23,579	0
Other Capital Assets	534,690	302,445	4,190,393	0
Total Assets	\$ 51,182,826	\$ 1,881,618	\$ 49,071,896	\$ 2,341,734
<u>LIABILITIES</u>				
Accounts Payable	\$ 13,610	\$ 20,343	\$ 0	\$ 100,000
Accrued Interest Payable	7,972	0	0	0
Deferred Revenue - Current Property Taxes	5,208,673	0	3,070,012	0
Noncurrent Liabilities:				
Due Within One Year	3,571,783	52,816	0	0
Due in More Than One Year	29,142,303	393,394	286,462	0
Total Liabilities	\$ 37,944,341	\$ 466,553	\$ 3,356,474	\$ 100,000

(Continued)



Exhibit B

Hickman County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2012

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Primary Government Business-type Activities	Total	Hickman County School Department	Hickman County Health Foundation
									Department	Foundation
<b>Primary Government:</b>										
Governmental Activities:										
General Government	\$ 1,929,511	\$ 221,871	\$ 92,115	\$ 403,406	\$ (1,212,119)	\$ 0	\$ (1,212,119)	\$ 0	\$ 0	0
Finance	1,084,437	529,270	0	0	(555,167)	0	(555,167)	0	0	0
Administration of Justice	846,772	634,996	0	0	(211,776)	0	(211,776)	0	0	0
Public Safety	3,254,843	728,310	61,238	46,764	(2,418,531)	0	(2,418,531)	0	0	0
Public Health and Welfare	1,825,530	901,276	236,398	73,426	(614,430)	0	(614,430)	0	0	0
Social, Cultural, and Recreational Services	226,360	968	0	35,400	(189,992)	0	(189,992)	0	0	0
Agriculture and Natural Resources	95,728	0	0	0	(95,728)	0	(95,728)	0	0	0
Other Operations	281,234	0	0	0	(281,234)	0	(281,234)	0	0	0
Highways	4,857,109	7,130	1,884,835	2,320,994	(644,150)	0	(644,150)	0	0	0
Interest on Long-term Debt	241,831	0	0	0	(241,831)	0	(241,831)	0	0	0
Debt Service	200,053	0	0	0	(200,053)	0	(200,053)	0	0	0
Total Governmental Activities	\$ 14,843,408	\$ 3,023,821	\$ 2,274,586	\$ 2,879,990	\$ (6,665,011)	\$ 0	\$ (6,665,011)	\$ 0	\$ 0	0
<b>Business-type Activities:</b>										
Solid Waste Disposal	\$ 1,038,716	\$ 992,900	\$ 59,821	\$ 0	\$ 0	\$ 0	\$ 14,005	\$ 14,005	\$ 0	\$ 0
Total Business-type Activities	\$ 1,038,716	\$ 992,900	\$ 59,821	\$ 0	\$ 0	\$ 0	\$ 14,005	\$ 14,005	\$ 0	\$ 0
Total Primary Government	\$ 15,882,124	\$ 4,016,721	\$ 2,334,407	\$ 2,879,990	\$ (6,665,011)	\$ 14,005	\$ (6,651,006)	\$ 0	\$ 0	0
<b>Component Units:</b>										
Hickman County School Department	\$ 32,614,944	\$ 785,064	\$ 5,583,478	\$ 0	\$ 0	\$ 0	\$ 0	\$ (26,246,402)	\$ 0	0
Hickman County Health Foundation	133,037	0	100,000	0	0	0	0	0	0	(33,037)
Total Component Units	\$ 32,747,981	\$ 785,064	\$ 5,683,478	\$ 0	\$ 0	\$ 0	\$ 0	\$ (26,246,402)	\$ 0	(33,037)

(Continued)

Exhibit B

Hickman County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units	
				Governmental Activities	Business-type Activities	Hickman County School Department	Hickman County Health Foundation
Expenses				Total			
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 5,025,957	\$ 0	\$ 3,127,126	\$ 0
Property Taxes Levied for Debt Service				296,270	0	0	0
Local Option Sales Taxes				700,670	0	1,275,019	0
Wheel Tax				996,331	0	0	0
Wholesale Beer Tax				193,396	0	0	0
Adequate Facilities/Development Tax				64,361	0	0	0
Litigation Tax - General				110,227	0	0	0
Mineral Severance Tax				74,877	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse				95,764	0	0	0
Business Tax				50,079	0	0	0
Other Local Taxes				41,890	0	31,149	0
Grants and Contributions Not Restricted to Specific Programs				677,215	0	20,447,140	0
Unrestricted Investment Income				41,530	993	430	25,921
Miscellaneous				67,579	160,543	169,536	0
Total General Revenues				\$ 8,436,146	\$ 161,536	\$ 25,050,400	\$ 25,921
Transfers				\$ (40,514)	\$ 40,514	\$ 0	\$ 0
Change in Net Assets				\$ 1,730,621	\$ 216,055	\$ (1,196,002)	\$ (7,116)
Net Assets, July 1, 2011				11,487,280	1,199,010	46,818,315	2,248,850
Prior-period Adjustment				20,584	0	93,109	0
Net Assets, June 30, 2012				\$ 13,238,485	\$ 1,415,065	\$ 45,715,422	\$ 2,241,734

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

Exhibit C-1

Hickman County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2012

	Major Funds				Nonmajor Funds		Total Governmental Funds
	Highway / Public Works		General Debt Service		Other Governmental Funds		
	General						
<b>ASSETS</b>							
Cash	\$ 63,050	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 63,050
Equity in Pooled Cash and Investments	3,191,935	629,780	2,871,285	3,204,590	623,014	10,520,604	10,520,604
Accounts Receivable	560,916	37,286	64,281	99,548	26,227	788,258	788,258
Allowance for Uncollectibles	(225,625)	0	0	0	0	(225,625)	(225,625)
Due from Other Governments	86,275	321,078	123,981	274,242	0	805,576	805,576
Property Taxes Receivable	5,126,226	246,888	318,504	0	0	5,691,618	5,691,618
Allowance for Uncollectible Property Taxes	(118,772)	(5,720)	(7,379)	0	0	(131,871)	(131,871)
Cash Shortage	680	0	0	0	0	680	680
Restricted Assets:							
Other Restricted Assets	165,000	0	0	0	0	165,000	165,000
<b>Total Assets</b>	<b>\$ 8,849,685</b>	<b>\$ 1,229,312</b>	<b>\$ 3,370,672</b>	<b>\$ 3,578,380</b>	<b>\$ 649,241</b>	<b>\$ 17,677,290</b>	<b>\$ 17,677,290</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts Payable	\$ 13,346	\$ 264	\$ 0	\$ 0	\$ 0	\$ 13,610	\$ 13,610
Deferred Revenue - Current Property Taxes	4,691,255	225,939	291,479	0	0	5,208,673	5,208,673
Deferred Revenue - Delinquent Property Taxes	306,004	14,737	19,005	0	0	339,746	339,746
Other Deferred Revenues	195,839	160,539	61,990	0	0	418,368	418,368
<b>Total Liabilities</b>	<b>\$ 5,206,444</b>	<b>\$ 401,479</b>	<b>\$ 372,474</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,980,397</b>	<b>\$ 5,980,397</b>
<b>Fund Balances</b>							
Nonspendable:							
Endowments	\$ 165,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 165,000	\$ 165,000
Restricted:							
Restricted for General Government	62,460	0	0	0	217,333	279,793	279,793
Restricted for Administration of Justice	502,912	0	0	0	0	502,912	502,912
Restricted for Public Safety	38,426	0	0	0	185,849	224,275	224,275
Restricted for Public Health and Welfare	52,921	0	0	0	0	52,921	52,921
Restricted for Social, Cultural, and Recreational Services	178,943	0	0	0	0	178,943	178,943

(Continued)

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway /	General	General	Other Governmental Funds	Governmental Funds	
		Public Works	Debt Service	Capital Projects			
\$	0	827,833	0	0	0	0	827,833
	0	0	2,998,198	0	246,059	0	3,244,257
	0	0	0	3,578,380	0	0	3,578,380
	60,946	0	0	0	0	0	60,946
	12,000	0	0	0	0	0	12,000
	535	0	0	0	0	0	535
	2,569,098	0	0	0	0	0	2,569,098
\$	3,643,241	827,833	2,998,198	3,578,380	649,241	0	11,696,893
\$	8,849,685	1,229,312	3,370,672	3,578,380	649,241	0	17,677,290

LIABILITIES AND FUND BALANCES (CONT.)

Fund Balances (Cont.)	
Restricted (Cont.):	
Restricted for Highways/Public Works	
Restricted for Debt Service	
Restricted for Capital Projects	
Committed:	
Committed for General Government	
Assigned:	
Assigned for Finance	
Assigned for Public Health and Welfare	
Unassigned	
Total Fund Balances	
Total Liabilities and Fund Balances	

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

Exhibit C-2

Hickman County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Assets  
June 30, 2012

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)		\$ 11,696,893
(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	8,854,633	
Add: infrastructure net of accumulated depreciation	23,642,344	
Add: other capital assets net of accumulated depreciation	<u>534,690</u>	33,501,181
(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	\$ (3,280,838)	
Less: other loans payable	(29,084,117)	
Less: compensated absences payable	(306,955)	
Less: other postemployment benefits liability	(42,176)	
Less: accrued interest on bonds and notes	(7,972)	
Add: deferred charges - debt issuance costs	<u>4,355</u>	(32,717,703)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>758,114</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 13,238,485</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, 2012

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other		
					Governmental Funds	Governmental Funds	
<b>Revenues</b>							
Local Taxes	\$ 5,313,902	\$ 307,104	\$ 1,699,783	\$ 0	\$ 363,275	\$ 7,684,064	
Licenses and Permits	61,171	0	0	0	0	61,171	
Fines, Forfeitures, and Penalties	160,955	0	0	0	72,665	233,620	
Charges for Current Services	1,091,021	5,570	0	0	2,742	1,099,333	
Other Local Revenues	61,849	58,239	39,437	0	0	159,525	
Fees Received from County Officials	1,094,810	0	0	0	0	1,094,810	
State of Tennessee	1,497,268	2,232,434	27,758	26,133	0	3,783,593	
Federal Government	150,947	729,572	0	1,641,283	0	2,521,802	
Other Governments and Citizens Groups	35,039	0	0	0	400	35,439	
<b>Total Revenues</b>	<b>\$ 9,466,962</b>	<b>\$ 3,332,919</b>	<b>\$ 1,766,978</b>	<b>\$ 1,667,416</b>	<b>\$ 439,082</b>	<b>\$ 16,673,357</b>	
<b>Expenditures</b>							
Current:							
General Government	\$ 1,120,261	\$ 0	\$ 0	\$ 0	\$ 647	\$ 1,120,908	
Finance	761,461	0	0	0	0	761,461	
Administration of Justice	617,156	0	0	0	2,742	619,898	
Public Safety	2,353,534	0	0	0	47,728	2,401,262	
Public Health and Welfare	1,337,530	0	0	0	0	1,337,530	
Social, Cultural, and Recreational Services	255,364	0	0	0	0	255,364	
Agriculture and Natural Resources	78,442	0	0	0	0	78,442	
Other Operations	2,300,769	0	0	0	0	2,300,769	
Highways	0	3,264,282	0	0	0	3,264,282	
Debt Service:							
Principal on Debt	0	0	2,400,044	0	527,000	2,927,044	
Interest on Debt	0	0	223,466	0	19,019	242,485	
Other Debt Service	0	0	177,903	0	22,150	200,053	
Capital Projects	0	0	0	2,028,346	0	2,028,346	
<b>Total Expenditures</b>	<b>\$ 8,824,517</b>	<b>\$ 3,264,282</b>	<b>\$ 2,801,413</b>	<b>\$ 2,028,346</b>	<b>\$ 619,286</b>	<b>\$ 17,537,844</b>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 642,445</b>	<b>\$ 68,637</b>	<b>\$ (1,034,435)</b>	<b>\$ (360,930)</b>	<b>\$ (180,204)</b>	<b>\$ (864,487)</b>	

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other	Governmental Funds	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 35,570	\$ 10,952	\$ 0	\$ 0	\$ 0	\$ 0	\$ 46,522
Transfers In	31,121	281,679	1,600,000	0	270,000	0	2,182,800
Transfers Out	(23,160)	(31,121)	(270,000)	(1,899,033)	0	0	(2,223,314)
Total Other Financing Sources (Uses)	\$ 43,531	\$ 261,510	\$ 1,330,000	\$ (1,899,033)	\$ 270,000	\$ 0	\$ 6,008
Net Change in Fund Balances	\$ 685,976	\$ 330,147	\$ 295,565	\$ (2,259,963)	\$ 89,796	\$ 0	\$ (858,479)
Fund Balance, July 1, 2011	2,957,265	497,686	2,702,633	5,838,343	559,445	0	12,555,372
Fund Balance, June 30, 2012	\$ 3,643,241	\$ 827,833	\$ 2,998,198	\$ 3,578,380	\$ 649,241	\$ 0	\$ 11,696,893

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, 2012

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)		\$	(858,479)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	1,151,944	
Less: current-year depreciation expense		<u>(1,351,973)</u>	(200,029)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			
Less: loss on disposal of capital assets			(47,292)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2011	\$	(816,928)	
Add: deferred delinquent property taxes and other deferred June 30, 2012		<u>758,114</u>	(58,814)
(4) 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			
Add: principal payments on notes	\$	1,189,044	
Add: principal payments on other loans		1,738,000	
Less: change in deferred debt issuance costs		<u>(551)</u>	2,926,493
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	1,205	
Change in compensated absences payable		9,713	
Change in other postemployment benefits liability		<u>(42,176)</u>	<u>(31,258)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ 1,730,621</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, 2012

	Business-type Activities - Major Enterprise Fund
	<u>Solid Waste Disposal Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 300
Equity in Pooled Cash and Investments	499,363
Due From Other Governments	14,666
Accounts Receivable	538,849
Allowance for Uncollectibles	(380,938)
Total Current Assets	<u>\$ 672,240</u>
Noncurrent Assets:	
Assets Not Depreciated:	
Land	\$ 111,004
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	795,929
Other Capital Assets	302,445
Total Noncurrent Assets	<u>\$ 1,209,378</u>
Total Assets	<u>\$ 1,881,618</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 20,343
Capital Outlay Notes Payable	37,500
Accrued Liability for Landfill Closure/Postclosure Care Costs	10,933
Accrued Leave	4,383
Total Current Liabilities	<u>\$ 73,159</u>
Noncurrent Liabilities:	
Capital Outlay Notes Payable	\$ 225,000
Accrued Leave	13,148
Accrued Liability for Landfill Closure/Postclosure Care Costs	152,002
Other Long-term Liabilities	3,244
Total Noncurrent Liabilities	<u>\$ 393,394</u>
Total Liabilities	<u>\$ 466,553</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 946,878
Unrestricted	<u>468,187</u>
Total Net Assets	<u>\$ 1,415,065</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, 2012

	Business-type Activities - Major Enterprise Fund
	<u>Solid</u>
	Waste
	<u>Disposal</u>
	<u>Fund</u>
<u>Operating Revenues</u>	
Charges for Current Services	\$ 992,900
Other Local Revenues	142,482
Total Operating Revenues	<u>\$ 1,135,382</u>
<u>Operating Expenses</u>	
Sanitation Management	\$ 898,911
Litter and Trash Collection	42,344
Depreciation	85,087
Total Operating Expenses	<u>\$ 1,026,342</u>
Operating Income (Loss)	<u>\$ 109,040</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 993
Sale of Equipment	18,061
Interest Expense	(12,374)
Solid Waste Grants	59,821
Total Nonoperating Revenues (Expenses)	<u>\$ 66,501</u>
Income (Loss) Before Transfers	\$ 175,541
Transfers In (Out)	<u>40,514</u>
Change in Net Assets	\$ 216,055
Net Assets, July 1, 2011	<u>1,199,010</u>
Net Assets, June 30, 2012	<u>\$ 1,415,065</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, 2012

	Business-type Activities - Major Enterprise Fund <hr/> Solid Waste Disposal Fund <hr/>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 1,008,157
Other Cash Receipts (Payments)	142,482
Payments to Employees	(478,504)
Waste Collection and Disposal Activity	(470,223)
Net Cash Provided By (Used In) Operating Activities	<hr/> <u>\$ 201,912</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Paid on Notes	\$ (37,500)
Interest Paid on Notes	(12,374)
Transfers from Other Funds	40,514
Sale of Equipment	25,108
Net Cash Provided By (Used In) Capital and Related Financing Activities	<hr/> <u>\$ 15,748</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Grants Received	\$ 59,821
Net Cash Provided By (Used In) Noncapital Financing Activities	<hr/> <u>\$ 59,821</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 993
Net Cash Provided By (Used In) Investing Activities	<hr/> <u>\$ 993</u>
Increase (Decrease) in Cash	\$ 278,474
Cash, July 1, 2011	<hr/> 221,189
Cash, June 30, 2012	<hr/> <u>\$ 499,663</u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 109,040
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	85,087
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	35,817
(Increase) Decrease in Allowance for Uncollectibles	(5,894)
Increase (Decrease) in Accrued Expenses	(5,619)
Increase (Decrease) in Due From Other Governments	(14,666)
Increase (Decrease) in Accounts Payable	<hr/> (1,853)
Net Cash Provided By (Used In) Operating Activities	<hr/> <u>\$ 201,912</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, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 531,657
Accounts Receivable	1,553
Due from Other Governments	<u>90,464</u>
Total Assets	<u>\$ 623,674</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 90,464
Due to Litigants, Heirs, and Others	<u>533,210</u>
Total Liabilities	<u>\$ 623,674</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, 2012**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

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

The Hickman County School Department operates the public school system in the county, and the voters of Hickman County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

The Hickman County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Hickman County, and the Hickman County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County

Commission's approval. The financial statements of the Hickman County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Industrial Development Board of Hickman County promotes industrial development to provide additional job opportunities within Hickman County. The county mayor nominates and the Hickman County Commission confirms the board members. The financial statements of the Industrial Development Board of Hickman County were not available from other auditors in time for inclusion in this report.

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

Administrative Offices:

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

Industrial Development Board of Hickman County  
Hickman County Mayor  
114 North Central Avenue, Suite 204  
Centerville, TN 37033

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially

accountable. The Hickman County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Hickman County issues all debt for the discretely presented Hickman County School Department. No debt issues were contributed by the county to the School Department during the year ended June 30, 2012.

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 special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

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

**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 type:

**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 funds:

**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.

**School Federal Projects Fund** – This special revenue fund is used to account for restricted federal revenues, which must be expended on specific education programs.

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.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

**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 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. Hickman County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and

Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

Cash and cash equivalents for the discretely presented Hickman County Health Foundation consist of demand deposits and certificates of deposit all with original maturities of three months or less. All deposits in financial institutions are fully protected by federal depository insurance.

## **2. Receivables and Payables**

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

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

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

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of

year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

**3. Nonspendable Assets**

Certain resources set aside for General Fund library operations are classified as nonspendable assets on the governmental fund balance sheet because the principal is required to be invested, and only the income from investments is available for expenditures.

**4. Capital Assets**

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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	20-50

**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 vacation and sick leave benefits. All vacation and sick leave pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation and sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

**Discretely Presented Hickman County School Department**

The School Department permits professional personnel (teachers) to accumulate an unlimited amount of unused sick leave days. There is no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service 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, 2012, Hickman County had \$21,700,117 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 fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county’s highest level of decision-making authority and the Board of Education, the School Department’s highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county’s Budget/Finance Committee and the Board of Education are authorized bodies to make assignments.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

**8. Prior-period Adjustment**

Other postemployment benefits were restated and reduced by \$20,584 for governmental activities and \$93,109 for School Department activities from the prior-year because the county and School Department do not contribute toward the state Medicare Supplement Plan.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

### **Primary Government**

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

### **Discretely Presented Hickman County School Department**

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

### **Discretely Presented Hickman County Health Foundation**

The Hickman County Health Foundation did not have capital assets, debt, and accruals or deferrals to report; therefore, the only reconciling items from the governmental fund financial statements to the government-wide financial statements were reclassifications and are noted on Exhibits K-1 and K-2.

## **B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities**

### **Primary Government**

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide Statement of Activities.

### **Discretely Presented Hickman County School Department**

Exhibit J-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide Statement of Activities.

## **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **A. Budgetary Information**

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be

sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

**B. Cash Shortage (Prior Year)**

The audit of Hickman County for the 2009-10 year reported that the Tennessee Bureau of Investigation conducted an investigation of the Hickman County Emergency Management Agency (EMA) and the Hickman County Emergency Medical Services (EMS), which 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. The court later reduced this amount to \$680.25. 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, 2012, Terry Cloud had paid restitution of \$1,202.56. Subsequent to June 30, 2012, Michael Lynn paid restitution of \$680.25.

**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 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 reflected on the balance sheets or statements of net assets represents 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, 2012, Hickman County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Hickman County 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>
Pooled:		
State Treasurer's Investment Pool	Daily	\$ 4,697,045

**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, 2012, 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, 2012, was as follows:

## Primary Government

### Governmental Activities:

	Balance		Balance	
	7-1-11	Increases	Decreases	6-30-12
Capital Assets Not Depreciated:				
Land	\$ 209,514	\$ 0	\$ 0	\$ 209,514
Construction in Progress	260,000	0	0	260,000
Total Capital Assets Not Depreciated	<u>\$ 469,514</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 469,514</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,076,308	\$ 0	\$ 0	\$ 11,076,308
Infrastructure	47,459,478	1,115,414	(123,907)	48,450,985
Other Capital Assets	2,928,513	36,530	0	2,965,043
Total Capital Assets Depreciated	<u>\$ 61,464,299</u>	<u>\$ 1,151,944</u>	<u>\$ (123,907)</u>	<u>\$ 62,492,336</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,949,454	\$ 272,221	\$ 0	\$ 2,221,675
Infrastructure	23,997,531	887,725	(76,615)	24,808,641
Other Capital Assets	2,238,326	192,027	0	2,430,353
Total Accumulated Depreciation	<u>\$ 28,185,311</u>	<u>\$ 1,351,973</u>	<u>\$ (76,615)</u>	<u>\$ 29,460,669</u>
Total Capital Assets Depreciated, Net	<u>\$ 33,278,988</u>	<u>\$ (200,029)</u>	<u>\$ (47,292)</u>	<u>\$ 33,031,667</u>
Governmental Activities Capital Assets, Net	<u>\$ 33,748,502</u>	<u>\$ (200,029)</u>	<u>\$ (47,292)</u>	<u>\$ 33,501,181</u>

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

### Governmental Activities:

General Government	\$ 58,089
Administration of Justice	39,896
Public Safety	164,497
Public Health and Welfare	151,137
Social, Cultural, and Recreational Services	6,192
Highway/Public Works	<u>932,162</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,351,973</u>

**Business-type Activities:**

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 111,004	\$ 0	\$ 0	\$ 111,004
Total Capital Assets Not Depreciated	<u>\$ 111,004</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 111,004</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 1,077,579	\$ 0	\$ 0	\$ 1,077,579
Other Capital Assets	888,615	0	(46,980)	841,635
Total Capital Assets Depreciated	<u>\$ 1,966,194</u>	<u>\$ 0</u>	<u>\$ (46,980)</u>	<u>\$ 1,919,214</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 254,710	\$ 26,940	\$ 0	\$ 281,650
Other Capital Assets	520,976	58,147	(39,933)	539,190
Total Accumulated Depreciation	<u>\$ 775,686</u>	<u>\$ 85,087</u>	<u>\$ (39,933)</u>	<u>\$ 820,840</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,190,508</u>	<u>\$ (85,087)</u>	<u>\$ (7,047)</u>	<u>\$ 1,098,374</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,301,512</u>	<u>\$ (85,087)</u>	<u>\$ (7,047)</u>	<u>\$ 1,209,378</u>

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

**Business-type Activities:**

Sanitation Management	\$ 85,087
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**Discretely Presented Hickman County School Department**

**Governmental Activities:**

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 1,018,261	\$ 0	\$ 0	\$ 1,018,261
Construction in Progress	250,000	0	(250,000)	0
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 1,268,261</b>	<b>\$ 0</b>	<b>\$ (250,000)</b>	<b>\$ 1,018,261</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 52,785,247	\$ 684,950	\$ 0	\$ 53,470,197
Infrastructure	27,206	0	0	27,206
Other Capital Assets	7,173,037	446,623	0	7,619,660
<b>Total Capital Assets Depreciated</b>	<b>\$ 59,985,490</b>	<b>\$ 1,131,573</b>	<b>\$ 0</b>	<b>\$ 61,117,063</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 18,221,700	\$ 1,376,042	\$ 0	\$ 19,597,742
Infrastructure	2,267	1,360	0	3,627
Other Capital Assets	2,988,994	440,273	0	3,429,267
<b>Total Accumulated Depreciation</b>	<b>\$ 21,212,961</b>	<b>\$ 1,817,675</b>	<b>\$ 0</b>	<b>\$ 23,030,636</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 38,772,529</b>	<b>\$ (686,102)</b>	<b>\$ 0</b>	<b>\$ 38,086,427</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 40,040,790</b>	<b>\$ (686,102)</b>	<b>\$ (250,000)</b>	<b>\$ 39,104,688</b>

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

**Governmental Activities:**

Instruction	\$ 13,754
Support Services	1,787,450
Operation of Non-Instructional Services	<u>16,471</u>
<b>Total Depreciation Expense - Governmental Activities</b>	<b><u>\$ 1,817,675</u></b>

**C. Interfund Transfers**

Interfund transfers for the year ended June 30, 2012, consisted of the following amounts:

Transfers Out	Transfers In				
	General Fund	Highway/ Public Works Fund	General Debt Service Fund	Solid Waste Disposal Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 23,160	\$ 0	\$ 0	0
Highway/Public Works Fund	31,121	0	0	0	0
General Debt Service Fund	0	0	0	0	270,000
General Capital Projects Fund		258,519	1,600,000	40,514	0
<b>Total</b>	<b>\$ 31,121</b>	<b>\$ 281,679</b>	<b>\$ 1,600,000</b>	<b>\$ 40,514</b>	<b>\$ 270,000</b>

**Discretely Presented Hickman County School Department**

Transfer Out	Transfer In General Purpose School Fund
School Federal Projects Fund	\$ 22,461

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

**D. Long-term Debt**

**Primary Government**

**Notes and Other Loans**

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

Capital outlay notes and other loans are direct obligations and pledge the full faith and credit of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 12 years for notes and up to 27 years for other loans. Repayment terms are generally structured with

increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2012, will be retired from the General Debt Service or Education Debt Service funds.

Capital outlay notes and other loans outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
Capital Outlay Notes	0 to 4.15 %	6-30-20	\$ 5,407,642	\$ 3,280,838
Other Loans	variable	5-25-33	41,496,117	29,084,117

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 on an as-needed basis for various renovation and construction projects. These loans are repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with these loans. At June 30, 2012, the variable interest rate was .47 percent, and other fees totaled \$60 per month per loan (trustee), .35 percent (letter of credit), and .08 percent (remarketing) of the outstanding loan principal for the \$8,949,117 loan. At June 30, 2012, the variable interest rate was .47 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 \$6,140,000 loan. At June 30, 2012, the variable interest rate was .49 percent, and other fees totaled \$60 per month per loan (trustee), .5 percent (letter of credit), and .08 percent (remarketing) of the outstanding loan principal for the \$22,000,000, and \$2,000,000 loans. At June 30, 2012, the variable interest rate was .47 percent, and other fees totaled \$60 per month per loan (trustee), .32 percent (letter of credit), and .07 percent (remarketing) of the outstanding loan principal for the \$1,750,000 loan.

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, 2012. 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, 2012, the variable interest rate was .49 percent, and

other fees totaled \$60 per month (trustee), .5 percent (letter of credit), and .1 percent (remarketing) of the outstanding loan principal.

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2012, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 1,689,044	\$ 95,951	\$ 1,784,995
2014	1,189,047	40,385	1,229,432
2015	91,667	18,718	110,385
2016	91,667	14,911	106,578
2017	91,663	11,072	102,735
2018-2020	127,750	13,335	141,085
Total	<u>\$ 3,280,838</u>	<u>\$ 194,372</u>	<u>\$ 3,475,210</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2013	\$ 1,806,000	\$ 140,872	\$ 166,537	\$ 2,113,409
2014	1,875,000	132,194	157,078	2,164,272
2015	1,948,000	123,187	147,273	2,218,460
2016	2,024,000	113,832	137,095	2,274,927
2017	2,102,000	104,113	126,539	2,332,652
2018-2022	7,437,117	391,449	479,382	8,307,948
2023-2027	7,707,000	215,972	268,923	8,191,895
2028-2032	4,087,000	39,121	54,796	4,180,917
2033	98,000	480	1,288	99,768
Total	<u>\$ 29,084,117</u>	<u>\$ 1,261,220</u>	<u>\$ 1,538,911</u>	<u>\$ 31,884,248</u>

There is \$2,998,198 available in the General Debt Service Fund and \$246,059 in the Education Debt Service Fund to service long-term debt. Debt per capita, including notes and other loans, totaled \$1,311, based on the 2010 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

Governmental Activities:

	Notes	Other Loans
	<u>          </u>	<u>          </u>
Balance, July 1, 2011	\$ 4,469,882	\$ 30,822,117
Deductions	(1,189,044)	(1,738,000)
Balance, June 30, 2012	<u>\$ 3,280,838</u>	<u>\$ 29,084,117</u>
Balance Due Within One Year	<u>\$ 1,689,044</u>	<u>\$ 1,806,000</u>

	Compensated Absences	Other Postemployment Benefits
	<u>          </u>	<u>          </u>
Balance, July 1, 2011	\$ 316,668	\$ 20,584
Additions	269,876	60,137
Prior-period Adjustment	0	(20,584)
Deductions	(279,589)	(17,961)
Balance, June 30, 2012	<u>\$ 306,955</u>	<u>\$ 42,176</u>
Balance Due Within One Year	<u>\$ 76,739</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 32,714,086
Less: Balance Due Within One Year	<u>(3,571,783)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 29,142,303</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, 2012, for business-type activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Capital Outlay Notes	4.05 %	3-23-19	\$ 450,000	\$ 262,500



Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 446,210
Less: Balance Due Within One Year	<u>(52,816)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 393,394</u>

**Discretely Presented Hickman County School Department**

**Changes in Long-term Liabilities**

Long-term liability activity for the Hickman County School Department for the year ended June 30, 2012, was as follows:

Governmental Activities:	<u>Other Postemployment Benefits</u>
Balance, July 1, 2011	\$ 101,780
Additions	420,979
Prior-period Adjustment	(93,109)
Deductions	<u>(143,188)</u>
Balance, June 30, 2012	<u>\$ 286,462</u>
Balance Due Within One Year	<u>\$ 0</u>

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Hickman County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2012, were \$41,550 and \$17,690, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

## V. OTHER INFORMATION

### A. Risk Management

It is the policy of the county to purchase commercial insurance for the risks of losses to which it is exposed for employee health. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Hickman County and the School Department participate in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. Hickman County and the School Department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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

### B. 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.

### C. 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 \$162,935 reported as postclosure care liability at June 30, 2012, represents amounts based on what it would cost to perform all postclosure care in 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**D. 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 \$45,278 to the Hickman County Joint Economic and Community Development Association Board for the year ended June 30, 2012.

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, 2012.

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

**E. 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.

**F. Retirement Commitments**

Information for this footnote for the year ended June 30, 2012, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented below is for the fiscal year ended June 30, 2011.

**1. Tennessee Consolidated Retirement System (TCRS)**

**Plan Description**

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

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

**Funding Policy**

Hickman County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 13.55 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

**Annual Pension Cost**

For the year ended June 30, 2011, the county’s annual pension cost of \$1,057,772 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2009, 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 2.5 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 ten-year period. The 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, 2009, was ten 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
6-30-11	\$1,057,772	100%	\$0
6-30-10	940,920	100	0
6-30-09	937,256	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 million, and the actuarial value of assets was \$16 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3 million. The covered payroll (annual payroll of active employees covered by the plan) was \$7 million, and the ratio of the UAAL to the covered payroll was 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 annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

## **SCHOOL TEACHERS**

### **Plan Description**

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

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230, or can be accessed at [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 School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2011, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2011, 2010, and 2009, were \$1,231,811, \$893,800, and \$883,2285, respectively, equal to the required contributions for each year.

## **2. Deferred Compensation – Primary Government**

Hickman County offers its employees a deferred compensation plan established pursuant to IRC Section 457. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plan.

### **Deferred Compensation – Discretely Presented Hickman County School Department**

The Discretely Presented Hickman County School Department offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 457 and the Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 457 and 403(b) establish participation, contribution, and withdrawal provisions for the plans.

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

**Primary Government - Commercial Plan**

Plan Description

In addition to the retirement commitments described above, Hickman County provides commercial health care benefits for pre-65 age retirees. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by recommendation of a salaries and benefits committee and approved by the County Commission.

Funding Policy

The premium requirements of plan members are established and may be amended by the salaries and benefits committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums.

Hickman County employees becomes eligible for retiree health coverage once the employee retires from the county with at least 25 years of service or retires from the Highway Department with at least 20 years of service. The county pays 58 percent of medical premiums for retirees and their dependents (family coverage) and 85 percent of medical premiums for retirees (single coverage). The Highway Department pays 63.3 percent of medical premiums for retirees and their dependents (family coverage) and 100 percent of medical premiums for retirees (single coverage). In addition, Hickman County contributes up to \$3,000 (single coverage) and up to \$6,000 (family coverage) to a Health Reimbursement Account administered by the insurance carrier to cover employees' health insurance deductibles. Expenditures for postretirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not reported to the county. During the year, expenditures totaling \$17,961 were recognized for postemployment health care.

Annual OPEB Cost and Net OPEB Obligation

(dollars in thousands)

	<u>Commercial Plan</u>
ARC	\$ 63,381
Interest on the NPO	0
Adjustment to the ARC	0
Annual OPEB cost	<u>\$ 63,381</u>
Amount of contribution	(17,961)
Increase/decrease in NPO	<u>\$ 45,420</u>
Net OPEB obligation, 7-1-11	<u>0</u>
Net OPEB obligation, 6-30-12	<u><u>\$ 45,420</u></u>

Fiscal Year Ended*	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Commercial Insurance	\$ 63,381	28.3 %	\$ 45,420

\*Data only available for one year.

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

(dollars in thousands)

	<u>Commercial Plan</u>
Actuarial valuation date	7-1-11
Actuarial accrued liability (AAL)	\$ 502
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 502
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 4,848
UAAL as a % of covered payroll	10%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as RSI 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, 2011, actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a three percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of seven percent starting July 1, 2011. The trend will be reduced each year by .25 percent until 2.5 percent is reached. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2011.

### Discretely Presented School Department - State Plans

#### Plan Description

The Hickman County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

#### Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plans are periodically computed using actuarial and statistical techniques to establish premium rates. The

employers in each plan develop 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, 2012, the School Department made contributions totaling \$143,188 for postemployment benefits.

As noted in the table below, other postemployment benefits were restated and reduced by \$20,584 for governmental activities and \$93,109 for School Department activities from the prior-year because the county and School Department do not contribute toward the state Medicare Supplement Plan as was previously reported.

Annual OPEB Cost and Net OPEB Obligation

	Medicare Supplement Plan - County	Medicare Supplement Plan - Schools
	<u>                    </u>	<u>                    </u>
ARC	\$ 0	\$ 0
Interest on the NPO	0	0
Adjustment to the ARC	0	0
Annual OPEB cost	<u>\$ 0</u>	<u>\$ 0</u>
Amount of contribution	0	0
Increase/decrease in NPO	<u>\$ 0</u>	<u>\$ 0</u>
Net OPEB obligation, 7-1-11	20,584	93,109
Prior-period Adjustment	<u>(20,584)</u>	<u>(93,109)</u>
Net OPEB obligation, 6-30-12	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
	<u>Local Education Group Plan</u>	
ARC	\$ 421,000	
Interest on the NPO	347	
Adjustment to the ARC	<u>(368)</u>	
Annual OPEB cost	<u>\$ 420,979</u>	
Amount of contribution	<u>(143,188)</u>	
Increase/decrease in NPO	<u>\$ 277,791</u>	
Net OPEB obligation, 7-1-11	<u>8,671</u>	
Net OPEB obligation, 6-30-12	<u><u>\$ 286,462</u></u>	

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

6-30-10	Local Education Group	\$ 131,079	109 %	\$ 21,446
6-30-11	"	137,051	109	8,671
6-30-12	"	420,979	34	286,462

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

(dollars in thousands)

	Local Education Group
Actuarial valuation date	7-1-11
Actuarial accrued liability (AAL)	\$ 2,817
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 2,817
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 16,218
UAAL as a % of covered payroll	17%

The Board of Education has placed \$1,180,491 with the Tennessee School Board Association (TSBA) to be used for funding a portion of the OPEB liability. The Comptroller of the Treasury has obtained legal advice from the State Attorney General on the appropriate statutory authority for such trusts. The TSBA is addressing issues noted in the State Attorney General's opinion. However, until those issues are resolved, the \$1,180,491 placed with TSBA will not be reported as OPEB plan assets in the financial statements of this report.

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

## Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuation, for the Local Education Plan, the Projected Unit Credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.25 percent for fiscal year 2012. The trend will decrease to 8.75 percent in fiscal year 2013 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

### **H. 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.

### **I. 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.

### **J. Financial Policy – Health Foundation**

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

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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 and Budget  
General Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,313,902	\$ 5,278,546	\$ 5,278,546	\$ 35,356
Licenses and Permits	61,171	77,800	77,800	(16,629)
Fines, Forfeitures, and Penalties	160,955	79,320	79,320	81,635
Charges for Current Services	1,091,021	1,281,257	1,281,257	(190,236)
Other Local Revenues	61,849	55,900	64,900	(3,051)
Fees Received from County Officials	1,094,810	914,500	914,500	180,310
State of Tennessee	1,497,268	1,391,648	1,402,821	94,447
Federal Government	150,947	100,045	200,155	(49,208)
Other Governments and Citizens Groups	35,039	70,000	70,000	(34,961)
<b>Total Revenues</b>	<b>\$ 9,466,962</b>	<b>\$ 9,249,016</b>	<b>\$ 9,369,299</b>	<b>\$ 97,663</b>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 38,897	\$ 47,500	\$ 47,500	\$ 8,603
Board of Equalization	2,550	3,500	3,500	950
Beer Board	87	600	600	513
County Mayor/Executive	107,104	112,584	112,584	5,480
County Attorney	10,966	15,000	15,000	4,034
Election Commission	144,683	154,268	156,834	12,151
Register of Deeds	120,208	133,230	133,230	13,022
Planning	132,043	89,618	142,118	10,075
County Buildings	197,563	216,277	216,277	18,714
Other Facilities	328,926	435,500	440,577	111,651
Other General Administration	11,971	7,500	11,976	5
Preservation of Records	25,263	30,373	35,357	10,094
<u>Finance</u>				
Accounting and Budgeting	216,696	230,694	230,694	13,998
Property Assessor's Office	179,419	207,319	207,319	27,900
County Trustee's Office	153,998	156,201	156,201	2,203
County Clerk's Office	211,348	222,520	222,520	11,172
<u>Administration of Justice</u>				
Circuit Court	251,486	269,682	269,682	18,196
General Sessions Court	201,572	197,851	203,189	1,617
Chancery Court	135,053	139,314	139,314	4,261
Judicial Commissioners	29,045	29,406	29,406	361
<u>Public Safety</u>				
Sheriff's Department	1,333,789	1,448,015	1,498,040	164,251
Jail	817,988	930,480	897,374	79,386
Fire Prevention and Control	2,000	2,000	2,000	0
Civil Defense	170,257	198,309	205,143	34,886
Rescue Squad	12,814	3,750	12,814	0
County Coroner/Medical Examiner	16,686	26,400	26,400	9,714

(Continued)

Exhibit F-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 98,501	\$ 49,001	\$ 100,828	\$ 2,327
Ambulance/Emergency Medical Services	1,028,334	1,172,822	1,172,822	144,488
Alcohol and Drug Programs	10,118	15,765	23,834	13,716
Other Local Health Services	200,577	290,048	290,048	89,471
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	3,750	3,750	3,750	0
Libraries	251,614	204,368	279,840	28,226
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	48,449	48,519	48,519	70
Soil Conservation	29,993	29,995	29,995	2
<u>Other Operations</u>				
Tourism	4,000	500	4,500	500
Industrial Development	45,278	30,278	45,278	0
Other Economic and Community Development	805	1,000	1,000	195
Other Charges	440,319	508,900	508,900	68,581
Employee Benefits	1,727,435	1,804,500	1,914,996	187,561
Miscellaneous	82,932	99,550	109,550	26,618
Total Expenditures	<u>\$ 8,824,517</u>	<u>\$ 9,566,887</u>	<u>\$ 9,949,509</u>	<u>\$ 1,124,992</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 642,445	\$ (317,871)	\$ (580,210)	\$ 1,222,655
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 35,570	\$ 25,000	\$ 54,783	\$ (19,213)
Transfers In	31,121	31,121	31,121	0
Transfers Out	(23,160)	(23,160)	(23,160)	0
Total Other Financing Sources (Uses)	<u>\$ 43,531</u>	<u>\$ 32,961</u>	<u>\$ 62,744</u>	<u>\$ (19,213)</u>
Net Change in Fund Balance	\$ 685,976	\$ (284,910)	\$ (517,466)	\$ 1,203,442
Fund Balance, July 1, 2011	2,957,265	2,957,265	2,957,265	0
Fund Balance, June 30, 2012	<u>\$ 3,643,241</u>	<u>\$ 2,672,355</u>	<u>\$ 2,439,799</u>	<u>\$ 1,203,442</u>

Exhibit F-2

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 307,104	\$ 308,752	\$ 313,152	\$ (6,048)
Charges for Current Services	5,570	2,400	2,400	3,170
Other Local Revenues	58,239	2,500	45,946	12,293
State of Tennessee	2,232,434	2,445,805	2,445,805	(213,371)
Federal Government	729,572	500,000	500,000	229,572
Total Revenues	<u>\$ 3,332,919</u>	<u>\$ 3,259,457</u>	<u>\$ 3,307,303</u>	<u>\$ 25,616</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 175,827	\$ 191,552	\$ 191,552	\$ 15,725
Highway and Bridge Maintenance	1,368,709	1,487,784	1,531,230	162,521
Operation and Maintenance of Equipment	442,954	497,015	497,015	54,061
Other Charges	64,598	89,700	89,700	25,102
Employee Benefits	594,636	614,892	653,340	58,704
Capital Outlay	617,558	785,005	785,005	167,447
Total Expenditures	<u>\$ 3,264,282</u>	<u>\$ 3,665,948</u>	<u>\$ 3,747,842</u>	<u>\$ 483,560</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 68,637</u>	<u>\$ (406,491)</u>	<u>\$ (440,539)</u>	<u>\$ 509,176</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 10,952	\$ 0	\$ 0	\$ 10,952
Transfers In	281,679	23,160	281,679	0
Transfers Out	(31,121)	(31,121)	(31,121)	0
Total Other Financing Sources (Uses)	<u>\$ 261,510</u>	<u>\$ (7,961)</u>	<u>\$ 250,558</u>	<u>\$ 10,952</u>
Net Change in Fund Balance	\$ 330,147	\$ (414,452)	\$ (189,981)	\$ 520,128
Fund Balance, July 1, 2011	497,686	737,712	497,686	0
Fund Balance, June 30, 2012	<u>\$ 827,833</u>	<u>\$ 323,260</u>	<u>\$ 307,705</u>	<u>\$ 520,128</u>

Exhibit F-3

Hickman County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Hickman County School Department  
June 30, 2012

(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

\* - Information for July 1, 2011, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, only two years 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, 2012

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	%	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>								
Commercial Insurance*	7-1-11	\$ 0	\$ 502	\$ 502	0	%	\$ 4,848	10 %
<u>DISCRETELY PRESENTED HICKMAN COUNTY SCHOOL DEPARTMENT</u>								
Local Education Group	7-1-09	0	1,324	1,324	0		15,740	8
"	7-1-10	0	1,367	1,367	0		16,962	8
"	7-1-11	0	2,817	2,817	0		16,218	17

\*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, 2012**

**A. Budgetary Information**

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

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

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

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

**B. Cash Shortage (Prior Year)**

The audit of Hickman County for the 2009-10 year reported that the Tennessee Bureau of Investigation conducted an investigation of the Hickman County Emergency Management Agency (EMA) and the Hickman County Emergency Medical Services (EMS), which 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. The court later reduced this amount to \$680.25. 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, 2012, Terry Cloud had paid restitution of \$1,202.56. Subsequent to June 30, 2012, Michael Lynn paid restitution of \$680.25.

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

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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 and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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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.

Exhibit G-1

Hickman County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012

	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Drug Control</u>	<u>Adequate Facilities/ Development Tax</u>	<u>Total</u>	<u>Education Debt Service</u>	
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 185,849	\$ 217,333	\$ 403,182	\$ 219,832	\$ 623,014
Accounts Receivable	0	0	0	26,227	26,227
<b>Total Assets</b>	<b>\$ 185,849</b>	<b>\$ 217,333</b>	<b>\$ 403,182</b>	<b>\$ 246,059</b>	<b>\$ 649,241</b>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 0	\$ 217,333	\$ 217,333	\$ 0	\$ 217,333
Restricted for Public Safety	185,849	0	185,849	0	185,849
Restricted for Debt Service	0	0	0	246,059	246,059
<b>Total Fund Balances</b>	<b>\$ 185,849</b>	<b>\$ 217,333</b>	<b>\$ 403,182</b>	<b>\$ 246,059</b>	<b>\$ 649,241</b>

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, 2012

	Special Revenue Funds				Total	Debt Service Fund	Total Nonmajor Governmental Funds
	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Education Debt Service			
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 64,361	\$ 0	\$ 0	\$ 64,361	\$ 298,914	\$ 363,275
Fines, Forfeitures, and Penalties	72,665	0	0	0	72,665	0	72,665
Charges for Current Services	0	0	2,742	0	2,742	0	2,742
Other Governments and Citizens Groups	400	0	0	0	400	0	400
Total Revenues	\$ 73,065	\$ 64,361	\$ 2,742	\$ 0	\$ 140,168	\$ 298,914	\$ 439,082
<u>Expenditures</u>							
Current:							
General Government	\$ 0	\$ 647	\$ 0	\$ 0	\$ 647	\$ 0	\$ 647
Administration of Justice	0	0	2,742	0	2,742	0	2,742
Public Safety	47,728	0	0	0	47,728	0	47,728
Debt Service:							
Principal on Debt	0	0	0	0	0	527,000	527,000
Interest on Debt	0	0	0	0	0	19,019	19,019
Other Debt Service	0	0	0	0	0	22,150	22,150
Total Expenditures	\$ 47,728	\$ 647	\$ 2,742	\$ 0	\$ 51,117	\$ 568,169	\$ 619,286
Excess (Deficiency) of Revenues Over Expenditures	\$ 25,337	\$ 63,714	\$ 0	\$ 0	\$ 89,051	\$ (269,255)	\$ (180,204)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 270,000	\$ 270,000
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 270,000	\$ 270,000
Net Change in Fund Balances	\$ 25,337	\$ 63,714	\$ 0	\$ 0	\$ 89,051	\$ 745	\$ 89,796
Fund Balance, July 1, 2011	160,512	153,619	0	0	314,131	245,314	559,445
Fund Balance, June 30, 2012	\$ 185,849	\$ 217,333	\$ 0	\$ 0	\$ 403,182	\$ 246,059	\$ 649,241

Exhibit G-3

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Drug Control Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 72,665	\$ 27,622	\$ 27,622	\$ 45,043
Other Governments and Citizens Groups	400	0	0	400
Total Revenues	<u>\$ 73,065</u>	<u>\$ 27,622</u>	<u>\$ 27,622</u>	<u>\$ 45,443</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 47,728	\$ 0	\$ 50,500	\$ 2,772
Total Expenditures	<u>\$ 47,728</u>	<u>\$ 0</u>	<u>\$ 50,500</u>	<u>\$ 2,772</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 25,337</u>	<u>\$ 27,622</u>	<u>\$ (22,878)</u>	<u>\$ 48,215</u>
Net Change in Fund Balance	\$ 25,337	\$ 27,622	\$ (22,878)	\$ 48,215
Fund Balance, July 1, 2011	160,512	161,090	160,512	0
Fund Balance, June 30, 2012	<u>\$ 185,849</u>	<u>\$ 188,712</u>	<u>\$ 137,634</u>	<u>\$ 48,215</u>

Exhibit G-4

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Adequate Facilities/Development Tax Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 64,361	\$ 65,000	\$ 65,000	\$ (639)
Total Revenues	\$ 64,361	\$ 65,000	\$ 65,000	\$ (639)
<u>Expenditures</u>				
<u>General Government</u>				
Building	\$ 647	\$ 650	\$ 650	\$ 3
Total Expenditures	\$ 647	\$ 650	\$ 650	\$ 3
Excess (Deficiency) of Revenues Over Expenditures	\$ 63,714	\$ 64,350	\$ 64,350	\$ (636)
Net Change in Fund Balance	\$ 63,714	\$ 64,350	\$ 64,350	\$ (636)
Fund Balance, July 1, 2011	153,619	138,921	153,619	0
Fund Balance, June 30, 2012	\$ 217,333	\$ 203,271	\$ 217,969	\$ (636)

Exhibit G-5

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Education Debt Service Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 298,914	\$ 264,000	\$ 264,000	\$ 34,914
Total Revenues	\$ 298,914	\$ 264,000	\$ 264,000	\$ 34,914
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 527,000	\$ 527,000	\$ 527,000	\$ 0
<u>Interest on Debt</u>				
Education	19,019	128,194	128,194	109,175
<u>Other Debt Service</u>				
General Government	2,995	3,000	3,000	5
Education	19,155	19,574	19,574	419
Total Expenditures	\$ 568,169	\$ 677,768	\$ 677,768	\$ 109,599
Excess (Deficiency) of Revenues Over Expenditures	\$ (269,255)	\$ (413,768)	\$ (413,768)	\$ 144,513
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 270,000	\$ 303,768	\$ 303,768	\$ (33,768)
Total Other Financing Sources (Uses)	\$ 270,000	\$ 303,768	\$ 303,768	\$ (33,768)
Net Change in Fund Balance	\$ 745	\$ (110,000)	\$ (110,000)	\$ 110,745
Fund Balance, July 1, 2011	245,314	190,000	245,314	0
Fund Balance, June 30, 2012	\$ 246,059	\$ 80,000	\$ 135,314	\$ 110,745

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,699,783	\$ 1,588,728	\$ 1,588,728	\$ 111,055
Other Local Revenues	39,437	40,000	40,000	(563)
State of Tennessee	27,758	14,922	14,922	12,836
Total Revenues	<u>\$ 1,766,978</u>	<u>\$ 1,643,650</u>	<u>\$ 1,643,650</u>	<u>\$ 123,328</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,500,377	\$ 1,500,378	\$ 1,500,378	\$ 1
Highways and Streets	41,667	41,677	41,677	10
Education	858,000	858,000	858,000	0
<u>Interest on Debt</u>				
General Government	144,338	350,270	350,270	205,932
Highways and Streets	13,341	13,380	13,380	39
Education	65,787	564,360	564,360	498,573
<u>Other Debt Service</u>				
General Government	66,439	82,378	82,378	15,939
Education	111,464	111,510	111,510	46
Total Expenditures	<u>\$ 2,801,413</u>	<u>\$ 3,521,953</u>	<u>\$ 3,521,953</u>	<u>\$ 720,540</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,034,435)</u>	<u>\$ (1,878,303)</u>	<u>\$ (1,878,303)</u>	<u>\$ 843,868</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 0
Transfers Out	(270,000)	(303,768)	(303,768)	33,768
Total Other Financing Sources (Uses)	<u>\$ 1,330,000</u>	<u>\$ 1,296,232</u>	<u>\$ 1,296,232</u>	<u>\$ 33,768</u>
Net Change in Fund Balance	\$ 295,565	\$ (582,071)	\$ (582,071)	\$ 877,636
Fund Balance, July 1, 2011	<u>2,702,633</u>	<u>2,702,633</u>	<u>2,702,633</u>	<u>0</u>
Fund Balance, June 30, 2012	<u>\$ 2,998,198</u>	<u>\$ 2,120,562</u>	<u>\$ 2,120,562</u>	<u>\$ 877,636</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, 2012

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 531,657	\$ 531,657
Accounts Receivable	0	1,553	1,553
Due from Other Governments	90,464	0	90,464
Total Assets	<u>\$ 90,464</u>	<u>\$ 533,210</u>	<u>\$ 623,674</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 90,464	\$ 0	\$ 90,464
Due to Litigants, Heirs, and Others	0	533,210	533,210
Total Liabilities	<u>\$ 90,464</u>	<u>\$ 533,210</u>	<u>\$ 623,674</u>

Exhibit I-2

Hickman County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 579,452	\$ 579,452	\$ 0
Due from Other Governments	95,345	90,464	95,345	90,464
Total Assets	\$ 95,345	\$ 669,916	\$ 674,797	\$ 90,464
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 95,345	\$ 669,916	\$ 674,797	\$ 90,464
Total Liabilities	\$ 95,345	\$ 669,916	\$ 674,797	\$ 90,464
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 665,336	\$ 4,615,494	\$ 4,749,173	\$ 531,657
Accounts Receivable	1,712	1,553	1,712	1,553
Total Assets	\$ 667,048	\$ 4,617,047	\$ 4,750,885	\$ 533,210
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 667,048	\$ 4,617,047	\$ 4,750,885	\$ 533,210
Total Liabilities	\$ 667,048	\$ 4,617,047	\$ 4,750,885	\$ 533,210
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 665,336	\$ 4,615,494	\$ 4,749,173	\$ 531,657
Equity in Pooled Cash and Investments	0	579,452	579,452	0
Due from Other Governments	95,345	90,464	95,345	90,464
Accounts Receivable	1,712	1,553	1,712	1,553
Total Assets	\$ 762,393	\$ 5,286,963	\$ 5,425,682	\$ 623,674
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 95,345	\$ 669,916	\$ 674,797	\$ 90,464
Due to Litigants, Heirs, and Others	667,048	4,617,047	4,750,885	533,210
Total Liabilities	\$ 762,393	\$ 5,286,963	\$ 5,425,682	\$ 623,674

# Hickman County School Department

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

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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.

Hickman County, Tennessee  
Statement of Activities  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 17,657,945	\$ 86,801	\$ 4,084,611	\$ (13,486,533)
Support Services	12,218,766	13	0	(12,218,753)
Operation of Non-Instructional Services	2,738,233	698,250	1,498,867	(541,116)
Total Governmental Activities	\$ 32,614,944	\$ 785,064	\$ 5,583,478	\$ (26,246,402)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 3,127,126
Local Option Sales Taxes				1,275,019
Other Local Taxes				31,149
Grants and Contributions Not Restricted to Specific Programs				20,447,140
Unrestricted Investment Income				430
Miscellaneous				169,536
Total General Revenues				\$ 25,050,400
Change in Net Assets				\$ (1,196,002)
Net Assets, July 1, 2011				46,818,315
Prior-period Adjustment				93,109
Net Assets, June 30, 2012				\$ 45,715,422

Exhibit J-2

Hickman County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Hickman County School Department  
June 30, 2012

	Major Funds		Nonmajor	Total
	General Purpose School	School Federal Projects	Fund Central Cafeteria	
<u>ASSETS</u>				
Cash	\$ 1,180,491	\$ 0	\$ 3,269	\$ 1,183,760
Equity in Pooled Cash and Investments	4,576,444	151,736	469,331	5,197,511
Accounts Receivable	261	0	0	261
Due from Other Governments	239,040	2,306	67,392	308,738
Property Taxes Receivable	3,354,663	0	0	3,354,663
Allowance for Uncollectible Property Taxes	(77,725)	0	0	(77,725)
<b>Total Assets</b>	<b>\$ 9,273,174</b>	<b>\$ 154,042</b>	<b>\$ 539,992</b>	<b>\$ 9,967,208</b>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Deferred Revenue - Current Property Taxes	\$ 3,070,012	\$ 0	\$ 0	\$ 3,070,012
Deferred Revenue - Delinquent Property Taxes	200,243	0	0	200,243
Other Deferred Revenues	107,222	0	0	107,222
<b>Total Liabilities</b>	<b>\$ 3,377,477</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,377,477</b>
<u>Fund Balances</u>				
Restricted:				
Restricted for Education	\$ 5,682	\$ 4,042	\$ 539,992	\$ 549,716
Committed:				
Committed for Education	1,180,491	150,000	0	1,330,491
Unassigned	4,709,524	0	0	4,709,524
<b>Total Fund Balances</b>	<b>\$ 5,895,697</b>	<b>\$ 154,042</b>	<b>\$ 539,992</b>	<b>\$ 6,589,731</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9,273,174</b>	<b>\$ 154,042</b>	<b>\$ 539,992</b>	<b>\$ 9,967,208</b>

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, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 6,589,731
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,018,261	
Add: buildings and improvements net of accumulated depreciation	33,872,455	
Add: infrastructure net of accumulated depreciation	23,579	
Add: other capital assets net of accumulated depreciation	<u>4,190,393</u>	39,104,688
(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		(286,462)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		
		<u>307,465</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 45,715,422</u></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, 2012

	Major Funds		Nonmajor	Total Governmental Funds
	General Purpose School	School Federal Projects	Fund Central Cafeteria	
<u>Revenues</u>				
Local Taxes	\$ 4,450,422	\$ 0	\$ 0	\$ 4,450,422
Licenses and Permits	1,587	0	0	1,587
Charges for Current Services	87,186	0	697,878	785,064
Other Local Revenues	147,655	0	1,147	148,802
State of Tennessee	20,891,507	0	0	20,891,507
Federal Government	152,413	3,496,570	1,469,205	5,118,188
Other Governments and Citizens Groups	2,900	0	0	2,900
<b>Total Revenues</b>	<b>\$ 25,733,670</b>	<b>\$ 3,496,570</b>	<b>\$ 2,168,230</b>	<b>\$ 31,398,470</b>
<u>Expenditures</u>				
Current:				
Instruction	\$ 14,501,778	\$ 2,864,622	\$ 0	\$ 17,366,400
Support Services	9,736,140	608,899	0	10,345,039
Operation of Non-Instructional Services	580,179	0	2,160,638	2,740,817
Capital Outlay	948,795	0	0	948,795
<b>Total Expenditures</b>	<b>\$ 25,766,892</b>	<b>\$ 3,473,521</b>	<b>\$ 2,160,638</b>	<b>\$ 31,401,051</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (33,222)	\$ 23,049	\$ 7,592	\$ (2,581)
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 24,218	\$ 0	\$ 0	\$ 24,218
Transfers In	22,461	0	0	22,461
Transfers Out	0	(22,461)	0	(22,461)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 46,679</b>	<b>\$ (22,461)</b>	<b>\$ 0</b>	<b>\$ 24,218</b>
Net Change in Fund Balances	\$ 13,457	\$ 588	\$ 7,592	\$ 21,637
Fund Balance, July 1, 2011	5,882,240	153,454	532,400	6,568,094
<b>Fund Balance, June 30, 2012</b>	<b>\$ 5,895,697</b>	<b>\$ 154,042</b>	<b>\$ 539,992</b>	<b>\$ 6,589,731</b>

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, 2012

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)		\$ 21,637
(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	\$ 881,573	
Less: current-year depreciation expense	<u>(1,817,675)</u>	(936,102)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2011	\$ (311,211)	
Add: deferred delinquent property taxes and other deferred June 30, 2012	<u>307,465</u>	(3,746)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability		<u>(277,791)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (1,196,002)</u>

Exhibit J-6

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,450,422	\$ 4,399,860	\$ 4,399,860	\$ 50,562
Licenses and Permits	1,587	1,400	1,400	187
Charges for Current Services	87,186	104,500	104,500	(17,314)
Other Local Revenues	147,655	164,500	178,096	(30,441)
State of Tennessee	20,891,507	21,004,020	21,063,260	(171,753)
Federal Government	152,413	185,000	182,100	(29,687)
Other Governments and Citizens Groups	2,900	0	2,900	0
Total Revenues	<u>\$ 25,733,670</u>	<u>\$ 25,859,280</u>	<u>\$ 25,932,116</u>	<u>\$ (198,446)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 10,903,357	\$ 12,080,547	\$ 12,080,547	\$ 1,177,190
Alternative Instruction Program	151,266	158,160	158,160	6,894
Special Education Program	2,057,844	2,186,619	2,186,619	128,775
Vocational Education Program	1,299,997	1,381,215	1,381,215	81,218
Adult Education Program	89,314	98,074	98,074	8,760
<u>Support Services</u>				
Attendance	134,168	142,818	142,818	8,650
Health Services	222,180	226,974	226,974	4,794
Other Student Support	843,613	849,087	849,087	5,474
Regular Instruction Program	1,091,653	1,233,271	1,233,271	141,618
Alternative Instruction Program	109	300	300	191
Special Education Program	98,916	102,400	102,400	3,484
Vocational Education Program	88,298	91,429	91,429	3,131
Adult Programs	76,803	77,429	77,429	626
Other Programs	115,439	56,200	115,440	1
Board of Education	423,447	511,800	511,800	88,353
Director of Schools	246,771	257,262	257,262	10,491
Office of the Principal	1,376,298	1,434,644	1,434,644	58,346
Operation of Plant	2,114,371	2,144,500	2,144,500	30,129
Maintenance of Plant	1,228,739	1,269,882	1,269,882	41,143
Transportation	1,460,224	1,658,340	1,658,340	198,116
Central and Other	215,111	252,150	252,150	37,039
<u>Operation of Non-Instructional Services</u>				
Food Service	20,087	21,000	21,000	913
Community Services	139,171	150,000	150,000	10,829
Early Childhood Education	420,921	420,920	420,921	0
<u>Capital Outlay</u>				
Regular Capital Outlay	948,795	950,000	950,000	1,205
Total Expenditures	<u>\$ 25,766,892</u>	<u>\$ 27,755,021</u>	<u>\$ 27,814,262</u>	<u>\$ 2,047,370</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (33,222)</u>	<u>\$ (1,895,741)</u>	<u>\$ (1,882,146)</u>	<u>\$ 1,848,924</u>

(Continued)

Exhibit J-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 24,218	\$ 5,000	\$ 5,000	\$ 19,218
Transfers In	22,461	20,000	20,000	2,461
Total Other Financing Sources (Uses)	<u>\$ 46,679</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 21,679</u>
Net Change in Fund Balance	\$ 13,457	\$ (1,870,741)	\$ (1,857,146)	\$ 1,870,603
Fund Balance, July 1, 2011	<u>5,882,240</u>	<u>4,250,000</u>	<u>4,250,000</u>	<u>1,632,240</u>
Fund Balance, June 30, 2012	<u>\$ 5,895,697</u>	<u>\$ 2,379,259</u>	<u>\$ 2,392,854</u>	<u>\$ 3,502,843</u>

Exhibit J-7

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 3,496,570	\$ 3,688,443	\$ 3,677,039	\$ (180,469)
Total Revenues	\$ 3,496,570	\$ 3,688,443	\$ 3,677,039	\$ (180,469)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,118,612	\$ 2,162,030	\$ 2,183,666	\$ 65,054
Special Education Program	689,581	695,800	691,149	1,568
Vocational Education Program	56,429	54,707	56,429	0
<u>Support Services</u>				
Other Student Support	79,667	86,970	85,248	5,581
Regular Instruction Program	345,190	380,916	450,719	105,529
Special Education Program	179,377	180,319	180,319	942
Transportation	4,665	2,500	5,950	1,285
Total Expenditures	\$ 3,473,521	\$ 3,563,242	\$ 3,653,480	\$ 179,959
Excess (Deficiency) of Revenues Over Expenditures	\$ 23,049	\$ 125,201	\$ 23,559	\$ (510)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 103,498	\$ (103,498)
Transfers Out	(22,461)	(125,201)	(127,057)	104,596
Total Other Financing Sources (Uses)	\$ (22,461)	\$ (125,201)	\$ (23,559)	\$ 1,098
Net Change in Fund Balance	\$ 588	\$ 0	\$ 0	\$ 588
Fund Balance, July 1, 2011	153,454	0	0	153,454
Fund Balance, June 30, 2012	\$ 154,042	\$ 0	\$ 0	\$ 154,042

Exhibit J-8

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 697,878	\$ 705,000	\$ 705,000	\$ (7,122)
Other Local Revenues	1,147	500	500	647
Federal Government	1,469,205	1,360,000	1,442,401	26,804
Total Revenues	<u>\$ 2,168,230</u>	<u>\$ 2,065,500</u>	<u>\$ 2,147,901</u>	<u>\$ 20,329</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,160,638	\$ 2,254,800	\$ 2,337,201	\$ 176,563
Total Expenditures	<u>\$ 2,160,638</u>	<u>\$ 2,254,800</u>	<u>\$ 2,337,201</u>	<u>\$ 176,563</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 7,592</u>	<u>\$ (189,300)</u>	<u>\$ (189,300)</u>	<u>\$ 196,892</u>
Net Change in Fund Balance	\$ 7,592	\$ (189,300)	\$ (189,300)	\$ 196,892
Fund Balance, July 1, 2011	532,400	495,000	495,000	37,400
Fund Balance, June 30, 2012	<u>\$ 539,992</u>	<u>\$ 305,700</u>	<u>\$ 305,700</u>	<u>\$ 234,292</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, 2012

	Health Foundation Fund	Adjustments	Statement of Net Assets
<u>ASSETS</u>			
Cash	\$ 2,341,734	\$ 0	\$ 2,341,734
Total Assets	\$ 2,341,734	\$ 0	\$ 2,341,734
<u>LIABILITIES</u>			
Accounts Payable	\$ 100,000	\$ 0	\$ 100,000
Total Liabilities	\$ 100,000	\$ 0	\$ 100,000
<u>FUND BALANCE/NET ASSETS</u>			
Fund Balance:			
Restricted for Public Health and Welfare	\$ 2,241,734	\$ (2,241,734)	\$ 0
Total Fund Balance	\$ 2,241,734	\$ (2,241,734)	\$ 0
Total Fund Balance	\$ 2,241,734		
Net Assets:			
Restricted for Public Health and Welfare		\$ 2,241,734	\$ 2,241,734
Total Net Assets		\$ 2,241,734	\$ 2,241,734

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, 2012

	Health Foundation Fund	Adjustments	Statement of Activities
Expenditures/Expenses:			
General Government:			
County Commission	\$ 528	\$ 0	\$ 528
Public Health and Welfare:			
Ambulance/Emergency Medical Services	6,757	0	6,757
Other Public Health and Welfare	125,752	0	125,752
Total Expenditures/Expenses	<u>\$ 133,037</u>	<u>\$ 0</u>	<u>\$ 133,037</u>
Program Revenues:			
Operating Grants and Contributions:			
Public Health and Welfare	\$ 100,000	\$ 0	\$ 100,000
Net Program Expense			<u>\$ 33,037</u>
General Revenues:			
Investment Income	\$ 25,921	\$ 0	\$ 25,921
Total General Revenues	<u>\$ 25,921</u>	<u>\$ 0</u>	<u>\$ 25,921</u>
Excess of Revenues Over Expenditures	\$ (7,116)	\$ 7,116	\$ 0
Change in Net Assets	0	(7,116)	(7,116)
Fund Balance/Net Assets:			
July 1, 2011	<u>2,248,850</u>	0	<u>2,248,850</u>
June 30, 2012	<u>\$ 2,241,734</u>	<u>\$ 0</u>	<u>\$ 2,241,734</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, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
<u>GOVERNMENTAL ACTIVITIES</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Highway Capital Outlay Note	\$ 125,000	4.15 %	8-2-04	8-2-16	\$ 62,498	\$ 0	10,417	\$ 52,081
MLEC Building	605,000	4.1	1-12-07	1-12-19	359,000	0	50,000	309,000
Energy Efficiency	62,142	0	3-14-07	4-15-14	26,634	0	8,877	17,757
Highway Capital Outlay Note	350,000	4	6-30-08	6-30-20	256,250	0	31,250	225,000
Flood Disaster Capital Outlay Note No. 1	2,000,000	2.76	5-28-10	5-28-13	1,500,000	0	500,000	1,000,000
Flood Disaster Capital Outlay Note No. 2	2,000,000	3.03	8-31-10	8-1-13	2,000,000	0	500,000	1,500,000
Ambulance Capital Outlay Note	265,500	3	11-3-10	12-1-13	265,500	0	88,500	177,000
Total Notes Payable					\$ 4,469,882	\$ 0	1,189,044	\$ 3,280,838
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through Education Debt Service Fund</u>								
School Construction	8,949,117	Variable	12-15-1997	5-25-18	4,273,117	0	527,000	3,746,117
Total Payable through Education Debt Service Fund					\$ 4,273,117	\$ 0	527,000	\$ 3,746,117
<u>Payable through General Debt Service Fund</u>								
Court Facility	1,750,000	Variable	2-9-1998	5-25-18	731,000	0	101,000	630,000
School Construction	22,000,000	Variable	6-28-04	5-25-29	18,321,000	0	798,000	17,523,000
Jail Construction	6,140,000	Variable	10-27-05	5-25-31	5,289,000	0	191,000	5,098,000
Sewer Line	2,000,000	Variable	3-30-06	5-25-33	1,717,000	0	61,000	1,656,000
School Construction	(1)	Variable	8-27-07	5-25-19	491,000	0	60,000	431,000
Total Payable through General Debt Service Fund					\$ 26,549,000	\$ 0	1,211,000	\$ 25,338,000
Total Other Loans Payable					\$ 30,822,117	\$ 0	1,738,000	\$ 29,084,117
<u>BUSINESS-TYPE ACTIVITIES</u>								
<u>NOTES PAYABLE</u>								
Payable through Solid Waste Disposal Fund	450,000	4.05	3-23-07	3-23-19	300,000	0	37,500	262,500
Recycling Center								

(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
2013	\$ 1,689,044	\$ 95,951	\$ 1,784,995
2014	1,189,047	40,385	1,229,432
2015	91,667	18,718	110,385
2016	91,667	14,911	106,578
2017	91,663	11,072	102,735
2018	81,250	7,251	88,501
2019	40,250	5,799	46,049
2020	6,250	285	6,535
Total	\$ 3,280,838	\$ 194,372	\$ 3,475,210

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2013	\$ 1,806,000	\$ 140,872	\$ 166,537	\$ 2,113,409
2014	1,875,000	132,194	157,078	2,164,272
2015	1,948,000	123,187	147,273	2,218,460
2016	2,024,000	113,832	137,095	2,274,927
2017	2,102,000	104,113	126,539	2,332,652
2018	2,034,117	94,021	115,475	2,243,613
2019	1,298,000	83,950	102,425	1,484,375
2020	1,329,000	77,680	94,943	1,501,623
2021	1,367,000	71,221	87,234	1,525,455
2022	1,409,000	64,577	79,305	1,552,882
2023	1,451,000	57,729	71,133	1,579,862
2024	1,495,000	50,678	62,718	1,608,396
2025	1,540,000	43,413	54,047	1,637,460
2026	1,587,000	35,930	45,115	1,668,045
2027	1,634,000	28,222	35,910	1,698,132
2028	1,684,000	20,283	26,433	1,730,716
2029	1,734,000	12,103	16,666	1,762,769
2030	331,860	3,681	5,889	341,430
2031	241,140	2,103	3,963	247,206
2032	96,000	951	1,845	98,796
2033	98,000	480	1,288	99,768
Total	\$ 29,084,117	\$ 1,261,220	\$ 1,538,911	\$ 31,884,248

(Continued)

Exhibit L-2

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

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 37,500	\$ 10,779	\$ 48,279
2014	37,500	9,239	46,739
2015	37,500	7,699	45,199
2016	37,500	6,176	43,676
2017	37,500	4,620	42,120
2018	37,500	3,080	40,580
2019	37,500	1,561	39,061
Total	\$ 262,500	\$ 43,154	\$ 305,654

Exhibit L-3

Hickman County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2012

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General		Fund information technology position	\$ 23,160
Highway/Public Works	Highway/Public Works	Administrative costs	31,121
General Debt Service	Education Debt Service	Debt retirement	270,000
General Capital Projects	General Debt Service	Reimbursement for disaster funds	1,600,000
"	Solid Waste Disposal	Reimbursement for disaster funds	40,514
"	Highway/Public Works	Allocation of adequate facilities tax	258,519
Total Transfers Primary Government			<u>\$ 2,223,314</u>
<u>DISCRETELY PRESENTED HICKMAN</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 22,461
Total Transfers Discretely Presented Hickman County School Department			<u>\$ 22,461</u>

Exhibit L-4

Hickman County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2012

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 71,460 (1)	\$ 50,000	State Farm Fire and Casualty Company
Road Superintendent	Section 8-24-102, TCA	69,427 (6)	100,000	"
Director of Schools	State Board of Education and Local Board of Education	106,212 (2)	(7)	"
Trustee	Section 8-24-102, TCA	61,889 (1)	1,029,435	"
Assessor of Property	Section 8-24-102, TCA	62,889 (1) (3)	12,000	Auto Owners Mutual Insurance Company
County Clerk	Section 8-24-102, TCA	61,889 (1)	50,000	State Farm Fire and Casualty Company
Circuit Court Clerk	Section 8-24-102, TCA	61,751	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Judge	61,751 (4)	55,000	"
Register	Section 8-24-102, TCA	62,023 (8)	25,000	"
Sheriff	Section 8-24-102, TCA	68,527 (5)	25,000	Travelers Casualty and Surety Company
Finance Director	County Commission	62,074 (6)	50,000	State Farm Fire and Casualty Company
<u>Other Bonds</u>				
Employee Blanket Bond			150,000	Tennessee Risk Management Trust
School Employees			150,000	"

- (1) Includes \$138 for the county's portion of certified public administrator supplement.
- (2) Includes \$1,000 for a chief executive officer training supplement.
- (3) Includes \$1,000 as a training supplement.
- (4) Does not include \$2,742 in special commissioner fees.
- (5) Includes \$600 as a law enforcement training supplement.
- (6) Includes \$1,500 as a training supplement.
- (7) The director of schools is covered under the department's blanket bond.
- (8) Includes \$272 for the county's portion of certified public administrator supplement.

Exhibit L-5

Hickman County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2012

	Special Revenue Funds						Debt Service Funds			Capital Projects Fund	
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Fund		
									General	Projects	
<b>Local Taxes</b>											
<b>County Property Taxes</b>											
Current Property Tax	\$ 4,411,390	\$ 0	\$ 0	\$ 0	\$ 212,459	\$ 274,077	\$ 0	\$ 0	\$ 0	\$ 4,897,926	
Trustee's Collections - Prior Year	202,268	0	0	0	9,753	7,999	0	0	0	220,020	
Circuit/Clerk & Master Collections - Prior Years	135,970	0	0	0	5,607	4,161	0	0	0	145,738	
Interest and Penalty	40,257	0	0	0	1,940	1,716	0	0	0	43,913	
Payments in-Lieu-of Taxes - T.V.A.	7,115	0	0	0	291	360	0	0	0	7,766	
Payments in-Lieu-of Taxes - Local Utilities	22,136	0	0	0	0	0	0	0	0	22,136	
Payments in-Lieu-of Taxes - Other	7,512	0	0	0	0	0	0	0	0	7,512	
<b>County Local Option Taxes</b>											
Local Option Sales Tax	1,557	0	0	0	0	698,118	0	0	0	699,675	
Hotel/Motel Tax	9,171	0	0	0	0	0	0	0	0	9,171	
Wheel Tax	0	0	0	0	0	697,417	298,914	0	0	996,331	
Litigation Tax - General	110,227	0	0	0	0	0	0	0	0	110,227	
Litigation Tax - Special Purpose	15,679	0	0	0	0	0	0	0	0	15,679	
Litigation Tax - Jail, Workhouse, or Courthouse	95,764	0	0	0	0	0	0	0	0	95,764	
Business Tax	45,203	0	0	0	0	2,699	0	0	0	50,079	
Mineral Severance Tax	0	0	0	0	2,177	2,699	0	0	0	50,079	
Adequate Facilities/Development Tax	0	0	0	0	74,877	0	0	0	0	74,877	
Statutory Local Taxes	0	0	64,361	0	0	0	0	0	0	64,361	
Bank Excise Tax	12,453	0	0	0	0	0	0	0	0	12,453	
Wholesale Beer Tax	193,396	0	0	0	0	0	0	0	0	193,396	
Interstate Telecommunications Tax	3,804	0	0	0	0	0	0	0	0	3,804	
Other Statutory Local Taxes	0	0	0	0	0	13,236	0	0	0	13,236	
<b>Total Local Taxes</b>	<b>\$ 5,313,902</b>	<b>\$ 0</b>	<b>\$ 64,361</b>	<b>\$ 0</b>	<b>\$ 307,104</b>	<b>\$ 1,699,783</b>	<b>\$ 298,914</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,684,064</b>	
<b>Licenses and Permits</b>											
<b>Licenses</b>											
Cable TV Franchise Permits	\$ 23,946	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,946	
Beer Permits	4,231	0	0	0	0	0	0	0	0	4,231	
Building Permits	32,994	0	0	0	0	0	0	0	0	32,994	
<b>Total Licenses and Permits</b>	<b>\$ 61,171</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 61,171</b>	

(Continued)

Exhibit L-5

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

	Special Revenue Funds							Debt Service Funds			Capital Projects Fund	
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Fund			
									General	Total		
<u>Fines, Forfeitures, and Penalties</u>												
<u>Circuit Court</u>												
Fines	\$ 19,959	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	19,959
Officers Costs	8,348	0	0	0	0	0	0	0	0	0	0	8,348
Drug Control Fines	530	8,906	0	0	0	0	0	0	0	0	0	9,436
Drug Court Fees	1,447	0	0	0	0	0	0	0	0	0	0	1,447
Jail Fees	1,790	0	0	0	0	0	0	0	0	0	0	1,790
DUI Treatment Fines	3,728	0	0	0	0	0	0	0	0	0	0	3,728
Data Entry Fee - Circuit Court	506	0	0	0	0	0	0	0	0	0	0	506
<u>General Sessions Court</u>												
Fines	22,432	0	0	0	0	0	0	0	0	0	0	22,432
Officers Costs	36,672	0	0	0	0	0	0	0	0	0	0	36,672
Game and Fish Fines	845	0	0	0	0	0	0	0	0	0	0	845
Drug Control Fines	0	20,221	0	0	0	0	0	0	0	0	0	20,221
Drug Court Fees	7,761	0	0	0	0	0	0	0	0	0	0	7,761
Jail Fees	21,908	0	0	0	0	0	0	0	0	0	0	21,908
DUI Treatment Fines	7,377	0	0	0	0	0	0	0	0	0	0	7,377
Data Entry Fee - General Sessions Court	276	0	0	0	0	0	0	0	0	0	0	276
<u>Chancery Court</u>												
Officers Costs	2,327	0	0	0	0	0	0	0	0	0	0	2,327
Data Entry Fee - Chancery Court	2,274	0	0	0	0	0	0	0	0	0	0	2,274
Judicial District Drug Program												
Courtroom Security Fee	18,974	0	0	0	0	0	0	0	0	0	0	18,974
Other Fines, Forfeitures, and Penalties												
Proceeds from Confiscated Property	3,801	43,538	0	0	0	0	0	0	0	0	0	47,339
Total Fines, Forfeitures, and Penalties	\$ 160,955	\$ 72,665	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 233,620
<u>Charges for Current Services</u>												
<u>General Service Charges</u>												
Other Employee Benefit Charges/Contributions	\$ 30,555	\$ 0	\$ 0	\$ 0	\$ 3,243	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,798
Patient Charges	1,020,894	0	0	0	0	0	0	0	0	0	0	1,020,894

(Continued)

Exhibit L-5

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

	Special Revenue Funds					Debt Service Funds			Capital Projects Fund	
	General	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	Total	
<u>Charges for Current Services (Cont.)</u>										
<u>Fees</u>										
Copy Fees	\$ 4,137	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,137	\$ 0
Library Fees	968	0	0	0	0	0	0	0	968	0
Archives and Records Management Fee - County Clerk	18,898	0	0	0	0	0	0	0	18,898	0
Vending Machine Collections	280	0	0	0	2,327	0	0	0	2,607	0
Constitutional Officers' Fees and Commissions	0	0	0	2,742	0	0	0	0	2,742	0
Data Processing Fee - Register	8,172	0	0	0	0	0	0	0	8,172	0
Probation Fees	3,124	0	0	0	0	0	0	0	3,124	0
Data Processing Fee - Sheriff	297	0	0	0	0	0	0	0	297	0
Sexual Offender Registration Fees - Sheriff	3,400	0	0	0	0	0	0	0	3,400	0
Data Processing Fee - County Clerk	296	0	0	0	0	0	0	0	296	0
Total Charges for Current Services	\$ 1,091,021	\$ 0	\$ 0	\$ 2,742	\$ 5,570	\$ 0	\$ 0	\$ 0	\$ 1,099,333	\$ 0
<u>Other Local Revenues</u>										
<u>Recurring Items</u>										
Investment Income	\$ 2,093	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,437	\$ 0	\$ 0	\$ 41,530	\$ 0
Lease/Rentals	6,335	0	0	0	0	0	0	0	6,335	0
Commissary Sales	16,645	0	0	0	0	0	0	0	16,645	0
Sale of Recycled Materials	0	0	0	0	3,887	0	0	0	3,887	0
Refund of Telecommunication and Internet Fees (E-Rate)	2,688	0	0	0	0	0	0	0	2,688	0
Miscellaneous Refunds	8,662	0	0	0	893	0	0	0	9,555	0
<u>Nonrecurring Items</u>										
Damages Recovered from Individuals	1,203	0	0	0	0	0	0	0	1,203	0
Contributions and Gifts	22,223	0	0	0	0	0	0	0	22,223	0
Other Local Revenues	2,000	0	0	0	53,459	0	0	0	55,459	0
Total Other Local Revenues	\$ 61,849	\$ 0	\$ 0	\$ 0	\$ 58,239	\$ 39,437	\$ 0	\$ 0	\$ 159,525	\$ 0
<u>Fees Received from County Officials</u>										
Fees in-Lieu-of Salary	\$ 218,257	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 218,257	\$ 0
County Clerk										

(Continued)

Exhibit L-5

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

	Special Revenue Funds					Debt Service Funds			Capital Projects Fund	
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	General Capital Projects	Total
<u>Fees Received from County Officials (Cont.)</u>										
<u>Fees in-Lieu-of Salary (Cont.)</u>										
Circuit Court Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	108,763
General Sessions Court Clerk	200,834	0	0	0	0	0	0	0	0	200,834
Clerk and Master	119,765	0	0	0	0	0	0	0	0	119,765
Juvenile Court Clerk	13,487	0	0	0	0	0	0	0	0	13,487
Register	89,996	0	0	0	0	0	0	0	0	89,996
Sheriff	32,991	0	0	0	0	0	0	0	0	32,991
Trustee	310,717	0	0	0	0	0	0	0	0	310,717
<b>Total Fees Received from County Officials</b>	<b>\$ 1,094,810</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,094,810</b>
<u>State of Tennessee</u>										
General Government Grants	4,500	0	0	0	0	0	0	0	0	4,500
Juvenile Services Program	11,400	0	0	0	0	0	0	0	0	11,400
Public Safety Grants	236,398	0	0	0	0	0	0	0	0	236,398
Law Enforcement Training Programs	0	0	0	0	329,488	0	0	0	0	329,488
Health and Welfare Grants	34,561	0	0	0	0	0	0	0	0	34,561
Health Department Programs	18,421	0	0	0	0	0	0	0	0	18,421
Public Works Grants	56,111	0	0	0	0	0	0	0	0	56,111
State Aid Program	446,757	0	0	0	21,517	27,758	0	0	0	496,032
Other State Revenues	627,638	0	0	0	1,843,861	0	0	0	0	627,638
Income Tax	0	0	0	0	17,815	0	0	0	0	17,815
Beer Tax	0	0	0	0	0	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0	0	15,164
Other State Grants	22,348	0	0	0	19,753	0	0	0	0	26,133
Other State Revenues	23,970	0	0	0	0	0	0	0	0	23,970
<b>Total State of Tennessee</b>	<b>\$ 1,497,268</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,232,434</b>	<b>\$ 27,758</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 26,133</b>	<b>\$ 3,783,593</b>	

(Continued)

Exhibit L-5

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

	Special Revenue Funds					Debt Service Funds			Capital Projects Fund
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Education Debt Service	General Capital Projects	
<b>Federal Government</b>									
<u>Federal Through State</u>									
Disaster Relief	\$ 18,290	\$ 0	\$ 0	\$ 0	\$ 158,021	\$ 0	\$ 0	\$ 658,150	
Homeland Security Grants	46,764	0	0	0	0	0	0	0	
Other Federal through State	73,426	0	0	0	0	0	0	403,406	
<b>Direct Federal Revenue</b>									
ROTC Reimbursement	5,500	0	0	0	0	0	0	0	
ARRA Grant # 7	1,200	0	0	0	0	0	0	0	
Other Direct Federal Revenue	5,767	0	0	0	571,551	0	0	579,727	
<b>Total Federal Government</b>	<b>\$ 150,947</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 729,572</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,641,283</b>	
<b>Other Governments and Citizens Groups</b>									
<u>Other Governments</u>									
Contributions	\$ 35,000	\$ 400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Citizens Groups	39	0	0	0	0	0	0	0	
Donations	35,039	400	0	0	0	0	0	0	
<b>Total Other Governments and Citizens Groups</b>	<b>\$ 9,466,962</b>	<b>\$ 73,065</b>	<b>\$ 64,361</b>	<b>\$ 2,742</b>	<b>\$ 3,332,919</b>	<b>\$ 1,766,978</b>	<b>\$ 298,914</b>	<b>\$ 1,667,416</b>	
<b>Total</b>	<b>\$ 9,466,962</b>	<b>\$ 73,065</b>	<b>\$ 64,361</b>	<b>\$ 2,742</b>	<b>\$ 3,332,919</b>	<b>\$ 1,766,978</b>	<b>\$ 298,914</b>	<b>\$ 1,667,416</b>	

Exhibit L-6

Hickman County, Tennessee  
 Schedule of Detailed Revenues -  
All Governmental Fund Types  
 Discretely Presented Hickman County School Department  
 For the Year Ended June 30, 2012

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 2,886,874	\$ 0	\$ 0	\$ 2,886,874
Trustee's Collections - Prior Year	137,123	0	0	137,123
Circuit/Clerk & Master Collections - Prior Years	78,973	0	0	78,973
Interest and Penalty	27,124	0	0	27,124
Payments in-Lieu-of Taxes - T.V.A.	4,382	0	0	4,382
Payments in-Lieu-of Taxes - Local Utilities	6,000	0	0	6,000
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,275,797	0	0	1,275,797
Business Tax	29,677	0	0	29,677
<u>Statutory Local Taxes</u>				
Bank Excise Tax	3,000	0	0	3,000
Interstate Telecommunications Tax	1,472	0	0	1,472
Total Local Taxes	\$ 4,450,422	\$ 0	\$ 0	\$ 4,450,422
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,587	\$ 0	\$ 0	\$ 1,587
Total Licenses and Permits	\$ 1,587	\$ 0	\$ 0	\$ 1,587
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other	\$ 33,433	\$ 0	\$ 0	\$ 33,433
Lunch Payments - Children	0	0	300,660	300,660
Lunch Payments - Adults	0	0	74,031	74,031
Income from Breakfast	0	0	80,462	80,462
A la carte Sales	0	0	242,725	242,725
Receipts from Individual Schools	53,368	0	0	53,368
Community Service Fees - Adults	372	0	0	372
<u>Other Charges for Services</u>				
Other Charges for Services	13	0	0	13
Total Charges for Current Services	\$ 87,186	\$ 0	\$ 697,878	\$ 785,064
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 430	\$ 430
Lease/Rentals	1,948	0	0	1,948
Refund of Telecommunication and Internet Fees (E-Rate)	36,152	0	0	36,152
Miscellaneous Refunds	78,274	0	15	78,289
<u>Nonrecurring Items</u>				
Gain on Investments	13,596	0	0	13,596
Sale of Equipment	8,706	0	702	9,408
Damages Recovered from Individuals	938	0	0	938
Contributions and Gifts	3,054	0	0	3,054
<u>Other Local Revenues</u>				
Other Local Revenues	4,987	0	0	4,987
Total Other Local Revenues	\$ 147,655	\$ 0	\$ 1,147	\$ 148,802

(Continued)

## Exhibit L-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 59,240	\$ 0	\$ 0	\$ 59,240
<u>State Education Funds</u>				
Basic Education Program	19,654,001	0	0	19,654,001
Early Childhood Education	420,920	0	0	420,920
School Food Service	19,985	0	0	19,985
Energy Efficient School Initiative	2,593	0	0	2,593
Driver Education	13,359	0	0	13,359
Other State Education Funds	225,021	0	0	225,021
Statewide Student Management System (SSMS) - ARRA	9,677	0	0	9,677
Career Ladder Program	129,123	0	0	129,123
Career Ladder - Extended Contract	58,100	0	0	58,100
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	292,363	0	0	292,363
Other State Grants	4,200	0	0	4,200
Other State Revenues	2,925	0	0	2,925
Total State of Tennessee	\$ 20,891,507	\$ 0	\$ 0	\$ 20,891,507
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 937,462	\$ 937,462
USDA - Commodities	0	0	82,401	82,401
Breakfast	0	0	449,342	449,342
Adult Education State Grant Program	95,238	0	0	95,238
Vocational Education - Basic Grants to States	0	64,510	0	64,510
Title I Grants to Local Education Agencies	0	1,003,525	0	1,003,525
Special Education - Grants to States	0	862,520	0	862,520
Special Education Preschool Grants	0	20,810	0	20,810
Rural Education	0	78,388	0	78,388
Eisenhower Professional Development State Grants	0	163,954	0	163,954
Race-to-the-Top - ARRA	0	242,299	0	242,299
Other Federal through State	0	1,060,564	0	1,060,564
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	57,175	0	0	57,175
Total Federal Government	\$ 152,413	\$ 3,496,570	\$ 1,469,205	\$ 5,118,188
<u>Other Governments and Citizens Groups</u>				
<u>Other</u>				
Other	\$ 2,900	\$ 0	\$ 0	\$ 2,900
Total Other Governments and Citizens Groups	\$ 2,900	\$ 0	\$ 0	\$ 2,900
Total	\$ 25,733,670	\$ 3,496,570	\$ 2,168,230	\$ 31,398,470

Exhibit L-7

Hickman County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Hickman County Health Foundation  
For the Year Ended June 30, 2012

	Other Special Revenue
<hr/>	
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Investment Income	\$ 25,921
<u>Nonrecurring Items</u>	
Contributions and Gifts	100,000
Total Other Local Revenues	<u>\$ 125,921</u>
Total	<u><u>\$ 125,921</u></u>

Exhibit L-8

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2012

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	25,000	
Accounting Services		422	
Audit Services		7,407	
Legal Notices, Recording, and Court Costs		4,678	
Travel		1,390	
Total County Commission			\$ 38,897

Board of Equalization

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

Beer Board

Criminal Investigation of Applicants - TBI	\$	87	
Total Beer Board			87

County Mayor/Executive

County Official/Administrative Officer	\$	71,460	
Salary Supplements		375	
Secretary(ies)		23,387	
Longevity Pay		1,400	
In-Service Training		300	
Legal Notices, Recording, and Court Costs		256	
Travel		4,458	
Other Contracted Services		4,031	
Office Supplies		677	
Office Equipment		760	
Total County Mayor/Executive			107,104

County Attorney

Legal Services	\$	10,966	
Total County Attorney			10,966

Election Commission

County Official/Administrative Officer	\$	55,576	
Deputy(ies)		23,392	
Part-time Personnel		8,000	
Longevity Pay		800	
Election Commission		3,360	
Election Workers		19,875	
Data Processing Services		3,400	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Legal Notices, Recording, and Court Costs	\$	2,402	
Printing, Stationery, and Forms		3,004	
Rentals		1,540	
Travel		6,197	
Other Contracted Services		10,794	
Office Supplies		2,087	
Office Equipment		4,256	
Total Election Commission			\$ 144,683

Register of Deeds

County Official/Administrative Officer	\$	62,023	
Deputy(ies)		22,513	
Salary Supplements		2,491	
Clerical Personnel		20,864	
Longevity Pay		900	
In-Service Training		175	
Data Processing Services		7,746	
Maintenance and Repair Services - Office Equipment		593	
Travel		741	
Other Contracted Services		1,250	
Office Supplies		912	
Total Register of Deeds			120,208

Planning

Supervisor/Director	\$	30,437	
Deputy(ies)		23,392	
Salary Supplements		1,500	
Longevity Pay		800	
Board and Committee Members Fees		2,375	
In-Service Training		1,092	
Contracts with Government Agencies		11,250	
Data Processing Services		1,125	
Legal Notices, Recording, and Court Costs		877	
Printing, Stationery, and Forms		264	
Travel		2,315	
Other Contracted Services		1,325	
Office Supplies		653	
Other Supplies and Materials		158	
Liability Claims		52,500	
Office Equipment		1,980	
Total Planning			132,043

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Supervisor/Director	\$	41,190	
Custodial Personnel		23,787	
Longevity Pay		1,800	
Maintenance and Repair Services - Buildings		109,450	
Maintenance and Repair Services - Equipment		73	
Maintenance and Repair Services - Vehicles		123	
Custodial Supplies		6,910	
Gasoline		4,459	
Uniforms		4,970	
Other Charges		283	
Motor Vehicles		4,518	
Total County Buildings			\$ 197,563

Other Facilities

Communication	\$	71,761	
Pest Control		6,800	
Electricity		177,683	
Utilities		72,682	
Total Other Facilities			328,926

Other General Administration

Maintenance and Repair Services - Equipment	\$	2,496	
Office Supplies		453	
Other Supplies and Materials		475	
Office Equipment		4,347	
Other Equipment		4,200	
Total Other General Administration			11,971

Preservation of Records

Clerical Personnel	\$	18,669	
Travel		144	
Other Contracted Services		1,003	
Office Supplies		131	
Other Supplies and Materials		5,234	
Other Charges		82	
Total Preservation of Records			25,263

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	62,074	
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(Continued)

Exhibit L-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Assistant(s)	\$	31,467	
Accountants/Bookkeepers		23,017	
Data Processing Personnel		20,864	
Salary Supplements		5,625	
Clerical Personnel		44,474	
Longevity Pay		4,500	
In-Service Training		300	
Data Processing Services		9,948	
Legal Notices, Recording, and Court Costs		4,948	
Printing, Stationery, and Forms		2,907	
Travel		1,233	
Office Supplies		2,427	
Premiums on Corporate Surety Bonds		199	
Office Equipment		2,713	
Total Accounting and Budgeting			\$ 216,696

Property Assessor's Office

County Official/Administrative Officer	\$	62,889	
Deputy(ies)		21,818	
Assessment Personnel		19,823	
Salary Supplements		1,500	
Secretary(ies)		19,823	
Clerical Personnel		19,823	
Longevity Pay		1,400	
In-Service Training		240	
Contracts with Private Agencies		3,500	
Data Processing Services		13,924	
Legal Notices, Recording, and Court Costs		52	
Maintenance and Repair Services - Office Equipment		5,518	
Maintenance and Repair Services - Vehicles		923	
Travel		2,777	
Other Contracted Services		1,625	
Gasoline		1,741	
Office Supplies		1,579	
Office Equipment		464	
Total Property Assessor's Office			179,419

County Trustee's Office

County Official/Administrative Officer	\$	61,889	
Deputy(ies)		25,356	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Data Processing Personnel	\$	20,575	
Salary Supplements		3,750	
Clerical Personnel		23,587	
Part-time Personnel		3,380	
Longevity Pay		3,700	
Data Processing Services		6,283	
Legal Notices, Recording, and Court Costs		177	
Travel		1,122	
Office Supplies		2,166	
Office Equipment		2,013	
Total County Trustee's Office			\$ 153,998

County Clerk's Office

County Official/Administrative Officer	\$	61,889	
Deputy(ies)		23,779	
Salary Supplements		4,875	
Secretary(ies)		21,910	
Clerical Personnel		63,323	
Part-time Personnel		11,329	
Longevity Pay		2,700	
Data Processing Services		13,931	
Printing, Stationery, and Forms		2,439	
Travel		1,414	
Office Supplies		1,739	
Other Charges		30	
Office Equipment		1,990	
Total County Clerk's Office			211,348

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	61,751	
Deputy(ies)		135,272	
Part-time Personnel		2,751	
Longevity Pay		4,975	
Other Salaries and Wages		16,433	
Jury and Witness Expense		5,627	
Data Processing Services		9,971	
Legal Notices, Recording, and Court Costs		670	
Maintenance and Repair Services - Office Equipment		3,325	
Travel		582	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Office Supplies	\$	4,779	
Office Equipment		5,350	
Total Circuit Court			\$ 251,486

General Sessions Court

Judge(s)	\$	105,681	
Guidance Personnel		61,751	
Salary Supplements		1,500	
Secretary(ies)		25,256	
Longevity Pay		2,100	
Travel		2,778	
Other Contracted Services		469	
Library Books/Media		678	
Office Supplies		845	
Office Equipment		514	
Total General Sessions Court			201,572

Chancery Court

County Official/Administrative Officer	\$	61,751	
Assistant(s)		24,556	
Deputy(ies)		19,823	
Part-time Personnel		12,636	
Longevity Pay		1,725	
Data Processing Services		7,662	
Legal Notices, Recording, and Court Costs		30	
Travel		532	
Office Supplies		6,135	
Office Equipment		203	
Total Chancery Court			135,053

Judicial Commissioners

Part-time Personnel	\$	7,778	
Other Salaries and Wages		16,997	
In-Service Training		180	
Travel		3,910	
Other Charges		180	
Total Judicial Commissioners			29,045

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	68,527	
Deputy(ies)		603,206	
Salary Supplements		12,300	
Dispatchers/Radio Operators		194,701	
Secretary(ies)		24,487	
Clerical Personnel		23,887	
Longevity Pay		16,000	
Overtime Pay		43,030	
Other Salaries and Wages		30,820	
In-Service Training		11,149	
Advertising		93	
Data Processing Services		9,516	
Maintenance and Repair Services - Equipment		270	
Maintenance and Repair Services - Vehicles		36,423	
Medical and Dental Services		152	
Travel		3,134	
Gasoline		121,481	
Law Enforcement Supplies		34,283	
Office Supplies		6,569	
Tires and Tubes		8,620	
Uniforms		6,562	
Premiums on Corporate Surety Bonds		1,634	
Motor Vehicles		76,945	
Total Sheriff's Department			\$ 1,333,789

Jail

Medical Personnel	\$	683
Guards		346,166
Longevity Pay		3,000
Overtime Pay		31,976
Other Salaries and Wages		7,115
Medical and Dental Services		97,408
Travel		1,104
Other Contracted Services		50,391
Custodial Supplies		15,084
Drugs and Medical Supplies		48,061
Food Preparation Supplies		409
Food Supplies		192,559
Office Supplies		3,788
Prisoners Clothing		4,964

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Uniforms	\$	6,322	
Other Supplies and Materials		4,268	
Data Processing Equipment		1,018	
Office Equipment		<u>3,672</u>	
Total Jail			\$ 817,988

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		20,861	
In-Service Training		1,564	
Operating Lease Payments		1,200	
Maintenance and Repair Services - Equipment		10,442	
Maintenance and Repair Services - Vehicles		10,228	
Travel		222	
Drugs and Medical Supplies		1,945	
Gasoline		2,500	
Office Supplies		999	
Uniforms		981	
Other Supplies and Materials		44,534	
Other Charges		414	
Communication Equipment		<u>19,367</u>	
Total Civil Defense			170,257

Rescue Squad

Contributions	\$	3,750	
Maintenance and Repair Services - Vehicles		<u>9,064</u>	
Total Rescue Squad			12,814

County Coroner/Medical Examiner

Medical Personnel	\$	2,850	
Other Contracted Services		13,750	
Premiums on Corporate Surety Bonds		<u>86</u>	
Total County Coroner/Medical Examiner			16,686

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Part-time Personnel	\$	371	
Social Security		28	
Contributions		39,031	
Other Contracted Services		5,200	
Office Supplies		716	
Other Supplies and Materials		52,379	
Other Charges		776	
Total Local Health Center			\$ 98,501

Ambulance/Emergency Medical Services

Medical Personnel	\$	542,022	
Part-time Personnel		88,646	
Longevity Pay		11,400	
Overtime Pay		110,863	
In-Service Training		4,881	
Other Per Diem and Fees		110	
Maintenance and Repair Services - Buildings		961	
Maintenance and Repair Services - Equipment		1,655	
Maintenance and Repair Services - Vehicles		43,763	
Travel		800	
Other Contracted Services		95,469	
Custodial Supplies		1,917	
Diesel Fuel		50,801	
Drugs and Medical Supplies		44,245	
Gasoline		6,132	
Office Supplies		4,872	
Tires and Tubes		10,996	
Uniforms		4,331	
Other Supplies and Materials		4,470	
Total Ambulance/Emergency Medical Services			1,028,334

Alcohol and Drug Programs

Supervisor/Director	\$	1,404	
In-Service Training		300	
Social Security		107	
Office Supplies		238	
Other Charges		8,069	
Total Alcohol and Drug Programs			10,118

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services

Medical Personnel	\$	130,160	
Educational Assistants		52,004	
Other Salaries and Wages		19	
Travel		16,220	
Other Supplies and Materials		2,174	
Total Other Local Health Services			\$ 200,577

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	3,750	
Total Senior Citizens Assistance			3,750

Libraries

Assistant(s)	\$	70,452	
Librarians		33,097	
Longevity Pay		4,900	
Other Salaries and Wages		17,517	
Data Processing Services		3,303	
Dues and Memberships		165	
Maintenance and Repair Services - Buildings		1,905	
Postal Charges		2,612	
Travel		451	
Other Contracted Services		4,800	
Library Books/Media		6,932	
Office Supplies		5,905	
Utilities		23,073	
Other Charges		22,481	
Other Equipment		52,491	
Other Capital Outlay		1,530	
Total Libraries			251,614

Agriculture and Natural Resources

Agriculture Extension Service

Contributions	\$	46,326	
Dues and Memberships		270	
Travel		904	
Custodial Supplies		114	
Office Supplies		835	
Total Agriculture Extension Service			48,449

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

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

Other Operations

Tourism

Contributions	\$	<u>4,000</u>	
Total Tourism			4,000

Industrial Development

Contributions	\$	<u>45,278</u>	
Total Industrial Development			45,278

Other Economic and Community Development

Other Charges	\$	<u>805</u>	
Total Other Economic and Community Development			805

Other Charges

Consultants	\$	9,900	
Liability Insurance		205,712	
Trustee's Commission		133,319	
Workers' Compensation Insurance		<u>91,388</u>	
Total Other Charges			440,319

Employee Benefits

Social Security	\$	296,764	
State Retirement		490,656	
Life Insurance		25,309	
Medical Insurance		895,159	
Unemployment Compensation		14,547	
Other Contracted Services		<u>5,000</u>	
Total Employee Benefits			1,727,435

Miscellaneous

Contracts with Government Agencies	\$	12,920	
Contributions		19,000	
Dues and Memberships		12,126	
Postal Charges		34,722	
Rentals		3,919	
Other Charges		<u>245</u>	
Total Miscellaneous			<u>82,932</u>

Total General Fund \$ 8,824,517

(Continued)

Exhibit L-8

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

Drug Control Fund

Public Safety

Sheriff's Department

Maintenance and Repair Services - Vehicles	\$	3,500	
Law Enforcement Supplies		37,228	
Other Charges		7,000	
Total Sheriff's Department			\$ 47,728

Total Drug Control Fund \$ 47,728

Adequate Facilities/Development Tax Fund

General Government

Building

Trustee's Commission	\$	647	
Total Building			\$ 647

Total Adequate Facilities/Development Tax Fund 647

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	2,742	
Total Chancery Court			\$ 2,742

Total Constitutional Officers - Fees Fund 2,742

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	69,427	
Salary Supplements		3,000	
Secretary(ies)		32,077	
Overtime Pay		1,648	
Other Salaries and Wages		49,117	
Board and Committee Members Fees		8,350	
In-Service Training		450	
Contributions		500	
Dues and Memberships		2,885	
Legal Notices, Recording, and Court Costs		394	
Travel		1,562	
Other Contracted Services		5,854	
Office Supplies		470	
Premiums on Corporate Surety Bonds		93	
Total Administration			\$ 175,827

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Salary Supplements	\$	1,500	
Foremen		164,171	
Equipment Operators		328,250	
Laborers		210,494	
Overtime Pay		27,280	
Explosive and Drilling Services		750	
Asphalt - Cold Mix		38,684	
Asphalt - Liquid		347,284	
Crushed Stone		213,797	
General Construction Materials		1,999	
Other Road Supplies		8,015	
Pipe		5,663	
Road Signs		8,432	
Salt		3,563	
Small Tools		2,014	
Wood Products		1,813	
Chemicals		5,000	
Total Highway and Bridge Maintenance			\$ 1,368,709

Operation and Maintenance of Equipment

Foremen	\$	30,925	
Mechanic(s)		29,908	
Overtime Pay		3,980	
Laundry Service		6,609	
Diesel Fuel		192,570	
Equipment and Machinery Parts		62,528	
Garage Supplies		35,262	
Gasoline		34,878	
Lubricants		9,775	
Tires and Tubes		36,519	
Total Operation and Maintenance of Equipment			442,954

Other Charges

Communication	\$	3,538	
Legal Services		630	
Electricity		5,307	
Water and Sewer		3,346	
Liability Insurance		27,761	
Trustee's Commission		24,016	
Total Other Charges			64,598

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Social Security	\$	70,253	
State Retirement		120,251	
Employee and Dependent Insurance		252,899	
Unemployment Compensation		10,281	
Workers' Compensation Insurance		136,773	
Other Charges		4,179	
Total Employee Benefits			\$ 594,636

Capital Outlay

Bridge Construction	\$	186,633	
Highway Construction		410,291	
Highway Equipment		2,620	
Other Construction		18,014	
Total Capital Outlay			<u>617,558</u>

Total Highway/Public Works Fund \$ 3,264,282

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$	1,147,377	
Principal on Other Loans		353,000	
Total General Government			\$ 1,500,377

Highways and Streets

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

Education

Principal on Other Loans	\$	858,000	
Total Education			858,000

Interest on Debt

General Government

Interest on Notes	\$	116,560	
Interest on Other Loans		27,778	
Total General Government			144,338

Highways and Streets

Interest on Notes	\$	13,341	
Total Highways and Streets			13,341

(Continued)

Exhibit L-8

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Education

Interest on Other Loans	\$ 65,787	
Total Education		\$ 65,787

Other Debt Service

General Government

Trustee's Commission	\$ 20,032	
Other Debt Service	46,407	
Total General Government		66,439

Education

Other Debt Service	\$ 111,464	
Total Education		<u>111,464</u>

Total General Debt Service Fund		\$ 2,801,413
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Education Debt Service Fund

Principal on Debt

Education

Principal on Other Loans	\$ 527,000	
Total Education		\$ 527,000

Interest on Debt

Education

Interest on Other Loans	\$ 19,019	
Total Education		19,019

Other Debt Service

General Government

Trustee's Commission	\$ 2,995	
Total General Government		2,995

Education

Other Debt Service	\$ 19,155	
Total Education		<u>19,155</u>

Total Education Debt Service Fund		568,169
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(Continued)

Exhibit L-8

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

General Capital Projects Fund

Capital Projects

Public Health and Welfare Projects

Building Improvements	\$ 250,925	
Total Public Health and Welfare Projects		\$ 250,925

Social, Cultural, and Recreation Projects

Site Development	\$ 1,447	
Total Social, Cultural, and Recreation Projects		1,447

Other General Government Projects

Communication Equipment	\$ 20,458	
Site Development	22,141	
Total Other General Government Projects		42,599

Highway and Street Capital Projects

Legal Notices, Recording, and Court Costs	\$ 292	
Asphalt - Liquid	134,734	
Crushed Stone	251,747	
General Construction Materials	13,987	
Other Road Supplies	4,525	
Bridge Construction	490,239	
Highway Construction	837,851	
Total Highway and Street Capital Projects		<u>1,733,375</u>

Total General Capital Projects Fund		<u>\$ 2,028,346</u>
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Total Governmental Funds - Primary Government		<u>\$ 17,537,844</u>
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Exhibit L-9

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 6,759,709	
Career Ladder Program	113,010	
Career Ladder Extended Contracts	45,688	
Homebound Teachers	9,220	
Educational Assistants	350,771	
Other Salaries and Wages	295,174	
Non-certified Substitute Teachers	125,466	
Social Security	578,812	
State Retirement	618,382	
Medical Insurance	1,655,375	
Other Contracted Services	4,100	
Instructional Supplies and Materials	213,140	
Textbooks	51,819	
Other Supplies and Materials	7,054	
Other Charges	1,399	
Regular Instruction Equipment	74,238	
Total Regular Instruction Program		\$ 10,903,357

Alternative Instruction Program

Teachers	\$ 83,826	
Educational Assistants	28,886	
Social Security	8,004	
State Retirement	11,950	
Medical Insurance	18,200	
Instructional Supplies and Materials	400	
Total Alternative Instruction Program		151,266

Special Education Program

Teachers	\$ 1,358,619	
Homebound Teachers	40,834	
Educational Assistants	86,261	
Speech Pathologist	148,724	
Social Security	121,766	
State Retirement	157,239	
Medical Insurance	68,661	
Other Contracted Services	75,740	
Total Special Education Program		2,057,844

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Teachers	\$	924,819	
Non-certified Substitute Teachers		10,672	
Social Security		70,897	
State Retirement		94,642	
Medical Insurance		191,600	
Instructional Supplies and Materials		6,288	
Other Charges		1,079	
Total Vocational Education Program			\$ 1,299,997

Adult Education Program

Teachers	\$	24,889	
Other Salaries and Wages		32,069	
In-Service Training		1,424	
Social Security		4,010	
State Retirement		8,206	
Medical Insurance		12,000	
Instructional Supplies and Materials		1,809	
Other Charges		4,907	
Total Adult Education Program			89,314

Support Services

Attendance

Supervisor/Director	\$	63,907	
Other Salaries and Wages		27,904	
Social Security		7,277	
State Retirement		11,418	
Medical Insurance		9,100	
Travel		3,117	
Other Supplies and Materials		1,768	
Other Charges		9,677	
Total Attendance			134,168

Health Services

Medical Personnel	\$	77,684	
Other Salaries and Wages		79,264	
Social Security		11,806	
State Retirement		14,541	
Medical Insurance		30,400	
Travel		504	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)  
Support Services (Cont.)

Health Services (Cont.)

Other Contracted Services	\$	4,044	
Drugs and Medical Supplies		3,037	
Other Supplies and Materials		900	
Total Health Services			\$ 222,180

Other Student Support

Guidance Personnel	\$	461,094	
Social Security		35,068	
State Retirement		45,100	
Medical Insurance		84,600	
Evaluation and Testing		15,283	
Payments to Schools - Other		24,500	
Travel		1,967	
Other Contracted Services		5,200	
Other Supplies and Materials		84	
Other Charges		170,717	
Total Other Student Support			843,613

Regular Instruction Program

Supervisor/Director	\$	61,406	
Librarians		254,062	
Secretary(ies)		164,609	
Clerical Personnel		142,637	
Other Salaries and Wages		82,061	
Social Security		53,452	
State Retirement		89,000	
Medical Insurance		91,000	
Maintenance and Repair Services - Equipment		24,509	
Travel		5,671	
Other Contracted Services		1,900	
Library Books/Media		250	
Other Supplies and Materials		1,698	
In Service/Staff Development		988	
Other Charges		74,959	
Regular Instruction Equipment		43,451	
Total Regular Instruction Program			1,091,653

Alternative Instruction Program

Travel	\$	109	
Total Alternative Instruction Program			109

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)  
Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	59,827	
In-Service Training		564	
Social Security		4,978	
State Retirement		5,700	
Medical Insurance		7,600	
Maintenance and Repair Services - Equipment		3,928	
Travel		4,002	
Other Contracted Services		12,317	
Total Special Education Program			\$ 98,916

Vocational Education Program

Supervisor/Director	\$	63,174	
Social Security		4,833	
State Retirement		5,895	
Medical Insurance		7,100	
Maintenance and Repair Services - Equipment		3,712	
Travel		1,627	
Other Supplies and Materials		1,957	
Total Vocational Education Program			88,298

Adult Programs

Supervisor/Director	\$	58,007	
Social Security		4,367	
State Retirement		5,300	
Medical Insurance		7,600	
Travel		1,529	
Total Adult Programs			76,803

Other Programs

Medical Insurance	\$	56,199	
On-Behalf Payments to OPEB		59,240	
Total Other Programs			115,439

Board of Education

Board and Committee Members Fees	\$	9,327	
In-Service Training		6,602	
Social Security		714	
Audit Services		18,887	
Dues and Memberships		21,710	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)  
Support Services (Cont.)

Board of Education (Cont.)

Legal Services	\$	86,273	
Liability Insurance		35,121	
Trustee's Commission		113,313	
Workers' Compensation Insurance		130,000	
Refund to Applicant for Criminal Investigation		1,500	
Total Board of Education			\$ 423,447

Director of Schools

County Official/Administrative Officer	\$	106,212	
Secretary(ies)		64,725	
Other Salaries and Wages		7,644	
Social Security		12,262	
State Retirement		18,500	
Medical Insurance		10,600	
Communication		7,601	
Maintenance and Repair Services - Equipment		8,733	
Postal Charges		2,300	
Travel		3,690	
Office Supplies		1,631	
Other Charges		2,873	
Total Director of Schools			246,771

Office of the Principal

Principals	\$	526,264	
Assistant Principals		388,641	
Social Security		69,094	
State Retirement		90,000	
Medical Insurance		121,600	
Postal Charges		3,000	
Travel		139	
Other Charges		114,160	
Other Equipment		63,400	
Total Office of the Principal			1,376,298

Operation of Plant

Communication	\$	46,682	
Other Contracted Services		619,761	
Custodial Supplies		22,805	
Electricity		1,101,571	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)  
Support Services (Cont.)

Operation of Plant (Cont.)

Natural Gas	\$	50,293	
Water and Sewer		200,874	
Boiler Insurance		2,385	
Building and Contents Insurance		70,000	
Total Operation of Plant			\$ 2,114,371

Maintenance of Plant

Supervisor/Director	\$	52,326	
Secretary(ies)		9,268	
Other Salaries and Wages		154,800	
Social Security		15,821	
State Retirement		34,450	
Medical Insurance		18,482	
Maintenance and Repair Services - Buildings		558,916	
Maintenance and Repair Services - Equipment		154,679	
Travel		2,401	
Other Contracted Services		144,834	
Gasoline		181	
Other Supplies and Materials		1,041	
Building Improvements		74,502	
Maintenance Equipment		7,038	
Total Maintenance of Plant			1,228,739

Transportation

Supervisor/Director	\$	50,640	
Mechanic(s)		81,411	
Bus Drivers		528,097	
Secretary(ies)		9,268	
Social Security		49,200	
State Retirement		97,845	
Medical Insurance		87,500	
Other Fringe Benefits		3,618	
Other Contracted Services		9,954	
Diesel Fuel		256,384	
Garage Supplies		1,577	
Gasoline		32,407	
Lubricants		11,134	
Tires and Tubes		38,220	
Vehicle Parts		65,763	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Vehicle and Equipment Insurance	\$ 125,000	
Other Charges	1,306	
Plant Operation Equipment	10,900	
Total Transportation		\$ 1,460,224

Central and Other

Bonus Payments	\$ 5,172	
Social Security	1,026	
State Retirement	1,000	
Medical Insurance	41	
Unemployment Compensation	57,905	
Other Fringe Benefits	28,073	
Contributions	72,254	
Other Contracted Services	49,640	
Total Central and Other		215,111

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 15,000	
Social Security	1,148	
State Retirement	2,244	
Travel	345	
In Service/Staff Development	1,350	
Total Food Service		20,087

Community Services

Supervisor/Director	\$ 62,878	
Part-time Personnel	20,896	
Other Salaries and Wages	24,172	
Social Security	7,754	
State Retirement	11,798	
Medical Insurance	6,000	
Travel	400	
Other Supplies and Materials	2,115	
In Service/Staff Development	75	
Other Charges	2,333	
Other Equipment	750	
Total Community Services		139,171

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Supervisor/Director	\$	28,043	
Teachers		151,163	
Educational Assistants		55,902	
Other Salaries and Wages		16,939	
Non-certified Substitute Teachers		7,836	
Social Security		16,959	
State Retirement		22,757	
Medical Insurance		36,336	
Unemployment Compensation		4,000	
Travel		1,149	
Other Contracted Services		919	
Food Supplies		8,340	
Instructional Supplies and Materials		34,257	
Other Supplies and Materials		11,224	
Other Equipment		25,097	
Total Early Childhood Education			\$ 420,921

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$	948,795	
Total Regular Capital Outlay			948,795

Total General Purpose School Fund \$ 25,766,892

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,489,552	
Bonus Payments		125,000	
Other Salaries and Wages		13,150	
Non-certified Substitute Teachers		9,029	
Social Security		121,423	
State Retirement		151,487	
Medical Insurance		127,336	
Unemployment Compensation		780	
Instructional Supplies and Materials		64,562	
Textbooks		8,357	
Regular Instruction Equipment		7,936	
Total Regular Instruction Program			\$ 2,118,612

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Educational Assistants	\$	420,553	
Non-certified Substitute Teachers		30,000	
Social Security		32,281	
State Retirement		57,052	
Medical Insurance		43,500	
Unemployment Compensation		1,450	
Other Contracted Services		78,899	
Instructional Supplies and Materials		19,404	
Other Supplies and Materials		1,759	
Special Education Equipment		4,683	
Total Special Education Program			\$ 689,581

Vocational Education Program

Educational Assistants	\$	15,403	
Social Security		1,217	
State Retirement		2,250	
Medical Insurance		1,500	
Unemployment Compensation		50	
Other Contracted Services		1,450	
Other Supplies and Materials		11,054	
Vocational Instruction Equipment		23,505	
Total Vocational Education Program			56,429

Support Services

Other Student Support

Other Salaries and Wages	\$	23,370	
Social Security		416	
State Retirement		110	
Evaluation and Testing		47,985	
Travel		5,778	
Other Contracted Services		750	
Other Supplies and Materials		1,258	
Total Other Student Support			79,667

Regular Instruction Program

Supervisor/Director	\$	62,407	
Clerical Personnel		17,066	
Other Salaries and Wages		20,970	
Social Security		7,684	

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

State Retirement	\$	10,522	
Medical Insurance		9,084	
Unemployment Compensation		100	
Consultants		44,950	
Maintenance and Repair Services - Equipment		9,887	
Travel		5,507	
Library Books/Media		7,769	
Periodicals		1,306	
Other Supplies and Materials		3,380	
In Service/Staff Development		120,959	
Other Charges		23,599	
Total Regular Instruction Program			\$ 345,190

Special Education Program

Supervisor/Director	\$	5,250	
Psychological Personnel		107,018	
Clerical Personnel		27,067	
Social Security		9,570	
State Retirement		13,654	
Medical Insurance		16,668	
Unemployment Compensation		150	
Total Special Education Program			179,377

Transportation

Contracts with Parents	\$	4,665	
Total Transportation			4,665

Total School Federal Projects Fund \$ 3,473,521

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	27,351	
Accountants/Bookkeepers		101,328	
Cafeteria Personnel		458,408	
Social Security		45,347	
State Retirement		67,148	
Medical Insurance		80,000	
Unemployment Compensation		16,000	

(Continued)

Exhibit L-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Communication	\$	3,357	
Maintenance and Repair Services - Equipment		40,840	
Transportation - Other than Students		6,014	
Travel		1,802	
Other Contracted Services		87,770	
Food Supplies		862,161	
Utilities		116,947	
USDA - Commodities		82,401	
Other Supplies and Materials		74,598	
Workers' Compensation Insurance		40,000	
Other Charges		22,443	
Food Service Equipment		<u>26,723</u>	
Total Food Service			<u>\$ 2,160,638</u>

Total Central Cafeteria Fund \$ 2,160,638

Total Governmental Funds - Hickman County School Department \$ 31,401,051

Exhibit L-10

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Hickman County Health Foundation  
For the Year Ended June 30, 2012

Other Special Revenue Fund

General Government

County Commission

Audit Services	\$ 508	
Legal Notices, Recording, and Court Costs	20	
Total County Commission	<u>20</u>	\$ 528

Public Health and Welfare

Ambulance/Emergency Medical Services

Maintenance and Repair Services - Equipment	\$ 375	
Other Contracted Services	2,500	
Drugs and Medical Supplies	1,272	
Health Equipment	1,998	
Other Capital Outlay	612	
Total Ambulance/Emergency Medical Services	<u>6,757</u>	6,757

Other Public Health and Welfare

Contributions	\$ 120,000	
Drugs and Medical Supplies	1,140	
Other Supplies and Materials	80	
Other Capital Outlay	4,532	
Total Other Public Health and Welfare	<u>125,752</u>	125,752

Total Other Special Revenue Fund \$ 133,037

Total Governmental Funds - Hickman County Health Foundation \$ 133,037

Hickman County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Solid Waste Disposal Fund  
For the Year Ended June 30, 2012

	Major Enterprise Fund <hr/> Solid Waste Disposal Fund
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Commercial and Industrial Waste Collection Charge	\$ 58,547
Residential Waste Collection Charge	204,060
Tipping Fees	30,073
Solid Waste Disposal Fees	700,195
Copy Fees	25
Total Charges for Current Services	<hr/> \$ 992,900
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Lease/Rentals	\$ 6,189
Sale of Recycled Materials	136,293
Total Other Local Revenues	<hr/> \$ 142,482
Total Operating Revenues	<hr/> \$ 1,135,382
<u>Nonoperating Revenues</u>	
Investment Income	\$ 993
Insurance Recovery	0
Sale of Equipment	18,061
Litter Program	50,794
Solid Waste Grants	9,027
Total Nonoperating Revenues	<hr/> \$ 78,875
Total Revenues	<hr/> <hr/> \$ 1,214,257
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Sanitation Management</u>	
Supervisor/Director	\$ 47,393
Deputies	25,330
Data Processing Personnel	19,905
Equipment Operators	28,151

(Continued)

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

	Major Enterprise Fund
	<hr/> Solid Waste Disposal Fund <hr/>
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Sanitation Management (Cont.)</u>	
Equipment Operators - Heavy Laborers	\$ 31,067
Clerical Personnel	112,543
Part-time Personnel	24,179
Longevity	28,386
Overtime Pay	7,600
Social Security	1,930
State Retirement	25,018
Medical Insurance	41,339
Advertising	67,038
Communication	871
Data Processing Services	3,977
Debt Collection Services	2,961
Legal Services	3,468
Legal Notices, Recording, and Court Cost	690
Maintenance and Repair Services - Buildings	128
Maintenance and Repair Services - Equipment	5,217
Maintenance and Repair Services - Vehicles	20,056
Pest Control	2,339
Postal Charges	1,320
Printing, Stationery, and Forms	190
Travel	756
Disposal Fees	1,554
Other Contracted Services	271,234
Custodial Supplies	1,394
Diesel Fuel	1,258
Electricity	43,551
Gasoline	17,780
	1,605

(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	\$ 2,497
Office Supplies	2,399
Other Road Supplies	176
Tires and Tubes	8,761
Uniforms	1,285
Utilities	2,001
Wire	1,835
Other Supplies and Materials	3,774
Trustee's Commission	10,240
Depreciation	85,087
Surcharge	5,500
Office Equipment	2,062
Solid Waste Equipment	7,500
Other Construction	10,653
Total Sanitation Management	<hr/> \$ 983,998
 <u>Litter and Trash Collection</u>	
Assistant(s)	\$ 18,625
Instructional Supplies and Material	9,842
Other Charges	13,877
Total Other Charges	<hr/> \$ 42,344
 <u>Nonoperating Expenses</u>	
Interest on Notes	\$ 12,374
Total Nonoperating Expenses	<hr/> \$ 12,374
Total Expenses	<hr/> <hr/> \$ 1,038,716

Exhibit L-12

Hickman County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2012

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 579,452
Total Cash Receipts	<u>\$ 579,452</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 573,657
Trustee's Commission	5,795
Total Cash Disbursements	<u>\$ 579,452</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2011	<u>0</u>
 Cash Balance, June 30, 2012	 <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 LOCAL GOVERNMENT 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*

September 17, 2012

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, 2012, which collectively comprise Hickman County's basic financial statements and have issued our report thereon dated September 17, 2012. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the Hickman County Emergency Communications District and the Industrial Development Board of Hickman County, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

The management of Hickman County is responsible for establishing and maintaining effective 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.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 12.01, 12.02, 12.03, 12.04, and 12.05. 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.

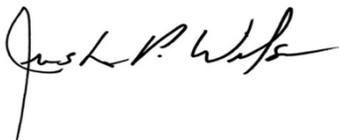
#### Compliance and Other Matters

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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, Financial Management Committee, Highway Commission, 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,



Justin P. Wilson  
Comptroller of the Treasury

JPW/sb



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

REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

September 17, 2012

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited Hickman County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

#### 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 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.

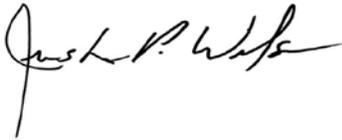
#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the 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, 2012, and have issued our report thereon dated September 17, 2012. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the Hickman County Emergency Communications District and the Industrial Development Board of Hickman County, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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, Financial Management Committee, Highway Commission, others within Hickman County, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

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

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

Hickman County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2012

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	\$ 82,401 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	449,342
National School Lunch Program	10.555	N/A	937,462 (3)
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	<u>1,151,278</u>
Total U.S. Department of Agriculture			<u>\$ 2,620,483</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Home Investment Partnership Program	14.239	N/A	<u>\$ 248,214</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 248,214</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	<u>\$ 1,200</u>
Total U.S. Department of Justice			<u>\$ 1,200</u>
U.S. Department of Transportation:			
Passed-through State Department of Environment and Conservation:			
Recreational Trails Program	20.219	GG-08-23481-00	<u>\$ 155,192</u>
Total U.S. Department of Transportation			<u>\$ 155,192</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(4)	\$ 95,238
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	1,003,347
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	861,993
Special Education - Preschool Grants	84.173	N/A	19,929
Career and Technical Education - Basic Grants to States	84.048	N/A	64,512
Improving Teacher Quality State Grants	84.367	N/A	163,703
Rural Education	84.358	N/A	78,388
State Fiscal Stabilization Fund - Race-to-the-Top, Incentive Grants, Recovery Act	84.395	N/A	243,546
State Fiscal Stabilization Fund - Government Services, Recovery Act	84.397	N/A	9,677
Education Jobs	84.410	N/A	<u>1,060,564</u>
Total U.S. Department of Education			<u>\$ 3,600,897</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Center for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GU11-31857-00	\$ 73,426
Total U.S. Department of Health and Human Services			<u>\$ 73,426</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	\$ 2,997,188
Homeland Security Grant Program	97.067	N/A	46,764
Total U.S. Department of Homeland Security			<u>\$ 3,043,952</u>
Total Expenditures of Federal Grants			<u>\$ 9,743,364</u>

<u>State Grants</u>		<u>Contract Number</u>	Expenditures
Early Childhood Education - State Department of Education	N/A	(2)	\$ 420,920
Family Resource - State Department of Education	N/A	(2)	59,223
Coordinated School Health - State Department of Education	N/A	(2)	90,000
ConnecTenn - State Department of Education	N/A	(2)	13,270
Safe Schools Act - State Department of Education	N/A	(2)	22,200
Energy Efficient Schools Initiative - State Department of Education	N/A	(2)	2,593
Arts Student Ticket Subsidy - State Department of Education	N/A	(2)	4,200
ACT/Explorer/Plan Testing - State Department of Education	N/A	(2)	8,582
Adult Education - State Department of Labor and Workforce Development	N/A	(5)	31,746
Arts Program Categorical Grants - Tennessee Arts Commission	N/A	(2)	16,159
Local Health Services - State Department of Health	N/A	(6)	236,398
Litter Grant - State Department of Transportation	N/A	(7)	50,793
Rural Library Computer Grant - Tennessee Secretary of State	N/A	(2)	5,767
Optional Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-213017-02	9,027
State Supplement Juvenile Court Improvement - State Commission on Children and Youth	N/A	(2)	4,500
Disaster Grants - State Department of Military	N/A	(2)	24,164
Accurate Energetic Systems - State Department of Economic and Community Development	N/A	GG-11-34343	22,144
Total State Grants			<u>\$ 1,021,686</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: \$1,019,863.
- (4) DG-12-34579-00: \$82,315; DG-11-31220-00: \$12,923.
- (5) DG-12-34579-00: \$27,438; DG-11-31220-00: \$4,308.
- (6) Z-12-43832: \$206,031; GG-11-32212-00: \$30,367.
- (7) Z-12-LIT041-00: \$42,281; Z-11-LIT041-00: \$8,512.

Hickman County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2012

*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, 2011, which have not been corrected.

**OFFICE OF COUNTY MAYOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.02	163	The receipting software for the Landfill Office did not have adequate application controls

**OFFICE OF SHERIFF**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.10(A,C)	169	The office had deficiencies in the operation of a commissary

**DEPARTMENTS OF SOLID WASTE AND PLANNING AND ZONING AND THE  
OFFICE OF CLERK AND MASTER**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.12	171	Duties were not segregated adequately

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**HICKMAN COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2012**

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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. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Hickman County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Emergency Watershed Protection Program (CFDA No. 10.923), Title I Grants to Local Educational Agencies (CFDA No. 84.010), the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants, (CFDA Nos. 84.027 and 84.173), the State Fiscal Stabilization Fund – Race-to-the-Top, Incentive Grants, Recovery Act (CFDA No. 84.395), and the Education Jobs Program (CFDA No: 84.410) 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; however, management did not provide written responses for inclusion in this report.

### **OFFICE OF COUNTY MAYOR**

**FINDING 12.01      **THE RECEIPTING SOFTWARE FOR THE LANDFILL OFFICE DID NOT HAVE ADEQUATE APPLICATION CONTROLS****  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Landfill Office 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.

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### **OFFICE OF FINANCE DIRECTOR**

**FINDING 12.02      **THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES****  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

- A. Purchase orders were not issued in some instances. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. The failure to issue purchase orders in all required instances increases the risks of unauthorized purchases.
- B. In some instances, purchase orders were issued after the purchases were made. This practice defeats the purpose of the purchase order and makes it an approval of payment rather than an approval of the purchase.
- C. In some instances, invoices were paid without documentation that goods had been received or services rendered. The practice of paying invoices without

documentation that goods have been received or services rendered increases the risks of paying for goods or services that were not received. It should be noted that these goods were actually received and services rendered.

### RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases before purchases are made. The office should maintain documentation that goods have been received or services have been rendered before invoices are paid.

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### FINDING 12.03      **SOME EXPENDITURES WERE MISCLASSIFIED**

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

In some instances, expenditures were coded to accounts that did not reflect the true nature of the expenditures. Sound budgetary principals require expenditures to be coded to accounts that reflect the true nature of the expenditures. Misclassifying expenditures diminishes the usefulness of the accounting records as an accounting tool.

### RECOMMENDATION

Expenditures should be coded to accounts that reflect the true nature of expenditures.

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## OFFICE OF SHERIFF

### FINDING 12.04      **THE OFFICE HAD DEFICIENCIES IN THE OPERATION OF A COMMISSARY**

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

Our examination of commissary transactions revealed the following deficiencies. These deficiencies can be attributed to a lack of management oversight, inadequate maintenance of accounting records, and management's failure to correct the finding noted in the prior-year audit report.

- A. Duties related to the commissary operation were not segregated adequately among employees. The employee responsible for maintaining accounting records was also involved in receipting, depositing, and disbursing funds.
- B. Adequate documentation was not on file to support three journal entries totaling \$1,874 that were posted to the accounting records. As a result, auditors were not able to determine if the journal entries were appropriate.

- C. Bank statements were not reconciled properly with cash control records during the year. Auditors noted various deposits totaling \$1,643 that were not posted to the accounting records. These deposits were posted for financial statement presentation.

**RECOMMENDATION**

The sheriff should segregate duties to the extent possible using available resources. The office should maintain adequate documentation for all journal entries. Bank statements should be reconciled properly with cash control records monthly.

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**DEPARTMENTS OF SOLID WASTE AND PLANNING AND ZONING AND THE OFFICE OF CLERK AND MASTER**

**FINDING 12.05**      **DUTIES WERE NOT SEGREGATED ADEQUATELY**  
(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.

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**BEST PRACTICE**

**HICKMAN COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE**

Hickman County does not have an Audit Committee. Sound business practices dictate that establishing an Audit Committee would significantly improve management oversight and accountability. The absence of an Audit Committee has been a management decision by the County Commission. The Division of Local Government Audit strongly believes that an Audit Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management’s plans to address various risks.

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

There were no findings and questioned costs for federal awards.

**HICKMAN COUNTY, TENNESSEE**  
**AUDITEE REPORTING RESPONSIBILITIES**  
**For the Year Ended June 30, 2012**

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

**County Mayor – Summary Schedule of Prior-Year's Findings**

**FINDINGS 11.06 and 11.13**

In the future, the Hickman County Highway Department will include provisions of the Davis-Bacon Act as part of their annual bid when working with federal projects that require this regulation.