

**ANNUAL FINANCIAL REPORT
HICKMAN COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2014



ANNUAL FINANCIAL REPORT
HICKMAN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2014

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

KATIE ARMSTRONG, CPA, CGFM, CFE
Auditor 4

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

This financial report is available at www.comptroller.tn.gov

HICKMAN COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Hickman County, Tennessee
For the Year Ended June 30, 2014

Scope

We have audited the basic financial statements of Hickman County as of and for the year ended June 30, 2014.

Results

Our report on Hickman County's financial statements is unmodified.

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ Deficiencies were noted in the operations of the Ambulance Service.
- ◆ Multiple employees in the Office of Planning and Zoning operated from the same cash drawer.

OFFICE OF DIRECTOR OF SOLID WASTE

- ◆ The receipting software for the Landfill Office did not have adequate application controls.
- ◆ Solid waste disposal funds totaling \$60 were stolen.

OFFICE OF FINANCE DIRECTOR

- ◆ The Solid Waste Disposal Fund required material audit adjustments for proper financial statement presentation.
 - ◆ The office did not perform pass-through subrecipient monitoring of the Community Development Block Grant.
 - ◆ The office had deficiencies in purchasing procedures.
-

OFFICE OF ASSESSOR OF PROPERTY

- ◆ The assessor did not maintain an adequate program of sales verification.
-

OFFICE OF SHERIFF

- ◆ The annual financial report was not accurate.
-

DEPARTMENT OF SOLID WASTE AND THE OFFICE OF CLERK AND MASTER

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Hickman County Officials

June 30, 2014

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 of Deeds
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
Gary Hanes	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.)

Board of Education

Jackie Deitmen, Chairman
Michael W. Thomasson, Jr.
Lana Beard
Timothy Hobbs

Jewell Prince
Kathy Redden
James Hudgins

Health Foundation Board of Directors

James Hassell, Chairman
Charles Booker
Kenneth Bates
Ronald Gammons

Jack Keller
Chris Chilton
Annette Elliott, Finance Director

Audit Committee

Ron Puckett
Keith Nash
Wayne Thomasson
Todd Collins

Dave Mensel
Treba Fielder
Robert Bowman

FINANCIAL SECTION



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

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position 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 June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Hickman County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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 schedules of funding progress – pension plans and other postemployment benefits plans on pages 73 - 75 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hickman County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Hickman County School Department and the Hickman County Health Foundation (discretely presented component units), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

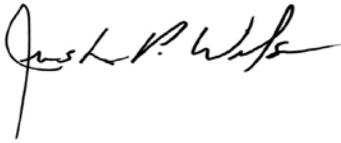
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Hickman County School Department and the Hickman County Health Foundation (discretely presented component units), and 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 miscellaneous schedules are fairly stated, in all material respects, in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2014, on our consideration of Hickman County's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hickman County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke on the left side.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 16, 2014

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government		Component Units	
	Governmental Activities	Business-type Activities	Hickman County School Department	Hickman County Health Foundation
Deferred Current Property Taxes	\$ 6,323,020	\$ 0	\$ 3,125,235	\$ 0
Total Deferred Inflows of Resources	\$ 6,323,020	\$ 0	\$ 3,125,235	\$ 0
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 24,900,883	\$ 1,287,368	\$ 43,256,055	\$ 0
Restricted for:				
Endowment	164,650	0	0	0
Capital Projects	709,262	0	0	0
Debt Service	2,649,023	0	0	0
Highway/Public Works	1,572,918	0	0	0
Adequate Facilities/Development Tax	379,214	0	0	0
Ambulance Service	404,972	0	0	0
Library	166,854	0	0	0
Drug Control	160,123	0	0	0
Courtroom Security	46,283	0	0	0
Courthouse and Jail Maintenance	620,183	0	0	0
Alcohol and Drug Treatment	61,175	0	0	0
Computer System - Register of Deeds	35,580	0	0	0
Computer System - General Sessions Court	50,276	0	0	0
Computer System - Sheriff	30,145	0	0	0
Sexual Offender Registry	19,719	0	0	0
Central Cafeteria	0	0	264,342	0
School Federal Projects	0	0	19,052	0
Public Health and Welfare	0	0	0	2,223,753
Other Purposes	31,381	0	39,301	0
Unrestricted	(23,628,431)	378,197	6,818,482	0
Total Net Position	\$ 8,374,210	\$ 1,665,565	\$ 50,397,232	\$ 2,223,753

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

Exhibit B

Hickman County, Tennessee
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Net (Expense) Revenue and Changes in Net Position														
	Program Revenues					Component Units									
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	Hickman County School Department	Hickman County Health Foundation						
Primary Government:															
General Government	\$ 3,111,703	\$ 214,285	\$ 78,440	\$ 6,385	\$ (2,812,593)	\$ 0	\$ (2,812,593)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,269,875	545,335	35,000	0	(689,540)	0	(689,540)	0	0	0	0	0	0	0	0
Administration of Justice	950,392	600,031	0	0	(350,361)	0	(350,361)	0	0	0	0	0	0	0	0
Public Safety	3,486,729	831,395	76,955	49,985	(2,528,394)	0	(2,528,394)	0	0	0	0	0	0	0	0
Public Health and Welfare	2,343,480	1,082,422	386,596	534,704	(339,758)	0	(339,758)	0	0	0	0	0	0	0	0
Social, Cultural, and Recreational Services	204,167	0	10,793	0	(193,374)	0	(193,374)	0	0	0	0	0	0	0	0
Agriculture and Natural Resources	67,884	0	0	0	(67,884)	0	(67,884)	0	0	0	0	0	0	0	0
Highways	3,576,164	3,933	2,498,905	606,649	(466,677)	0	(466,677)	0	0	0	0	0	0	0	0
Education	1,565,540	0	0	0	(1,565,540)	0	(1,565,540)	0	0	0	0	0	0	0	0
Interest on Long-term Debt	227,210	0	0	0	(227,210)	0	(227,210)	0	0	0	0	0	0	0	0
Total Governmental Activities	\$ 16,803,144	\$ 3,277,401	\$ 3,086,689	\$ 1,197,723	\$ (9,241,331)	\$ 0	\$ (9,241,331)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Business-type Activities:															
Solid Waste Disposal	\$ 1,151,833	\$ 957,108	\$ 216,024	\$ 0	\$ 0	\$ 21,299	\$ 21,299	\$ 0	\$ 0	\$ 0	\$ 21,299	\$ 0	\$ 0	\$ 0	\$ 0
Total Business-type Activities	\$ 1,151,833	\$ 957,108	\$ 216,024	\$ 0	\$ 0	\$ 21,299	\$ 21,299	\$ 0	\$ 0	\$ 0	\$ 21,299	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 17,954,977	\$ 4,234,509	\$ 3,302,713	\$ 1,197,723	\$ (9,241,331)	\$ 21,299	\$ (9,220,032)	\$ 0	\$ 0	\$ 0	\$ (9,220,032)	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:															
Hickman County School Department	\$ 32,426,872	\$ 683,899	\$ 4,275,708	\$ 1,565,540	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (25,901,725)	\$ 0	\$ 0	\$ 0
Hickman County Health Foundation	60,421	0	0	0	0	0	0	0	0	0	0	0	(60,421)	0	0
Total Component Units	\$ 32,487,293	\$ 683,899	\$ 4,275,708	\$ 1,565,540	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (25,901,725)	\$ (60,421)	\$ 0	\$ 0

(Continued)

Exhibit B

Hickman County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Hickman County School Department	Hickman County Health Foundation
					Governmental Activities	Business-type Activities		
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes		\$ 5,375,148	\$	\$ 5,375,148	\$	\$ 3,131,241	\$	0
Property Taxes Levied for Debt Service		868,493	0	868,493	0	0	0	0
Local Option Sales Tax		723,704	0	723,704	0	1,307,958	0	0
Wheel Tax		1,016,515	0	1,016,515	0	0	0	0
Wholesale Beer Tax		203,065	0	203,065	0	0	0	0
Adequate Facilities/Development Tax		87,162	0	87,162	0	0	0	0
Litigation Tax - General		93,091	0	93,091	0	0	0	0
Mineral Severance Tax		52,319	0	52,319	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse		89,553	0	89,553	0	0	0	0
Business Tax		73,220	0	73,220	0	0	0	0
Other Local Taxes		48,772	0	48,772	0	39,607	0	0
Grants and Contributions Not Restricted to Specific Programs		691,954	0	691,954	0	20,893,583	0	0
Unrestricted Investment Income		14,960	813	15,773	813	121	16,527	0
Miscellaneous		139,331	129,855	269,186	129,855	466,933	0	0
Total General Revenues		\$ 9,477,287	\$ 130,668	\$ 9,607,955	\$ 130,668	\$ 25,839,443	\$ 16,527	\$ 16,527
Change in Net Position		\$ 235,956	\$ 151,967	\$ 387,923	\$ 151,967	\$ (62,282)	\$ (43,894)	\$ (43,894)
Net Position, July 1, 2013		8,138,254	1,513,598	9,651,852	1,513,598	50,459,514	2,267,647	2,267,647
Net Position, June 30, 2014		8,374,210	1,665,565	10,039,775	1,665,565	50,397,232	2,223,753	2,223,753

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, 2014

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds		
ASSETS							
Cash	\$ 11,344	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,344
Equity in Pooled Cash and Investments	2,863,577	1,251,303	2,216,090	709,262	691,595	0	7,731,827
Accounts Receivable	2,218,605	15,010	59,107	0	62,119	0	2,354,841
Allowance for Uncollectibles	(1,658,707)	0	0	0	0	0	(1,658,707)
Due from Other Governments	219,011	341,272	120,431	217,080	0	0	897,794
Property Taxes Receivable	5,532,841	278,562	980,989	0	0	0	6,792,392
Allowance for Uncollectible Property Taxes	(124,388)	(6,200)	(21,970)	0	0	0	(152,558)
Restricted Assets:							
Other Restricted Assets	164,650	0	0	0	0	0	164,650
Total Assets	\$ 9,226,933	\$ 1,879,947	\$ 3,354,647	\$ 926,342	\$ 753,714	\$ 0	\$ 16,141,583
LIABILITIES							
Accounts Payable	\$ 36,219	\$ 6,823	\$ 0	\$ 54,566	\$ 0	\$ 0	\$ 97,608
Payroll Deductions Payable	2,579	0	0	0	0	0	2,579
Contracts Payable	0	0	0	162,514	0	0	162,514
Total Liabilities	\$ 38,798	\$ 6,823	\$ 0	\$ 217,080	\$ 0	\$ 0	\$ 262,701
DEFERRED INFLOWS OF RESOURCES							
Deferred Current Property Taxes	\$ 5,148,081	\$ 260,436	\$ 914,503	\$ 0	\$ 0	\$ 0	\$ 6,323,020
Deferred Delinquent Property Taxes	256,744	11,759	43,929	0	0	0	312,432
Other Deferred/Unavailable Revenue	461,804	170,636	60,216	0	0	0	692,656
Total Deferred Inflows of Resources	\$ 5,866,629	\$ 442,831	\$ 1,018,648	\$ 0	\$ 0	\$ 0	\$ 7,328,108

(Continued)

Exhibit C-1

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other	Governmental Funds		
Nonspendable:								
Endowments	\$ 164,650	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 164,650
Restricted:								
Restricted for General Government	43,775	0	0	0	0	379,214	0	422,989
Restricted for Administration of Justice	739,928	0	0	0	0	0	0	739,928
Restricted for Public Safety	49,864	0	0	0	0	160,123	0	209,987
Restricted for Public Health and Welfare	61,175	0	0	0	0	0	0	61,175
Restricted for Social, Cultural, and Recreational Services	166,854	0	0	0	0	0	0	166,854
Restricted for Highways/Public Works	0	1,430,293	0	0	0	0	0	1,430,293
Restricted for Debt Service	0	0	2,335,999	0	0	214,377	0	2,550,376
Restricted for Capital Projects	0	0	0	709,262	0	0	0	709,262
Committed:								
Committed for General Government	10,835	0	0	0	0	0	0	10,835
Assigned:								
Assigned for Finance	13,910	0	0	0	0	0	0	13,910
Assigned for Public Health and Welfare	3,262	0	0	0	0	0	0	3,262
Unassigned	2,067,253	0	0	0	0	0	0	2,067,253
Total Fund Balances	\$ 3,321,506	\$ 1,430,293	\$ 2,335,999	\$ 709,262	\$ 753,714	\$ 0	\$ 0	\$ 8,550,774
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,226,933	\$ 1,879,947	\$ 3,354,647	\$ 926,342	\$ 753,714	\$ 0	\$ 0	\$ 16,141,583

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 Position
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	8,550,774
(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		242,213	
Add: buildings and improvements net of accumulated depreciation		8,349,369	
Add: infrastructure net of accumulated depreciation		22,605,690	
Add: other capital assets net of accumulated depreciation		<u>780,844</u>	32,187,630
(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	\$	(652,747)	
Less: other loans payable		(32,310,114)	
Less: compensated absences payable		(280,651)	
Less: other postemployment benefits liability		(120,272)	
Less: accrued interest on bonds and notes		<u>(5,498)</u>	(33,369,282)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,005,088</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>8,374,210</u></u>

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

Exhibit C-3

Hickman County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway/ Public Works	General Debt Service	General Capital Projects	Other Governmental Funds	Governmental Funds	
<u>Revenues</u>							
Local Taxes	\$ 5,689,847	\$ 292,098	\$ 2,295,038	\$ 0	\$ 392,146	\$ 8,669,129	
Licenses and Permits	74,930	0	0	0	0	74,930	
Fines, Forfeitures, and Penalties	167,910	0	0	0	95,247	263,157	
Charges for Current Services	1,069,841	2,794	0	0	1,593	1,074,228	
Other Local Revenues	32,628	78,790	15,819	0	100	127,337	
Fees Received from County Officials	1,038,146	0	0	0	0	1,038,146	
State of Tennessee	1,670,779	1,912,068	71,004	37,839	0	3,691,690	
Federal Government	84,560	1,204,677	0	563,454	0	1,852,691	
Other Governments and Citizens Groups	93,840	0	0	0	0	93,840	
Total Revenues	\$ 9,922,481	\$ 3,490,427	\$ 2,381,861	\$ 601,293	\$ 489,086	\$ 16,885,148	
<u>Expenditures</u>							
Current:							
General Government	\$ 1,213,328	\$ 0	\$ 0	\$ 0	\$ 883	\$ 1,214,211	
Finance	849,745	0	0	0	0	849,745	
Administration of Justice	647,426	0	0	0	1,593	649,019	
Public Safety	2,642,901	0	0	0	106,021	2,748,922	
Public Health and Welfare	1,563,478	0	0	0	0	1,563,478	
Social, Cultural, and Recreational Services	229,225	0	0	0	0	229,225	
Agriculture and Natural Resources	83,645	0	0	0	0	83,645	
Other Operations	2,941,637	0	0	0	0	2,941,637	
Highways	0	3,098,282	0	0	0	3,098,282	
Debt Service:							
Principal on Debt	0	0	1,823,050	0	584,000	2,407,050	
Interest on Debt	0	0	220,711	0	8,146	228,857	
Other Debt Service	0	0	346,330	0	44,463	390,793	

(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>Expenditures (Cont.)</u>							
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 2,284,989	\$ 0	\$ 0	\$ 2,284,989
Total Expenditures	\$ 10,171,385	\$ 3,098,282	\$ 2,390,091	\$ 2,284,989	\$ 745,106	\$ 745,106	\$ 18,689,853
Excess (Deficiency) of Revenues Over Expenditures	\$ (248,904)	\$ 392,145	\$ (8,230)	\$ (1,683,696)	\$ (256,020)	\$ (256,020)	\$ (1,804,705)
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 250,000	\$ 0	\$ 0	\$ 250,000
Other Loans Issued	0	0	0	2,000,000	0	0	2,000,000
Insurance Recovery	46,442	8,347	0	0	0	0	54,789
Transfers In	72,138	295,450	138,824	313	322,768	322,768	829,493
Transfers Out	(32,642)	(32,555)	(322,768)	(446,030)	0	0	(833,995)
Total Other Financing Sources (Uses)	\$ 85,938	\$ 271,242	\$ (183,944)	\$ 1,804,283	\$ 322,768	\$ 322,768	\$ 2,300,287
Net Change in Fund Balances	\$ (162,966)	\$ 663,387	\$ (192,174)	\$ 120,587	\$ 66,748	\$ 66,748	\$ 495,582
Fund Balance, July 1, 2013	3,484,472	766,906	2,528,173	588,675	686,966	686,966	8,055,192
Fund Balance, June 30, 2014	\$ 3,321,506	\$ 1,430,293	\$ 2,335,999	\$ 709,262	\$ 753,714	\$ 753,714	\$ 8,550,774

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

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, 2014

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)		\$ 495,582
(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	\$ 847,933	
Less: current-year depreciation expense	<u>(1,326,821)</u>	(478,888)
(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, 2013	\$ (901,423)	
Add: deferred delinquent property taxes and other deferred June 30, 2014	<u>1,005,088</u>	103,665
(3) The issuance of long-term debt (e.g., notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: other loan proceeds	\$ (2,000,000)	
Less: note proceeds	(250,000)	
Add: principal payments on notes	189,047	
Add: principal payments on other loans	<u>2,218,003</u>	157,050
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 1,647	
Change in compensated absences payable	(2,716)	
Change in other postemployment benefits liability	<u>(40,384)</u>	<u>(41,453)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 235,956</u>

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

Exhibit C-5

Hickman County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,689,847	\$ 5,514,657	\$ 5,514,657	\$ 175,190
Licenses and Permits	74,930	73,800	73,800	1,130
Fines, Forfeitures, and Penalties	167,910	142,764	142,764	25,146
Charges for Current Services	1,069,841	1,084,190	1,084,190	(14,349)
Other Local Revenues	32,628	69,050	71,050	(38,422)
Fees Received from County Officials	1,038,146	1,030,092	1,030,092	8,054
State of Tennessee	1,670,779	1,404,935	1,447,803	222,976
Federal Government	84,560	62,208	95,320	(10,760)
Other Governments and Citizens Groups	93,840	105,000	105,000	(11,160)
Total Revenues	\$ 9,922,481	\$ 9,486,696	\$ 9,564,676	\$ 357,805
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 65,853	\$ 73,900	\$ 73,900	\$ 8,047
Board of Equalization	2,550	3,500	3,500	950
Beer Board	336	1,000	1,000	664
County Mayor/Executive	116,526	120,385	120,385	3,859
County Attorney	21,258	25,000	25,000	3,742
Election Commission	151,039	174,667	200,582	49,543
Register of Deeds	131,852	135,801	137,601	5,749
Planning	75,872	90,766	90,766	14,894
County Buildings	230,466	251,534	262,256	31,790
Other Facilities	368,330	468,500	468,500	100,170
Other General Administration	14,967	15,000	15,000	33
Preservation of Records	34,279	32,037	38,537	4,258
<u>Finance</u>				
Accounting and Budgeting	239,051	246,229	245,916	6,865
Property Assessor's Office	201,030	234,464	234,464	33,434
County Trustee's Office	169,753	174,447	174,447	4,694
County Clerk's Office	239,911	241,597	243,684	3,773
<u>Administration of Justice</u>				
Circuit Court	280,405	287,986	297,986	17,581
General Sessions Court	188,604	187,628	189,703	1,099
Chancery Court	148,889	149,699	153,291	4,402
Judicial Commissioners	29,219	32,366	32,366	3,147
Courtroom Security	309	1,200	1,200	891
<u>Public Safety</u>				
Sheriff's Department	1,536,101	1,658,275	1,678,256	142,155
Jail	921,143	1,027,546	1,026,546	105,403
Fire Prevention and Control	2,000	2,000	2,000	0
Civil Defense	145,027	164,555	204,138	59,111
Rescue Squad	16,745	7,500	16,745	0
County Coroner/Medical Examiner	21,885	28,900	28,900	7,015
<u>Public Health and Welfare</u>				
Local Health Center	16,711	50,601	50,601	33,890
Ambulance/Emergency Medical Services	1,261,692	1,378,841	1,379,861	118,169
Alcohol and Drug Programs	19,509	28,701	28,701	9,192
Other Local Health Services	241,794	291,971	291,971	50,177
Other Public Health and Welfare	23,772	0	37,665	13,893

(Continued)

Exhibit C-5

Hickman County, Tennessee
Statement 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>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	\$ 7,500	\$ 7,500	\$ 7,500	\$ 0
Libraries	221,725	216,327	230,701	8,976
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	50,765	51,434	51,434	669
Soil Conservation	32,880	36,241	36,241	3,361
<u>Other Operations</u>				
Tourism	1,000	1,000	1,000	0
Industrial Development	52,722	52,722	52,722	0
Other Economic and Community Development	28,880	1,500	29,200	320
Veterans' Services	12,280	17,840	17,840	5,560
Other Charges	496,515	529,000	500,500	3,985
Employee Benefits	2,254,017	2,224,000	2,278,257	24,240
Miscellaneous	96,223	103,800	103,800	7,577
Total Expenditures	\$ 10,171,385	\$ 10,827,960	\$ 11,064,663	\$ 893,278
Excess (Deficiency) of Revenues Over Expenditures				
	\$ (248,904)	\$ (1,341,264)	\$ (1,499,987)	\$ 1,251,083
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 46,442	\$ 10,000	\$ 56,442	\$ (10,000)
Transfers In	72,138	32,555	32,555	39,583
Transfers Out	(32,642)	(32,329)	(32,642)	0
Total Other Financing Sources	\$ 85,938	\$ 10,226	\$ 56,355	\$ 29,583
Net Change in Fund Balance	\$ (162,966)	\$ (1,331,038)	\$ (1,443,632)	\$ 1,280,666
Fund Balance, July 1, 2013	3,484,472	3,000,000	3,000,000	484,472
Fund Balance, June 30, 2014	\$ 3,321,506	\$ 1,668,962	\$ 1,556,368	\$ 1,765,138

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

Exhibit C-6

Hickman County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 292,098	\$ 323,574	\$ 323,574	\$ (31,476)
Charges for Current Services	2,794	5,900	5,900	(3,106)
Other Local Revenues	78,790	3,000	3,000	75,790
State of Tennessee	1,912,068	2,451,990	2,451,990	(539,922)
Federal Government	1,204,677	750,000	750,000	454,677
Total Revenues	<u>\$ 3,490,427</u>	<u>\$ 3,534,464</u>	<u>\$ 3,534,464</u>	<u>\$ (44,037)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 192,234	\$ 198,271	\$ 198,271	\$ 6,037
Highway and Bridge Maintenance	1,221,233	1,596,237	1,596,237	375,004
Operation and Maintenance of Equipment	436,150	562,023	562,023	125,873
Other Charges	69,589	92,200	92,200	22,611
Employee Benefits	681,246	680,297	680,297	(949)
Capital Outlay	497,830	823,000	823,000	325,170
Total Expenditures	<u>\$ 3,098,282</u>	<u>\$ 3,952,028</u>	<u>\$ 3,952,028</u>	<u>\$ 853,746</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 392,145</u>	<u>\$ (417,564)</u>	<u>\$ (417,564)</u>	<u>\$ 809,709</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 8,347	\$ 0	\$ 0	\$ 8,347
Transfers In	295,450	32,329	32,329	263,121
Transfers Out	(32,555)	(32,555)	(32,555)	0
Total Other Financing Sources	<u>\$ 271,242</u>	<u>\$ (226)</u>	<u>\$ (226)</u>	<u>\$ 271,468</u>
Net Change in Fund Balance	\$ 663,387	\$ (417,790)	\$ (417,790)	\$ 1,081,177
Fund Balance, July 1, 2013	766,906	828,864	828,864	(61,958)
Fund Balance, June 30, 2014	<u>\$ 1,430,293</u>	<u>\$ 411,074</u>	<u>\$ 411,074</u>	<u>\$ 1,019,219</u>

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

Exhibit D-1

Hickman County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2014

	<u>Business-type Activities - Major Enterprise Fund Solid Waste Disposal Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 550
Equity in Pooled Cash and Investments	252,707
Due from Other Governments	149,678
Accounts Receivable	590,165
Allowance for Uncollectibles	(422,585)
Total Current Assets	<u>\$ 570,515</u>
Noncurrent Assets:	
Assets Not Depreciated:	
Land	\$ 111,004
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	742,050
Other Capital Assets	621,814
Total Noncurrent Assets	<u>\$ 1,474,868</u>
Total Assets	<u>\$ 2,045,383</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 23,514
Capital Outlay Notes Payable	37,500
Accrued Liability for Landfill Closure/Postclosure Care Costs	10,992
Accrued Leave	5,254
Total Current Liabilities	<u>\$ 77,260</u>
Noncurrent Liabilities:	
Capital Outlay Notes Payable	\$ 150,000
Accrued Leave	15,763
Accrued Liability for Landfill Closure/Postclosure Care Costs	127,742
Other Long-term Liabilities	9,053
Total Noncurrent Liabilities	<u>\$ 302,558</u>
Total Liabilities	<u>\$ 379,818</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 1,287,368
Unrestricted	<u>378,197</u>
Total Net Position	<u>\$ 1,665,565</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 Position
Proprietary Fund
For the Year Ended June 30, 2014

	Business-type Activities - Major Enterprise Fund <hr/> Solid Waste Disposal Fund <hr/>
<u>Operating Revenues</u>	
Charges for Current Services	\$ 944,240
Other Local Revenues	142,723
Total Operating Revenues	<u>\$ 1,086,963</u>
<u>Operating Expenses</u>	
Sanitation Management	\$ 1,009,958
Litter and Trash Collection	41,571
Depreciation	91,099
Total Operating Expenses	<u>\$ 1,142,628</u>
Operating Income (Loss)	<u>\$ (55,665)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 813
Interest Expense	(9,205)
Solid Waste Grants	211,522
Total Nonoperating Revenues (Expenses)	<u>\$ 203,130</u>
Income (Loss) Before Transfers	\$ 147,465
Transfers In (Out)	<u>4,502</u>
Change in Net Position	\$ 151,967
Net Position, July 1, 2013	<u>1,513,598</u>
Net Position, June 30, 2014	<u><u>\$ 1,665,565</u></u>

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

Exhibit D-3

Hickman County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2014

	Business-type Activities - Major Enterprise Fund <hr/> Solid Waste Disposal Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 800,865
Other Cash Receipts (Payments)	142,723
Payments to Employees	(548,398)
Waste Collection and Disposal Activity	(506,262)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (111,072)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	\$ (436,977)
Principal Paid on Notes	(37,500)
Interest Paid on Notes	(9,205)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (483,682)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Grants Received	\$ 211,522
Transfers from Other Funds	4,502
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 216,024</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 813
Net Cash Provided By (Used In) Investing Activities	<u>\$ 813</u>
Increase (Decrease) in Cash	\$ (377,917)
Cash, July 1, 2013	<u>631,174</u>
Cash, June 30, 2014	<u><u>\$ 253,257</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (55,665)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	91,099
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(42,425)
(Increase) Decrease in Allowance for Uncollectibles	41,556
Increase (Decrease) in Accrued Expenses	(9,773)
Increase (Decrease) in Due from Other Governments	(143,166)
Increase (Decrease) in Due from Other Funds	660
Increase (Decrease) in Other Postemployment Benefits	2,908
Increase (Decrease) in Accounts Payable	3,734
Net Cash Provided By (Used In) Operating Activities	<u>\$ (111,072)</u>
<u>Reconciliation of Cash With the Statement of Net Position</u>	
Cash Per Net Position	\$ 550
Equity in Pooled Cash and Investments Per Net Position	<u>252,707</u>
Cash, June 30, 2014	<u><u>\$ 253,257</u></u>

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

Exhibit E

Hickman County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,519,419
Accounts Receivable	3,839
Due from Other Governments	<u>98,070</u>
Total Assets	<u>\$ 1,621,328</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 98,070
Due to Litigants, Heirs, and Others	<u>1,523,258</u>
Total Liabilities	<u>\$ 1,621,328</u>

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

HICKMAN COUNTY, TENNESSEE
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HICKMAN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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, 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 Saint Thomas/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; however, in our opinion, this omission is not material to the component units' opinion unit.

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; however, in our opinion, this omission is not material to the component units' opinion unit.

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
5640 Hwy 100
Centerville, TN 37033

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position 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. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2014.

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, deferred outflow of resources, liabilities, deferred inflow of resources, 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 fund:

General Purpose School Fund – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Additionally, the Hickman County School Department reports the following fund type:

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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.

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.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

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 position 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 are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. 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. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

Cash and cash equivalents for the discretely presented Hickman County Health Foundation consist of demand deposits and certificates

of deposit all with original maturities of three months or less. All deposits in financial institutions are fully protected by federal depository insurance.

2. Receivables and Payables

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

All ambulance, property taxes, and solid waste receivables are shown with an allowance for uncollectibles. Ambulance and solid waste 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.

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 a deferred inflow of resources 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 as a deferred inflow of resources 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. Restricted Assets

Certain resources set aside for General Fund library operations are classified as restricted 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. **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government had no items that qualified for reporting in this category.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources,

represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. 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.

7. 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 Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner 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.

8. Net Position and Fund Balance

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

- a. Net investment in capital assets – 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 position – Consists of net position 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 position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2014, Hickman County had \$25,676,114 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 position with no corresponding increase in the county's capital assets.

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.

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 Commission has by resolution authorized the county's Budget/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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.

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 Position

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 Position.

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 Position.

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 position 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 position 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. 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. The Hickman County Finance Office maintains the books and records of the foundation in a separate governmental fund at no cost to the foundation.

C. Cash Shortage

The solid waste transfer station had a theft of \$60 from the cash drawer during the year. Since the director was unable to determine who took the funds, the office wrote off the theft as uncollectible. Details of this cash shortage are discussed in the Schedule of Findings and Questions Costs section of this report.

D. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Employee Benefits major appropriation category (the legal level of

control) of the Highway/Public Works Fund by \$949. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

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 position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position 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, 2014, Hickman County had the following investments carried at fair value. 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.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
State Treasurer's Investment Pool	109	N/A	\$ 704,802

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, 2014, 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, 2014, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 209,514	\$ 0	\$ 0	\$ 209,514
Construction in Progress	0	242,213	0	242,213
Total Capital Assets Not Depreciated	\$ 209,514	\$ 242,213	\$ 0	\$ 451,727
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,076,308	\$ 35,440	\$ 0	\$ 11,111,748
Infrastructure	49,080,584	134,255	0	49,214,839
Other Capital Assets	3,092,354	436,025	(65,610)	3,462,769
Total Capital Assets Depreciated	\$ 63,249,246	\$ 605,720	\$ (65,610)	\$ 63,789,356
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,492,023	\$ 270,356	\$ 0	\$ 2,762,379
Infrastructure	25,705,190	903,959	0	26,609,149
Other Capital Assets	2,595,029	152,506	(65,610)	2,681,925
Total Accumulated Depreciation	\$ 30,792,242	\$ 1,326,821	\$ (65,610)	\$ 32,053,453
Total Capital Assets Depreciated, Net	\$ 32,457,004	\$ (721,101)	\$ 0	\$ 31,735,903
Governmental Activities Capital Assets, Net	\$ 32,666,518	\$ (478,888)	\$ 0	\$ 32,187,630

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

Governmental Activities:

General Government	\$ 51,113
Administration of Justice	39,896
Public Safety	176,232
Public Health and Welfare	112,155
Social, Cultural, and Recreational Services	6,978
Highway/Public Works	940,447
Total Depreciation Expense - Governmental Activities	\$ 1,326,821

Business-type Activities:

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets Not Depreciated:			
Land	\$ 111,004	\$ 0	\$ 111,004
Total Capital Assets Not Depreciated	<u>\$ 111,004</u>	<u>\$ 0</u>	<u>\$ 111,004</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 1,077,579	\$ 0	\$ 1,077,579
Other Capital Assets	841,635	436,977	1,278,612
Total Capital Assets Depreciated	<u>\$ 1,919,214</u>	<u>\$ 436,977</u>	<u>\$ 2,356,191</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 308,589	\$ 26,940	\$ 335,529
Other Capital Assets	592,639	64,159	656,798
Total Accumulated Depreciation	<u>\$ 901,228</u>	<u>\$ 91,099</u>	<u>\$ 992,327</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,017,986</u>	<u>\$ 345,878</u>	<u>\$ 1,363,864</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,128,990</u>	<u>\$ 345,878</u>	<u>\$ 1,474,868</u>

There were no decreases in capital assets to report during the year ended June 30, 2014.

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

Business-type Activities:

Sanitation Management	\$ 91,099
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Discretely Presented Hickman County School Department

Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 1,018,261	\$ 0	\$ 0	\$ 1,018,261
Construction in Progress	5,643,402	0	(5,643,402)	0
Total Capital Assets Not Depreciated	\$ 6,661,663	\$ 0	\$ (5,643,402)	\$ 1,018,261
Capital Assets Depreciated:				
Buildings and Improvements	\$ 53,610,247	\$ 7,208,943	\$ 0	\$ 60,819,190
Infrastructure	27,206	0	0	27,206
Other Capital Assets	7,980,224	375,371	0	8,355,595
Total Capital Assets Depreciated	\$ 61,617,677	\$ 7,584,314	\$ 0	\$ 69,201,991
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 20,988,668	\$ 1,640,714	\$ 0	\$ 22,629,382
Infrastructure	4,987	1,361	0	6,348
Other Capital Assets	3,882,069	446,398	0	4,328,467
Total Accumulated Depreciation	\$ 24,875,724	\$ 2,088,473	\$ 0	\$ 26,964,197
Total Capital Assets Depreciated, Net	\$ 36,741,953	\$ 5,495,841	\$ 0	\$ 42,237,794
Governmental Activities Capital Assets, Net	\$ 43,403,616	\$ 5,495,841	\$ (5,643,402)	\$ 43,256,055

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

Governmental Activities:

Instruction	\$ 11,427
Support Services	2,064,019
Operation of Non-instructional Services	<u>13,027</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,088,473</u>

C. Construction Commitments

At June 30, 2014, the county had uncompleted construction contracts of approximately \$603,289 for water line replacement in the county. Funding for these future expenditures is expected to be received from federal grants.

D. Interfund Transfers

The composition of interfund balances as of June 30, 2014, was as follows:

Interfund Transfers:

Interfund transfers for the year ended June 30, 2014, consisted of the following amounts:

Transfers Out	Transfers In		
	General Fund	Highway/ Public Works Fund	General Debt Service Fund
General Fund	\$ 0	\$ 32,329	\$ 0
Highway/Public Works Fund	32,555	0	0
General Capital Projects Fund	39,583	263,121	138,824
Total	\$ 72,138	\$ 295,450	\$ 138,824

Transfers Out	Transfers In		
	General Capital Projects Fund	Nonmajor Governmental Fund	Enterprise Fund
General Fund	\$ 313	\$ 0	\$ 0
General Debt Service Fund	0	322,768	0
General Capital Projects Fund	0	0	4,502
Total	\$ 313	\$ 322,768	\$ 4,502

Discretely Presented Hickman County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Fund
Nonmajor governmental fund	\$ 19,109	\$ 0
General Purpose School Fund	0	350,000
Total	\$ 19,109	\$ 350,000

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

E. Long-term Obligations

Primary Government

Notes and Other Loans

Hickman County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. 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, 2014, will be retired from the General Debt Service or Education Debt Service funds.

Capital outlay notes and other loans outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
Capital Outlay Notes	1.25 to 4.15 %	6-30-20	\$ 1,330,000	\$ 652,747
Other Loans	variable	5-25-33	48,746,117	32,310,114

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, 2014, the variable interest rate was .28 percent, and other fees totaled \$60 per month per loan (trustee), 1.2 percent (letter of credit), and .08 percent (remarketing) of the outstanding loan principal.

Also, in a prior year, Hickman County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$1,000,000 available for loan to Hickman County on an as-needed basis for various renovation and construction projects. Hickman County only borrowed \$657,000 of the authorized amount. This 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, 2014, the variable interest rate was .28 percent, and other fees totaled \$60 per month (trustee), 1.2 percent (letter of credit), and .08 percent (remarketing) of the outstanding loan principal.

Also, in prior years, Hickman County entered into a loan agreement with the Public Building Authority of the City of Clarksville. This loan agreement provided for the authority to loan \$5,250,000 to Hickman County on an as-needed basis for various renovation and construction projects. This loan is repayable at a fixed interest rate of 2.71 percent.

During the year, Hickman County entered into a loan agreement with the Public Building Authority of the City of Clarksville. This loan agreement provided for the authority to loan \$2,000,000 to Hickman County for a school energy efficiency HVAC project. This loan is repayable for principal only with no interest requirements.

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2014, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 173,954	\$ 21,886	\$ 195,840
2016	174,997	17,037	192,034
2017	176,046	12,172	188,218
2018	81,250	7,251	88,501
2019	40,250	9,721	49,971
2020	6,250	314	6,564
Total	\$ 652,747	\$ 68,381	\$ 721,128

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2015	\$ 2,355,004	\$ 205,370	\$ 329,475	\$ 2,889,849
2016	2,437,004	194,223	304,541	2,935,768
2017	2,520,004	182,716	278,635	2,981,355
2018	2,458,121	170,843	251,612	2,880,576
2019	1,728,004	158,972	223,433	2,110,409
2020-2024	9,149,977	640,035	859,425	10,649,437
2025-2029	9,607,000	354,101	380,169	10,341,270
2030-2033	2,055,000	75,159	23,442	2,153,601
Total	\$ 32,310,114	\$ 1,981,419	\$ 2,650,732	\$ 36,942,265

There is \$2,335,999 available in the General Debt Service Fund and \$214,377 in the Education Debt Service Fund to service long-term debt. Debt per capita, including notes and other loans, totaled \$1,335, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Notes	Other Loans
Balance, July 1, 2013	\$ 591,794	\$ 32,528,117
Additions	250,000	2,000,000
Reductions	(189,047)	(2,218,003)
Balance, June 30, 2014	<u>\$ 652,747</u>	<u>\$ 32,310,114</u>
Balance Due Within One Year	<u>\$ 173,954</u>	<u>\$ 2,355,004</u>

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	\$ 277,935	\$ 79,888
Additions	274,290	70,117
Reductions	(271,574)	(29,733)
Balance, June 30, 2014	<u>\$ 280,651</u>	<u>\$ 120,272</u>
Balance Due Within One Year	<u>\$ 70,163</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 33,363,784
Less: Balance Due Within One Year	<u>(2,599,121)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 30,764,663</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 were issued with original terms of up to 12 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt.

Capital outlay notes outstanding as of June 30, 2014, for business-type activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-14
Capital Outlay Notes	4.05 %		3-23-19	\$ 450,000	\$ 187,500

The annual requirements to amortize all notes outstanding as of June 30, 2014, including interest payments, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 37,500	\$ 7,699	\$ 45,199
2016	37,500	6,176	43,676
2017	37,500	4,619	42,119
2018	37,500	3,080	40,580
2019	37,500	1,595	39,095
Total	<u>\$ 187,500</u>	<u>\$ 23,169</u>	<u>\$ 210,669</u>

Changes in Long-term Obligations

Long-term obligation activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2014, was as follows:

Business-type Activities:

	Notes	Compensated Absences
Balance, July 1, 2013	\$ 225,000	\$ 15,640
Additions	0	32,155
Reductions	(37,500)	(26,778)
Balance, June 30, 2014	<u>\$ 187,500</u>	<u>\$ 21,017</u>
Balance Due Within One Year	<u>\$ 37,500</u>	<u>\$ 5,254</u>

Business-type Activities (Cont.):

	Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2013	\$ 153,884	\$ 6,145
Additions	2,050	5,146
Reductions	(17,200)	(2,238)
Balance, June 30, 2014	<u>\$ 138,734</u>	<u>\$ 9,053</u>
Balance Due Within One Year	<u>\$ 10,992</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 356,304
Less: Balance Due Within One Year	<u>(53,746)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 302,558</u>

Discretely Presented Hickman County School Department

Changes in Long-term Obligations

Long-term obligation activity for the discretely presented Hickman County School Department for the year ended June 30, 2014, was as follows:

Governmental Activities:	Other Postemployment Benefits
Balance, July 1, 2013	\$ 564,954
Additions	390,582
Reductions	<u>(153,778)</u>
Balance, June 30, 2014	<u>\$ 801,758</u>
Balance Due Within One Year	<u>\$ 0</u>

Other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Hickman County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, were \$69,059 and \$20,395, 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. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67, replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70, relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

C. Subsequent Event

On August 31, 2014, Steve Gregory left the Office of County Mayor and was succeeded by Shaun Lawson.

D. Contingent Liabilities

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

E. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Hickman County closed its sanitary landfill in 1997. The \$138,734 reported as postclosure care liability at June 30, 2014, represents amounts based on what it would cost to perform all postclosure care in 2014. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

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

This joint venture is administered by the Hickman County Economic and Community Development Association Board (Vision 21). Hickman County contributed \$52,722 to the Hickman County Joint Economic and Community Development Association Board for the year ended June 30, 2014.

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, 2014.

Hickman County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Hickman County Joint Economic Development Board and the DTF can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

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

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

G. Jointly Governed Organization

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

H. Retirement Commitments

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

Information for this footnote for the year ended June 30, 2014, 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, 2013.

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, 2013, was 13.24 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, 2013, the county’s annual pension cost of \$1,047,518 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2011, 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 three percent annual rate of inflation, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement 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, 2011, was six years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	\$1,047,518	100%	\$0
6-30-12	1,052,817	100	0
6-30-11	1,057,772	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 91.71 percent funded. The actuarial accrued liability for benefits was \$21.74 million, and the actuarial value of assets was \$19.94 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.8 million. The covered payroll (annual payroll of active employees covered by the plan) was \$7.79 million, and the ratio of the UAAL to the covered payroll was 23.14 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.

SCHOOL TEACHERS

Plan Description

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salary 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, 2013, was

8.88 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, 2013, 2012, and 2011, were \$1,212,279, \$1,247,710, and \$1,231,813, 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.

I. Other Postemployment Benefits (OPEB)

Primary Government - Commercial Plan

Plan Description

Hickman County provides commercial health care benefits for its employees. 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 attains the age of 55 and retires from the county with at least 25 years of service or retires from the Highway Department with at least 20 years of accumulated service from state, city, and/or county government, is a vested member of Tennessee Consolidated Retirement System, at least 50 years of age and employed with the Hickman County Highway Department the last five years of employment. 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 and dental premiums for retirees and their dependents (family coverage) and 100 percent of medical and dental 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 employees report claims and include a provision for estimated claims incurred but not reported to the county. During the year, expenditures totaling \$31,971 were recognized for postemployment health care.

Annual OPEB Cost and Net OPEB Obligation

	<u>Commercial Plan</u>
ARC	\$ 77,035
Interest on the NOPEBO	2,581
Adjustment to the ARC	<u>(4,353)</u>
Annual OPEB cost	\$ 75,263
Amount of contribution	<u>(31,971)</u>
Increase/decrease in NOPEBO	\$ 43,292
Net OPEB obligation, 7-1-13	<u>86,033</u>
Net OPEB obligation, 6-30-14	<u><u>\$ 129,325</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-14	Commercial Insurance	\$ 75,263	42%	\$ 129,325
6-30-13	"	65,779	38.3	86,033
6-30-12	"	63,381	28.3	45,420

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

(dollars in thousands)

	<u>Commercial Plan</u>
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 638
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 638
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 5,054
UAAL as a % of covered payroll	13%

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, 2013, 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 6.25 percent starting July 1, 2013. 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, 2013.

Discretely Presented School Department

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*, 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, 2014, the School Department made contributions totaling \$153,778 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
ARC	\$ 390,000
Interest on the NOPEBO	22,598
Adjustment to the ARC	(22,016)
Annual OPEB cost	\$ 390,582
Amount of contribution	(153,778)
Increase/decrease in NOPEBO	\$ 236,804
Net OPEB obligation, 7-1-13	564,954
Net OPEB obligation, 6-30-14	\$ 801,758

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Education Group	\$ 420,979	34	\$ 286,462
6-30-13	"	423,295	34	564,954
6-30-14	"	390,582	39	801,758

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

(dollars in thousands)

	<u>Local Education Group</u>
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 2,649
Actuarial value of plan assets	\$ 1,349
Unfunded actuarial accrued liability (UAAL)	\$ 1,300
Actuarial value of assets as a % of the AAL	51%
Covered payroll (active plan members)	\$ 16,906
UAAL as a % of covered payroll	8%

The Board of Education has placed funds with the Tennessee School Board Association (TSBA) GASB 45 Trust to be used to pre-fund a portion of the OPEB liability. The assets of the GASB 45 Trust are commingled with other participants' funds for investment purposes, but are held in an irrevocable trust for each plan participant and may be used only for the payment of benefits to the members of the plan in accordance with the terms of their plan. The TSBA GASB 45 Trust obtains an annual audit, which may be obtained from the TSBA at 525 Brick Church Park Drive, Nashville, TN 37207; however, the audit for the year ended June 30, 2014, was not available from other auditors as of the date 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, 2013, 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 7.5 percent for fiscal year 2014. The trend will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. 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 July 1, 2007.

J. Office of Central Accounting, Budgeting, and Purchasing

Office of Director of Finance

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

K. Purchasing Law

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

L. Financial Policy – 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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-2

Hickman County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Hickman County School Department
June 30, 2014

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Projected Unit Credit (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 %
"	7-1-12	0	522	522	0	4,848	11
"	7-1-13	0	638	638	0	5,054	13
<u>DISCRETELY PRESENTED HICKMAN COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-10	487	1,367	880	35.6	16,962	8
"	7-1-11	838	2,817	1,979	29.7	16,218	17
"	7-1-13	1,349	2,649	1,300	50.9	16,906	8

HICKMAN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2014

NONE

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

Nonmajor Governmental Funds

Special Revenue Funds

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.

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

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

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

Debt Service Fund

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

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, 2014

	Special Revenue Funds				Debt Service Fund		Total Nonmajor Governmental Funds			
	Adequate Facilities/Development Tax				Education Debt Service					
	Drug Control			Total						
\$	123,087	\$	379,214	\$	502,301	\$	189,294	\$	691,595	
	37,036		0		37,036		25,083		62,119	
\$	160,123	\$	379,214	\$	539,337	\$	214,377	\$	753,714	
<u>ASSETS</u>										
	Equity in Pooled Cash and Investments									
	Accounts Receivable									
	Total Assets									
<u>FUND BALANCES</u>										
	Restricted:									
	Restricted for General Government									
	Restricted for Public Safety									
	Restricted for Debt Service									
	Total Fund Balances									

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, 2014

	Special Revenue Funds				Debt Service Fund		Total Nonmajor Governmental Funds
	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Total	Education Debt Service		
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 87,162	\$ 0	\$ 87,162	\$ 304,984	\$ 392,146	
Fines, Forfeitures, and Penalties	95,247	0	0	95,247	0	95,247	
Charges for Current Services	0	0	1,593	1,593	0	1,593	
Other Local Revenues	100	0	0	100	0	100	
Total Revenues	\$ 95,347	\$ 87,162	\$ 1,593	\$ 184,102	\$ 304,984	\$ 489,086	
<u>Expenditures</u>							
Current:							
General Government	\$ 0	\$ 883	\$ 0	\$ 883	\$ 0	\$ 883	
Administration of Justice	0	0	1,593	1,593	0	1,593	
Public Safety	106,021	0	0	106,021	0	106,021	
Debt Service:							
Principal on Debt	0	0	0	0	584,000	584,000	
Interest on Debt	0	0	0	0	8,146	8,146	
Other Debt Service	0	0	0	0	44,463	44,463	
Total Expenditures	\$ 106,021	\$ 883	\$ 1,593	\$ 108,497	\$ 636,609	\$ 745,106	
Excess (Deficiency) of Revenues Over Expenditures	\$ (10,674)	\$ 86,279	\$ 0	\$ 75,605	\$ (331,625)	\$ (256,020)	
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 322,768	\$ 322,768	
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 322,768	\$ 322,768	
Net Change in Fund Balances Fund Balance, July 1, 2013	\$ (10,674)	\$ 86,279	\$ 0	\$ 75,605	\$ (8,857)	\$ 66,748	
	170,797	292,935	0	463,732	223,234	686,966	
Fund Balance, June 30, 2014	\$ 160,123	\$ 379,214	\$ 0	\$ 539,337	\$ 214,377	\$ 753,714	

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 95,247	\$ 42,000	\$ 42,000	\$ 53,247
Other Local Revenues	100	0	0	100
Total Revenues	<u>\$ 95,347</u>	<u>\$ 42,000</u>	<u>\$ 42,000</u>	<u>\$ 53,347</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 106,021	\$ 0	\$ 107,000	\$ 979
Total Expenditures	<u>\$ 106,021</u>	<u>\$ 0</u>	<u>\$ 107,000</u>	<u>\$ 979</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (10,674)</u>	<u>\$ 42,000</u>	<u>\$ (65,000)</u>	<u>\$ 54,326</u>
Net Change in Fund Balance	\$ (10,674)	\$ 42,000	\$ (65,000)	\$ 54,326
Fund Balance, July 1, 2013	<u>170,797</u>	<u>165,000</u>	<u>165,000</u>	<u>5,797</u>
Fund Balance, June 30, 2014	<u>\$ 160,123</u>	<u>\$ 207,000</u>	<u>\$ 100,000</u>	<u>\$ 60,123</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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 87,162	\$ 70,000	\$ 70,000	\$ 17,162
Total Revenues	\$ 87,162	\$ 70,000	\$ 70,000	\$ 17,162
<u>Expenditures</u>				
<u>General Government</u>				
Building	\$ 883	\$ 750	\$ 883	\$ 0
Total Expenditures	\$ 883	\$ 750	\$ 883	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 86,279	\$ 69,250	\$ 69,117	\$ 17,162
Net Change in Fund Balance	\$ 86,279	\$ 69,250	\$ 69,117	\$ 17,162
Fund Balance, July 1, 2013	292,935	281,683	281,683	11,252
Fund Balance, June 30, 2014	\$ 379,214	\$ 350,933	\$ 350,800	\$ 28,414

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 304,984	\$ 288,000	\$ 288,000	\$ 16,984
Total Revenues	\$ 304,984	\$ 288,000	\$ 288,000	\$ 16,984
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 584,000	\$ 584,000	\$ 584,000	\$ 0
<u>Interest on Debt</u>				
Education	8,146	95,734	95,734	87,588
<u>Other Debt Service</u>				
General Government	3,025	3,000	3,025	0
Education	41,438	42,046	42,046	608
Total Expenditures	\$ 636,609	\$ 724,780	\$ 724,805	\$ 88,196
Excess (Deficiency) of Revenues Over Expenditures	\$ (331,625)	\$ (436,780)	\$ (436,805)	\$ 105,180
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 322,768	\$ 322,768	\$ 322,768	\$ 0
Total Other Financing Sources	\$ 322,768	\$ 322,768	\$ 322,768	\$ 0
Net Change in Fund Balance	\$ (8,857)	\$ (114,012)	\$ (114,037)	\$ 105,180
Fund Balance, July 1, 2013	223,234	188,000	188,000	35,234
Fund Balance, June 30, 2014	\$ 214,377	\$ 73,988	\$ 73,963	\$ 140,414

Major Governmental Fund

General Debt Service Fund

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.

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,295,038	\$ 2,168,348	\$ 2,168,348	\$ 126,690
Other Local Revenues	15,819	38,000	38,000	(22,181)
State of Tennessee	71,004	27,454	27,454	43,550
Total Revenues	<u>\$ 2,381,861</u>	<u>\$ 2,233,802</u>	<u>\$ 2,233,802</u>	<u>\$ 148,059</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 529,380	\$ 529,378	\$ 529,381	\$ 1
Highways and Streets	41,667	41,667	41,667	0
Education	1,252,003	1,302,004	1,302,004	50,001
<u>Interest on Debt</u>				
General Government	29,327	222,597	222,597	193,270
Highways and Streets	9,836	9,862	9,862	26
Education	181,548	651,790	646,690	465,142
<u>Other Debt Service</u>				
General Government	124,566	128,404	128,401	3,835
Education	221,764	220,908	226,008	4,244
Total Expenditures	<u>\$ 2,390,091</u>	<u>\$ 3,106,610</u>	<u>\$ 3,106,610</u>	<u>\$ 716,519</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (8,230)</u>	<u>\$ (872,808)</u>	<u>\$ (872,808)</u>	<u>\$ 864,578</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 138,824	\$ 138,824	\$ 138,824	\$ 0
Transfers Out	(322,768)	(322,768)	(322,768)	0
Total Other Financing Sources	<u>\$ (183,944)</u>	<u>\$ (183,944)</u>	<u>\$ (183,944)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (192,174)	\$ (1,056,752)	\$ (1,056,752)	\$ 864,578
Fund Balance, July 1, 2013	<u>2,528,173</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>28,173</u>
Fund Balance, June 30, 2014	<u>\$ 2,335,999</u>	<u>\$ 1,443,248</u>	<u>\$ 1,443,248</u>	<u>\$ 892,751</u>

Fiduciary Funds

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

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

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

Exhibit I-1

Hickman County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,519,419	\$ 1,519,419
Accounts Receivable	0	3,839	3,839
Due from Other Governments	98,070	0	98,070
Total Assets	<u>\$ 98,070</u>	<u>\$ 1,523,258</u>	<u>\$ 1,621,328</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 98,070	\$ 0	\$ 98,070
Due to Litigants, Heirs, and Others	0	1,523,258	1,523,258
Total Liabilities	<u>\$ 98,070</u>	<u>\$ 1,523,258</u>	<u>\$ 1,621,328</u>

Exhibit I-2

Hickman County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 589,269	\$ 589,269	\$ 0
Due from Other Governments	100,184	98,070	100,184	98,070
Total Assets	\$ 100,184	\$ 687,339	\$ 689,453	\$ 98,070
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 100,184	\$ 687,339	\$ 689,453	\$ 98,070
Total Liabilities	\$ 100,184	\$ 687,339	\$ 689,453	\$ 98,070
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 471,043	\$ 7,062,672	\$ 6,014,296	\$ 1,519,419
Accounts Receivable	3,722	3,839	3,722	3,839
Total Assets	\$ 474,765	\$ 7,066,511	\$ 6,018,018	\$ 1,523,258
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 474,765	\$ 7,066,511	\$ 6,018,018	\$ 1,523,258
Total Liabilities	\$ 474,765	\$ 7,066,511	\$ 6,018,018	\$ 1,523,258
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 471,043	\$ 7,062,672	\$ 6,014,296	\$ 1,519,419
Equity in Pooled Cash and Investments	0	589,269	589,269	0
Due from Other Governments	100,184	98,070	100,184	98,070
Accounts Receivable	3,722	3,839	3,722	3,839
Total Assets	\$ 574,949	\$ 7,753,850	\$ 6,707,471	\$ 1,621,328
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 100,184	\$ 687,339	\$ 689,453	\$ 98,070
Due to Litigants, Heirs, and Others	474,765	7,066,511	6,018,018	1,523,258
Total Liabilities	\$ 574,949	\$ 7,753,850	\$ 6,707,471	\$ 1,621,328

Hickman County School Department

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.

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

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

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

Exhibit J-1

Hickman County, Tennessee
Statement of Activities
Discretely Presented Hickman County School Department
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 17,394,073	\$ 17,182	\$ 2,827,430	\$ 0	\$ (14,549,461)
Support Services	12,197,396	0	0	1,565,540	(10,631,856)
Operation of Non-instructional Services	2,835,403	666,717	1,448,278	0	(720,408)
Total Governmental Activities	\$ 32,426,872	\$ 683,899	\$ 4,275,708	\$ 1,565,540	\$ (25,901,725)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,131,241
Local Option Sales Tax					1,307,958
Other Local Taxes					39,607
Grants and Contributions Not Restricted to Specific Programs					20,893,583
Unrestricted Investment Income					121
Miscellaneous					466,933
Total General Revenues					\$ 25,839,443
Change in Net Position					\$ (62,282)
Net Position, July 1, 2013					50,459,514
Net Position, June 30, 2014					\$ 50,397,232

Exhibit J-2

Hickman County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Hickman County School Department
June 30, 2014

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 1,668,841	\$ 2,500	\$ 1,671,341
Equity in Pooled Cash and Investments	5,112,906	692,345	5,805,251
Accounts Receivable	26,692	218	26,910
Due from Other Governments	219,491	88,931	308,422
Property Taxes Receivable	3,359,181	0	3,359,181
Allowance for Uncollectible Property Taxes	(75,536)	0	(75,536)
Total Assets	<u>\$ 10,311,575</u>	<u>\$ 783,994</u>	<u>\$ 11,095,569</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 26,799	\$ 0	\$ 26,799
Accrued Payroll	0	600	600
Total Liabilities	<u>\$ 26,799</u>	<u>\$ 600</u>	<u>\$ 27,399</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,125,235	\$ 0	\$ 3,125,235
Deferred Delinquent Property Taxes	156,187	0	156,187
Other Deferred/Unavailable Revenue	109,746	0	109,746
Total Deferred Inflows of Resources	<u>\$ 3,391,168</u>	<u>\$ 0</u>	<u>\$ 3,391,168</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 39,301	\$ 283,394	\$ 322,695
Committed:			
Committed for Education	1,668,841	500,000	2,168,841
Unassigned	5,185,466	0	5,185,466
Total Fund Balances	<u>\$ 6,893,608</u>	<u>\$ 783,394</u>	<u>\$ 7,677,002</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,311,575</u>	<u>\$ 783,994</u>	<u>\$ 11,095,569</u>

Exhibit J-3

Hickman County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Hickman County School Department
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	7,677,002
(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		38,189,808	
Add: infrastructure net of accumulated depreciation		20,858	
Add: other capital assets net of accumulated depreciation		<u>4,027,128</u>	43,256,055
(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			(801,758)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			<u>265,933</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>50,397,232</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, 2014

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 4,506,177	\$ 0	\$ 4,506,177
Licenses and Permits	1,615	0	1,615
Charges for Current Services	65,663	618,236	683,899
Other Local Revenues	431,269	3,276	434,545
State of Tennessee	21,571,620	0	21,571,620
Federal Government	179,828	3,368,978	3,548,806
Other Governments and Citizens Groups	27,529	0	27,529
Total Revenues	<u>\$ 26,783,701</u>	<u>\$ 3,990,490</u>	<u>\$ 30,774,191</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 15,744,949	\$ 1,400,893	\$ 17,145,842
Support Services	9,483,009	508,847	9,991,856
Operation of Non-instructional Services	574,181	2,248,195	2,822,376
Capital Outlay	516,893	0	516,893
Total Expenditures	<u>\$ 26,319,032</u>	<u>\$ 4,157,935</u>	<u>\$ 30,476,967</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 464,669</u>	<u>\$ (167,445)</u>	<u>\$ 297,224</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 41,566	\$ 0	\$ 41,566
Transfers In	19,109	350,000	369,109
Transfers Out	(350,000)	(19,109)	(369,109)
Total Other Financing Sources (Uses)	<u>\$ (289,325)</u>	<u>\$ 330,891</u>	<u>\$ 41,566</u>
Net Change in Fund Balances	\$ 175,344	\$ 163,446	\$ 338,790
Fund Balance, July 1, 2013	6,718,264	619,948	7,338,212
Fund Balance, June 30, 2014	<u>\$ 6,893,608</u>	<u>\$ 783,394</u>	<u>\$ 7,677,002</u>

Exhibit J-5

Hickman County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Hickman County School Department
For the Year Ended June 30, 2014

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)		\$	338,790
(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	\$	375,372	
Less: current-year depreciation expense		<u>(2,088,473)</u>	(1,713,101)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.			
Add: assets donated and capitalized			1,565,540
(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, 2013	\$	(282,640)	
Add: deferred delinquent property taxes and other deferred June 30, 2014		<u>265,933</u>	(16,707)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in other postemployment benefits liability			<u>(236,804)</u>
Change in net position of governmental activities (Exhibit B)		\$	<u><u>(62,282)</u></u>

Exhibit J-6

Hickman County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Hickman County School Department
June 30, 2014

	Special Revenue Funds		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,500	\$ 2,500
Equity in Pooled Cash and Investments	430,503	261,842	692,345
Accounts Receivable	218	0	218
Due from Other Governments	88,931	0	88,931
Total Assets	\$ 519,652	\$ 264,342	\$ 783,994
<u>LIABILITIES</u>			
Accrued Payroll	\$ 600	\$ 0	\$ 600
Total Liabilities	\$ 600	\$ 0	\$ 600
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 19,052	\$ 264,342	\$ 283,394
Committed:			
Committed for Education	500,000	0	500,000
Total Fund Balances	\$ 519,052	\$ 264,342	\$ 783,394
Total Liabilities and Fund Balances	\$ 519,652	\$ 264,342	\$ 783,994

Exhibit J-7

Hickman County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Hickman County School Department
For the Year Ended June 30, 2014

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 618,236	\$ 618,236
Other Local Revenues	0	3,276	3,276
Federal Government	1,940,876	1,428,102	3,368,978
Total Revenues	<u>\$ 1,940,876</u>	<u>\$ 2,049,614</u>	<u>\$ 3,990,490</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,400,893	\$ 0	\$ 1,400,893
Support Services	508,847	0	508,847
Operation of Non-instructional Services	0	2,248,195	2,248,195
Total Expenditures	<u>\$ 1,909,740</u>	<u>\$ 2,248,195</u>	<u>\$ 4,157,935</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 31,136</u>	<u>\$ (198,581)</u>	<u>\$ (167,445)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 350,000	\$ 0	\$ 350,000
Transfers Out	(19,109)	0	(19,109)
Total Other Financing Sources (Uses)	<u>\$ 330,891</u>	<u>\$ 0</u>	<u>\$ 330,891</u>
Net Change in Fund Balances	\$ 362,027	\$ (198,581)	\$ 163,446
Fund Balance, July 1, 2013	157,025	462,923	619,948
Fund Balance, June 30, 2014	<u>\$ 519,052</u>	<u>\$ 264,342</u>	<u>\$ 783,394</u>

Exhibit J-8

Hickman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hickman County School Department
General Purpose School Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,506,177	\$ 4,414,094	\$ 4,414,094	\$ 92,083
Licenses and Permits	1,615	1,400	1,400	215
Charges for Current Services	65,663	68,500	68,500	(2,837)
Other Local Revenues	431,269	110,500	375,332	55,937
State of Tennessee	21,571,620	21,264,551	21,354,005	217,615
Federal Government	179,828	265,548	265,548	(85,720)
Other Governments and Citizens Groups	27,529	0	0	27,529
Total Revenues	\$ 26,783,701	\$ 26,124,593	\$ 26,478,879	\$ 304,822
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 12,118,273	\$ 12,957,900	\$ 12,957,901	\$ 839,628
Alternative Instruction Program	210,436	226,550	226,550	16,114
Special Education Program	2,055,999	2,244,365	2,244,365	188,366
Vocational Education Program	1,203,939	1,288,000	1,288,000	84,061
Adult Education Program	156,302	199,548	199,548	43,246
<u>Support Services</u>				
Attendance	136,808	149,500	149,500	12,692
Health Services	231,277	243,600	243,600	12,323
Other Student Support	768,645	779,450	779,450	10,805
Regular Instruction Program	1,498,750	1,589,250	1,589,250	90,500
Alternative Instruction Program	384	400	400	16
Special Education Program	111,531	140,500	140,500	28,969
Vocational Education Program	87,924	93,000	93,000	5,076
Adult Programs	87,335	88,400	88,400	1,065
Other Programs	89,454	5,000	94,454	5,000
Board of Education	465,985	529,000	529,000	63,015
Director of Schools	265,961	287,880	287,880	21,919
Office of the Principal	1,525,368	1,545,600	1,545,600	20,232
Fiscal Services	4,920	5,000	5,000	80
Operation of Plant	1,705,349	1,837,500	1,837,500	132,151
Maintenance of Plant	854,642	944,610	944,610	89,968
Transportation	1,421,684	1,506,270	1,506,270	84,586
Central and Other	226,992	242,500	242,500	15,508
<u>Operation of Non-instructional Services</u>				
Food Service	20,370	21,000	21,000	630
Community Services	128,412	146,236	146,236	17,824
Early Childhood Education	425,399	434,400	434,399	9,000
<u>Capital Outlay</u>				
Regular Capital Outlay	516,893	550,000	550,000	33,107
Total Expenditures	\$ 26,319,032	\$ 28,055,459	\$ 28,144,913	\$ 1,825,881
Excess (Deficiency) of Revenues Over Expenditures	\$ 464,669	\$ (1,930,866)	\$ (1,666,034)	\$ 2,130,703
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 41,566	\$ 10,000	\$ 10,000	\$ 31,566

(Continued)

Exhibit J-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>				
Transfers In	\$ 19,109	\$ 30,000	\$ 30,000	\$ (10,891)
Transfers Out	(350,000)	0	(350,000)	0
Total Other Financing Sources	\$ (289,325)	\$ 40,000	\$ (310,000)	\$ 20,675
Net Change in Fund Balance	\$ 175,344	\$ (1,890,866)	\$ (1,976,034)	\$ 2,151,378
Fund Balance, July 1, 2013	6,718,264	4,509,524	6,718,264	0
Fund Balance, June 30, 2014	\$ 6,893,608	\$ 2,618,658	\$ 4,742,230	\$ 2,151,378

Exhibit J-9

Hickman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hickman County School Department
School Federal Projects Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,940,876	\$ 2,268,189	\$ 2,308,208	\$ (367,332)
Total Revenues	\$ 1,940,876	\$ 2,268,189	\$ 2,308,208	\$ (367,332)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 918,504	\$ 953,113	\$ 997,897	\$ 79,393
Special Education Program	437,242	454,731	500,910	63,668
Vocational Education Program	45,147	46,953	45,147	0
<u>Support Services</u>				
Other Student Support	14,553	68,669	43,145	28,592
Regular Instruction Program	168,275	231,436	303,031	134,756
Special Education Program	326,019	374,036	383,296	57,277
Total Expenditures	\$ 1,909,740	\$ 2,128,938	\$ 2,273,426	\$ 363,686
Excess (Deficiency) of Revenues Over Expenditures	\$ 31,136	\$ 139,251	\$ 34,782	\$ (3,646)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 350,000	\$ 0	\$ 350,000	\$ 0
Transfers Out	(19,109)	(139,251)	(34,782)	15,673
Total Other Financing Sources	\$ 330,891	\$ (139,251)	\$ 315,218	\$ 15,673
Net Change in Fund Balance	\$ 362,027	\$ 0	\$ 350,000	\$ 12,027
Fund Balance, July 1, 2013	157,025	0	0	157,025
Fund Balance, June 30, 2014	\$ 519,052	\$ 0	\$ 350,000	\$ 169,052

Exhibit J-10

Hickman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hickman County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 618,236	\$ 720,000	\$ 720,000	\$ (101,764)
Other Local Revenues	3,276	1,400	1,400	1,876
Federal Government	1,428,102	1,956,600	1,956,600	(528,498)
Total Revenues	<u>\$ 2,049,614</u>	<u>\$ 2,678,000</u>	<u>\$ 2,678,000</u>	<u>\$ (628,386)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 2,248,195	\$ 2,851,500	\$ 2,851,500	\$ 603,305
Total Expenditures	<u>\$ 2,248,195</u>	<u>\$ 2,851,500</u>	<u>\$ 2,851,500</u>	<u>\$ 603,305</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (198,581)</u>	<u>\$ (173,500)</u>	<u>\$ (173,500)</u>	<u>\$ (25,081)</u>
Net Change in Fund Balance	\$ (198,581)	\$ (173,500)	\$ (173,500)	\$ (25,081)
Fund Balance, July 1, 2013	<u>462,923</u>	<u>383,392</u>	<u>462,923</u>	<u>0</u>
Fund Balance, June 30, 2014	<u>\$ 264,342</u>	<u>\$ 209,892</u>	<u>\$ 289,423</u>	<u>\$ (25,081)</u>

Hickman County Health Foundation

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

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

Exhibit K-1

Hickman County, Tennessee
Statement of Net Position and Governmental Fund Balance Sheet
Discretely Presented Hickman County Health Foundation
June 30, 2014

	Health Foundation Fund	Adjustments	Statement of Net Position
	<hr/>		<hr/>
<u>ASSETS</u>			
Cash	\$ 2,240,420	\$ 0	\$ 2,240,420
Total Assets	<u>\$ 2,240,420</u>	<u>\$ 0</u>	<u>\$ 2,240,420</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 16,667	\$ 0	\$ 16,667
Total Liabilities	<u>\$ 16,667</u>	<u>\$ 0</u>	<u>\$ 16,667</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund Balance:			
Restricted for Public Health and Welfare	\$ 2,223,753	\$ (2,223,753)	\$ 0
Total Fund Balance	<u>\$ 2,223,753</u>	<u>\$ (2,223,753)</u>	<u>\$ 0</u>
Total Fund Balance	<u>\$ 2,223,753</u>		
Net Position:			
Restricted for Public Health and Welfare		<u>\$ 2,223,753</u>	<u>\$ 2,223,753</u>
Total Net Position		<u>\$ 2,223,753</u>	<u>\$ 2,223,753</u>

Exhibit K-2

Hickman County, Tennessee
Statement of Activities and Governmental Fund Revenues, Expenditures,
and Changes in Fund Balance/Net Position
Discretely Presented Hickman County Health Foundation
For the Year Ended June 30, 2014

	Health Foundation Fund	Adjustments	Statement of Activities
Expenditures/Expenses:			
General Government:			
County Commission	\$ 685	\$ 0	\$ 685
Public Health and Welfare:			
Ambulance/Emergency Medical Services	8,920	0	8,920
Other Public Health and Welfare	50,816	0	50,816
Total Expenditures/Expenses	\$ 60,421	\$ 0	\$ 60,421
General Revenues:			
Investment Income	\$ 16,527	\$ 0	\$ 16,527
Total General Revenues	\$ 16,527	\$ 0	\$ 16,527
Excess of Revenues Over Expenditures	\$ (43,894)	\$ 43,894	\$ 0
Change in Net Position	0	(43,894)	(43,894)
Fund Balance/Net Position:			
July 1, 2013	2,267,647	0	2,267,647
June 30, 2014	\$ 2,223,753	\$ 0	\$ 2,223,753

MISCELLANEOUS SCHEDULES

Exhibit L-1

Hickman County, Tennessee
Schedule of Changes in Long-term Notes and Other Loans
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-14
GOVERNMENTAL ACTIVITIES								
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Highway Capital Outlay Note	\$ 125,000	4.15 %	8-2-04	8-2-16	\$ 41,664	\$ 0	10,417	\$ 31,247
MLEC Building	605,000	4.10	1-12-07	1-12-19	259,000	0	50,000	209,000
Energy Efficiency	62,142	0	3-14-07	4-15-14	8,880	0	8,880	0
Highway Capital Outlay Note	350,000	4.14	6-30-08	6-30-20	193,750	0	31,250	162,500
Ambulance Capital Outlay Note	265,500	3	11-3-10	12-1-13	88,500	0	88,500	0
EMS and various projects	250,000	1.25	11-13-13	11-23-16	0	250,000	0	250,000
Total Notes Payable					\$ 591,794	\$ 250,000	\$ 189,047	\$ 652,747
OTHER LOANS PAYABLE								
<u>Payable through Education Debt Service Fund</u>								
School Construction	8,949,117	Variable	12-15-1997	5-25-18	\$ 3,191,117	\$ 0	\$ 584,000	\$ 2,607,117
Total Payable through Education Debt Service Fund					\$ 3,191,117	\$ 0	\$ 584,000	\$ 2,607,117
<u>Payable through General Debt Service Fund</u>								
Court Facility	1,750,000	Variable	2-9-1998	5-25-18	\$ 523,000	\$ 0	112,000	\$ 411,000
School Construction	22,000,000	Variable	6-28-04	5-25-29	16,703,000	0	843,000	15,860,000
Jail Construction	6,140,000	Variable	10-27-05	5-25-31	4,899,000	0	207,000	4,692,000
Sewer Line	2,000,000	Variable	3-30-06	5-25-33	1,594,000	0	63,000	1,531,000
School Construction	657,000	Variable	8-27-07	5-25-19	368,000	0	66,000	302,000
Energy Efficiency School Loan Initiative	5,250,000	2.71	12-17-12	12-1-32	5,250,000	0	193,000	5,057,000
Total Payable through General Debt Service Fund	2,000,000	0	9-25-13	9-1-23	0	2,000,000	150,003	1,849,997
Total Other Loans Payable					\$ 29,337,000	\$ 2,000,000	\$ 1,634,003	\$ 29,702,997
					\$ 32,528,117	\$ 2,000,000	\$ 2,218,003	\$ 32,310,114
BUSINESS-TYPE ACTIVITIES								
NOTES PAYABLE								
<u>Payable through Solid Waste Disposal Fund</u>								
Recycling Center	450,000	4.05	3-23-07	3-23-19	\$ 225,000	\$ 0	\$ 37,500	\$ 187,500

Exhibit L-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 173,954	\$ 21,886	\$ 195,840
2016	174,997	17,037	192,034
2017	176,046	12,172	188,218
2018	81,250	7,251	88,501
2019	40,250	9,721	49,971
2020	6,250	314	6,564
Total	<u>\$ 652,747</u>	<u>\$ 68,381</u>	<u>\$ 721,128</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2015	\$ 2,355,004	\$ 205,370	\$ 329,475	\$ 2,889,849
2016	2,437,004	194,223	304,541	2,935,768
2017	2,520,004	182,716	278,635	2,981,355
2018	2,458,121	170,843	251,612	2,880,576
2019	1,728,004	158,972	223,433	2,110,409
2020	1,766,004	149,032	206,921	2,121,957
2021	1,810,004	138,806	189,910	2,138,720
2022	1,859,004	128,298	172,412	2,159,714
2023	1,907,004	117,497	154,377	2,178,878
2024	1,807,961	106,402	135,805	2,050,168
2025	1,811,000	94,980	116,669	2,022,649
2026	1,865,000	83,229	96,957	2,045,186
2027	1,919,000	71,157	76,643	2,066,800
2028	1,977,000	58,750	55,728	2,091,478
2029	2,035,000	45,985	34,172	2,115,157
2030	640,860	32,866	11,258	684,984
2031	559,140	23,438	7,008	589,586
2032	422,000	14,039	3,203	439,242
2033	433,000	4,816	1,973	439,789
Total	<u>\$ 32,310,114</u>	<u>\$ 1,981,419</u>	<u>\$ 2,650,732</u>	<u>\$ 36,942,265</u>

(Continued)

Exhibit L-2

Hickman County, Tennessee

Schedule of Long-term Debt Requirements by Year (Cont.)

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Notes		Total
	Principal	Interest	
2015	\$ 37,500	\$ 7,699	\$ 45,199
2016	37,500	6,176	43,676
2017	37,500	4,619	42,119
2018	37,500	3,080	40,580
2019	37,500	1,595	39,095
Total	\$ 187,500	\$ 23,169	\$ 210,669

Exhibit L-3

Hickman County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Hickman County School Department
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Highway/Public Works	Fund information technology position	\$ 32,329
"	General Capital Projects	Funds for capital projects	313
Highway/Public Works	General	Administrative costs	32,555
General Debt Service	Education Debt Service	Debt retirement	322,768
General Capital Projects	General	Reimbursement for disaster funds	39,583
"	Highway/Public Works	"	263,121
"	General Debt Service	To close projects	138,824
"	Solid Waste Disposal	Reimbursement for disaster funds	4,502
Total Transfers Primary Government			<u>\$ 833,995</u>
<u>DISCRETELY PRESENTED HICKMAN COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Operations	\$ 350,000
School Federal Projects	General Purpose School	Indirect costs	19,109
Total Transfers Discretely Presented Hickman County School Department			<u>\$ 369,109</u>

Hickman County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Hickman County School Department
For the Year Ended June 30, 2014

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 76,055 (1)	\$ 50,000	State Farm Fire and Casualty Company
Road Superintendent	Section 8-24-102, TCA	72,446 (1)	100,000	"
Director of Schools	State Board of Education and Local Board of Education	118,337 (2)	(7)	"
Trustee	Section 8-24-102, TCA	65,883 (1)	1,029,435	"
Assessor of Property	Section 8-24-102, TCA	66,883 (3)	50,000	"
County Clerk	Section 8-24-102, TCA	65,883 (1)	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	65,632	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Judge	65,632 (4)	55,000	"
Register of Deeds	Section 8-24-102, TCA	65,883 (1)	25,000	"
Sheriff	Section 8-24-102, TCA	72,795 (5)	25,000	Travelers Casualty and Surety Company
Finance Director	County Commission	67,132 (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 \$251 for the county's portion of certified public administrator supplement.
- (2) Includes \$1,000 for a chief executive officer training supplement and \$2,000 for a contract renewal bonus.
- (3) Includes \$1,251 for the county's portion of certified public administrator supplement.
- (4) Does not include \$1,593 in special commissioner fees.
- (5) Includes \$600 as a law enforcement training supplement.
- (6) Includes \$1,500 for the county's portion of certified public administrator supplement.
- (7) The director of schools is covered under the department's blanket bond.

Hickman County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2014

	General	Drug Control	Special Revenue Funds			
			Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 4,780,282	\$ 0	\$ 0	\$ 0	\$ 218,971	
Trustee's Collections - Prior Year	203,346	0	0	0	9,787	
Circuit/Clerk & Master Collections - Prior Years	124,074	0	0	0	5,976	
Interest and Penalty	39,960	0	0	0	1,908	
Payments in-Lieu-of Taxes - T.V.A.	7,620	0	0	0	350	
Payments in-Lieu-of Taxes - Local Utilities	39,593	0	0	0	0	
Payments in-Lieu-of Taxes - Other	8,655	0	0	0	0	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	3,891	0	0	0	0	
Hotel/Motel Tax	3,066	0	0	0	0	
Wheel Tax	0	0	0	0	0	
Litigation Tax - General	93,091	0	0	0	0	
Litigation Tax - Special Purpose	20,796	0	0	0	0	
Litigation Tax - Jail, Workhouse, or Courthouse	89,553	0	0	0	0	
Business Tax	60,599	0	0	0	2,787	
Mineral Severance Tax	0	0	0	0	52,319	
Adequate Facilities/Development Tax	0	0	87,162	0	0	
<u>Statutory Local Taxes</u>						
Wholesale Beer Tax	203,065	0	0	0	0	
Interstate Telecommunications Tax	12,256	0	0	0	0	
Other Statutory Local Taxes	0	0	0	0	0	
Total Local Taxes	\$ 5,689,847	\$ 0	\$ 87,162	\$ 0	\$ 292,098	

(Continued)

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

	Special Revenue Funds				
	General	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 29,563	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>					
Beer Permits	3,705	0	0	0	0
Building Permits	41,662	0	0	0	0
Total Licenses and Permits	\$ 74,930	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 16,285	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	7,832	0	0	0	0
Drug Control Fines	0	4,115	0	0	0
Drug Court Fees	1,883	31	0	0	0
Jail Fees	4,050	0	0	0	0
DUI Treatment Fines	1,166	0	0	0	0
Data Entry Fee - Circuit Court	823	0	0	0	0
<u>Criminal Court</u>					
DUI Treatment Fines	627	0	0	0	0
<u>General Sessions Court</u>					
Fines	19,180	0	0	0	0
Officers Costs	36,114	0	0	0	0
Game and Fish Fines	2,732	0	0	0	0
Drug Control Fines	0	21,597	0	0	0
Drug Court Fees	5,825	987	0	0	0
Jail Fees	18,255	0	0	0	0
DUI Treatment Fines	5,591	0	0	0	0
Data Entry Fee - General Sessions Court	12,958	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Chancery Court</u>					
Officers Costs	\$ 2,702	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Chancery Court	2,830	0	0	0	0
<u>Judicial District Drug Program</u>					
Courtroom Security Fee	19,451	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	4,367	68,517	0	0	0
Other Fines, Forfeitures, and Penalties	5,239	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 167,910	\$ 95,247	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Other Employee Benefit Charges/Contributions	\$ 28,901	\$ 0	\$ 0	\$ 0	\$ 993
Patient Charges	970,929	0	0	0	0
<u>Fees</u>					
Copy Fees	10,394	0	0	0	0
Archives and Records Management Fee - County Clerk	17,438	0	0	0	0
Telephone Commissions	27,755	0	0	0	0
Vending Machine Collections	0	0	0	0	1,801
Constitutional Officers' Fees and Commissions	0	0	0	1,593	0
Data Processing Fee - Register	8,112	0	0	0	0
Probation Fees	2,732	0	0	0	0
Data Processing Fee - Sheriff	303	0	0	0	0
Sexual Offender Registration Fees - Sheriff	2,912	0	0	0	0
Data Processing Fee - County Clerk	365	0	0	0	0
Total Charges for Current Services	\$ 1,069,841	\$ 0	\$ 0	\$ 1,593	\$ 2,794

(Continued)

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

	Special Revenue Funds				
	General	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 1,971	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	6,000	0	0	0	0
Commissary Sales	6,507	0	0	0	0
Sale of Recycled Materials	0	0	0	0	3,933
Refund of Telecommunication & Internet Fees (E-Rate)	4,098	0	0	0	0
Miscellaneous Refunds	7,580	0	0	0	3,184
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	71,673
Sale of Property	1,650	0	0	0	0
Contributions and Gifts	4,822	100	0	0	0
Total Other Local Revenues	\$ 32,628	\$ 100	\$ 0	\$ 0	\$ 78,790
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 215,194	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	68,222	0	0	0	0
General Sessions Court Clerk	199,308	0	0	0	0
Clerk and Master	107,560	0	0	0	0
Juvenile Court Clerk	19,104	0	0	0	0
Register	85,151	0	0	0	0
Sheriff	13,831	0	0	0	0
Trustee	329,776	0	0	0	0
Total Fees Received from County Officials	\$ 1,038,146	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	12,600	0	0	0	0
Health and Welfare Grants	348,639	0	0	0	0
Health Department Programs					
Public Works Grants					
State Aid Program	0	0	0	0	20,310
<u>Other State Revenues</u>					
Income Tax	44,754	0	0	0	0
Beer Tax	17,806	0	0	0	0
Vehicle Certificate of Title Fees	6,135	0	0	0	0
Alcoholic Beverage Tax	60,495	0	0	0	0
State Revenue Sharing - T.V.A.	415,280	0	0	0	19,022
Contracted Prisoner Boarding	701,964	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	1,849,057
Petroleum Special Tax	0	0	0	0	17,815
Registrar's Salary Supplement	18,955	0	0	0	0
Other State Grants	10,581	0	0	0	5,864
Other State Revenues	29,070	0	0	0	0
Total State of Tennessee	\$ 1,670,779	\$ 0	\$ 0	\$ 0	\$ 1,912,068
<u>Federal Government</u>					
<u>Federal Through State</u>					
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 580,475
Homeland Security Grants	49,985	0	0	0	0
Other Federal through State	34,575	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 624,202
Total Federal Government	\$ 84,560	\$ 0	\$ 0	\$ 0	\$ 1,204,677
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 93,800	\$ 0	\$ 0	\$ 0	\$ 0
<u>Citizens Groups</u>					
Donations	40	0	0	0	0
Total Other Governments and Citizens Groups	\$ 93,840	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 9,922,481	\$ 95,347	\$ 87,162	\$ 1,593	\$ 3,490,427

(Continued)

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

	Debt Service Funds			Capital Projects Fund		Total
	General	Education	Debt Service	General	Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 817,004	\$	0	\$	0	\$ 5,816,257
Trustee's Collections - Prior Year	12,981		0		0	226,114
Circuit/Clerk & Master Collections - Prior Years	7,709		0		0	137,759
Interest and Penalty	3,327		0		0	45,195
Payments in-Lieu-of Taxes - T.V.A.	1,200		0		0	9,170
Payments in-Lieu-of Taxes - Local Utilities	0		0		0	39,593
Payments in-Lieu-of Taxes - Other	0		0		0	8,655
<u>County Local Option Taxes</u>						
Local Option Sales Tax	718,798		0		0	722,689
Hotel/Motel Tax	0		0		0	3,066
Wheel Tax	711,531		304,984		0	1,016,515
Litigation Tax - General	0		0		0	93,091
Litigation Tax - Special Purpose	0		0		0	20,796
Litigation Tax - Jail, Workhouse, or Courthouse	0		0		0	89,553
Business Tax	9,834		0		0	73,220
Mineral Severance Tax	0		0		0	52,319
Adequate Facilities/Development Tax	0		0		0	87,162
<u>Statutory Local Taxes</u>						
Wholesale Beer Tax	0		0		0	203,065
Interstate Telecommunications Tax	0		0		0	12,256
Other Statutory Local Taxes	12,654		0		0	12,654
Total Local Taxes	\$ 2,295,038	\$	304,984	\$	0	\$ 8,669,129

(Continued)

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

	Debt Service Funds			Capital Projects Fund		Total
	General	Education	Debt Service	General	Capital Projects	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	29,563
<u>Permits</u>						
Beer Permits	0	0	0	0	0	3,705
Building Permits	0	0	0	0	0	41,662
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	74,930
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	16,285
Officers Costs	0	0	0	0	0	7,832
Drug Control Fines	0	0	0	0	0	4,115
Drug Court Fees	0	0	0	0	0	1,914
Jail Fees	0	0	0	0	0	4,050
DUI Treatment Fines	0	0	0	0	0	1,166
Data Entry Fee - Circuit Court	0	0	0	0	0	823
<u>Criminal Court</u>						
DUI Treatment Fines	0	0	0	0	0	627
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	19,180
Officers Costs	0	0	0	0	0	36,114
Game and Fish Fines	0	0	0	0	0	2,732
Drug Control Fines	0	0	0	0	0	21,597
Drug Court Fees	0	0	0	0	0	6,812
Jail Fees	0	0	0	0	0	18,255
DUI Treatment Fines	0	0	0	0	0	5,591
Data Entry Fee - General Sessions Court	0	0	0	0	0	12,958

(Continued)

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

	Debt Service Funds			Capital Projects Fund		Total
	General	Education	Debt Service	General	Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,702
Data Entry Fee - Chancery Court	0	0	0	0	0	2,830
<u>Judicial District Drug Program</u>						
Courtroom Security Fee	0	0	0	0	0	19,451
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	72,884
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	5,239
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	263,157
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other Employee Benefit Charges/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	29,894
Patient Charges	0	0	0	0	0	970,929
<u>Fees</u>						
Copy Fees	0	0	0	0	0	10,394
Archives and Records Management Fee - County Clerk	0	0	0	0	0	17,438
Telephone Commissions	0	0	0	0	0	27,755
Vending Machine Collections	0	0	0	0	0	1,801
Constitutional Officers' Fees and Commissions	0	0	0	0	0	1,593
Data Processing Fee - Register	0	0	0	0	0	8,112
Probation Fees	0	0	0	0	0	2,732
Data Processing Fee - Sheriff	0	0	0	0	0	303
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	2,912
Data Processing Fee - County Clerk	0	0	0	0	0	365
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,074,228

(Continued)

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

	Debt Service Funds			Capital Projects Fund		Total
	General	Education	Debt Service	General	Capital Projects	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 14,960	\$ 0	\$ 0	\$ 0	\$ 0	16,931
Lease/Rentals	0	0	0	0	0	6,000
Commissary Sales	0	0	0	0	0	6,507
Sale of Recycled Materials	0	0	0	0	0	3,933
Refund of Telecommunication & Internet Fees (E-Rate)	0	0	0	0	0	4,098
Miscellaneous Refunds	859	0	0	0	0	11,623
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	71,673
Sale of Property	0	0	0	0	0	1,650
Contributions and Gifts	0	0	0	0	0	4,922
Total Other Local Revenues	\$ 15,819	\$ 0	\$ 0	\$ 0	\$ 0	127,337
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	0	0	0	0	0	215,194
Circuit Court Clerk	0	0	0	0	0	68,222
General Sessions Court Clerk	0	0	0	0	0	199,308
Clerk and Master	0	0	0	0	0	107,560
Juvenile Court Clerk	0	0	0	0	0	19,104
Register	0	0	0	0	0	85,151
Sheriff	0	0	0	0	0	13,831
Trustee	0	0	0	0	0	329,776
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,038,146

(Continued)

Exhibit L-5

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

	Debt Service Funds			Capital Projects Fund		Total
	General Debt Service	Education Debt Service	0 \$	General Capital Projects	0 \$	
State of Tennessee						
<u>General Government Grants</u>			0 \$		0 \$	4,500
Juvenile Services Program						
<u>Public Safety Grants</u>						
Law Enforcement Training Programs						12,600
Health and Welfare Grants						348,639
Health Department Programs						
Public Works Grants						
State Aid Program						20,310
<u>Other State Revenues</u>						
Income Tax						44,754
Beer Tax						17,806
Vehicle Certificate of Title Fees						6,135
Alcoholic Beverage Tax						60,495
State Revenue Sharing - T.V.A.	71,004					505,306
Contracted Prisoner Boarding						701,964
Gasoline and Motor Fuel Tax						1,849,057
Petroleum Special Tax						17,815
Registrar's Salary Supplement						18,955
Other State Grants						16,445
Other State Revenues					37,839	66,909
Total State of Tennessee	\$ 71,004	\$ 0	\$ 0	\$ 37,839	\$ 3,691,690	
Federal Government						
<u>Federal Through State</u>						
Disaster Relief			0 \$		0 \$	580,475
Homeland Security Grants			0		0	49,985
Other Federal through State			0	563,454	0	598,029

(Continued)

Exhibit L-5

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

	Debt Service Funds			Capital Projects Fund		Total
	General Service	Education Debt Service		General Capital	Projects	
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 624,202
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 563,454	\$ 0	\$ 1,852,691
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 93,800
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	40
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 93,840
Total	\$ 2,381,861	\$ 304,984	\$ 601,293	\$ 16,885,148		

Hickman County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Hickman County School Department
For the Year Ended June 30, 2014

	General Purpose School	Special Revenue Funds			Total
		School	Federal Projects	Central Cafeteria	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 2,908,425	\$ 0	\$ 0	\$ 0	2,908,425
Trustee's Collections - Prior Year	132,987	0	0	0	132,987
Circuit/Clerk & Master Collections - Prior Years	81,195	0	0	0	81,195
Interest and Penalty	25,794	0	0	0	25,794
Payments in-Lieu-of Taxes - T.V.A.	4,664	0	0	0	4,664
Payments in-Lieu-of Taxes - Local Utilities	6,000	0	0	0	6,000
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,307,505	0	0	0	1,307,505
Business Tax	37,091	0	0	0	37,091
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	2,516	0	0	0	2,516
Total Local Taxes	\$ 4,506,177	\$ 0	\$ 0	\$ 0	4,506,177
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,615	\$ 0	\$ 0	\$ 0	1,615
Total Licenses and Permits	\$ 1,615	\$ 0	\$ 0	\$ 0	1,615
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Summer School	\$ 1,075	\$ 0	\$ 0	\$ 0	1,075
Lunch Payments - Children	0	0	235,831	0	235,831
Lunch Payments - Adults	0	0	50,939	0	50,939
Income from Breakfast	0	0	55,989	0	55,989

(Continued)

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

	General Purpose School	Special Revenue Funds			Total
		School Federal Projects	Central Cafeteria		
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
A la carte Sales	\$ 0	\$ 0	\$ 275,477	\$	275,477
Receipts from Individual Schools	64,350	0	0	0	64,350
Community Service Fees - Adults	218	0	0	0	218
<u>Other Charges for Services</u>					
Other Charges for Services	20	0	0	0	20
Total Charges for Current Services	\$ 65,663	\$ 0	\$ 618,236	\$	683,899
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 121	\$	121
Lease/Rentals	1,099	0	0	0	1,099
Refund of Telecommunication & Internet Fees (E-Rate)	35,645	0	0	0	35,645
Miscellaneous Refunds	105,587	0	3,006	0	108,593
<u>Nonrecurring Items</u>					
Gain on Retirement of Debt	264,832	0	0	0	264,832
Sale of Equipment	11,398	0	149	0	11,547
Damages Recovered from Individuals	3,651	0	0	0	3,651
Contributions and Gifts	9,057	0	0	0	9,057
Total Other Local Revenues	\$ 431,269	\$ 0	\$ 3,276	\$	434,545
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 89,454	\$ 0	\$ 0	\$	89,454

(Continued)

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

	General Purpose School	Special Revenue Funds			Total
		School Federal Projects	Central Cafeteria		
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 20,080,000	\$ 0	\$ 0	\$ 0	20,080,000
Early Childhood Education	422,611	0	0	0	422,611
School Food Service	20,176	0	0	0	20,176
Driver Education	11,830	0	0	0	11,830
Other State Education Funds	556,080	0	0	0	556,080
Career Ladder Program	109,296	0	0	0	109,296
Career Ladder - Extended Contract	29,020	0	0	0	29,020
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	252,653	0	0	0	252,653
Other State Grants	500	0	0	0	500
Total State of Tennessee	\$ 21,571,620	\$ 0	\$ 0	\$ 0	\$ 21,571,620
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 947,852	\$ 0	947,852
USDA - Commodities	0	0	84,327	0	84,327
Breakfast	0	0	395,923	0	395,923
Adult Education State Grant Program	108,849	0	0	0	108,849
Vocational Education - Basic Grants to States	0	56,619	0	0	56,619
Title I Grants to Local Education Agencies	0	868,739	0	0	868,739
Special Education - Grants to States	0	742,644	0	0	742,644
Special Education Preschool Grants	0	20,618	0	0	20,618
Rural Education	0	58,951	0	0	58,951
Eisenhower Professional Development State Grants	0	130,037	0	0	130,037
Race-to-the-Top - ARRA	0	63,268	0	0	63,268

(Continued)

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

	General Purpose School	Special Revenue Funds			Total
		School Federal Projects	Central Cafeteria		
Federal Government (Cont.)					
Direct Federal Revenue	\$ 70,979	\$ 0	\$ 0	\$ 0	\$ 70,979
ROTC Reimbursement	\$ 179,828	\$ 1,940,876	\$ 1,428,102	\$ 1,428,102	\$ 3,548,806
Total Federal Government					
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 27,529	\$ 0	\$ 0	\$ 0	\$ 27,529
Total Other Governments and Citizens Groups	\$ 27,529	\$ 0	\$ 0	\$ 0	\$ 27,529
Total	\$ 26,783,701	\$ 1,940,876	\$ 2,049,614	\$ 2,049,614	\$ 30,774,191

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, 2014

	Special Revenue Fund		Other Special Revenue	Total
<hr/>				
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$	16,527	\$	16,527
Total Other Local Revenues	\$	16,527	\$	16,527
 Total	 \$	 16,527	 \$	 16,527

Exhibit L-8

Hickman County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2014

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	50,400	
Accounting Services		516	
Audit Services		9,907	
Legal Notices, Recording, and Court Costs		3,214	
Travel		1,816	
Total County Commission			\$ 65,853

Board of Equalization

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

Beer Board

Criminal Investigation of Applicants - TBI	\$	336	
Total Beer Board			336

County Mayor/Executive

County Official/Administrative Officer	\$	76,055	
Salary Supplements		1,125	
Secretary(ies)		24,856	
Part-time Personnel		398	
Longevity Pay		1,600	
Legal Notices, Recording, and Court Costs		855	
Travel		4,032	
Other Contracted Services		4,839	
Office Supplies		1,515	
Office Equipment		1,251	
Total County Mayor/Executive			116,526

County Attorney

Legal Services	\$	13,258	
Other Charges		8,000	
Total County Attorney			21,258

Election Commission

County Official/Administrative Officer	\$	59,068	
Deputy(ies)		26,099	
Part-time Personnel		8,440	
Longevity Pay		1,000	
Election Commission		2,720	
Election Workers		4,620	
Data Processing Services		3,394	
Legal Notices, Recording, and Court Costs		364	
Maintenance and Repair Services - Buildings		993	
Maintenance and Repair Services - Office Equipment		677	
Printing, Stationery, and Forms		552	
Travel		3,363	
Other Contracted Services		35,614	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Office Supplies	\$	2,595	
Office Equipment		1,540	
Total Election Commission			\$ 151,039

Register of Deeds

County Official/Administrative Officer	\$	65,883	
Deputy(ies)		26,099	
Salary Supplements		3,000	
Clerical Personnel		24,070	
Longevity Pay		1,700	
In-Service Training		175	
Data Processing Services		7,395	
Maintenance and Repair Services - Office Equipment		196	
Travel		752	
Other Contracted Services		1,800	
Office Supplies		782	
Total Register of Deeds			131,852

Planning

Supervisor/Director	\$	30,484	
Deputy(ies)		22,121	
Board and Committee Members Fees		2,075	
In-Service Training		1,095	
Contracts with Private Agencies		9,300	
Data Processing Services		1,242	
Legal Notices, Recording, and Court Costs		940	
Maintenance and Repair Services - Vehicles		1,439	
Other Contracted Services		3,075	
Gasoline		1,268	
Office Supplies		585	
Other Supplies and Materials		709	
Office Equipment		1,539	
Total Planning			75,872

County Buildings

Supervisor/Director	\$	43,778	
Custodial Personnel		25,261	
Longevity Pay		2,000	
Maintenance and Repair Services - Buildings		137,024	
Maintenance and Repair Services - Equipment		140	
Maintenance and Repair Services - Vehicles		3,672	
Custodial Supplies		9,673	
Gasoline		7,617	
Uniforms		1,001	
Other Charges		300	
Total County Buildings			230,466

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities

Communication	\$	67,190	
Pest Control		6,000	
Disposal Fees		48	
Electricity		201,343	
Utilities		93,749	
Total Other Facilities			\$ 368,330

Other General Administration

Maintenance and Repair Services - Equipment	\$	4,900	
Other Supplies and Materials		2,567	
Office Equipment		7,500	
Total Other General Administration			14,967

Preservation of Records

Clerical Personnel	\$	23,276	
Travel		900	
Other Contracted Services		1,147	
Office Supplies		1,649	
Other Supplies and Materials		7,213	
Other Charges		94	
Total Preservation of Records			34,279

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	67,132	
Assistant(s)		33,445	
Accountants/Bookkeepers		24,845	
Data Processing Personnel		24,070	
Salary Supplements		7,500	
Clerical Personnel		48,694	
Longevity Pay		5,900	
In-Service Training		780	
Data Processing Services		10,404	
Legal Notices, Recording, and Court Costs		3,312	
Printing, Stationery, and Forms		4,223	
Travel		3,307	
Office Supplies		4,549	
Premiums on Corporate Surety Bonds		149	
Office Equipment		741	
Total Accounting and Budgeting			239,051

Property Assessor's Office

County Official/Administrative Officer	\$	66,883	
Deputy(ies)		26,099	
Assessment Personnel		11,454	
Salary Supplements		2,250	
Secretary(ies)		23,053	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Clerical Personnel	\$	23,677	
Longevity Pay		1,600	
In-Service Training		475	
Contracts with Private Agencies		3,500	
Data Processing Services		13,442	
Legal Notices, Recording, and Court Costs		397	
Maintenance and Repair Services - Office Equipment		135	
Maintenance and Repair Services - Vehicles		200	
Travel		2,230	
Other Contracted Services		8,006	
Gasoline		822	
Office Supplies		1,651	
Other Charges		2,090	
Office Equipment		13,066	
Total Property Assessor's Office			\$ 201,030

County Trustee's Office

County Official/Administrative Officer	\$	65,883	
Deputy(ies)		26,899	
Data Processing Personnel		23,677	
Salary Supplements		4,500	
Clerical Personnel		25,056	
Part-time Personnel		2,450	
Longevity Pay		4,600	
Data Processing Services		6,966	
Legal Notices, Recording, and Court Costs		155	
Printing, Stationery, and Forms		4,328	
Travel		305	
Office Supplies		2,983	
Office Equipment		1,951	
Total County Trustee's Office			169,753

County Clerk's Office

County Official/Administrative Officer	\$	65,883	
Deputy(ies)		26,099	
Salary Supplements		7,500	
Secretary(ies)		24,463	
Clerical Personnel		72,603	
Part-time Personnel		11,673	
Longevity Pay		3,900	
Data Processing Services		22,187	
Travel		1,450	
Office Supplies		1,943	
Office Equipment		2,210	
Total County Clerk's Office			239,911

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	65,632	
Deputy(ies)		142,737	
Part-time Personnel		7,530	
Longevity Pay		5,225	
Other Salaries and Wages		14,402	
Jury and Witness Expense		9,734	
Data Processing Services		10,926	
Legal Notices, Recording, and Court Costs		622	
Maintenance and Repair Services - Office Equipment		1,309	
Travel		950	
Office Supplies		5,037	
Office Equipment		16,301	
Total Circuit Court			\$ 280,405

General Sessions Court

Judge(s)	\$	105,729	
Guidance Personnel		47,075	
Secretary(ies)		26,799	
Longevity Pay		2,300	
Travel		3,637	
Other Contracted Services		662	
Library Books/Media		599	
Office Supplies		1,095	
Office Equipment		708	
Total General Sessions Court			188,604

Chancery Court

County Official/Administrative Officer	\$	65,632	
Assistant(s)		24,861	
Deputy(ies)		24,856	
Part-time Personnel		11,892	
Longevity Pay		1,975	
Data Processing Services		8,272	
Travel		1,336	
Office Supplies		6,385	
Office Equipment		3,680	
Total Chancery Court			148,889

Judicial Commissioners

Part-time Personnel	\$	7,576	
Other Salaries and Wages		18,570	
In-Service Training		150	
Travel		2,387	
Office Supplies		176	
Other Charges		360	
Total Judicial Commissioners			29,219

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

<u>Courtroom Security</u>		
Other Supplies and Materials	\$	309
Total Courtroom Security		\$ 309

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	72,795	
Deputy(ies)		731,041	
Salary Supplements		15,573	
Dispatchers/Radio Operators		225,534	
Secretary(ies)		16,075	
Clerical Personnel		25,389	
Longevity Pay		14,231	
Overtime Pay		32,285	
Other Salaries and Wages		47,315	
In-Service Training		12,953	
Advertising		46	
Data Processing Services		9,747	
Legal Services		89	
Maintenance and Repair Services - Equipment		1,690	
Maintenance and Repair Services - Vehicles		41,891	
Travel		4,421	
Gasoline		124,714	
Law Enforcement Supplies		38,764	
Office Supplies		8,380	
Tires and Tubes		13,664	
Uniforms		13,976	
Premiums on Corporate Surety Bonds		1,064	
Other Charges		196	
Motor Vehicles		84,268	
Total Sheriff's Department			1,536,101

Jail

Guards	\$	391,895	
Longevity Pay		3,800	
Overtime Pay		25,209	
Other Salaries and Wages		7,233	
In-Service Training		150	
Medical and Dental Services		155,161	
Other Contracted Services		74,938	
Custodial Supplies		16,572	
Drugs and Medical Supplies		20,542	
Food Supplies		199,147	
Office Supplies		4,978	
Prisoners Clothing		6,015	
Uniforms		6,285	
Other Supplies and Materials		4,240	
Data Processing Equipment		825	
Office Equipment		4,153	
Total Jail			921,143

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

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

Civil Defense

Supervisor/Director	\$	58,456	
Longevity Pay		600	
Other Salaries and Wages		22,175	
In-Service Training		600	
Operating Lease Payments		2,400	
Maintenance and Repair Services - Equipment		7,809	
Maintenance and Repair Services - Vehicles		11,195	
Travel		459	
Drugs and Medical Supplies		2,000	
Gasoline		3,000	
Office Supplies		462	
Uniforms		25	
Other Supplies and Materials		12,729	
Other Charges		3,394	
Communication Equipment		19,723	
Total Civil Defense			145,027

Rescue Squad

Contributions	\$	16,745	
Total Rescue Squad			16,745

County Coroner/Medical Examiner

Medical Personnel	\$	3,225	
Other Contracted Services		18,510	
Premiums on Corporate Surety Bonds		150	
Total County Coroner/Medical Examiner			21,885

Public Health and Welfare

Local Health Center

Contributions	\$	9,758	
Maintenance and Repair Services - Buildings		770	
Other Contracted Services		5,059	
Office Supplies		785	
Other Supplies and Materials		70	
Other Charges		269	
Total Local Health Center			16,711

Ambulance/Emergency Medical Services

Medical Personnel	\$	680,450	
Part-time Personnel		101,513	
Longevity Pay		11,900	
Overtime Pay		171,280	
In-Service Training		13,957	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Dues and Memberships	\$	430	
Maintenance and Repair Services - Buildings		1,937	
Maintenance and Repair Services - Equipment		6,806	
Maintenance and Repair Services - Vehicles		33,411	
Travel		1,429	
Other Contracted Services		104,389	
Custodial Supplies		1,451	
Diesel Fuel		54,810	
Drugs and Medical Supplies		47,691	
Gasoline		8,970	
Office Supplies		4,447	
Tires and Tubes		6,075	
Uniforms		7,829	
Other Supplies and Materials		2,117	
Other Equipment		800	
Total Ambulance/Emergency Medical Services			\$ 1,261,692

Alcohol and Drug Programs

Probation Officer(s)	\$	9,817	
Office Supplies		80	
Other Charges		9,612	
Total Alcohol and Drug Programs			19,509

Other Local Health Services

Medical Personnel	\$	181,867	
Educational Assistants		41,585	
Travel		17,797	
Liability Insurance		545	
Total Other Local Health Services			241,794

Other Public Health and Welfare

Other Charges	\$	23,772	
Total Other Public Health and Welfare			23,772

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	7,500	
Total Senior Citizens Assistance			7,500

Libraries

Assistant(s)	\$	97,749	
Librarians		35,177	
Longevity Pay		5,300	
Other Salaries and Wages		14,631	
Data Processing Services		3,902	
Dues and Memberships		240	
Maintenance and Repair Services - Buildings		3,374	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Postal Charges	\$	1,072	
Travel		363	
Library Books/Media		5,075	
Office Supplies		4,919	
Utilities		4,666	
Other Supplies and Materials		6,726	
Other Charges		10,501	
Other Equipment		11,259	
Other Capital Outlay		16,771	
Total Libraries			\$ 221,725

Agriculture and Natural Resources

Agriculture Extension Service

Contributions	\$	48,744	
Dues and Memberships		275	
Travel		837	
Custodial Supplies		111	
Office Supplies		798	
Total Agriculture Extension Service			50,765

Soil Conservation

Secretary(ies)	\$	25,380	
Other Contracted Services		5,000	
Office Supplies		2,500	
Total Soil Conservation			32,880

Other Operations

Tourism

Contributions	\$	1,000	
Total Tourism			1,000

Industrial Development

Supervisor/Director	\$	38,500	
Contributions		14,222	
Total Industrial Development			52,722

Other Economic and Community Development

Rentals	\$	27,700	
Other Charges		1,180	
Total Other Economic and Community Development			28,880

Veterans' Services

Part-time Personnel	\$	10,320	
Travel		512	
Other Contracted Services		399	
Office Supplies		138	
Office Equipment		911	
Total Veterans' Services			12,280

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Liability Insurance	\$	230,487	
Trustee's Commission		140,984	
Workers' Compensation Insurance		125,044	
Total Other Charges			\$ 496,515

Employee Benefits

Social Security	\$	342,447	
State Retirement		543,933	
Life Insurance		34,534	
Medical Insurance		1,316,841	
Unemployment Compensation		16,262	
Total Employee Benefits			2,254,017

Miscellaneous

Contracts with Government Agencies	\$	12,920	
Contributions		19,000	
Dues and Memberships		12,047	
Postal Charges		47,055	
Rentals		2,752	
Other Charges		2,449	
Total Miscellaneous			96,223

Total General Fund \$ 10,171,385

Drug Control Fund

Public Safety

Sheriff's Department

Law Enforcement Supplies	\$	6,890	
Motor Vehicles		99,131	
Total Sheriff's Department			\$ 106,021

Total Drug Control Fund 106,021

Adequate Facilities/Development Tax Fund

General Government

Building

Trustee's Commission	\$	883	
Total Building			\$ 883

Total Adequate Facilities/Development Tax Fund 883

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	1,593	
Total Chancery Court			\$ 1,593

Total Constitutional Officers - Fees Fund 1,593

(Continued)

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	72,446	
Salary Supplements		1,500	
Secretary(ies)		32,722	
Overtime Pay		5,496	
Other Salaries and Wages		49,008	
Board and Committee Members Fees		16,800	
In-Service Training		290	
Contributions		3,000	
Dues and Memberships		3,035	
Legal Notices, Recording, and Court Costs		557	
Travel		1,371	
Other Contracted Services		5,858	
Office Supplies		151	
Total Administration			\$ 192,234

Highway and Bridge Maintenance

Salary Supplements	\$	1,500	
Foremen		191,790	
Equipment Operators		290,754	
Laborers		248,429	
Overtime Pay		39,203	
Asphalt - Cold Mix		41,317	
Asphalt - Liquid		121,913	
Crushed Stone		234,804	
General Construction Materials		6,185	
Other Road Supplies		11,710	
Pipe		19,862	
Road Signs		6,576	
Small Tools		1,154	
Wood Products		936	
Chemicals		5,100	
Total Highway and Bridge Maintenance			1,221,233

Operation and Maintenance of Equipment

Foremen	\$	32,048	
Mechanic(s)		30,408	
Overtime Pay		2,808	
Laundry Service		5,826	
Diesel Fuel		168,409	
Equipment and Machinery Parts		85,372	
Garage Supplies		27,592	
Gasoline		36,890	
Lubricants		10,630	
Tires and Tubes		36,167	
Total Operation and Maintenance of Equipment			436,150

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Communication	\$	3,450	
Legal Services		150	
Electricity		5,165	
Water and Sewer		4,575	
Liability Insurance		32,228	
Trustee's Commission		24,021	
Total Other Charges			\$ 69,589

Employee Benefits

Social Security	\$	75,017	
State Retirement		123,993	
Employee and Dependent Insurance		341,031	
Unemployment Compensation		10,990	
Workers' Compensation Insurance		127,243	
Other Charges		2,972	
Total Employee Benefits			681,246

Capital Outlay

Bridge Construction	\$	66,060	
Communication Equipment		886	
Highway Construction		52,070	
Highway Equipment		338,787	
Motor Vehicles		37,922	
Other Construction		2,105	
Total Capital Outlay			497,830

Total Highway/Public Works Fund \$ 3,098,282

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$	147,380	
Principal on Other Loans		382,000	
Total General Government			\$ 529,380

Highways and Streets

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

Education

Principal on Other Loans	\$	1,252,003	
Total Education			1,252,003

Interest on Debt

General Government

Interest on Notes	\$	12,028	
Interest on Other Loans		17,299	
Total General Government			29,327

(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.)

Highways and Streets

Interest on Notes	\$ 9,836	
Total Highways and Streets		\$ 9,836

Education

Interest on Other Loans	\$ 181,548	
Total Education		181,548

Other Debt Service

General Government

Trustee's Commission	\$ 31,867	
Other Debt Service	92,699	
Total General Government		124,566

Education

Other Debt Service	\$ 221,764	
Total Education		221,764

Total General Debt Service Fund		\$ 2,390,091
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Education Debt Service Fund

Principal on Debt

Education

Principal on Other Loans	\$ 584,000	
Total Education		\$ 584,000

Interest on Debt

Education

Interest on Other Loans	\$ 8,146	
Total Education		8,146

Other Debt Service

General Government

Trustee's Commission	\$ 3,025	
Total General Government		3,025

Education

Other Debt Service	\$ 41,438	
Total Education		41,438

Total Education Debt Service Fund		636,609
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General Capital Projects Fund

Capital Projects

General Administration Projects

Other Contracted Services	\$ 70,048	
Total General Administration Projects		\$ 70,048

(Continued)

Exhibit L-8

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

<u>General Capital Projects Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Public Safety Projects</u>		
Building Improvements	\$	3,440
Other Construction		<u>217,534</u>
Total Public Safety Projects	\$	220,974
 <u>Public Health and Welfare Projects</u>		
Building Improvements	\$	28,728
Total Public Health and Welfare Projects		<u>28,728</u>
 <u>Public Utility Projects</u>		
Building Improvements	\$	320,630
Total Public Utility Projects		<u>320,630</u>
 <u>Other General Government Projects</u>		
Other Construction	\$	79,069
Total Other General Government Projects		<u>79,069</u>
 <u>Education Capital Projects</u>		
Building Construction	\$	1,565,540
Total Education Capital Projects		<u>1,565,540</u>
 Total General Capital Projects Fund		 <u>\$ 2,284,989</u>
 Total Governmental Funds - Primary Government		 <u><u>\$ 18,689,853</u></u>

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, 2014

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 7,734,941	
Career Ladder Program	88,365	
Career Ladder Extended Contracts	18,672	
Educational Assistants	270,823	
Other Salaries and Wages	346,697	
Non-certified Substitute Teachers	97,737	
Social Security	639,638	
State Retirement	639,790	
Medical Insurance	1,552,374	
Other Contracted Services	18	
Instructional Supplies and Materials	116,006	
Textbooks	33,588	
Other Supplies and Materials	7,817	
Regular Instruction Equipment	571,807	
Total Regular Instruction Program		\$ 12,118,273

Alternative Instruction Program

Teachers	\$ 130,226	
Educational Assistants	17,810	
Social Security	10,361	
State Retirement	17,000	
Medical Insurance	34,400	
Instructional Supplies and Materials	291	
Other Supplies and Materials	348	
Total Alternative Instruction Program		210,436

Special Education Program

Teachers	\$ 1,342,318	
Homebound Teachers	15,085	
Educational Assistants	131,268	
Speech Pathologist	79,948	
Social Security	114,343	
State Retirement	160,200	
Other Contracted Services	212,837	
Total Special Education Program		2,055,999

Vocational Education Program

Teachers	\$ 745,860	
Non-certified Substitute Teachers	10,301	
Social Security	57,279	
State Retirement	84,000	
Medical Insurance	255,000	
Instructional Supplies and Materials	22,076	
Other Supplies and Materials	29,423	
Total Vocational Education Program		1,203,939

(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.)

Adult Education Program

Teachers	\$	46,370	
Other Salaries and Wages		34,010	
In-Service Training		1,998	
Social Security		5,722	
State Retirement		13,900	
Medical Insurance		40,000	
Instructional Supplies and Materials		2,185	
Other Supplies and Materials		12,117	
Total Adult Education Program			\$ 156,302

Support Services

Attendance

Supervisor/Director	\$	65,569	
Other Salaries and Wages		28,366	
Social Security		7,032	
State Retirement		9,600	
Medical Insurance		12,800	
Travel		2,533	
Other Contracted Services		9,425	
Other Supplies and Materials		1,483	
Total Attendance			136,808

Health Services

Medical Personnel	\$	82,894	
Other Salaries and Wages		84,432	
Social Security		12,677	
State Retirement		16,700	
Medical Insurance		25,400	
Travel		980	
Other Contracted Services		4,288	
Drugs and Medical Supplies		2,959	
Other Supplies and Materials		947	
Total Health Services			231,277

Other Student Support

Guidance Personnel	\$	510,695	
Social Security		38,754	
State Retirement		44,500	
Medical Insurance		90,000	
Evaluation and Testing		14,919	
Payments to Schools - Other		54,500	
Travel		1,125	
Other Contracted Services		9,152	
Other Supplies and Materials		5,000	
Total Other Student Support			768,645

(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.)

Regular Instruction Program

Supervisor/Director	\$	96,686	
Librarians		342,099	
Secretary(ies)		170,431	
Clerical Personnel		163,278	
Other Salaries and Wages		86,217	
Social Security		64,040	
State Retirement		108,000	
Medical Insurance		249,851	
Maintenance and Repair Services - Equipment		4,003	
Travel		4,179	
Other Contracted Services		112,398	
Library Books/Media		3,905	
Other Supplies and Materials		2,463	
Regular Instruction Equipment		91,200	
Total Regular Instruction Program			\$ 1,498,750

Alternative Instruction Program

Travel	\$	384	
Total Alternative Instruction Program			384

Special Education Program

Supervisor/Director	\$	58,858	
Other Salaries and Wages		13,104	
In-Service Training		500	
Social Security		5,908	
State Retirement		8,300	
Medical Insurance		17,000	
Maintenance and Repair Services - Equipment		2,721	
Travel		5,140	
Total Special Education Program			111,531

Vocational Education Program

Supervisor/Director	\$	64,069	
Social Security		4,901	
State Retirement		5,850	
Medical Insurance		8,100	
Maintenance and Repair Services - Equipment		2,344	
Travel		1,365	
Other Supplies and Materials		1,295	
Total Vocational Education Program			87,924

Adult Programs

Supervisor/Director	\$	59,972	
Social Security		4,588	
State Retirement		5,700	
Medical Insurance		11,100	
Travel		5,975	
Total Adult Programs			87,335

(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.)

Other Programs

On-behalf Payments to OPEB	\$ 89,454	
Total Other Programs		\$ 89,454

Board of Education

Board and Committee Members Fees	\$ 7,574	
In-Service Training	7,066	
Social Security	579	
Audit Services	21,100	
Dues and Memberships	15,023	
Legal Services	9,501	
Liability Insurance	63,563	
Trustee's Commission	113,672	
Workers' Compensation Insurance	226,437	
Refund to Applicant for Criminal Investigation	1,470	
Total Board of Education		465,985

Director of Schools

County Official/Administrative Officer	\$ 118,337	
Secretary(ies)	81,610	
Social Security	14,758	
State Retirement	24,500	
Medical Insurance	18,000	
Communication	643	
Postal Charges	700	
Travel	3,701	
Other Contracted Services	226	
Office Supplies	2,062	
Other Supplies and Materials	1,424	
Total Director of Schools		265,961

Office of the Principal

Principals	\$ 576,686	
Assistant Principals	431,334	
Social Security	76,328	
State Retirement	95,000	
Medical Insurance	136,000	
Postal Charges	1,600	
Travel	251	
Other Contracted Services	73,169	
Other Equipment	135,000	
Total Office of the Principal		1,525,368

Fiscal Services

Other Contracted Services	\$ 4,920	
Total Fiscal Services		4,920

(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

Communication	\$	47,252	
Other Contracted Services		490,760	
Custodial Supplies		23,941	
Electricity		756,753	
Natural Gas		102,904	
Water and Sewer		154,482	
Other Supplies and Materials		3,124	
Boiler Insurance		3,460	
Building and Contents Insurance		122,673	
Total Operation of Plant			\$ 1,705,349

Maintenance of Plant

Supervisor/Director	\$	55,360	
Secretary(ies)		10,301	
Other Salaries and Wages		125,005	
Social Security		14,181	
State Retirement		34,171	
Medical Insurance		10,000	
Maintenance and Repair Services - Buildings		292,836	
Maintenance and Repair Services - Equipment		181,158	
Travel		233	
Other Contracted Services		59,846	
Equipment and Machinery Parts		582	
Building Improvements		70,969	
Total Maintenance of Plant			854,642

Transportation

Supervisor/Director	\$	53,612	
Mechanic(s)		78,789	
Bus Drivers		541,271	
Secretary(ies)		10,301	
Social Security		50,114	
State Retirement		96,000	
Medical Insurance		97,000	
Other Fringe Benefits		3,536	
Maintenance and Repair Services - Vehicles		60	
Other Contracted Services		10,229	
Diesel Fuel		209,015	
Equipment and Machinery Parts		63,815	
Garage Supplies		1,985	
Gasoline		39,794	
Lubricants		9,291	
Tires and Tubes		22,092	
Vehicle Parts		41,243	
Vehicle and Equipment Insurance		45,000	
Plant Operation Equipment		48,537	
Total Transportation			1,421,684

(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.)

Central and Other

Unemployment Compensation	\$	36,097	
Other Fringe Benefits		33,797	
Contributions		93,800	
Other Contracted Services		63,298	
Total Central and Other			\$ 226,992

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	16,000	
Social Security		1,224	
State Retirement		1,244	
Travel		252	
In Service/Staff Development		1,650	
Total Food Service			20,370

Community Services

Supervisor/Director	\$	32,500	
Other Salaries and Wages		61,893	
Social Security		7,184	
State Retirement		13,000	
Medical Insurance		10,700	
Other Supplies and Materials		3,135	
Total Community Services			128,412

Early Childhood Education

Supervisor/Director	\$	31,000	
Teachers		151,117	
Educational Assistants		58,209	
Other Salaries and Wages		24,265	
Non-certified Substitute Teachers		19,179	
Social Security		19,373	
State Retirement		28,300	
Medical Insurance		39,000	
Unemployment Compensation		1,000	
Travel		279	
Other Contracted Services		887	
Instructional Supplies and Materials		22,696	
Other Supplies and Materials		15,707	
Other Equipment		14,387	
Total Early Childhood Education			425,399

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$	516,893	
Total Regular Capital Outlay			516,893

Total General Purpose School Fund \$ 26,319,032

(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

Instruction

Regular Instruction Program

Teachers	\$	606,408	
Other Salaries and Wages		37,125	
Non-certified Substitute Teachers		5,227	
Social Security		46,886	
State Retirement		62,575	
Medical Insurance		118,662	
Unemployment Compensation		300	
Maintenance and Repair Services - Equipment		2,061	
Instructional Supplies and Materials		39,260	
Total Regular Instruction Program			\$ 918,504

Special Education Program

Educational Assistants	\$	335,292	
Social Security		25,547	
State Retirement		47,257	
Medical Insurance		16,075	
Unemployment Compensation		600	
Instructional Supplies and Materials		4,000	
Other Supplies and Materials		2,003	
Special Education Equipment		6,468	
Total Special Education Program			437,242

Vocational Education Program

Educational Assistants	\$	16,337	
Social Security		1,288	
State Retirement		2,250	
Medical Insurance		1,500	
Unemployment Compensation		100	
Other Contracted Services		500	
Other Supplies and Materials		6,034	
Vocational Instruction Equipment		17,138	
Total Vocational Education Program			45,147

Support Services

Other Student Support

Other Salaries and Wages	\$	1,800	
Social Security		15	
State Retirement		89	
Communication		1,408	
Evaluation and Testing		2,640	
Travel		8,601	
Total Other Student Support			14,553

Regular Instruction Program

Supervisor/Director	\$	43,580	
Secretary(ies)		17,647	

(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.)

Other Salaries and Wages	\$	445	
In-Service Training		1,000	
Social Security		3,627	
State Retirement		4,324	
Medical Insurance		5,540	
Unemployment Compensation		200	
Consultants		9,000	
Maintenance and Repair Services - Equipment		8,881	
Travel		6,252	
Other Supplies and Materials		996	
In Service/Staff Development		66,783	
Total Regular Instruction Program			\$ 168,275

Special Education Program

Supervisor/Director	\$	5,628	
Psychological Personnel		94,066	
Clerical Personnel		32,800	
Social Security		13,750	
State Retirement		19,948	
Medical Insurance		8,768	
Unemployment Compensation		400	
Consultants		53,127	
Travel		1,323	
Other Contracted Services		86,436	
Other Supplies and Materials		9,773	
Total Special Education Program			326,019

Total School Federal Projects Fund \$ 1,909,740

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	30,222	
Accountants/Bookkeepers		128,344	
Cafeteria Personnel		474,770	
Social Security		48,116	
State Retirement		72,378	
Medical Insurance		125,000	
Unemployment Compensation		2,500	
Communication		4,423	
Maintenance and Repair Services - Equipment		28,936	
Transportation - Other than Students		2,832	
Travel		1,963	
Other Contracted Services		97,233	
Food Supplies		904,681	
Utilities		127,229	

(Continued)

Exhibit L-9

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

<u>Central Cafeteria Fund (Cont.)</u>		
<u>Operation of Non-instructional Services (Cont.)</u>		
<u>Food Service (Cont.)</u>		
USDA - Commodities	\$	84,327
Other Supplies and Materials		83,495
Other Charges		26,527
Food Service Equipment		5,219
Total Food Service		<u>2,248,195</u>
		\$ 2,248,195
Total Central Cafeteria Fund		<u>\$ 2,248,195</u>
Total Governmental Funds - Hickman County School Department		<u><u>\$ 30,476,967</u></u>

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, 2014

<u>Other Special Revenue Fund</u>		
<u>General Government</u>		
<u>County Commission</u>		
Audit Services	\$ 665	
Legal Notices, Recording, and Court Costs	20	
Total County Commission		\$ 685
<u>Public Health and Welfare</u>		
<u>Ambulance/Emergency Medical Services</u>		
Contributions	\$ 5,000	
Other Contracted Services	2,980	
Other Charges	940	
Total Ambulance/Emergency Medical Services		8,920
<u>Other Public Health and Welfare</u>		
Contributions	\$ 50,000	
Drugs and Medical Supplies	816	
Total Other Public Health and Welfare		50,816
Total Other Special Revenue Fund		\$ 60,421
Total Governmental Funds - Hickman County Health Foundation		\$ 60,421

Hickman County, Tennessee
Schedule of Detailed Revenues and Expenses
Solid Waste Disposal Fund
For the Year Ended June 30, 2014

	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	\$ 108,202
Residential Waste Collection Charge	113,013
Tipping Fees	31,040
Solid Waste Disposal Fees	691,985
Total Charges for Current Services	<u>\$ 944,240</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Lease/Rentals	\$ 12,868
Sale of Recycled Materials	129,405
Miscellaneous Refunds	450
Total Other Local Revenues	<u>\$ 142,723</u>
Total Operating Revenues	<u>\$ 1,086,963</u>
<u>Nonoperating Revenues</u>	
Investment Income	\$ 813
Litter Program	43,038
Solid Waste Grants	168,484
Transfers In	4,502
Total Nonoperating Revenues	<u>\$ 216,837</u>
Total Revenues	<u><u>\$ 1,303,800</u></u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Sanitation Management</u>	
Supervisor/Director	\$ 48,759
Deputies	28,178
Data Processing Personnel	23,242

(Continued)

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

	Major Enterprise Fund
	<u>Solid Waste Disposal Fund</u>
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Sanitation Management (Cont.)</u>	
Equipment Operators	\$ 34,552
Equipment Operators - Heavy	29,232
Laborers	113,840
Clerical Personnel	25,684
Part-time Personnel	46,370
Longevity	9,300
Overtime Pay	5,992
Social Security	27,953
State Retirement	42,876
Medical Insurance	92,993
Advertising	485
Communication	2,811
Data Processing Services	2,378
Debt Collection Services	8,724
Legal Services	1,720
Maintenance and Repair Services - Buildings	7,077
Maintenance and Repair Services - Equipment	25,746
Maintenance and Repair Services - Vehicles	6,104
Pest Control	1,320
Postal Charges	3,220
Printing, Stationery, and Forms	454
Travel	907
Disposal Fees	268,615
Other Contracted Services	2,112
Custodial Supplies	1,115
Diesel Fuel	40,913
Electricity	17,046
Gasoline	1,635

(Continued)

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

	Major Enterprise Fund <hr/> Solid Waste <hr/> Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Sanitation Management (Cont.)</u>	
Lubricants	\$ 2,499
Office Supplies	2,299
Small Tools	978
Tires and Tubes	5,753
Uniforms	2,314
Utilities	4,736
Wire	3,470
Testing	2,050
Other Supplies and Materials	6,313
Trustee's Commission	9,441
Depreciation	91,099
Surcharge	5,575
Office Equipment	2,542
Solid Waste Equipment	38,635
Other Construction	2,000
Total Sanitation Management	<hr/> \$ 1,101,057 <hr/>
 <u>Litter and Trash Collection</u>	
Supervisor/Director	\$ 19,427
Instructional Supplies and Material	8,168
Other Charges	13,976
Total Other Charges	<hr/> \$ 41,571 <hr/>
 <u>Nonoperating Expenses</u>	
Interest on Notes	\$ 9,205
Total Nonoperating Expenses	<hr/> \$ 9,205 <hr/>
Total Expenses	<hr/> <hr/> \$ 1,151,833 <hr/> <hr/>

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, 2014

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 589,269
Total Cash Receipts	<u>\$ 589,269</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 583,376
Trustee's Commission	5,893
Total Cash Disbursements	<u>\$ 589,269</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2013	<u>0</u>
 Cash Balance, June 30, 2014	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2014, and the related notes to the financial statements, which collectively comprise Hickman County's basic financial statements, and have issued our report thereon dated September 16, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hickman County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Hickman County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or

significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 2014-005.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2014-001(B,C,D), 2014-002, 2014-003, and 2014-010.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hickman County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2014-001(A), 2014-004, 2014-006, 2014-007, 2014-008, and 2014-009.

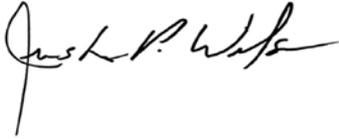
Hickman County's Responses to Findings

Hickman County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Hickman County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hickman County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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
Nashville, Tennessee

September 16, 2014

JPW/yu



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 for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Hickman County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Hickman County's major federal programs for the year ended June 30, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Hickman County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide legal determination of Hickman County's compliance.

Opinion on Each Major Federal Program

In our opinion, Hickman County complied, in all material respects, with the types of compliance 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, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and is described in the accompanying Schedule of Findings and Questioned Costs as items 2014-06 and 2014-11. Our opinion on each major federal program is not modified with respect to this matter.

Hickman County's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Hickman County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Hickman County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Hickman County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal

control over compliance, yet important enough to merit attention by those charged with governance.

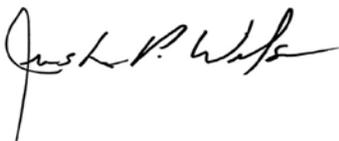
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2014, and the related notes to the financial statements, which collectively comprise Hickman County's basic financial statements. We issued our report thereon dated September 16, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 16, 2014

JPW/yu

Hickman County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2014

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	\$ 84,327 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	395,923
National School Lunch Program	10.555	N/A	947,652 (3)
Direct Program:			
Emergency Watershed Protection Program	10.923	6847412014	<u>624,202</u>
Total U.S. Department of Agriculture			<u>\$ 2,052,104</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	N/A	\$ 214,074 (4)
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii (Sewer System Improvements)	14.228	N/A	320,630 (4)
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM-09-26-01	<u>28,750</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 563,454</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z14-GHS160	<u>\$ 5,000</u>
Total U.S. Department of Transportation			<u>\$ 5,000</u>
U.S. Institute of Museums and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	N/A	<u>\$ 1,000</u>
Total U.S. Institute of Museums and Library Services			<u>\$ 1,000</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	N/A	\$ 108,849
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	862,365
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	742,644
Special Education - Preschool Grants	84.173	N/A	20,618
Career and Technical Education - Basic Grants to States	84.048	N/A	56,619
Improving Teacher Quality State Grants	84.367	N/A	129,640
Rural Education	84.358	N/A	56,528
State Fiscal Stabilization Fund - Race-to-the-Top, Incentive Grants, Recovery Act	84.395	N/A	<u>60,435</u>
Total U.S. Department of Education			<u>\$ 2,037,698</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	N/A	<u>\$ 24,619</u>
Total U.S. Election Assistance Commission			<u>\$ 24,619</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:			
Maternal and Child Health Services Block Grants to the States	93.994	GG-14-40533	\$ 3,956
Total U.S. Department of Health and Human Services			<u>\$ 3,956</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	34101-9200-1974	\$ 580,475
Homeland Security Grant Program	97.067	N/A	49,985
Total U.S. Department of Homeland Security			<u>\$ 630,460</u>
Total Expenditures of Federal Grants			<u>\$ 5,318,291</u>
<u>State Grants</u>			
Early Childhood Education - State Department of Education	N/A	(2)	\$ 422,611
Family Resource - State Department of Education	N/A	(2)	59,223
Coordinated School Health - State Department of Education	N/A	(2)	90,000
Statewide Student Management System - State Department of Education	N/A	(2)	9,425
Safe Schools Act - State Department of Education	N/A	(2)	24,400
Arts Student Ticket Subsidy - State Department of Education	N/A	(2)	500
ACT/Explorer/Plan Testing - State Department of Education	N/A	(2)	4,809
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	36,283
Internet Connectivity - State Department of Education	N/A	(2)	10,469
Archives Development Program Grant - Tennessee State Library and Archives	N/A	(2)	4,000
Arts Program Categorical Grants - Tennessee Arts Commission	N/A	(2)	2,900
Help America Vote Act Requirements Payments - Secretary of State	N/A	(2)	1,296
Local Health Services - State Department of Health	N/A	(2)	348,639
Litter Grant - State Department of Transportation	N/A	(2)	43,038
Optional Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	28,539
Recycling Hub and Spoke Grant - State Department of Environment and Conservation	N/A	(2)	139,945
SNAP Grant - Tennessee State Library and Archives	N/A	(2)	2,385
State Supplement Juvenile Court Improvement - State Commission on Children and Youth	N/A	(2)	4,500
Disaster Grants - State Department of Military	N/A	34101-9200-1974	5,864
Total State Grants			<u>\$ 1,238,826</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: \$1,031,979.
- (4) Total CFDA No. 14.228: \$534,704.

Hickman County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2014

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, 2013, which have not been corrected.

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-002	154	Multiple employees in the Office of Planning and Zoning operated from the same cash drawer

OFFICE OF ASSESSOR OF PROPERTY

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-006	156	The assessor did not maintain an adequate program of sales verification

OFFICE OF SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-010	160	The annual financial report was not accurate

DEPARTMENT OF SOLID WASTE

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-001	154	The Landfill Office's receipting software did not have adequate application controls

DEPARTMENT OF SOLID WASTE AND THE OFFICE OF CLERK AND MASTER

Finding Number	Page Number	Subject
2013-011	160	Duties were not segregated adequately

HICKMAN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Hickman County is unmodified.
2. The audit of the financial statements of Hickman County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed 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 unmodified opinion was issued on compliance for major programs.
6. The audit revealed one finding that is required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (CFDA No. 14.228), Title I Grants to Local Educational Agencies (CFDA No. 84.010), and Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036) 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 and the annual monitoring by the state Division of Property Assessments on assessors of property, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The finance director, road superintendent, director of schools, and director of solid waste provided written responses to their findings, which are paraphrased in this report. Other management officials did not provide written responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 2014-001

DEFICIENCIES WERE NOTED IN THE OPERATIONS OF THE AMBULANCE SERVICE

(A. – Noncompliance Under *Government Auditing Standards*; B., C., and D. – Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination of the Ambulance Service disclosed the following deficiencies, which exist due to a lack of management oversight.

- A. As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected 76 receipts issued by the Ambulance Service to trace to deposits. The office did not deposit funds with the county trustee within three days of collection for 49 of the 76 receipts tested. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.
- B. The list of accounts receivable at June 30, 2014, included numerous accounts with credit balances. This would indicate that more had been paid on the account than had been billed. Management was unable to provide an explanation to support the credit balances.
- C. The Ambulance Service write-off policy does not address what should be on file to document write-offs. Documentation for write-offs should include, at a minimum, a record that displays the patient's name, account number, amount to be written off, reason for the write-off, and the approving signature of an appropriate official. The Ambulance Committee has been approving write-offs in total only with no supporting documentation. Also, it should be noted that account adjustments and accounts turned over to collection agencies did not agree with totals approved by the committee.
- D. During the year examined, auditors noted courtesy discounts totaling \$1,293, employee discounts totaling \$3,963, and administrative adjustments totaling \$5,911. These discounts and adjustments were not addressed in the write-off policy, were not approved by the Ambulance Committee, and were not supported by any documentation.

RECOMMENDATION

The Ambulance Service should deposit all funds within three days of collection as required by state statute. Accounts receivable with credit balances should be reviewed by management for propriety. Department policies should include minimum documentation requirements for write-offs. If the Ambulance Committee intends to allow discounts and administrative adjustments, then the committee should have written policies and procedures addressing the courtesy discounts, employee discounts, and administrative adjustments.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

- A. The department head has met with staff to ensure that deposits are made in a timely matter.
- B. The Ambulance Service has a service agreement with a medical accounts receivable company, which handles all billings and accounts receivable. The department has met with this company to determine what the credit balances are and what action to take.
- C. The department is currently working on a new write-off policy. In July 2004, the Ambulance Committee passed a policy not to give out patient's information due to the HIPPA Privacy Act. The service company is working on a better report to differentiate between write-offs vs. collections.
- D. The department is currently working on a new write-off policy to address these issues.

FINDING 2014-002

MULTIPLE EMPLOYEES IN THE OFFICE OF PLANNING AND ZONING OPERATED FROM THE SAME CASH DRAWER

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

Multiple employees in the Office of Planning and Zoning operated from the same cash drawer. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency in internal controls was the result of a lack of management oversight for risks related to safeguarding assets and failure to correct the finding in the prior-year audit report.

RECOMMENDATION

Management should assign each employee their own cash drawer.

MANAGEMENT’S RESPONSE – FINANCE DIRECTOR

The Office of Planning and Zoning does not operate from a cash drawer. Payments are deposited daily and balanced.

AUDITOR’S COMMENT

The Office of Planning and Zoning keeps its daily collections in an unlocked filing cabinet inside the office until the funds are deposited with the county trustee. This cabinet is considered to be a cash drawer.

OFFICE OF DIRECTOR OF SOLID WASTE

FINDING 2014-003

THE RECEIPTING SOFTWARE FOR THE LANDFILL OFFICE DID NOT HAVE ADEQUATE APPLICATION CONTROLS

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

The software application did not provide a record of changes to previously issued receipts. Users had the capability to change information on receipts, leaving no evidence of the original information. Sound business practices dictate that proper application controls be implemented. This deficiency was reported to management in previous audit reports. At that time, management had contacted the vendor who informed them that the latest version of the software would correct the deficiencies. Management inquired about the purchase of the new version and was informed of the cost to upgrade. Management determined that there were not sufficient funds in the budget for the upgraded version of the software. In May 2014, the county began the process of internally developing software for the office to be installed in the 2014-15 fiscal year.

RECOMMENDATION

Management should make certain that the software being developed has proper controls to ensure the reliability and integrity of the information maintained by the system.

MANAGEMENT’S RESPONSE – DIRECTOR OF SOLID WASTE

Solid waste management is developing a program to fix this finding, and the program will be in operation by June 30, 2015.

FINDING 2014-004

SOLID WASTE DISPOSAL FUNDS TOTALING \$60 WERE STOLEN

(Noncompliance Under *Government Auditing Standards*)

On January 25, 2014, an employee at the Transfer Station discovered that \$60 had been stolen from her cash drawer. The employee stated that she had balanced her cash drawer that morning but had briefly left the drawer unattended twice during the day before discovering the funds were missing. The employee immediately notified her supervisor of the missing funds; however, a Fraud Reporting Form was not filed with the state Comptroller's Office as required by Section 8-4-503, *Tennessee Code Annotated (TCA)*. Auditors became aware of the cash shortage when we noted a check written to cash to replenish the cash drawer. The solid waste director filed a delinquent Fraud Reporting Form with the Comptroller's Office on March 27, 2014. The director was unable to determine who took the funds since other employees and county jail inmates on work release had access to the office. The office wrote off the cash shortage as uncollectible.

RECOMMENDATION

Management should continually monitor internal control procedures related to cash and ensure that access to the cash drawer is restricted. In addition, the Comptroller's Office should be informed of any suspected unlawful theft, forgery, credit card fraud, or any other act of unlawful taking, waste, or abuse of, or official misconduct within five working days of becoming aware of the situation.

MANAGEMENT'S RESPONSE – DIRECTOR OF SOLID WASTE

Solid waste management is installing a camera in the office at the transfer station to record all daily operations. At the time of the incident it was not brought to the solid waste director's attention of the necessity to file a Fraud Reporting Form as required by Section 8-4-503, *TCA*. The fraud report was subsequently filed on March 27, 2014.

OFFICE OF FINANCE DIRECTOR

FINDING 2014-005

THE SOLID WASTE DISPOSAL FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2014, certain general ledger account balances in the Solid Waste Disposal Fund were not materially correct, and audit adjustments totaling \$277,160 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Hickman County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its

accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

The Finance Office sets up receivables for the Solid Waste Department, but after reviewing the records with auditors, some adjustments were required. This deficiency will be corrected in the future.

FINDING 2014-006

THE OFFICE DID NOT PERFORM PASS-THROUGH SUBRECIPIENT MONITORING OF THE COMMUNITY DEVELOPMENT BLOCK GRANT

(Noncompliance Under *Government Auditing Standards* and
OMB Circular A-133)

Hickman County was awarded a Community Development Block Grant (CFDA No. 14.228) from the U.S. Department of Economic and Community Development totaling \$400,500 and passed these funds through to the Town of Centerville for sewer system improvements. OMB Circular A-133 and grant compliance requirements require the pass-through entity to:

- a. have a written agreement with the subrecipient that includes provisions for work performed, records, reports, program income, and administrative requirements;
- b. review the subrecipient's audits and require corrective action on any deficiencies identified by the audit; and
- c. monitor the subrecipient's use of federal funds to ensure the funds were used for authorized purposes.

There was no documentation that Hickman County, as the grant recipient, monitored the subrecipient as required by OMB Circular A-133 and grant compliance requirements. This deficiency can be attributed to a lack of management oversight. The failure to monitor subrecipients could result in unauthorized use of federal grant funds.

RECOMMENDATION

Hickman County, as the recipient of federal grant awards with pass-through provisions, should monitor subrecipients as required by federal regulations.

MANAGEMENT’S RESPONSE – FINANCE DIRECTOR

The South Central Tennessee Development District was the grant administrator for the county; therefore, the Finance Department was not aware that the department was responsible for the monitoring of this grant passed to the city government.

FINDING 2014-007 **THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES**
(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 44 disbursements totaling \$827,902 from a population of 7,125 vendor checks totaling \$36,364,592. Our examination revealed the following deficiencies, which are the result of a lack of management oversight.

- A. The Highway Department purchased tires (\$21,822) from a vendor who had been awarded the state contract; however, the specific brands of tires awarded on that contract were not always purchased by the department. The failure to make purchases in compliance with the state contract could result in the county paying more than the most competitive price.

- B. The School Department solicited bids for restroom sink vanity tops (\$15,586); however, bid specifications were brand specific. Using bid specifications that apply only to a particular brand violates the intent of the county’s purchasing law.

Purchases for Hickman County are governed by the County Financial Management System of 1981, Sections 5-21-101 through 5-21-130, *Tennessee Code Annotated*. This act provides that the finance director or a deputy appointed by the finance director serve as the purchasing agent, and that competitive bids be solicited for purchases exceeding the \$10,000 bid limit authorized by the financial management committee.

RECOMMENDATION

The finance director or a deputy appointed by the finance director should make all purchases and solicit all bids as required by the County Financial Management System of 1981, not individual departments. Purchases made from a state contract vendor should comply with provisions of the contract. The office should develop bid specifications that are not brand specific. Bids should be evaluated on the basis of several criteria, including price, quality, availability, warranty, maintenance costs, experience, etc.

MANAGEMENT’S RESPONSE – FINANCE DIRECTOR

- A. The Highway Department purchased from the state contract vendor, but purchased a cheaper tire that was not on the list. The Finance Department has discussed with the Highway Department proper procedures to correct this issue in the future.

MANAGEMENT’S RESPONSE – ROAD SUPERINTENDENT

- A. In the future, the Highway Department will purchase only the specific brands of tires on the state contract through state contract awarded vendors.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

- B. I agree with the finding. It is not our practice to bid items brand specific unless there is a sole source or other lawful qualifier. However, in this instance, the bid failed to include the phrase “or other comparable products.” We will be more diligent in proofreading our bids.
-

OFFICE OF ASSESSOR OF PROPERTY

FINDING 2014-008 **THE ASSESSOR DID NOT MAINTAIN AN ADEQUATE PROGRAM OF SALES VERIFICATION**
(Noncompliance Under *Government Auditing Standards*)

The assessor did not maintain an adequate program of sales verification. Section 67-5-1601, *Tennessee Code Annotated*, requires the assessor to maintain an adequate program of real property sales verifications in accordance with procedures and rules established by the state Board of Equalization. This deficiency can be attributed to the failure of management to maintain adequate records of sales and rejections in analyzing reappraisals, sales ratio studies, current value update programs, and other reporting services, and management’s failure to correct the finding noted in the prior-year audit report. This deficiency resulted in a lack of sufficient documentation to verify sales during reappraisals, sales ratio studies, and current value update programs.

RECOMMENDATION

The assessor should maintain an adequate program of sales verifications as required by state statute.

OFFICE OF SHERIFF

FINDING 2014-009 **THE ANNUAL FINANCIAL REPORT WAS NOT ACCURATE**
(Noncompliance Under *Government Auditing Standards*)

The office prepared and filed its annual financial report as required by Section 5-8-505, *Tennessee Code Annotated*; however, the report did not include the commissary and canine bank account funds. This deficiency is the result of a lack of management oversight and management’s failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

All financial activity of the office should be reflected on its annual financial report.

DEPARTMENT OF SOLID WASTE AND THE OFFICE OF CLERK AND MASTER

FINDING 2014-010

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 Department of Solid Waste and in the Office of Clerk and Master. Employees who were responsible for maintaining accounting records in the offices were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF SOLID WASTE

Solid waste management has designated one of its two employees to make up the daily deposit, and the other employee to initial the deposit before it leaves the office. If one of the two employees is absent, then the solid waste director or another office employee in the administration building can initial off on the deposit prior to the deposit going to the Trustee's Office.

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

Federal CFDA Number	Pass-through Agency	Finding Number	Criteria	Explanation	Amount Questioned
2014-011	U.S. Department of Housing and Urban Development: Passed-through Tennessee Housing Development Agency: Community Development Block Grant/State's Program and Non Entitlement in Hawaii	14.228	Circular A-133, Compliance Supplement Part 3M	Noncompliance - See Finding No. 2014-006 Hickman County did not perform monitoring of the Community Development Block Grant subrecipient	\$ 0

HICKMAN COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2014

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

Finance Director – Corrective Action Plan for Current-Year's Findings

FINDINGS 2014-006 and 2014-011

Contact person: Annette Elliott

Corrective action planned: Hickman County will execute a written agreement with the subrecipient, review subrecipient's audit, and monitor the subrecipient's use of federal funds to ensure that compliance requirements are met for the Community Development Block Grant.

Anticipated completion date: 2014-15