

**ANNUAL FINANCIAL REPORT**  
**HICKMAN COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2015**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT  
HICKMAN COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2015**

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

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

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

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***DONYA WADE, CFE  
TAYLOR ERSKIN  
WENDY HEATH, CFE  
State Auditors***

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

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# ***Summary of Audit Findings***

Annual Financial Report  
Hickman County, Tennessee  
For the Year Ended June 30, 2015

## ***Scope***

We have audited the basic financial statements of Hickman County as of and for the year ended June 30, 2015.

## ***Results***

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

Our audit resulted in five 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**

- ◆ The Ambulance Service had operating deficiencies.
- ◆ Multiple employees in the Office of Planning and Zoning operated from the same cash drawer.

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### **OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

- ◆ A cash shortage of at least \$1,106 existed at June 30, 2015.
- ◆ The docket trial balance was not reconciled with cash control records.

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### **DEPARTMENT OF SOLID WASTE AND THE OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND CLERK AND MASTER**

- ◆ Duties were not segregated adequately.

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# INTRODUCTORY SECTION

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Hickman County Officials  
June 30, 2015

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**Officials**

Shaun Lawson, 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**

Keith Nash, Chairman	Steve Phillips
Christie McDaniel	Kenneth Bates
Billy Blackwell	Ricky Murray
Danny Clark	Todd Collins
Chris Chilton	Clay Chessor
Tom Isbell	Gary Hanes
John Deal	Wayne Thomasson
Dusty Jordan	Ronny George
James Hassell	Susan Sullivan
Mark McFarlin	Frankye Ward
John Porch	

**Financial Management Committee**

Shaun Lawson, County Mayor, Chairman	Keith Nash
Tom Isbell	Steve Phillips
Gary Hanes	Ronald Coates, Road Superintendent
Jerry Nash, Director of Schools	

**Highway Commission**

Carl Sullivan, Chairman	David Redden
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.  
Amy Bryant  
Timothy Hobbs

Jewell Prince  
Kathy Redden  
James Hudgins

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

James Hassell, Chairman  
John Porch  
Kenneth Bates  
Danny Clark

Jack Keller  
Chris Chilton  
Annette Elliott, Finance Director

### **Audit Committee**

Steve Phillips  
Keith Nash  
Wayne Thomasson  
Todd Collins

Dave Mensel  
Treba Fielder  
Robert Bowman

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## **FINANCIAL SECTION**

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

Independent Auditor's Report

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, 2015, 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, 2015, 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. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contribution Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to these matters.

### ***Emphasis of Matter***

We draw attention to Note I.D.9 to the financial statements, which describes a restatement decreasing beginning Governmental Activities net position by \$503,912, Business-type Activities net position by \$32,165, and discretely presented Hickman County School Department net position by \$5,120,038 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to these matters.

## ***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 schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress – other postemployment benefits plans on pages 86-92 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,

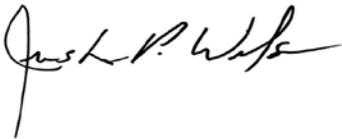
including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the 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 21, 2015, 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,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

September 21, 2015

JPW/sb

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# **BASIC FINANCIAL STATEMENTS**

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Exhibit A

Hickman County, Tennessee  
Statement of Net Position  
June 30, 2015

	Primary Government		Component Units	
	Governmental Activities	Business-type Activities	Hickman County School Department	Hickman County Health Foundation
<u>ASSETS</u>				
Cash	\$ 40,350	\$ 550	\$ 1,729,376	\$ 2,218,439
Equity in Pooled Cash and Investments	6,535,475	423,770	6,073,369	0
Accounts Receivable	2,991,543	652,858	16,114	0
Allowance for Uncollectibles	(2,147,382)	(467,912)	0	0
Due from Other Governments	738,822	0	375,196	0
Property Taxes Receivable	6,614,362	0	3,324,878	0
Allowance for Uncollectible Property Taxes	(148,130)	0	(74,326)	0
Restricted Assets:				
Other Restricted Assets	164,650	0	0	0
Net Pension Asset - Cost Share Plan	0	0	56,973	0
Capital Assets:				
Assets Not Depreciated:				
Land	209,514	111,004	1,018,261	0
Construction in Progress	818,588	0	0	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	9,923,628	715,111	36,826,152	0
Other Capital Assets	1,240,057	555,079	4,091,598	0
Infrastructure	22,017,479	0	19,498	0
Total Assets	\$ 48,998,956	\$ 1,990,460	\$ 53,457,089	\$ 2,218,439
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Changes in Experience	\$ 48,341	\$ 3,086	\$ 191,246	\$ 0
Pension Changes in Contributions after Measurement Date	728,976	45,446	1,594,467	0
Total Deferred Outflows of Resources	\$ 777,317	\$ 48,532	\$ 1,785,713	\$ 0
<u>LIABILITIES</u>				
Accounts Payable	\$ 41,764	\$ 30,861	\$ 440,396	\$ 0
Payroll Deduction Payable	2,579	0	289,891	0
Retainage Payable	27,753	0	0	0
Accrued Interest Payable	17,966	0	0	0
Noncurrent Liabilities:				
Due Within One Year	2,700,808	54,365	0	0
Due in More Than One Year	27,784,308	264,056	1,091,788	0
Total Liabilities	\$ 30,575,178	\$ 349,282	\$ 1,822,075	\$ 0

(Continued)





Exhibit B

Hickman County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units	
					Governmental Activities	Business-type Activities	Hickman County School Department	Hickman County Health Foundation
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes		\$ 5,431,339	\$ 0	\$ 0	\$ 5,431,339	\$ 3,137,252	\$ 0	0
Property Taxes Levied for Debt Service		941,896	0	0	941,896	0	0	0
Local Option Sales Tax		733,402	0	0	733,402	1,390,705	0	0
Wheel Tax		1,033,343	0	0	1,033,343	0	0	0
Wholesale Beer Tax		203,419	0	0	203,419	0	0	0
Adequate Facilities/Development Tax		93,729	0	0	93,729	0	0	0
Litigation Tax - General		95,177	0	0	95,177	0	0	0
Mineral Severance Tax		55,027	0	0	55,027	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse		84,120	0	0	84,120	0	0	0
Business Tax		73,196	0	0	73,196	0	0	0
Other Local Taxes		45,141	0	0	45,141	38,622	0	0
Grants and Contributions Not Restricted to Specific Programs		735,352	0	0	735,352	21,040,252	0	0
Unrestricted Investment Income		11,797	342	0	12,139	180	17,154	0
Miscellaneous		27,627	148,384	0	176,011	231,092	0	0
Pension Income		0	0	0	0	51,789	0	0
Insurance Recovery		33,005	0	0	33,005	11,255	0	0
Total General Revenues		\$ 9,597,570	\$ 148,726	\$ 0	\$ 9,746,296	\$ 25,901,147	\$ 17,154	0
Change in Net Position		\$ 4,434,503	\$ 9,666	\$ 4,444,169	\$ 4,444,169	\$ (470,306)	\$ (5,314)	0
Net Position, July 1, 2014		8,374,210	1,665,565	10,039,775	10,039,775	50,397,232	2,223,753	0
Restatement - Pension Liability (See Note I.D.9)		(503,912)	(32,165)	(536,077)	(536,077)	(5,120,038)	0	0
Net Position, June 30, 2015		\$ 12,304,801	\$ 1,643,066	\$ 13,947,867	\$ 13,947,867	\$ 44,806,888	\$ 2,218,439	0

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

Exhibit C-1

Hickman County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2015

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
Cash	\$ 40,350	\$ 0	\$ 0	\$ 0	\$ 0	40,350
Equity in Pooled Cash and Investments	2,158,884	1,551,160	2,041,845	783,586	0	6,535,475
Accounts Receivable	2,868,629	703	90,965	31,246	0	2,991,543
Allowance for Uncollectibles	(2,147,382)	0	0	0	0	(2,147,382)
Due from Other Governments	220,140	393,442	119,699	5,541	0	738,822
Property Taxes Receivable	5,415,604	273,970	924,788	0	0	6,614,362
Allowance for Uncollectible Property Taxes	(121,209)	(6,132)	(20,789)	0	0	(148,130)
Restricted Assets:						
Other Restricted Assets	164,650	0	0	0	0	164,650
Total Assets	\$ 8,599,666	\$ 2,213,143	\$ 3,156,508	\$ 820,373	\$ 0	14,789,690

ASSETS

Cash  
Equity in Pooled Cash and Investments  
Accounts Receivable  
Allowance for Uncollectibles  
Due from Other Governments  
Property Taxes Receivable  
Allowance for Uncollectible Property Taxes  
Restricted Assets:  
    Other Restricted Assets

Total Assets

LIABILITIES

Accounts Payable  
Payroll Deductions Payable  
Retainage Payable  
Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes  
Deferred Delinquent Property Taxes  
Other Deferred/Unavailable Revenue  
Total Deferred Inflows of Resources

(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	Other	Governmental Funds	
<b>FUND BALANCES</b>						
Nonspendable:						
Endowments	\$ 164,650	\$ 0	\$ 0	\$ 0	\$ 0	164,650
Restricted:						
Restricted for General Government	43,927	0	0	471,995	0	515,922
Restricted for Administration of Justice	154,079	0	0	0	0	154,079
Restricted for Public Safety	757,960	0	0	167,190	0	925,150
Restricted for Public Health and Welfare	66,409	0	0	0	0	66,409
Restricted for Social, Cultural, and Recreational Services	167,248	0	0	0	0	167,248
Restricted for Highways/Public Works	0	1,774,526	0	0	0	1,774,526
Restricted for Debt Service	0	0	2,193,269	81,045	0	2,274,314
Restricted for Capital Projects	0	0	0	72,390	0	72,390
Committed:						
Committed for General Government	38,781	0	0	0	0	38,781
Assigned:						
Assigned for Finance	4,000	0	0	0	0	4,000
Assigned for Public Health and Welfare	3,262	0	0	0	0	3,262
Unassigned	1,288,569	0	0	0	0	1,288,569
<b>Total Fund Balances</b>	<b>\$ 2,688,885</b>	<b>\$ 1,774,526</b>	<b>\$ 2,193,269</b>	<b>\$ 792,620</b>	<b>\$ 0</b>	<b>\$ 7,449,300</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 8,599,666</b>	<b>\$ 2,213,143</b>	<b>\$ 3,156,508</b>	<b>\$ 820,373</b>	<b>\$ 0</b>	<b>\$ 14,789,690</b>

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, 2015

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)		\$ 7,449,300
(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	818,588	
Add: buildings and improvements net of accumulated depreciation	9,923,628	
Add: infrastructure net of accumulated depreciation	22,017,479	
Add: other capital assets net of accumulated depreciation	<u>1,240,057</u>	34,209,266
(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	\$ (452,738)	
Less: other loans payable	(29,604,172)	
Less: compensated absences payable	(223,900)	
Less: other postemployment benefits liability	(166,850)	
Less: net pension liability - agent plan	(37,456)	
Less: accrued interest on bonds and notes	<u>(17,966)</u>	(30,503,082)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 777,317	
Less: deferred inflows of resources related to pensions	<u>(730,750)</u>	46,567
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,102,750</u>
Net position of governmental activities (Exhibit A)		<u>\$ 12,304,801</u>

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

Hickman County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2015

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds		
<u>Revenues</u>						
Local Taxes	\$ 5,732,317	\$ 320,676	\$ 2,420,720	\$ 403,747	\$	8,877,460
Licenses and Permits	77,776	0	0	0	0	77,776
Fines, Forfeitures, and Penalties	174,033	0	0	65,882	0	239,915
Charges for Current Services	1,299,568	2,990	0	570	0	1,303,128
Other Local Revenues	44,805	13,530	10,550	0	0	68,885
Fees Received from County Officials	1,053,984	0	0	0	0	1,053,984
State of Tennessee	1,606,613	2,093,725	77,013	0	0	3,777,351
Federal Government	47,515	1,334,048	0	679,616	0	2,061,179
Other Governments and Citizens Groups	105,526	7,129	0	0	0	112,655
Total Revenues	\$ 10,142,137	\$ 3,772,098	\$ 2,508,283	\$ 1,149,815	\$	17,572,333
<u>Expenditures</u>						
Current:						
General Government	\$ 1,266,758	\$ 0	\$ 0	\$ 948	\$	1,267,706
Finance	895,031	0	0	0	0	895,031
Administration of Justice	655,160	0	0	570	0	655,730
Public Safety	2,806,708	0	0	69,840	0	2,876,548
Public Health and Welfare	1,803,145	0	0	0	0	1,803,145
Social, Cultural, and Recreational Services	210,099	0	0	0	0	210,099
Agriculture and Natural Resources	58,231	0	0	0	0	58,231
Other Operations	3,072,593	0	0	0	0	3,072,593
Highways	0	3,427,605	0	0	0	3,427,605
Debt Service:						
Principal on Debt	0	0	2,391,951	614,000	0	3,005,951
Interest on Debt	0	0	201,070	5,914	0	206,984
Other Debt Service	0	0	331,130	36,936	0	368,066

(Continued)

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	Other	Governmental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 959,123	\$ 959,123	\$ 959,123
Total Expenditures	\$ 10,767,725	\$ 3,427,605	\$ 2,924,151	\$ 1,687,331	\$ 1,687,331	\$ 18,806,812
Excess (Deficiency) of Revenues Over Expenditures	\$ (625,588)	\$ 344,493	\$ (415,868)	\$ (537,516)	\$ (537,516)	\$ (1,234,479)
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 100,000	\$ 100,000
Insurance Recovery	21,980	0	0	11,025	11,025	33,005
Transfers In	33,044	32,784	486,638	242,773	242,773	795,239
Transfers Out	(62,057)	(33,044)	(213,500)	(486,638)	(486,638)	(795,239)
Total Other Financing Sources (Uses)	\$ (7,033)	\$ (260)	\$ 273,138	\$ (132,840)	\$ (132,840)	\$ 133,005
Net Change in Fund Balances	\$ (632,621)	\$ 344,233	\$ (142,730)	\$ (670,356)	\$ (670,356)	\$ (1,101,474)
Fund Balance, July 1, 2014	3,321,506	1,430,293	2,335,999	1,462,976	1,462,976	8,550,774
Fund Balance, June 30, 2015	\$ 2,688,885	\$ 1,774,526	\$ 2,193,269	\$ 792,620	\$ 792,620	\$ 7,449,300

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

Exhibit C-4

Hickman County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2015

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (1,101,474)
(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	\$ 3,415,288	
Less: current-year depreciation expense	<u>(1,393,652)</u>	2,021,636
(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, 2014	\$ (1,005,088)	
Add: deferred delinquent property taxes and other deferred June 30, 2015	<u>1,102,750</u>	97,662
(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: note proceeds	\$ (100,000)	
Add: principal payments on notes	300,009	
Add: principal payments on other loans	<u>2,705,942</u>	2,905,951
(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	\$ (12,468)	
Change in compensated absences payable	56,751	
Change in net pension liability/asset	466,456	
Change in deferred outflows related to pensions	777,317	
Change in deferred inflows related to pensions	(730,750)	
Change in other postemployment benefits liability	<u>(46,578)</u>	<u>510,728</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,434,503</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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,732,317	\$ 5,728,860	\$ 5,728,860	\$ 3,457
Licenses and Permits	77,776	73,200	73,200	4,576
Fines, Forfeitures, and Penalties	174,033	154,976	154,976	19,057
Charges for Current Services	1,299,568	1,162,567	1,162,567	137,001
Other Local Revenues	44,805	36,550	38,948	5,857
Fees Received from County Officials	1,053,984	1,048,654	1,048,654	5,330
State of Tennessee	1,606,613	1,497,129	1,513,073	93,540
Federal Government	47,515	51,504	51,504	(3,989)
Other Governments and Citizens Groups	105,526	105,000	105,500	26
<b>Total Revenues</b>	<b>\$ 10,142,137</b>	<b>\$ 9,858,440</b>	<b>\$ 9,877,282</b>	<b>\$ 264,855</b>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 67,071	\$ 73,900	\$ 72,900	\$ 5,829
Board of Equalization	2,550	3,500	3,500	950
Beer Board	84	1,000	1,000	916
County Mayor/Executive	124,187	128,552	128,552	4,365
County Attorney	10,094	27,500	27,500	17,406
Election Commission	184,171	195,891	195,891	11,720
Register of Deeds	128,682	141,984	141,984	13,302
Planning	96,751	102,312	102,312	5,561
County Buildings	212,094	285,948	285,948	73,854
Other Facilities	387,478	478,500	478,500	91,022
Other General Administration	20,844	21,500	21,500	656
Preservation of Records	32,752	33,197	38,097	5,345
<u>Finance</u>				
Accounting and Budgeting	239,524	253,071	253,071	13,547
Property Assessor's Office	217,158	253,041	253,041	35,883
County Trustee's Office	188,326	191,926	191,926	3,600
County Clerk's Office	250,023	247,037	254,344	4,321
<u>Administration of Justice</u>				
Circuit Court	276,935	298,425	303,425	26,490
General Sessions Court	193,295	195,155	195,155	1,860
Chancery Court	150,488	154,902	157,742	7,254
Judicial Commissioners	34,298	37,832	37,832	3,534
Courtroom Security	144	2,500	2,500	2,356
<u>Public Safety</u>				
Sheriff's Department	1,565,231	1,761,523	1,743,078	177,847
Jail	1,020,202	1,036,896	1,090,896	70,694
Fire Prevention and Control	12,310	22,000	14,767	2,457
Civil Defense	155,721	166,153	173,887	18,166
Rescue Squad	20,929	10,000	20,929	0
County Coroner/Medical Examiner	32,315	28,900	33,340	1,025
<u>Public Health and Welfare</u>				
Local Health Center	45,740	50,601	50,601	4,861
Ambulance/Emergency Medical Services	1,479,894	1,635,828	1,668,328	188,434
Alcohol and Drug Programs	21,008	28,701	28,701	7,693
Other Local Health Services	234,595	272,500	272,500	37,905
Other Public Health and Welfare	21,908	37,665	51,558	29,650

(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	202,599	211,016	211,016	8,417
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	34,515	54,373	54,373	19,858
Soil Conservation	23,716	37,208	37,208	13,492
<u>Other Operations</u>				
Tourism	5,000	1,000	5,000	0
Industrial Development	49,685	49,686	49,686	1
Other Economic and Community Development	0	2,000	2,000	2,000
Veterans' Services	21,250	21,500	21,500	250
Other Charges	539,432	585,000	567,000	27,568
Employee Benefits	2,349,558	2,374,771	2,392,771	43,213
Miscellaneous	107,668	122,300	122,771	15,103
Total Expenditures	\$ 10,767,725	\$ 11,644,794	\$ 11,766,130	\$ 998,405
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (625,588)	\$ (1,786,354)	\$ (1,888,848)	\$ 1,263,260
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 21,980	\$ 10,000	\$ 28,697	\$ (6,717)
Transfers In	33,044	33,044	33,044	0
Transfers Out	(62,057)	(32,784)	(62,057)	0
Total Other Financing Sources	\$ (7,033)	\$ 10,260	\$ (316)	\$ (6,717)
Net Change in Fund Balance	\$ (632,621)	\$ (1,776,094)	\$ (1,889,164)	\$ 1,256,543
Fund Balance, July 1, 2014	3,321,506	3,200,000	3,200,000	121,506
Fund Balance, June 30, 2015	\$ 2,688,885	\$ 1,423,906	\$ 1,310,836	\$ 1,378,049

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 320,676	\$ 356,189	\$ 356,189	\$ (35,513)
Charges for Current Services	2,990	6,100	6,100	(3,110)
Other Local Revenues	13,530	18,500	18,500	(4,970)
State of Tennessee	2,093,725	2,451,990	2,451,990	(358,265)
Federal Government	1,334,048	888,158	888,158	445,890
Other Governments and Citizens Groups	7,129	0	0	7,129
Total Revenues	<u>\$ 3,772,098</u>	<u>\$ 3,720,937</u>	<u>\$ 3,720,937</u>	<u>\$ 51,161</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 197,102	\$ 202,010	\$ 202,010	\$ 4,908
Highway and Bridge Maintenance	1,291,544	1,298,584	1,473,584	182,040
Operation and Maintenance of Equipment	382,545	563,271	563,271	180,726
Other Charges	77,570	92,200	92,200	14,630
Employee Benefits	699,968	773,242	773,242	73,274
Capital Outlay	778,876	823,000	823,000	44,124
Total Expenditures	<u>\$ 3,427,605</u>	<u>\$ 3,752,307</u>	<u>\$ 3,927,307</u>	<u>\$ 499,702</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 344,493</u>	<u>\$ (31,370)</u>	<u>\$ (206,370)</u>	<u>\$ 550,863</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 32,784	\$ 32,784	\$ 32,784	\$ 0
Transfers Out	(33,044)	(33,044)	(33,044)	0
Total Other Financing Sources	<u>\$ (260)</u>	<u>\$ (260)</u>	<u>\$ (260)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 344,233	\$ (31,630)	\$ (206,630)	\$ 550,863
Fund Balance, July 1, 2014	<u>1,430,293</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>230,293</u>
Fund Balance, June 30, 2015	<u>\$ 1,774,526</u>	<u>\$ 1,168,370</u>	<u>\$ 993,370</u>	<u>\$ 781,156</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, 2015

	<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	423,770
Accounts Receivable	652,858
Allowance for Uncollectibles	(467,912)
Total Current Assets	<u>\$ 609,266</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 111,004
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	715,111
Other Capital Assets	555,079
Total Noncurrent Assets	<u>\$ 1,381,194</u>
Total Assets	<u>\$ 1,990,460</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension Changes in Experience	\$ 3,086
Pension Other Deferrals	45,446
Total Deferred Outflows of Resources	<u>\$ 48,532</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 30,861
Capital Outlay Notes Payable	37,500
Accrued Leave	6,193
Accrued Liability for Landfill Closure/Postclosure Care Costs	10,672
Total Current Liabilities	<u>\$ 85,226</u>
Noncurrent Liabilities:	
Capital Outlay Notes Payable	\$ 112,500
Accrued Leave	18,580
Accrued Liability for Landfill Closure/Postclosure Care Costs	118,026
Net Pension Liability	2,391
Other Postemployment Benefits	12,559
Total Noncurrent Liabilities	<u>\$ 264,056</u>
Total Liabilities	<u>\$ 349,282</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Changes in Investment Earnings	\$ 46,644
Total Deferred Inflows of Resources	<u>\$ 46,644</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 1,231,194
Unrestricted	411,872
Total Net Position	<u>\$ 1,643,066</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, 2015

	Business-type Activities - Major Enterprise Fund <hr/> Solid Waste Disposal Fund <hr/>
<u>Operating Revenues</u>	
Charges for Current Services	\$ 966,193
Other Local Revenues	169,748
Total Operating Revenues	<u>\$ 1,135,941</u>
<u>Operating Expenses</u>	
Sanitation Management	\$ 1,006,573
Litter and Trash Collection	41,300
Depreciation	116,214
Total Operating Expenses	<u>\$ 1,164,087</u>
Operating Income (Loss)	<u>\$ (28,146)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 342
Interest Expense	(7,678)
Solid Waste Grants	45,148
Total Nonoperating Revenues (Expenses)	<u>\$ 37,812</u>
Change in Net Position	\$ 9,666
Net Position, July 1, 2014	1,665,565
Restatement - Pension Liability (See Note I.D.9)	<u>(32,165)</u>
Net Position, June 30, 2015	<u><u>\$ 1,643,066</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, 2015

	Business-type Activities - Major Enterprise Fund Solid Waste Disposal Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 1,118,575
Payments to Employees	(554,773)
Payments for Waste Collection and Disposal Activity	(488,527)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 75,275</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	\$ (22,540)
Principal Paid on Notes	(37,500)
Interest Paid on Notes	(7,678)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (67,718)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Grants Received	\$ 194,826
Pension Contributions	(31,662)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 163,164</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 342
Net Cash Provided By (Used In) Investing Activities	<u>\$ 342</u>
Increase (Decrease) in Cash	\$ 171,063
Cash, July 1, 2014	<u>253,257</u>
Cash, June 30, 2015	<u>\$ 424,320</u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (28,146)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	116,214
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(62,693)
(Increase) Decrease in Allowance for Uncollectibles	45,327
Increase (Decrease) in Accounts Payable	7,347
Increase (Decrease) in Accrued Leave	3,756
Increase (Decrease) in Accrued Liability for Landfill Closure/Postclosure	(10,036)
Increase (Decrease) in Other Postemployment Benefits	3,506
Net Cash Provided By (Used In) Operating Activities	<u>\$ 75,275</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>423,770</u>
Cash, June 30, 2015	<u>\$ 424,320</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, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,130,721
Accounts Receivable	3,673
Due from Other Governments	110,933
Cash Shortage	<u>1,106</u>
Total Assets	<u>\$ 2,246,433</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 110,933
Due to Litigants, Heirs, and Others	<u>2,135,500</u>
Total Liabilities	<u>\$ 2,246,433</u>

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

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## HICKMAN COUNTY, TENNESSEE

### Index of Notes to the Financial Statements

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**HICKMAN COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**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  
550 Autumn Prairie Drive  
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, 2015.

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.

Hickman County reports the following major proprietary fund:

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

Additionally, Hickman County reports the following fund types:

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

**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 foundations 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.

Retainage payable in the primary government's nonmajor governmental funds represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the nonmajor governmental funds.

**3. Restricted Assets**

Certain resources set aside for library operations are classified as restricted assets on the governmental funds 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.

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. Deferred outflows of resources represent 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 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 items are for pension changes in experience and pension changes in employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent 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 items are from the following sources: current and delinquent property taxes, pension changes in investment earnings, changes in proportionate share of contributions, 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.

**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, pension liabilities, 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, 2015, Hickman County had \$23,719,110 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.

**9. Restatements**

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a new pension liability in their Statement of Net Position. Therefore, a restatement to Hickman County's net position totaling (\$536,077) has been recognized in the Statement of Activities for the governmental activities (\$503,912) and the business-type activities (\$32,165). In addition, a restatement to the Hickman County School Department's beginning net position totaling (\$5,120,038) has been recognized in the Statement of Activities for liabilities of the pension agent plan (\$551,741) and the pension cost-sharing plan (\$4,568,297).

**E. Pension Plans**

**Primary Government**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Hickman County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Hickman County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

**Discretely Presented Hickman County School Department**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the

benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

## **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 Office of Circuit and General Sessions Courts Clerk had a cash shortage of at least \$1,106 as of June 30, 2015. Details of this cash shortage are discussed in the Schedule of Findings and Questions Costs section of this report.

#### 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, 2015, 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	3 to 139	N/A	\$ 705,394

**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, 2015, 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, 2015, was as follows:

## Primary Government

### Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 209,514	\$ 0	\$ 0	\$ 209,514
Construction in Progress	242,213	2,437,921	(1,861,546)	818,588
Total Capital Assets Not Depreciated	<u>\$ 451,727</u>	<u>\$ 2,437,921</u>	<u>\$ (1,861,546)</u>	<u>\$ 1,028,102</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,111,748	\$ 1,861,546	\$ 0	\$ 12,973,294
Other Capital Assets	3,462,769	660,778	(23,500)	4,100,047
Infrastructure	49,214,839	316,589	0	49,531,428
Total Capital Assets Depreciated	<u>\$ 63,789,356</u>	<u>\$ 2,838,913</u>	<u>\$ (23,500)</u>	<u>\$ 66,604,769</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,762,379	\$ 287,287	\$ 0	\$ 3,049,666
Other Capital Assets	2,681,925	201,565	(23,500)	2,859,990
Infrastructure	26,609,149	904,800	0	27,513,949
Total Accumulated Depreciation	<u>\$ 32,053,453</u>	<u>\$ 1,393,652</u>	<u>\$ (23,500)</u>	<u>\$ 33,423,605</u>
Total Capital Assets Depreciated, Net	<u>\$ 31,735,903</u>	<u>\$ 1,445,261</u>	<u>\$ 0</u>	<u>\$ 33,181,164</u>
Governmental Activities Capital Assets, Net	<u>\$ 32,187,630</u>	<u>\$ 3,883,182</u>	<u>\$ (1,861,546)</u>	<u>\$ 34,209,266</u>

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

### Governmental Activities:

General Government	\$ 51,112
Administration of Justice	39,896
Public Safety	225,965
Public Health and Welfare	103,937
Social, Cultural, and Recreational Services	8,398
Highway/Public Works	<u>964,344</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,393,652</u>

**Business-type Activities:**

	Balance 7-1-14	Increases	Balance 6-30-15
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	1,278,612	22,540	1,301,152
Total Capital Assets Depreciated	<u>\$ 2,356,191</u>	<u>\$ 22,540</u>	<u>\$ 2,378,731</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 335,529	\$ 26,939	\$ 362,468
Other Capital Assets	656,798	89,275	746,073
Total Accumulated Depreciation	<u>\$ 992,327</u>	<u>\$ 116,214</u>	<u>\$ 1,108,541</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,363,864</u>	<u>\$ (93,674)</u>	<u>\$ 1,270,190</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,474,868</u>	<u>\$ (93,674)</u>	<u>\$ 1,381,194</u>

There were no decreases in capital assets to report during the year ended June 30, 2015.

Depreciation expense totaling \$116,214 was charged to the Sanitation Management function of the Solid Waste Disposal Fund (enterprise fund).

**Discretely Presented Hickman County School Department**

**Governmental Activities:**

	Balance 7-1-14	Increases	Balance 6-30-15
	<hr/>		<hr/>
Capital Assets Not Depreciated:			
Land	\$ 1,018,261	\$ 0	\$ 1,018,261
Total Capital Assets Not Depreciated	<hr/> \$ 1,018,261	<hr/> \$ 0	<hr/> \$ 1,018,261
Capital Assets Depreciated:			
Buildings and Improvements	\$ 60,819,190	\$ 318,398	\$ 61,137,588
Other Capital Assets Infrastructure	8,355,595 27,206	505,355 0	8,860,950 27,206
Total Capital Assets Depreciated	<hr/> \$ 69,201,991	<hr/> \$ 823,753	<hr/> \$ 70,025,744
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 22,629,382	\$ 1,682,054	\$ 24,311,436
Other Capital Assets Infrastructure	4,328,467 6,348	440,885 1,360	4,769,352 7,708
Total Accumulated Depreciation	<hr/> \$ 26,964,197	<hr/> \$ 2,124,299	<hr/> \$ 29,088,496
Total Capital Assets Depreciated, Net	<hr/> \$ 42,237,794	<hr/> \$ (1,300,546)	<hr/> \$ 40,937,248
Governmental Activities Capital Assets, Net	<hr/> \$ 43,256,055	<hr/> \$ (1,300,546)	<hr/> \$ 41,955,509

There were no decreases in capital assets to report during the year ended June 30, 2015.

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

**Governmental Activities:**

Instruction	\$ 6,771
Support Services	2,105,012
Operation of Non-instructional Services	<hr/> 12,516
Total Depreciation Expense - Governmental Activities	<hr/> \$ 2,124,299

**C. Construction Commitments**

At June 30, 2015, the county had uncompleted construction contracts of approximately \$86,200 for various public safety projects in the county. Funding for these future expenditures is expected to be received from federal grants.

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

The composition of interfund balances as of June 30, 2015, was as follows:

**Due to/from Other Funds:**

**Primary Government**

Receivable Fund	Payable Fund	Amount
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	\$ 225,000

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

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2015, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In			
	General Fund	Highway/ Public Works Fund	General Debt Service Fund	Nonmajor Govern- mental Funds
General Fund	\$ 0	\$ 32,784	\$ 0	\$ 29,273
Highway/Public Works Fund	33,044	0	0	0
General Debt Service Fund	0	0	0	213,500
Nonmajor governmental fund	0	0	486,638	0
<b>Total</b>	<b>\$ 33,044</b>	<b>\$ 32,784</b>	<b>\$ 486,638</b>	<b>\$ 242,773</b>

**Discretely Presented Hickman County School Department**

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Fund
Nonmajor governmental fund	\$ 32,439	\$ 0
General Purpose School Fund	0	725,000
<b>Total</b>	<b>\$ 32,439</b>	<b>\$ 725,000</b>

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.

The county made a one-time transfer of \$486,638 from the General Capital Projects Fund to the General Debt Service Fund to return unspent debt proceeds.

The School Department made a one-time transfer of \$500,000 from the General Purpose School Fund to the Central Cafeteria Fund for cash flow purposes.

**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, 2015, will be retired from the General Debt Service or Education Debt Service funds.

Capital outlay notes and other loans outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
Capital Outlay Notes	1.25 to 4.15 %	1-12-18	\$ 1,430,000	\$ 452,738
Other Loans	variable	5-25-33	48,746,117	29,604,172

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, \$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, 2015, the variable interest rate ranged from .26 to .30 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 Public Building Authority of the City of Clarksville. This loan agreement provided for the authority to loan \$22,000,000 to Hickman County on an as-needed basis for a school construction project. This loan is 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, 2015, the variable interest rate was .26 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 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 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, 2015, the variable interest rate was .26 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 a prior 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 \$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.

Also, in a prior year, Hickman County entered into a loan agreement with the Energy Efficient Schools Council. 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, 2015, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 207,829	\$ 11,254	\$ 219,083
2017	183,473	5,926	189,399
2018	61,436	1,646	63,082
Total	<u>\$ 452,738</u>	<u>\$ 18,826</u>	<u>\$ 471,564</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2016	\$ 2,437,004	\$ 189,828	\$ 300,053	\$ 2,926,885
2017	2,520,004	178,404	274,146	2,972,554
2018	2,458,121	166,611	247,121	2,871,853
2019	1,728,004	154,875	219,704	2,102,583
2020	1,766,004	145,158	202,430	2,113,592
2021-2025	9,194,973	570,538	746,715	10,512,226
2026-2030	8,233,062	283,846	252,179	8,769,087
2031-2033	1,267,000	41,881	9,522	1,318,403
Total	<u>\$ 29,604,172</u>	<u>\$ 1,731,141</u>	<u>\$ 2,251,870</u>	<u>\$ 33,587,183</u>

There is \$2,193,269 available in the General Debt Service Fund and \$81,045 in the Education Debt Service Fund to service long-term debt. Debt per capita, including notes and other loans, totaled \$1,217, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

Governmental Activities:

	Notes	Other Loans	Compensated Absences
Balance, July 1, 2014	\$ 652,747	\$ 32,310,114	\$ 280,651
Additions	100,000	0	312,333
Reductions	(300,009)	(2,705,942)	(369,084)
Balance, June 30, 2015	<u>\$ 452,738</u>	<u>\$ 29,604,172</u>	<u>\$ 223,900</u>
Balance Due Within One Year	<u>\$ 207,829</u>	<u>\$ 2,437,004</u>	<u>\$ 55,975</u>

	*Restated Net Pension Liability - Agent Plan	Other Postemployment Benefits
Balance, July 1, 2014	\$ 503,912	\$ 120,272
Additions	777,317	71,028
Reductions	(1,243,773)	(24,450)
Balance, June 30, 2015	<u>\$ 37,456</u>	<u>\$ 166,850</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

\*See Note I.D.9 for restatement. The restatement in Note I.D.9 is comprised of (\$2,191,604) for the beginning net pension liability and \$1,103,787 for employer contributions made during the year ended June 30, 2014.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 30,485,116
Less: Balance Due Within One Year	<u>(2,700,808)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 27,784,308</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, 2015, for business-type activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
Capital Outlay Notes	4.05 %	3-23-19	\$ 450,000	\$ 150,000

The annual requirements to amortize all notes outstanding as of June 30, 2015, including interest payments, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
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	\$ 150,000	\$ 15,470	\$ 165,470

**Changes in Long-term Obligations**

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2015, was as follows:

Business-type Activities:

	Notes	Compensated Absences	Closure/ Postclosure Care Costs
Balance, July 1, 2014	\$ 187,500	\$ 21,017	\$ 138,734
Additions	0	30,215	1,964
Reductions	(37,500)	(26,459)	(12,000)
Balance, June 30, 2015	<u>\$ 150,000</u>	<u>\$ 24,773</u>	<u>\$ 128,698</u>
Balance Due Within One Year	<u>\$ 37,500</u>	<u>\$ 6,193</u>	<u>\$ 10,672</u>

	*Restated Net Pension Liability - Agent Plan	Other Post- employment Benefits
Balance, July 1, 2014	\$ 32,165	\$ 9,053
Additions	48,532	5,346
Reductions	(78,306)	(1,840)
Balance, June 30, 2015	<u>\$ 2,391</u>	<u>\$ 12,559</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

\*See Note I.D.9 for restatement. The restatement in Note I.D.9 is comprised of (\$2,191,604) for the beginning net pension liability and \$1,103,787 for employer contributions made during the year ended June 30, 2014.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 318,421
Less: Balance Due Within One Year	<u>(54,365)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 264,056</u>

**Discretely Presented Hickman County School Department**

**Changes in Long-term Obligations**

Long-term obligations activity for the discretely presented Hickman County School Department for the year ended June 30, 2015, was as follows:

Governmental Activities:

	*Restated Net Pension Liability - Agent Plan	Other Postemployment Benefits
Balance, July 1, 2014	\$ 551,741	\$ 801,758
Additions	454,606	404,825
Reductions	(965,335)	(155,807)
Balance, June 30, 2015	<u>\$ 41,012</u>	<u>\$ 1,050,776</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

\*See Note I.D.9 for restatement. The restatement in Note I.D.9 is comprised of (\$2,191,604) for the beginning net pension liability and \$1,103,787 for employer contributions made during the year ended June 30, 2014.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 1,091,788
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,091,788</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, 2015, 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. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**C. Contingent Liabilities**

The county is involved in several pending lawsuits. The county attorney has not responded to requests to provide estimates of the potential claims not covered by insurance. However, management believes that any claims resulting from such litigation would not materially affect the county's financial statements.

**D. Change in Administration**

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

**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 \$128,698 reported as postclosure care liability at June 30, 2015, represents amounts based on what it would cost to perform all postclosure care in 2015. 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 \$62,720 to the Hickman County Joint Economic and Community Development Association Board for the year ended June 30, 2015.

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, 2015.

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

**Discretely Presented Hickman County School Department**

The discretely presented School Department participates in the Volunteer State Cooperative (VOLCO), which represents a cost-sharing arrangement. The cooperative was established through a contractual agreement between the Boards of Education of Hickman County, Coffee County, Dickson County, Fayetteville City, Hickman County, Houston County, Humphreys County, Manchester City, Marshall County, Maury County, Robertson County, and Stewart County. The cooperative was authorized through Chapter 49 of *Tennessee Code Annotated*. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Stewart County School Department) and a service provider to provide these services. The cooperative is governed by a Representative Committee, comprising one

representative from each of the member districts; and an Executive Council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the Representative Committee.

Complete financial statements for the Volunteer State Cooperative can be obtained from its administrative office at the following address:

Administrative Office:

Volunteer State Cooperative  
1800 Wilson Parkway  
Fayetteville, TN 37334

**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)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Hickman County and non-certified employees of the discretely presented Hickman County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 49.28 percent and the non-certified employees of the discretely present School Department comprise 50.72 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the

plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	202
Inactive Employees Entitled to But Not Yet Receiving Benefits	232
Active Employees	<u>345</u>
 Total	 <u><u>779</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are noncontributory. Hickman County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the

year ended June 30, 2015, employer contributions for Hickman County were \$1,176,100 based on a rate of 13.58 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Hickman County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Net Pension Liability (Asset)**

Hickman County's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a

building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income Real Estate	4.61	8
	0.98	29
	4.73	7
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Hickman County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 23,633,141	\$ 21,441,537	\$ 2,191,604
Changes for the Year:			
Service Cost	\$ 654,690	\$ 0	\$ 654,690
Interest	1,787,192	0	1,787,192
Differences Between Expected and Actual Experience	125,227	0	125,227
Contributions-Employer	0	1,103,787	(1,103,787)
Contributions-Employees	0	300	(300)
Net Investment Income	0	3,586,524	(3,586,524)
Benefit Payments, Including Refunds of Employee Contributions	(917,225)	(917,225)	0
Administrative Expense	0	(12,757)	12,757
Other Changes	0	0	0
Net Changes	\$ 1,649,884	\$ 3,760,629	\$ (2,110,745)
Balance, June 30, 2014	\$ 25,283,025	\$ 25,202,166	\$ 80,859

### Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government 49.28%	\$ 12,459,475	\$ 12,419,627	\$ 39,847
School Department 50.72%	12,823,550	12,782,539	41,012
Total	\$ 25,283,025	\$ 25,202,166	\$ 80,859

*Sensitivity of the Net Position Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Hickman County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
<u>Hickman County</u>	6.5%	7.5%	8.5%

Net Pension Liability    \$ 3,420,379    \$    80,859    \$ (2,702,185)

**Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions**

*Pension Expense.* For the year ended June 30, 2015, Hickman County recognized pension expense of \$466,190.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, Hickman County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 104,356	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,577,504
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>1,176,100</u>	<u>N/A</u>
Total	<u>\$ 1,280,456</u>	<u>\$ 1,577,504</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and  
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 825,850	\$ 777,394
School Department	454,606	800,110
Total	\$ 1,280,456	\$ 1,577,504

Amounts reported as deferred outflows of resources, with the exception of contributions after the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (373,505)
2017	(373,505)
2018	(373,505)
2019	(373,505)
2020	20,871
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

**Discretely Presented Hickman County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Hickman County and non-certified employees of the discretely presented Hickman County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 49.28 percent and the non-certified employees of the discretely present School Department comprise 50.72 percent of the plan based on census data.

## **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Hickman County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members of the Teachers Retirement Plan are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are

defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level approved by the TCRS Board of Trustees is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were \$29,150, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liabilities.* Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

*Pension Expense.* Since the measurement date is June 30, 2014, the Hickman County School Department did not recognize any pension expense at June 30, 2015.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, the Hickman County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 29,150	N/A

The Hickman County School Department's employer contributions of \$29,150 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ending June 30, 2016.

### **Teacher Legacy Pension Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Hickman County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent

COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Hickman County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$1,163,640, which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Assets.* At June 30, 2015, the Hickman County School Department reported an asset of \$56,973 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Hickman County School Department's proportion of the net pension asset was based on the Hickman County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Hickman County School Department's proportion was .350615 percent. The proportion measured as of June 30, 2013, was .351860 percent.

*Pension Income.* For the year ended June 30, 2015, the Hickman County School Department recognized a pension income of \$51,789.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, the Hickman County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 138,317	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	4,694,234
Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions	0	17,564
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	<u>1,163,640</u>	<u>N/A</u>
Total	<u>\$ 1,301,957</u>	<u>\$ 4,711,798</u>

The Hickman County School Department's employer contributions of \$1,163,640 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources, excluding contributions subsequent to the measurement date of June 30, 2014, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (1,153,433)
2017	(1,153,433)
2018	(1,153,433)
2019	(1,153,433)
2020	20,125
Thereafter	20,125

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

*Actuarial Assumptions.* The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the four factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Position Liability (Asset) to Changes in the Discount Rate.* The following presents Hickman County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Hickman County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease	Current Discount Rate	1% Increase
	6.5%	7.5%	8.5%

Net Pension Liability    \$    9,609,184    \$    (56,973)    \$    (8,059,504)

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

**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 75 percent of medical premiums for retirees and their dependents (family coverage) and 95 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 \$26,290 were recognized for postemployment health care.

Annual OPEB Cost and Net OPEB Obligation

	<u>Commercial Plan</u>
ARC	\$ 76,847
Interest on the NOPEBO	3,880
Adjustment to the ARC	<u>(4,353)</u>
Annual OPEB cost	\$ 76,374
Amount of contribution	<u>(26,290)</u>
Increase/decrease in NOPEBO	\$ 50,084
Net OPEB obligation, 7-1-14	<u>129,325</u>
Net OPEB obligation, 6-30-15	<u><u>\$ 179,409</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Commercial Insurance	\$ 65,779	38 %	\$ 86,033
6-30-14	"	75,263	42	129,325
6-30-15	"	76,374	34	179,409

#### Funded Status and Funding Progress

The funded status of the plan as of July 1, 2014, was as follows:

(dollars in thousands)

	Commercial Plan
Actuarial valuation date	7-1-14
Actuarial accrued liability (AAL)	\$ 634
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 634
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 5,848
UAAL as a % of covered payroll	11%

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, 2014, 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, 2014. 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 July 1, 2011.

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

#### **Plan Description**

The Hickman County School Department participates in the state-administered Local Education Group Insurance Plan and Medicare Supplement Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees and Section 8-27-701, *TCA*, for the Medicare Supplement. 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 a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides 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, 2015, the School Department contributed \$148,693 to the postemployment health plan and \$7,114 to the Medicare Supplement Plan.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Medicare Supplement Plan
ARC	\$ 290,000	\$ 114,000
Interest on the NOPEBO	27,670	4,400
Adjustment to the ARC	(26,958)	(4,287)
Annual OPEB cost	\$ 290,712	\$ 114,113
Amount of contribution	(148,693)	(7,114)
Increase/decrease in NOPEBO	\$ 142,019	\$ 106,999
Net OPEB obligation, 7-1-14	691,758	110,000
Net OPEB obligation, 6-30-15	\$ 833,777	\$ 216,999

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Education Group	\$ 423,295	34	% \$ 564,954
6-30-14	"	280,582	55	691,758
6-30-15	"	290,712	51	833,777
6-30-14	Medicare Supplement	110,000	0	110,000
6-30-15	"	114,113	6	216,999

Funded Status and Funding Progress

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

(dollars in thousands)

	Local Education Group Plan	Medicare Supplement Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 2,649	\$ 1,304
Actuarial value of plan assets	\$ 1,669	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 980	\$ 1,304
Actuarial value of assets as a % of the AAL	63%	0%
Covered payroll (active plan members)	\$ 16,906	\$ NA
UAAL as a % of covered payroll	6%	NA

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, 2015, 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 seven percent for fiscal year 2015. The trend rate will decrease to 6.5 percent in 2016, and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. The annual health care cost trend rate for the Medicare Supplement Plan was six percent in fiscal year 2015 and then will be reduced by decrements to an ultimate rate of 4.2 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.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

Hickman County, Tennessee  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on  
Participation in the Public Employee Pension Plan of TCRS  
Primary Government  
For the Fiscal Year Ended June 30

	<u>2014</u>
<b>Total Pension Liability (Asset)</b>	
Service Cost	\$ 654,690
Interest	1,787,192
Differences Between Actual and Expected Experience	125,227
Benefit Payments, Including Refunds of Employee Contributions	<u>(917,225)</u>
Net Change in Total Pension Liability (Asset)	\$ 1,649,884
Total Pension Liability (Asset), Beginning	<u>23,633,141</u>
 Total Pension Liability (Asset), Ending (a)	 <u>\$ 25,283,025</u>
 <b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 1,103,787
Contributions - Employee	300
Net Investment Income	3,586,524
Benefit Payments, Including Refunds of Employee Contributions	(917,225)
Administrative Expense	<u>(12,757)</u>
Net Change in Plan Fiduciary Net Position	\$ 3,760,629
Plan Fiduciary Net Position, Beginning	<u>21,441,537</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 25,202,166</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u>\$ 80,859</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 99.68%
Covered Employee Payroll	\$ 8,336,761
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	97.00%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit F-2

Hickman County, Tennessee  
Schedule of Contributions Based on Participation in the Public  
Employee Pension Plan of TCRS  
Primary Government  
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,103,787	\$ 1,176,100
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(1,103,787)</u>	<u>(1,176,100)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 8,336,761	\$ 10,154,477
Contributions as a Percentage of Covered Employee Payroll	13.24%	11.58%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit F-3

Hickman County, Tennessee  
Schedule of Contributions Based on Participation in the Teacher  
Retirement Plan of TCRS  
Discretely Presented Hickman County School Department  
For the Fiscal Year Ended June 30

	<u>2015</u>
Actuarially Determined Contribution	\$ 18,219
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(29,150)</u>
Contribution Deficiency (Excess)	<u>\$ (10,931)</u>
Covered Employee Payroll	\$ 728,757
Contributions as a Percentage of Covered Employee Payroll	4.00%

Note: ten years of data will be presented when available.

Exhibit F-4

Hickman County, Tennessee  
Schedule of Contributions Based on Participation in the Teacher  
Legacy Pension Plan of TCRS  
Discretely Presented Hickman County School Department  
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,222,030	\$ 1,163,640
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(1,222,030)</u>	<u>(1,163,640)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 13,761,484	\$ 12,790,426
Contributions as a Percentage of Covered Employee Payroll	8.88%	9.10%

Note: ten years of data will be presented when available.

Exhibit F-5

Hickman County, Tennessee  
Schedule of Proportionate Share of the Net Pension Asset  
in the Teacher Legacy Pension Plan of TCRS  
Discretely Presented Hickman County School Department  
For the Fiscal Year Ended June 30 \*

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.350615%
School Department's Proportionate Share of the Net Pension Asset	\$ 56,973
Covered Employee Payroll	\$ 13,761,484
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

\* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be precented when available.

Exhibit F-6

Hickman County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Hickman County School Department  
June 30, 2015

(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)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Commercial Insurance	7-1-12	\$ 0	\$ 522	\$ 522	0	\$ 4,848	11 %
"	7-1-13	0	638	638	0	5,054	13
"	7-1-14	0	634	634	0	5,848	11
<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	1,669	2,649	980	63.0	16,906	6
Medicare Supplement	7-1-13	0	1,304	1,304	0.0	NA	NA

**HICKMAN COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2015**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	4 Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

---

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 of deeds, 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.

# Capital Projects Fund

---

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

---

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

Hickman County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2015

Exhibit G-1

ASSETS

Equity in Pooled Cash and Investments  
 Accounts Receivable  
 Due from Other Governments

\$	164,566	\$	471,995	\$	636,561	\$	52,423	\$	94,602	\$	783,586
	2,624		0		2,624		28,622		0		31,246
	0		0		0		0		5,541		5,541

Total Assets

\$	167,190	\$	471,995	\$	639,185	\$	81,045	\$	100,143	\$	820,373
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LIABILITIES

Retainage Payable  
 Total Liabilities

\$	0	\$	0	\$	0	\$	0	\$	27,753	\$	27,753
\$	0	\$	0	\$	0	\$	0	\$	27,753	\$	27,753

FUND BALANCES

Restricted:  
 Restricted for General Government  
 Restricted for Public Safety  
 Restricted for Debt Service  
 Restricted for Capital Projects  
 Total Fund Balances

\$	0	\$	471,995	\$	471,995	\$	0	\$	0	\$	471,995
167,190	0	167,190	0	167,190	0	0	0	0	0	167,190	
0	0	0	0	0	81,045	0	81,045	0	0	81,045	
0	0	0	0	0	0	0	0	72,390	0	72,390	
\$	167,190	\$	471,995	\$	639,185	\$	81,045	\$	72,390	\$	792,620

Total Liabilities and Fund Balances

\$	167,190	\$	471,995	\$	639,185	\$	81,045	\$	100,143	\$	820,373
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Hickman County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2015

	Special Revenue Funds				Debt Service Fund
	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Total	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 93,729	\$ 0	\$ 93,729	\$ 310,018
Fines, Forfeitures, and Penalties	65,882	0	0	65,882	0
Charges for Current Services	0	0	570	570	0
Federal Government	0	0	0	0	0
<u>Total Revenues</u>	<u>\$ 65,882</u>	<u>\$ 93,729</u>	<u>\$ 570</u>	<u>\$ 160,181</u>	<u>\$ 310,018</u>
<u>Expenditures</u>					
<u>Current:</u>					
General Government	\$ 0	\$ 948	\$ 0	\$ 948	\$ 0
Administration of Justice	0	0	570	570	0
Public Safety	69,840	0	0	69,840	0
Debt Service:					
Principal on Debt	0	0	0	0	614,000
Interest on Debt	0	0	0	0	5,914
Other Debt Service	0	0	0	0	36,936
Capital Projects	0	0	0	0	0
<u>Total Expenditures</u>	<u>\$ 69,840</u>	<u>\$ 948</u>	<u>\$ 570</u>	<u>\$ 71,358</u>	<u>\$ 656,850</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	<u>\$ (3,958)</u>	<u>\$ 92,781</u>	<u>\$ 0</u>	<u>\$ 88,823</u>	<u>\$ (346,832)</u>
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Insurance Recovery	11,025	0	0	11,025	0
Transfers In	0	0	0	0	213,500
Transfers Out	0	0	0	0	0
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 11,025</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,025</u>	<u>\$ 213,500</u>
<u>Net Change in Fund Balances Fund Balance, July 1, 2014</u>	<u>\$ 7,067</u>	<u>\$ 92,781</u>	<u>\$ 0</u>	<u>\$ 99,848</u>	<u>\$ (133,332)</u>
	<u>160,123</u>	<u>379,214</u>	<u>0</u>	<u>539,337</u>	<u>214,377</u>
<u>Fund Balance, June 30, 2015</u>	<u>\$ 167,190</u>	<u>\$ 471,995</u>	<u>\$ 0</u>	<u>\$ 639,185</u>	<u>\$ 81,045</u>

(Continued)

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

	<u>Capital</u>		<u>Total</u>
	<u>Projects Fund</u>		<u>Nonmajor</u>
	<u>General</u>	<u>Capital</u>	<u>Governmental</u>
	<u>Projects</u>	<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>			
Local Taxes	0	\$	403,747
Fines, Forfeitures, and Penalties	0		65,882
Charges for Current Services	0		570
Federal Government	679,616		679,616
Total Revenues	679,616	\$	1,149,815
<u>Expenditures</u>			
Current:			
General Government	0	\$	948
Administration of Justice	0		570
Public Safety	0		69,840
Debt Service:			
Principal on Debt	0		614,000
Interest on Debt	0		5,914
Other Debt Service	0		36,936
Capital Projects	959,123		959,123
Total Expenditures	959,123	\$	1,687,331
<u>Excess (Deficiency) of Revenues</u>			
Over Expenditures	(279,507)	\$	(537,516)
<u>Other Financing Sources (Uses)</u>			
Notes Issued	100,000	\$	100,000
Insurance Recovery	0		11,025
Transfers In	29,273		242,773
Transfers Out	(486,638)		(486,638)
Total Other Financing Sources (Uses)	(357,365)	\$	(132,840)
<u>Net Change in Fund Balances</u>			
Fund Balance, July 1, 2014	(636,872)	\$	(670,356)
	709,262		1,462,976
Fund Balance, June 30, 2015	72,390	\$	792,620

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 65,882	\$ 42,000	\$ 42,000	\$ 23,882
Total Revenues	\$ 65,882	\$ 42,000	\$ 42,000	\$ 23,882
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 69,840	\$ 45,000	\$ 72,502	\$ 2,662
Total Expenditures	\$ 69,840	\$ 45,000	\$ 72,502	\$ 2,662
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,958)	\$ (3,000)	\$ (30,502)	\$ 26,544
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 11,025	\$ 0	\$ 0	\$ 11,025
Total Other Financing Sources	\$ 11,025	\$ 0	\$ 0	\$ 11,025
Net Change in Fund Balance	\$ 7,067	\$ (3,000)	\$ (30,502)	\$ 37,569
Fund Balance, July 1, 2014	160,123	116,000	116,000	44,123
Fund Balance, June 30, 2015	\$ 167,190	\$ 113,000	\$ 85,498	\$ 81,692

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 93,729	\$ 70,000	\$ 70,000	\$ 23,729
Total Revenues	\$ 93,729	\$ 70,000	\$ 70,000	\$ 23,729
<u>Expenditures</u>				
<u>General Government</u>				
Building	\$ 948	\$ 750	\$ 1,150	\$ 202
Total Expenditures	\$ 948	\$ 750	\$ 1,150	\$ 202
Excess (Deficiency) of Revenues Over Expenditures	\$ 92,781	\$ 69,250	\$ 68,850	\$ 23,931
Net Change in Fund Balance	\$ 92,781	\$ 69,250	\$ 68,850	\$ 23,931
Fund Balance, July 1, 2014	379,214	362,185	362,185	17,029
Fund Balance, June 30, 2015	\$ 471,995	\$ 431,435	\$ 431,035	\$ 40,960

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 310,018	\$ 300,000	\$ 300,000	\$ 10,018
Total Revenues	\$ 310,018	\$ 300,000	\$ 300,000	\$ 10,018
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 614,000	\$ 614,000	\$ 614,000	\$ 0
<u>Interest on Debt</u>				
Education	5,914	78,214	78,064	72,150
<u>Other Debt Service</u>				
General Government	3,065	4,000	4,000	935
Education	33,871	34,571	34,721	850
Total Expenditures	\$ 656,850	\$ 730,785	\$ 730,785	\$ 73,935
Excess (Deficiency) of Revenues Over Expenditures	\$ (346,832)	\$ (430,785)	\$ (430,785)	\$ 83,953
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 213,500	\$ 321,563	\$ 321,563	\$ (108,063)
Total Other Financing Sources	\$ 213,500	\$ 321,563	\$ 321,563	\$ (108,063)
Net Change in Fund Balance	\$ (133,332)	\$ (109,222)	\$ (109,222)	\$ (24,110)
Fund Balance, July 1, 2014	214,377	200,000	200,000	14,377
Fund Balance, June 30, 2015	\$ 81,045	\$ 90,778	\$ 90,778	\$ (9,733)

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit H

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,420,720	\$ 2,302,245	\$ 2,302,245	\$ 118,475
Other Local Revenues	10,550	13,000	13,000	(2,450)
State of Tennessee	77,013	35,000	35,000	42,013
<b>Total Revenues</b>	<b>\$ 2,508,283</b>	<b>\$ 2,350,245</b>	<b>\$ 2,350,245</b>	<b>\$ 158,038</b>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 912,541	\$ 530,288	\$ 912,629	\$ 88
Highways and Streets	136,406	41,667	136,406	0
Education	1,343,004	1,343,004	1,352,562	9,558
<u>Interest on Debt</u>				
General Government	26,424	210,877	209,905	183,481
Highways and Streets	6,772	8,118	9,090	2,318
Education	167,874	619,100	616,800	448,926
<u>Other Debt Service</u>				
General Government	121,121	123,516	123,516	2,395
Education	210,009	209,274	211,574	1,565
<b>Total Expenditures</b>	<b>\$ 2,924,151</b>	<b>\$ 3,085,844</b>	<b>\$ 3,572,482</b>	<b>\$ 648,331</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (415,868)	\$ (735,599)	\$ (1,222,237)	\$ 806,369
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 486,638	\$ 0	\$ 486,638	\$ 0
Transfers Out	(213,500)	(321,563)	(321,563)	108,063
<b>Total Other Financing Sources</b>	<b>\$ 273,138</b>	<b>\$ (321,563)</b>	<b>\$ 165,075</b>	<b>\$ 108,063</b>
Net Change in Fund Balance	\$ (142,730)	\$ (1,057,162)	\$ (1,057,162)	\$ 914,432
Fund Balance, July 1, 2014	2,335,999	2,100,000	2,100,000	235,999
<b>Fund Balance, June 30, 2015</b>	<b>\$ 2,193,269</b>	<b>\$ 1,042,838</b>	<b>\$ 1,042,838</b>	<b>\$ 1,150,431</b>

# 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 of deeds, 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, 2015

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,130,721	\$ 2,130,721
Accounts Receivable	0	3,673	3,673
Due from Other Governments	110,933	0	110,933
Cash Shortage	0	1,106	1,106
Total Assets	<u>\$ 110,933</u>	<u>\$ 2,135,500</u>	<u>\$ 2,246,433</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 110,933	\$ 0	\$ 110,933
Due to Litigants, Heirs, and Others	0	2,135,500	2,135,500
Total Liabilities	<u>\$ 110,933</u>	<u>\$ 2,135,500</u>	<u>\$ 2,246,433</u>

Exhibit I-2

Hickman County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 649,321	\$ 649,321	\$ 0
Due from Other Governments	98,070	110,933	98,070	110,933
<b>Total Assets</b>	<b>\$ 98,070</b>	<b>\$ 760,254</b>	<b>\$ 747,391</b>	<b>\$ 110,933</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 98,070	\$ 760,254	\$ 747,391	\$ 110,933
<b>Total Liabilities</b>	<b>\$ 98,070</b>	<b>\$ 760,254</b>	<b>\$ 747,391</b>	<b>\$ 110,933</b>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,519,419	\$ 4,965,883	\$ 4,354,581	\$ 2,130,721
Accounts Receivable	3,839	3,673	3,839	3,673
Cash Shortage	0	1,106	0	1,106
<b>Total Assets</b>	<b>\$ 1,523,258</b>	<b>\$ 4,970,662</b>	<b>\$ 4,358,420</b>	<b>\$ 2,135,500</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,523,258	\$ 4,970,662	\$ 4,358,420	\$ 2,135,500
<b>Total Liabilities</b>	<b>\$ 1,523,258</b>	<b>\$ 4,970,662</b>	<b>\$ 4,358,420</b>	<b>\$ 2,135,500</b>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,519,419	\$ 4,965,883	\$ 4,354,581	\$ 2,130,721
Equity in Pooled Cash and Investments	0	649,321	649,321	0
Due from Other Governments	98,070	110,933	98,070	110,933
Accounts Receivable	3,839	3,673	3,839	3,673
Cash Shortage	0	1,106	0	1,106
<b>Total Assets</b>	<b>\$ 1,621,328</b>	<b>\$ 5,730,916</b>	<b>\$ 5,105,811</b>	<b>\$ 2,246,433</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 98,070	\$ 760,254	\$ 747,391	\$ 110,933
Due to Litigants, Heirs, and Others	1,523,258	4,970,662	4,358,420	2,135,500
<b>Total Liabilities</b>	<b>\$ 1,621,328</b>	<b>\$ 5,730,916</b>	<b>\$ 5,105,811</b>	<b>\$ 2,246,433</b>

# Hickman County School Department

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

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

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

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

Hickman County, Tennessee  
 Statement of Activities  
 Discretely Presented Hickman County School Department  
 For the Year Ended June 30, 2015

Functions/Programs	Program Revenues		Expenses	Net (Expense) Revenue and Changes in Net Position	
	Charges for Services	Operating Grants and Contributions		Total	Governmental Activities
Governmental Activities:					
Instruction	\$ 16,540,510	\$ 2,361	\$ 2,547,196	\$ (13,990,953)	
Support Services	11,553,457	0	0	(11,553,457)	
Operation of Non-instructional Services	2,858,720	271,476	1,760,201	(827,043)	
Total Governmental Activities	\$ 30,952,687	\$ 273,837	\$ 4,307,397	\$ (26,371,453)	
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 3,137,252	
Local Option Sales Tax				1,390,705	
Other Local Taxes				38,622	
Grants and Contributions Not Restricted to Specific Programs				21,040,252	
Unrestricted Investment Income				180	
Miscellaneous				231,092	
Pension Income				51,789	
Insurance Recovery				11,255	
Total General Revenues				\$ 25,901,147	
Change in Net Position				\$ (470,306)	
Net Position, July 1, 2014				50,397,232	
Restatement - Pension Liability (See Note I.D.9)				(5,120,038)	
Net Position, June 30, 2015				\$ 44,806,888	

Exhibit J-2

Hickman County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Hickman County School Department  
June 30, 2015

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 1,727,126	\$ 2,250	\$ 1,729,376
Equity in Pooled Cash and Investments	5,345,164	728,205	6,073,369
Accounts Receivable	16,114	0	16,114
Due from Other Governments	277,651	97,545	375,196
Due from Other Funds	0	225,000	225,000
Property Taxes Receivable	3,324,878	0	3,324,878
Allowance for Uncollectible Property Taxes	(74,326)	0	(74,326)
Total Assets	<u>\$ 10,616,607</u>	<u>\$ 1,053,000</u>	<u>\$ 11,669,607</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 440,396	\$ 0	\$ 440,396
Payroll Deductions Payable	289,891	0	289,891
Due to Other Funds	225,000	0	225,000
Total Liabilities	<u>\$ 955,287</u>	<u>\$ 0</u>	<u>\$ 955,287</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,101,931	\$ 0	\$ 3,101,931
Deferred Delinquent Property Taxes	146,425	0	146,425
Other Deferred/Unavailable Revenue	115,316	0	115,316
Total Deferred Inflows of Resources	<u>\$ 3,363,672</u>	<u>\$ 0</u>	<u>\$ 3,363,672</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 20,815	\$ 53,000	\$ 73,815
Committed:			
Committed for Education	1,727,126	1,000,000	2,727,126
Assigned:			
Assigned for Education	77,900	0	77,900
Unassigned	4,471,807	0	4,471,807
Total Fund Balances	<u>\$ 6,297,648</u>	<u>\$ 1,053,000</u>	<u>\$ 7,350,648</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,616,607</u>	<u>\$ 1,053,000</u>	<u>\$ 11,669,607</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, 2015

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)		\$ 7,350,648
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,018,261	
Add: buildings and improvements net of accumulated depreciation	36,826,152	
Add: infrastructure net of accumulated depreciation	19,498	
Add: other capital assets net of accumulated depreciation	<u>4,091,598</u>	41,955,509
(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	\$ (1,050,776)	
Less: net pension liability - agent plan	<u>(41,012)</u>	(1,091,788)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 1,785,713	
Less: deferred inflows of resources related to pensions	<u>(5,511,908)</u>	(3,726,195)
(4) Net pension assets of the cost-sharing plan are not current financial resources and are therefore not reported in the governmental funds.		56,973
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>261,741</u>
Net position of governmental activities (Exhibit A)		<u>\$ 44,806,888</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, 2015

	<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	\$ 4,581,006	\$ 0	\$ 4,581,006
Licenses and Permits	1,312	0	1,312
Charges for Current Services	62,688	211,149	273,837
Other Local Revenues	248,715	210	248,925
State of Tennessee	21,391,304	0	21,391,304
Federal Government	191,958	3,735,187	3,927,145
Total Revenues	<u>\$ 26,476,983</u>	<u>\$ 3,946,546</u>	<u>\$ 30,423,529</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 15,630,579	\$ 1,536,852	\$ 17,167,431
Support Services	9,094,057	440,077	9,534,134
Operation of Non-instructional Services	548,693	2,392,572	2,941,265
Capital Outlay	1,118,308	0	1,118,308
Total Expenditures	<u>\$ 26,391,637</u>	<u>\$ 4,369,501</u>	<u>\$ 30,761,138</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 85,346</u>	<u>\$ (422,955)</u>	<u>\$ (337,609)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 11,255	\$ 0	\$ 11,255
Transfers In	32,439	725,000	757,439
Transfers Out	(725,000)	(32,439)	(757,439)
Total Other Financing Sources (Uses)	<u>\$ (681,306)</u>	<u>\$ 692,561</u>	<u>\$ 11,255</u>
Net Change in Fund Balances	\$ (595,960)	\$ 269,606	\$ (326,354)
Fund Balance, July 1, 2014	<u>6,893,608</u>	<u>783,394</u>	<u>7,677,002</u>
Fund Balance, June 30, 2015	<u>\$ 6,297,648</u>	<u>\$ 1,053,000</u>	<u>\$ 7,350,648</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, 2015

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)		\$	(326,354)
(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	\$	823,753	
Less: current-year depreciation expense		<u>(2,124,299)</u>	(1,300,546)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$	261,741	
Less: deferred delinquent property taxes and other deferred June 30, 2014		<u>(265,933)</u>	(4,192)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in net pension liability/asset	\$	5,135,999	
Change in deferred outflows related to pensions		1,785,713	
Change in deferred inflows related to pensions		(5,511,908)	
Change in other postemployment benefits liability		<u>(249,018)</u>	<u>1,160,786</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ (470,306)</u>

Exhibit J-6

Hickman County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Hickman County School Department  
June 30, 2015

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,250	\$ 2,250
Equity in Pooled Cash and Investments	406,643	321,562	728,205
Due from Other Governments	97,545	0	97,545
Due from Other Funds	0	225,000	225,000
Total Assets	<u>\$ 504,188</u>	<u>\$ 548,812</u>	<u>\$ 1,053,000</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 4,188	\$ 48,812	\$ 53,000
Committed:			
Committed for Education	500,000	500,000	1,000,000
Total Fund Balances	<u>\$ 504,188</u>	<u>\$ 548,812</u>	<u>\$ 1,053,000</u>

Exhibit J-7

Hickman County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2015

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 211,149	\$ 211,149
Other Local Revenues	0	210	210
Federal Government	1,994,504	1,740,683	3,735,187
Total Revenues	<u>\$ 1,994,504</u>	<u>\$ 1,952,042</u>	<u>\$ 3,946,546</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,536,852	\$ 0	\$ 1,536,852
Support Services	440,077	0	440,077
Operation of Non-instructional Services	0	2,392,572	2,392,572
Total Expenditures	<u>\$ 1,976,929</u>	<u>\$ 2,392,572</u>	<u>\$ 4,369,501</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 17,575</u>	<u>\$ (440,530)</u>	<u>\$ (422,955)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 0	\$ 725,000	\$ 725,000
Transfers Out	(32,439)	0	(32,439)
Total Other Financing Sources (Uses)	<u>\$ (32,439)</u>	<u>\$ 725,000</u>	<u>\$ 692,561</u>
Net Change in Fund Balances	\$ (14,864)	\$ 284,470	\$ 269,606
Fund Balance, July 1, 2014	<u>519,052</u>	<u>264,342</u>	<u>783,394</u>
Fund Balance, June 30, 2015	<u>\$ 504,188</u>	<u>\$ 548,812</u>	<u>\$ 1,053,000</u>

Exhibit J-8

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Hickman County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 4,581,006	\$ 0	\$ 4,581,006	\$ 4,521,284	\$ 4,521,284	\$ 59,722
Licenses and Permits	1,312	0	1,312	1,400	1,400	(88)
Charges for Current Services	62,688	0	62,688	80,500	80,500	(17,812)
Other Local Revenues	248,715	0	248,715	161,000	161,000	87,715
State of Tennessee	21,391,304	0	21,391,304	21,920,401	22,009,855	(618,551)
Federal Government	191,958	0	191,958	297,000	297,000	(105,042)
<b>Total Revenues</b>	<b>\$ 26,476,983</b>	<b>\$ 0</b>	<b>\$ 26,476,983</b>	<b>\$ 26,981,585</b>	<b>\$ 27,071,039</b>	<b>\$ (594,056)</b>
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 12,052,638	\$ 0	\$ 12,052,638	\$ 13,003,266	\$ 12,903,266	\$ 850,628
Alternative Instruction Program	202,601	0	202,601	203,600	203,600	999
Special Education Program	2,061,616	0	2,061,616	2,289,300	2,289,300	227,684
Vocational Education Program	1,099,935	0	1,099,935	1,147,000	1,147,000	47,065
Adult Education Program	213,789	0	213,789	241,020	241,020	27,231
<u>Support Services</u>						
Attendance	103,170	0	103,170	191,400	191,400	88,230
Health Services	237,644	0	237,644	248,850	248,850	11,206
Other Student Support	825,521	0	825,521	839,900	839,900	14,379
Regular Instruction Program	1,364,852	0	1,364,852	1,455,314	1,455,314	90,462
Alternative Instruction Program	349	0	349	400	400	51
Special Education Program	107,427	0	107,427	152,300	152,300	44,873
Vocational Education Program	90,097	0	90,097	93,000	93,000	2,903
Adult Programs	2,530	0	2,530	7,000	7,000	4,470
Other Programs	89,454	0	89,454	5,000	94,454	5,000
Board of Education	478,757	0	478,757	575,000	575,000	96,243

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Director of Schools	\$ 264,297	\$ 0	\$ 264,297	\$ 287,514	\$ 287,514	\$ 23,217
Office of the Principal	1,471,801	0	1,471,801	1,512,600	1,512,600	40,799
Fiscal Services	4,920	0	4,920	6,100	6,100	1,180
Operation of Plant	1,625,750	0	1,625,750	1,830,500	1,705,500	79,750
Maintenance of Plant	859,835	0	859,835	912,025	912,025	52,190
Transportation	1,305,350	0	1,305,350	1,564,150	1,564,150	258,800
Central and Other	262,303	0	262,303	272,500	272,500	10,197
<u>Operation of Non-instructional Services</u>						
Food Service	20,327	0	20,327	21,000	21,000	673
Community Services	102,965	0	102,965	122,650	122,650	19,685
Early Childhood Education	425,401	0	425,401	434,400	434,401	9,000
Capital Outlay						
Regular Capital Outlay	1,118,308	77,900	1,196,208	1,300,000	1,300,000	103,792
Total Expenditures	\$ 26,391,637	\$ 77,900	\$ 26,469,537	\$ 28,715,789	\$ 28,580,244	\$ 2,110,707
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ 85,346	\$ (77,900)	\$ 7,446	\$ (1,734,204)	\$ (1,509,205)	\$ 1,516,651
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 11,255	\$ 0	\$ 11,255	\$ 10,000	\$ 10,000	\$ 1,255
Transfers In	32,439	0	32,439	30,000	30,000	2,439
Transfers Out	(725,000)	0	(725,000)	0	(725,000)	0
Total Other Financing Sources	\$ (681,306)	\$ 0	\$ (681,306)	\$ 40,000	\$ (685,000)	\$ 3,694
Net Change in Fund Balance Fund Balance, July 1, 2014	\$ (595,960)	\$ (77,900)	\$ (673,860)	\$ (1,694,204)	\$ (2,194,205)	\$ 1,520,345
Fund Balance, July 1, 2014	6,893,608	0	6,893,608	5,811,837	5,811,837	1,081,771
Fund Balance, June 30, 2015	\$ 6,297,648	\$ (77,900)	\$ 6,219,748	\$ 4,117,633	\$ 3,617,632	\$ 2,602,116

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,994,504	\$ 2,200,018	\$ 2,434,161	\$ (439,657)
Total Revenues	<u>\$ 1,994,504</u>	<u>\$ 2,200,018</u>	<u>\$ 2,434,161</u>	<u>\$ (439,657)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 976,151	\$ 959,780	\$ 1,031,120	\$ 54,969
Special Education Program	510,368	510,596	538,320	27,952
Vocational Education Program	50,333	50,050	50,333	0
<u>Support Services</u>				
Other Student Support	47,689	124,984	64,828	17,139
Regular Instruction Program	107,880	186,822	333,891	226,011
Special Education Program	284,508	268,666	374,959	90,451
Total Expenditures	<u>\$ 1,976,929</u>	<u>\$ 2,100,898</u>	<u>\$ 2,393,451</u>	<u>\$ 416,522</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 17,575</u>	<u>\$ 99,120</u>	<u>\$ 40,710</u>	<u>\$ (23,135)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (32,439)	\$ (99,120)	\$ (40,710)	\$ 8,271
Total Other Financing Sources	<u>\$ (32,439)</u>	<u>\$ (99,120)</u>	<u>\$ (40,710)</u>	<u>\$ 8,271</u>
Net Change in Fund Balance	\$ (14,864)	\$ 0	\$ 0	\$ (14,864)
Fund Balance, July 1, 2014	<u>519,052</u>	<u>0</u>	<u>0</u>	<u>519,052</u>
Fund Balance, June 30, 2015	<u>\$ 504,188</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 504,188</u>

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 211,149	\$ 740,000	\$ 740,000	\$ (528,851)
Other Local Revenues	210	1,400	1,400	(1,190)
Federal Government	1,740,683	2,054,000	2,054,000	(313,317)
Total Revenues	<u>\$ 1,952,042</u>	<u>\$ 2,795,400</u>	<u>\$ 2,795,400</u>	<u>\$ (843,358)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 2,392,572	\$ 2,937,000	\$ 2,937,000	\$ 544,428
Total Expenditures	<u>\$ 2,392,572</u>	<u>\$ 2,937,000</u>	<u>\$ 2,937,000</u>	<u>\$ 544,428</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (440,530)</u>	<u>\$ (141,600)</u>	<u>\$ (141,600)</u>	<u>\$ (298,930)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 725,000	\$ 0	\$ 725,000	\$ 0
Total Other Financing Sources	<u>\$ 725,000</u>	<u>\$ 0</u>	<u>\$ 725,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 284,470	\$ (141,600)	\$ 583,400	\$ (298,930)
Fund Balance, July 1, 2014	<u>264,342</u>	<u>366,923</u>	<u>366,923</u>	<u>(102,581)</u>
Fund Balance, June 30, 2015	<u>\$ 548,812</u>	<u>\$ 225,323</u>	<u>\$ 950,323</u>	<u>\$ (401,511)</u>

# Hickman County Health Foundation

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

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

Exhibit K-1

Hickman County, Tennessee  
Statement of Net Position and Governmental Fund Balance Sheet  
Discretely Presented Hickman County Health Foundation  
June 30, 2015

	Health Foundation Fund	Adjustments	Statement of Net Position
<u>ASSETS</u>			
Cash	\$ 2,218,439	\$ 0	\$ 2,218,439
Total Assets	\$ 2,218,439	\$ 0	\$ 2,218,439
<u>FUND BALANCE/NET POSITION</u>			
Fund Balance:			
Restricted for Public Health and Welfare	\$ 2,218,439	\$ (2,218,439)	\$ 0
Total Fund Balance	\$ 2,218,439	\$ (2,218,439)	\$ 0
Total Fund Balance	\$ 2,218,439		
Net Position:			
Restricted for Public Health and Welfare		\$ 2,218,439	\$ 2,218,439
Total Net Position		\$ 2,218,439	\$ 2,218,439

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, 2015

	Health Foundation Fund	Adjustments	Statement of Activities
Expenditures/Expenses:			
General Government:			
County Commission	\$ 617	\$ 0	\$ 617
Public Health and Welfare:			
Other Public Health and Welfare	21,851	0	21,851
Total Expenditures/Expenses	<u>\$ 22,468</u>	<u>\$ 0</u>	<u>\$ 22,468</u>
General Revenues:			
Investment Income	\$ 17,154	\$ 0	\$ 17,154
Total General Revenues	<u>\$ 17,154</u>	<u>\$ 0</u>	<u>\$ 17,154</u>
Excess of Revenues Over Expenditures	\$ (5,314)	\$ 5,314	\$ 0
Change in Net Position	0	(5,314)	(5,314)
Fund Balance/Net Position:			
July 1, 2014	<u>2,223,753</u>	0	<u>2,223,753</u>
June 30, 2015	<u>\$ 2,218,439</u>	<u>\$ 0</u>	<u>\$ 2,218,439</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit L-1

Hickman County, Tennessee  
Schedule of Changes in Long-term Notes and Other Loans  
for the Year Ended June 30, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-15
<u>GOVERNMENTAL ACTIVITIES</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Highway Capital Outlay Note	\$ 125,000	4.15	8-2-04	8-2-16	\$ 31,247	\$ 0	\$ 17,279	\$ 13,968
MLEC Building	605,000	4.10	1-12-07	1-12-18	209,000	0	81,403	127,597
Highway Capital Outlay Note	350,000	4.14	6-30-08	6-30-17	162,500	0	119,127	43,373
EMS and various projects	250,000	1.25	11-13-13	11-23-16	250,000	0	82,200	167,800
General Obligation Capital Outlay Notes, Series 2014	100,000	1.5	8-19-14	8-19-17	0	100,000	0	100,000
Total Notes Payable					\$ 652,747	\$ 100,000	\$ 300,009	\$ 452,738
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Court Facility	1,750,000	Variable	2-9-1998	5-25-18	\$ 411,000	\$ 0	\$ 118,000	\$ 293,000
School Construction	22,000,000	Variable	6-28-04	5-25-29	15,860,000	0	867,000	14,993,000
Jail Construction	6,140,000	Variable	10-27-05	5-25-30	4,692,000	0	565,938	4,126,062
Sewer Line	2,000,000	Variable	3-30-06	5-25-33	1,531,000	0	65,000	1,466,000
School Construction	(1)	Variable	8-27-07	5-25-19	302,000	0	69,000	233,000
School Roofing and HVAC	5,250,000	2.71	12-17-12	12-1-32	5,057,000	0	207,000	4,850,000
Energy Efficient School Initiative	2,000,000	0	9-25-13	9-1-23	1,849,997	0	200,004	1,649,993
Total Payable through General Debt Service Fund					\$ 29,702,997	\$ 0	\$ 2,091,942	\$ 27,611,055
<u>Payable through Education Debt Service Fund</u>								
School Construction	8,949,117	Variable	12-15-1997	5-25-18	\$ 2,607,117	\$ 0	\$ 614,000	\$ 1,993,117
Total Other Loans Payable					\$ 32,310,114	\$ 0	\$ 2,705,942	\$ 29,604,172
<u>BUSINESS-TYPE ACTIVITIES</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through Solid Waste Disposal Fund</u>								
Recycling Center	450,000	4.05	3-23-07	3-23-19	\$ 187,500	\$ 0	\$ 37,500	\$ 150,000
Total Notes Payable					\$ 187,500	\$ 0	\$ 37,500	\$ 150,000

(1) Total amount approved was \$1,000,000, of which \$343,000 remains available for draws as of June 30, 2015.

Exhibit L-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 207,829	\$ 11,254	\$ 219,083
2017	183,473	5,926	189,399
2018	61,436	1,646	63,082
Total	\$ 452,738	\$ 18,826	\$ 471,564

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2016	\$ 2,437,004	\$ 189,828	\$ 300,053	\$ 2,926,885
2017	2,520,004	178,404	274,146	2,972,554
2018	2,458,121	166,611	247,121	2,871,853
2019	1,728,004	154,875	219,704	2,102,583
2020	1,766,004	145,158	202,430	2,113,592
2021	1,810,004	135,184	185,418	2,130,606
2022	1,859,004	124,935	167,921	2,151,860
2023	1,907,004	114,400	149,886	2,171,290
2024	1,807,961	103,579	131,313	2,042,853
2025	1,811,000	92,440	112,177	2,015,617
2026	1,865,000	80,981	92,465	2,038,446
2027	1,919,000	69,210	72,151	2,060,361
2028	1,977,000	57,112	51,236	2,085,348
2029	2,035,000	44,667	29,621	2,109,288
2030	437,062	31,876	6,706	475,644
2031	412,000	23,028	4,406	439,434
2032	422,000	14,039	3,203	439,242
2033	433,000	4,814	1,913	439,727
Total	\$ 29,604,172	\$ 1,731,141	\$ 2,251,870	\$ 33,587,183

(Continued)

Exhibit L-2

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

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Notes		
	Principal	Interest	Total
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	\$ 150,000	\$ 15,470	\$ 165,470

Exhibit L-3

Hickman County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2015

<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	\$ 32,784
"	General Capital Projects	Capital project	29,273
Highway/Public Works	General	Administrative costs	33,044
General Debt Service	Education Debt Service	Debt retirement	213,500
General Capital Projects	General Debt Service	Debt retirement	486,638
Total Transfers Primary Government			<u>\$ 795,239</u>
<u>DISCRETELY PRESENTED HICKMAN</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Central Cafeteria	Operations	\$ 725,000
School Federal Projects	General Purpose School	Indirect costs	32,439
Total Transfers Discretely Presented Hickman County School Department			<u>\$ 757,439</u>

Exhibit L-4

Hickman County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2015

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Steve Gregory (7-1-14 through 8-31-14)	Section 8-24-102, TCA	\$ 13,307 (1)	\$ 50,000	State Farm Fire and Casualty Company
Shaun Lawson (9-1-14 through 6-30-15)	Section 8-24-102, TCA	65,298	100,000	"
Road Superintendent	Section 8-24-102, TCA	74,875 (1)	100,000	"
Director of Schools	State Board of Education and Local Board of Education	118,764 (2)	150,000 (7)	Tennessee Risk Management Trust
Trustee	Section 8-24-102, TCA	68,090 (1)	1,029,435	State Farm Fire and Casualty Company
Assessor of Property	Section 8-24-102, TCA	69,090 (3)	50,000	"
County Clerk	Section 8-24-102, TCA	68,090 (1)	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	67,843	100,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Judge	67,843 (4)	55,000	"
Register of Deeds	Section 8-24-102, TCA	68,090 (1)	100,000	"
Sheriff	Section 8-24-102, TCA	75,228 (5)	100,000	Travelers Casualty and Surety Company
Finance Director	County Commission	69,343 (6)	100,000	State Farm Fire and Casualty Company
Employee Blanket Bonds:				
Employee Fidelity - County Departments			150,000	Tennessee Risk Management Trust
Employee Fidelity - School Department			150,000	"

- (1) Includes a certified public administrator supplement of \$247.
- (2) Includes a chief executive officer training supplement of \$1,000.
- (3) Includes a certified public administrator supplement of \$1,247.
- (4) Does not include special commissioner fees of \$570.
- (5) Includes a law enforcement training supplement of \$600.
- (6) Includes a certified public administrator supplement of \$1,500.
- (7) Coverage is provided under the employee fidelity blanket bond.

Exhibit L-5

Hickman County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2015

	Special Revenue Funds				
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 4,857,130	\$ 0	\$ 0	\$ 0	245,711
Trustee's Collections - Prior Year	196,308	0	0	0	9,938
Circuit/Clerk and Master Collections - Prior Years	93,197	0	0	0	4,732
Interest and Penalty	37,507	0	0	0	1,897
Payments in-Lieu-of Taxes - T.V.A.	6,977	0	0	0	353
Payments in-Lieu-of Taxes - Local Utilities	24,927	0	0	0	0
Payments in-Lieu-of Taxes - Other	26,385	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,891	0	0	0	0
Hotel/Motel Tax	3,518	0	0	0	0
Wheel Tax	0	0	0	0	0
Litigation Tax - General	95,177	0	0	0	0
Litigation Tax - Special Purpose	13,561	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	84,120	0	0	0	0
Business Tax	59,588	0	0	0	3,018
Mineral Severance Tax	0	0	0	0	55,027
Adequate Facilities/Development Tax	0	0	93,729	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	11,291	0	0	0	0
Wholesale Beer Tax	203,419	0	0	0	0
Interstate Telecommunications Tax	15,321	0	0	0	0
Other Statutory Local Taxes	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 5,732,317</b>	<b>\$ 0</b>	<b>\$ 93,729</b>	<b>\$ 0</b>	<b>\$ 320,676</b>

(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	30,223 \$	0 \$	0 \$	0 \$	0
<u>Permits</u>					
Beer Permits	3,182	0	0	0	0
Building Permits	44,371	0	0	0	0
Total Licenses and Permits	77,776 \$	0 \$	0 \$	0 \$	0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	19,395 \$	0 \$	0 \$	0 \$	0
Officers Costs	7,154	0	0	0	0
Drug Control Fines	0	11,538	0	0	0
Drug Court Fees	2,740	0	0	0	0
Jail Fees	2,912	0	0	0	0
DUI Treatment Fines	1,684	0	0	0	0
Data Entry Fee - Circuit Court Criminal Court	1,003	0	0	0	0
DUI Treatment Fines	864	0	0	0	0
<u>General Sessions Court</u>					
Fines	14,255	0	0	0	0
Officers Costs	33,268	0	0	0	0
Game and Fish Fines	1,994	0	0	0	0
Drug Control Fines	0	15,005	0	0	0
Drug Court Fees	6,299	0	0	0	0
Jail Fees	11,518	0	0	0	0
DUI Treatment Fines	4,715	0	0	0	0
Data Entry Fee - General Sessions Court	13,099	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	2,434 \$	0 \$	0 \$	0 \$	0
Data Entry Fee - Chancery Court	3,490	0	0	0	0
<u>Judicial District Drug Program</u>					
Courtroom Security Fee	18,003	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	4,268	39,339	0	0	0
Other Fines, Forfeitures, and Penalties	24,938	0	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 174,033 \$</b>	<b>65,882 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0</b>
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Other Employee Benefit Charges/Contributions	25,106 \$	0 \$	0 \$	0 \$	1,396
Patient Charges	1,201,868	0	0	0	0
<u>Fees</u>					
Copy Fees	5,208	0	0	0	0
Library Fees	1,348	0	0	0	0
Archives and Records Management Fee - County Clerk	16,856	0	0	0	0
Telephone Commissions	34,479	0	0	0	0
Vending Machine Collections	392	0	0	0	1,594
Constitutional Officers' Fees and Commissions	0	0	0	570	0
Data Processing Fee - Register	7,744	0	0	0	0
Probation Fees	2,555	0	0	0	0
Data Processing Fee - Sheriff	296	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,242	0	0	0	0
Data Processing Fee - County Clerk	474	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 1,299,568 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>570 \$</b>	<b>2,990</b>

(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	\$ 1,247	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	7,164	0	0	0	0
Sale of Materials and Supplies	1,995	0	0	0	0
Commissary Sales	9,098	0	0	0	0
Sale of Recycled Materials	0	0	0	0	3,562
E-Rate Funding	3,443	0	0	0	0
Miscellaneous Refunds	13,690	0	0	0	9,968
<u>Nonrecurring Items</u>					
Contributions and Gifts	6,168	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	2,000	0	0	0	0
Total Other Local Revenues	\$ 44,805	\$ 0	\$ 0	\$ 0	\$ 13,530
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 224,863	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	69,133	0	0	0	0
General Sessions Court Clerk	198,030	0	0	0	0
Clerk and Master	103,409	0	0	0	0
Juvenile Court Clerk	16,848	0	0	0	0
Register	88,092	0	0	0	0
Sheriff	18,125	0	0	0	0
Trustee	335,484	0	0	0	0
Total Fees Received from County Officials	\$ 1,053,984	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	General	Drug Control	Special Revenue Funds			
			Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	
<u>State of Tennessee</u>						
General Government Grants						
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0	0
Public Safety Grants						
Law Enforcement Training Programs	13,800	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	316,179	0	0	0	0	0
Other Health and Welfare Grants	38,826	0	0	0	0	0
Public Works Grants						
Bridge Program	0	0	0	0	0	143,125
State Aid Program	0	0	0	0	0	37,789
<u>Other State Revenues</u>						
Income Tax	43,256	0	0	0	0	0
Beer Tax	18,055	0	0	0	0	0
Vehicle Certificate of Title Fees	6,924	0	0	0	0	0
Alcoholic Beverage Tax	63,464	0	0	0	0	0
State Revenue Sharing - T.V.A.	433,536	0	0	0	0	21,932
Contracted Prisoner Boarding	639,746	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,873,064
Petroleum Special Tax	0	0	0	0	0	17,815
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	11,878	0	0	0	0	0
Other State Revenues	1,285	0	0	0	0	0
Total State of Tennessee	\$ 1,606,613	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,093,725

(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</u>					
<u>Federal Through State</u>					
Disaster Relief	\$ 4,378	\$ 0	\$ 0	\$ 0	\$ 869,348
Homeland Security Grants	40,354	0	0	0	0
Other Federal through State	2,783	0	0	0	0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	0	0	0	464,700
<u>Total Federal Government</u>	<u>\$ 47,515</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,334,048</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,129
Contributions	105,000	0	0	0	0
<u>Citizens Groups</u>					
Donations	526	0	0	0	0
<u>Total Other Governments and Citizens Groups</u>	<u>\$ 105,526</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,129</u>
<u>Total</u>	<u>\$ 10,142,137</u>	<u>\$ 65,882</u>	<u>\$ 93,729</u>	<u>\$ 570</u>	<u>\$ 3,772,098</u>

(Continued)

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		General Capital Projects		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 862,819	\$ 0	\$ 0	\$ 0	\$ 0	5,965,660
Trustee's Collections - Prior Year	34,448	0	0	0	0	240,694
Circuit/Clerk and Master Collections - Prior Years	39,097	0	0	0	0	137,026
Interest and Penalty	6,584	0	0	0	0	45,988
Payments in-Lieu-of Taxes - T.V.A.	1,239	0	0	0	0	8,569
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	24,927
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	26,385
<u>County Local Option Taxes</u>						
Local Option Sales Tax	729,877	0	0	0	0	733,768
Hotel/Motel Tax	0	0	0	0	0	3,518
Wheel Tax	723,325	310,018	0	0	0	1,033,343
Litigation Tax - General	0	0	0	0	0	95,177
Litigation Tax - Special Purpose	0	0	0	0	0	13,561
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	84,120
Business Tax	10,590	0	0	0	0	73,196
Mineral Severance Tax	0	0	0	0	0	55,027
Adequate Facilities/Development Tax	0	0	0	0	0	93,729
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	11,291
Wholesale Beer Tax	0	0	0	0	0	203,419
Interstate Telecommunications Tax	0	0	0	0	0	15,321
Other Statutory Local Taxes	12,741	0	0	0	0	12,741
<b>Total Local Taxes</b>	<b>\$ 2,420,720</b>	<b>\$ 310,018</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>8,877,460</b>

(Continued)

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 \$	0 \$	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	0 \$	0 \$	0 \$	0 \$	0 \$	30,223
<u>Permits</u>						
Beer Permits	0	0	0	0	0	3,182
Building Permits	0	0	0	0	0	44,371
<b>Total Licenses and Permits</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>77,776</b>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	0 \$	0 \$	0 \$	0 \$	0 \$	19,395
Officers Costs	0	0	0	0	0	7,154
Drug Control Fines	0	0	0	0	0	11,538
Drug Court Fees	0	0	0	0	0	2,740
Jail Fees	0	0	0	0	0	2,912
DUI Treatment Fines	0	0	0	0	0	1,684
Data Entry Fee - Circuit Court Criminal Court	0	0	0	0	0	1,003
DUI Treatment Fines	0	0	0	0	0	864
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	14,255
Officers Costs	0	0	0	0	0	33,268
Game and Fish Fines	0	0	0	0	0	1,994
Drug Control Fines	0	0	0	0	0	15,005
Drug Court Fees	0	0	0	0	0	6,299
Jail Fees	0	0	0	0	0	11,518
DUI Treatment Fines	0	0	0	0	0	4,715
Data Entry Fee - General Sessions Court	0	0	0	0	0	13,099

(Continued)

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	General Capital Projects			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Officers Costs	0 \$	0 \$	0 \$	0 \$	0 \$	2,434
Data Entry Fee - Chancery Court	0	0	0	0	0	3,490
<u>Judicial District Drug Program</u>						
Courtroom Security Fee	0	0	0	0	0	18,003
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	43,607
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	24,938
Total Fines, Forfeitures, and Penalties	0 \$	0 \$	0 \$	0 \$	0 \$	239,915
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other Employee Benefit Charges/Contributions	0 \$	0 \$	0 \$	0 \$	0 \$	26,502
Patient Charges	0	0	0	0	0	1,201,868
<u>Fees</u>						
Copy Fees	0	0	0	0	0	5,208
Library Fees	0	0	0	0	0	1,348
Archives and Records Management Fee - County Clerk	0	0	0	0	0	16,856
Telephone Commissions	0	0	0	0	0	34,479
Vending Machine Collections	0	0	0	0	0	1,986
Constitutional Officers' Fees and Commissions	0	0	0	0	0	570
Data Processing Fee - Register	0	0	0	0	0	7,744
Probation Fees	0	0	0	0	0	2,555
Data Processing Fee - Sheriff	0	0	0	0	0	296
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	3,242
Data Processing Fee - County Clerk	0	0	0	0	0	474
Total Charges for Current Services	0 \$	0 \$	0 \$	0 \$	0 \$	1,303,128

(Continued)

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	General Capital Projects			
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 10,550	\$ 0	\$ 0	\$ 0	\$ 0	11,797
Lease/Rentals	0	0	0	0	0	7,164
Sale of Materials and Supplies	0	0	0	0	0	1,995
Commissary Sales	0	0	0	0	0	9,098
Sale of Recycled Materials	0	0	0	0	0	3,562
E-Rate Funding	0	0	0	0	0	3,443
Miscellaneous Refunds	0	0	0	0	0	23,658
<u>Nonrecurring Items</u>						
Contributions and Gifts	0	0	0	0	0	6,168
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	2,000
Total Other Local Revenues	\$ 10,550	\$ 0	\$ 0	\$ 0	\$ 0	68,885
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	0	0	0	0	0	224,863
Circuit Court Clerk	0	0	0	0	0	69,133
General Sessions Court Clerk	0	0	0	0	0	198,030
Clerk and Master	0	0	0	0	0	103,409
Juvenile Court Clerk	0	0	0	0	0	16,848
Register	0	0	0	0	0	88,092
Sheriff	0	0	0	0	0	18,125
Trustee	0	0	0	0	0	335,484
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,053,984

(Continued)

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	General Capital Projects			
<u>State of Tennessee</u>						
General Government Grants	\$	0 \$	0 \$	0 \$	0 \$	4,500
Juvenile Services Program						
Public Safety Grants						
Law Enforcement Training Programs		0	0	0	0	13,800
Health and Welfare Grants						
Health Department Programs		0	0	0	0	316,179
Other Health and Welfare Grants		0	0	0	0	38,826
Public Works Grants						
Bridge Program		0	0	0	0	143,125
State Aid Program		0	0	0	0	37,789
<u>Other State Revenues</u>						
Income Tax		0	0	0	0	43,256
Beer Tax		0	0	0	0	18,055
Vehicle Certificate of Title Fees		0	0	0	0	6,924
Alcoholic Beverage Tax		0	0	0	0	63,464
State Revenue Sharing - T.V.A.		77,013	0	0	0	532,481
Contracted Prisoner Boarding		0	0	0	0	639,746
Gasoline and Motor Fuel Tax		0	0	0	0	1,873,064
Petroleum Special Tax		0	0	0	0	17,815
Registrar's Salary Supplement		0	0	0	0	15,164
Other State Grants		0	0	0	0	11,878
Other State Revenues		0	0	0	0	1,285
Total State of Tennessee	\$	77,013 \$	0 \$	0 \$	0 \$	3,777,351

(Continued)

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		General Capital Projects		
<u>Federal Government</u>						
<u>Federal Through State</u>						
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 873,726
Homeland Security Grants	0	0	0	0	0	40,354
Other Federal through State	0	0	0	679,616	679,616	682,399
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	0	0	0	0	0	464,700
<u>Total Federal Government</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 679,616</u>	<u>\$ 679,616</u>	<u>\$ 2,061,179</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,129
Contributions	0	0	0	0	0	105,000
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	526
<u>Total Other Governments and Citizens Groups</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 112,655</u>
<u>Total</u>	<u>\$ 2,508,283</u>	<u>\$ 310,018</u>	<u>\$ 310,018</u>	<u>\$ 679,616</u>	<u>\$ 679,616</u>	<u>\$ 17,572,333</u>

Exhibit L-6

Hickman County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2015

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 2,948,614	\$ 0	\$ 0	\$ 2,948,614
Trustee's Collections - Prior Year	119,359	0	0	119,359
Circuit/Clerk and Master Collections - Prior Years	56,237	0	0	56,237
Interest and Penalty	22,804	0	0	22,804
Payments in-Lieu-of Taxes - T.V.A.	4,235	0	0	4,235
Payments in-Lieu-of Taxes - Local Utilities	6,000	0	0	6,000
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,385,135	0	0	1,385,135
Business Tax	36,173	0	0	36,173
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	2,449	0	0	2,449
<b>Total Local Taxes</b>	<b>\$ 4,581,006</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,581,006</b>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,312	\$ 0	\$ 0	\$ 1,312
<b>Total Licenses and Permits</b>	<b>\$ 1,312</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,312</b>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Summer School	\$ 2,361	\$ 0	\$ 0	\$ 2,361
Lunch Payments - Adults	0	0	60,683	60,683
Income from Breakfast	0	0	1,135	1,135
A la carte Sales	0	0	149,331	149,331
Receipts from Individual Schools	60,140	0	0	60,140
Community Service Fees - Adults	187	0	0	187
<b>Total Charges for Current Services</b>	<b>\$ 62,688</b>	<b>\$ 0</b>	<b>\$ 211,149</b>	<b>\$ 273,837</b>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 180	\$ 180
Lease/Rentals	946	0	0	946
E-Rate Funding	36,272	0	0	36,272
Miscellaneous Refunds	124,952	0	30	124,982
<u>Nonrecurring Items</u>				
Gain on Retirement of Debt	58,285	0	0	58,285
Sale of Equipment	4,937	0	0	4,937
Damages Recovered from Individuals	3,670	0	0	3,670
Contributions and Gifts	17,653	0	0	17,653
<u>Other Local Revenues</u>				
Other Local Revenues	2,000	0	0	2,000
<b>Total Other Local Revenues</b>	<b>\$ 248,715</b>	<b>\$ 0</b>	<b>\$ 210</b>	<b>\$ 248,925</b>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 89,454	\$ 0	\$ 0	\$ 89,454
<u>State Education Funds</u>				
Basic Education Program	20,235,801	0	0	20,235,801

(Continued)

Exhibit L-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Early Childhood Education	\$ 422,611	\$ 0	\$ 0	\$ 422,611
School Food Service	19,518	0	0	19,518
Driver Education	12,126	0	0	12,126
Other State Education Funds	116,103	0	0	116,103
Coordinated School Health	90,000	0	0	90,000
Career Ladder Program	89,895	0	0	89,895
Career Ladder - Extended Contract	29,020	0	0	29,020
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	263,186	0	0	263,186
Other State Revenues	23,590	0	0	23,590
Total State of Tennessee	<u>\$ 21,391,304</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,391,304</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,115,474	\$ 1,115,474
USDA - Commodities	0	0	172,788	172,788
Breakfast	0	0	452,421	452,421
Adult Education State Grant Program	123,405	0	0	123,405
Vocational Education - Basic Grants to States	0	63,153	0	63,153
Title I Grants to Local Education Agencies	0	899,962	0	899,962
Special Education - Grants to States	0	785,084	0	785,084
Special Education Preschool Grants	0	22,133	0	22,133
Rural Education	0	53,663	0	53,663
Eisenhower Professional Development State Grants	0	127,233	0	127,233
Race-to-the-Top - ARRA	0	43,276	0	43,276
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	68,553	0	0	68,553
Total Federal Government	<u>\$ 191,958</u>	<u>\$ 1,994,504</u>	<u>\$ 1,740,683</u>	<u>\$ 3,927,145</u>
Total	<u>\$ 26,476,983</u>	<u>\$ 1,994,504</u>	<u>\$ 1,952,042</u>	<u>\$ 30,423,529</u>

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, 2015

	Special Revenue Fund <hr/> Other Special Revenue
<hr/>	
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Investment Income	\$ 17,154
Total Other Local Revenues	<u>\$ 17,154</u>
 Total	 <u><u>\$ 17,154</u></u>

Exhibit L-8

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2015

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	50,400	
Accounting Services		465	
Audit Services		9,907	
Legal Notices, Recording, and Court Costs		2,021	
Travel		4,278	
Total County Commission			\$ 67,071

Board of Equalization

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

Beer Board

Criminal Investigation of Applicants - TBI	\$	84	
Total Beer Board			84

County Mayor/Executive

County Official/Administrative Officer	\$	78,605	
Salary Supplements		1,500	
Secretary(ies)		25,694	
Longevity Pay		1,700	
In-service Training		600	
Legal Notices, Recording, and Court Costs		1,438	
Travel		6,015	
Other Contracted Services		3,692	
Office Supplies		2,395	
Premiums on Corporate Surety Bonds		994	
Office Equipment		1,554	
Total County Mayor/Executive			124,187

County Attorney

Legal Services	\$	10,094	
Total County Attorney			10,094

Election Commission

County Official/Administrative Officer	\$	61,059	
Deputy(ies)		26,979	
Part-time Personnel		9,659	
Longevity Pay		1,100	
Election Commission		4,480	
Election Workers		49,533	
Data Processing Services		3,607	
Legal Notices, Recording, and Court Costs		2,687	
Printing, Stationery, and Forms		3,211	
Rentals		2,199	
Travel		5,479	
Other Contracted Services		11,480	
Office Supplies		2,698	
Total Election Commission			184,171

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	68,090	
Deputy(ies)		20,753	
Salary Supplements		3,000	
Clerical Personnel		24,881	
Longevity Pay		1,900	
In-service Training		350	
Data Processing Services		7,683	
Legal Notices, Recording, and Court Costs		17	
Travel		244	
Office Supplies		770	
Premiums on Corporate Surety Bonds		994	
Total Register of Deeds			\$ 128,682

Planning

Supervisor/Director	\$	41,849	
Deputy(ies)		21,884	
Board and Committee Members Fees		2,200	
In-service Training		900	
Contracts with Private Agencies		13,500	
Data Processing Services		1,350	
Legal Notices, Recording, and Court Costs		1,226	
Maintenance and Repair Services - Vehicles		927	
Printing, Stationery, and Forms		756	
Other Contracted Services		350	
Gasoline		1,389	
Office Supplies		171	
Other Supplies and Materials		335	
Office Equipment		1,764	
Other Construction		8,150	
Total Planning			96,751

County Buildings

Supervisor/Director	\$	45,254	
Custodial Personnel		26,094	
Longevity Pay		2,100	
Maintenance and Repair Services - Buildings		118,006	
Maintenance and Repair Services - Equipment		2,202	
Maintenance and Repair Services - Vehicles		183	
Travel		19	
Custodial Supplies		9,716	
Gasoline		5,939	
Office Supplies		143	
Uniforms		1,455	
Other Charges		983	
Total County Buildings			212,094

(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	\$	78,332	
Pest Control		6,000	
Disposal Fees		237	
Electricity		203,583	
Utilities		99,326	
Total Other Facilities			\$ 387,478

Other General Administration

In-service Training	\$	500	
Maintenance and Repair Services - Equipment		7,279	
Travel		72	
Office Supplies		500	
Other Supplies and Materials		566	
Office Equipment		11,927	
Total Other General Administration			20,844

Preservation of Records

Salary Supplements	\$	375	
Clerical Personnel		24,072	
Travel		415	
Other Contracted Services		2,136	
Office Supplies		533	
Other Supplies and Materials		5,133	
Other Charges		88	
Total Preservation of Records			32,752

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	69,343	
Assistant(s)		34,572	
Accountants/Bookkeepers		20,728	
Data Processing Personnel		24,673	
Salary Supplements		7,500	
Clerical Personnel		50,889	
Longevity Pay		5,000	
In-service Training		1,100	
Data Processing Services		11,279	
Legal Notices, Recording, and Court Costs		4,306	
Printing, Stationery, and Forms		4,507	
Travel		1,099	
Office Supplies		4,109	
Premiums on Corporate Surety Bonds		290	
Office Equipment		129	
Total Accounting and Budgeting			239,524

Property Assessor's Office

County Official/Administrative Officer	\$	69,090	
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(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Deputy(ies)	\$	26,771	
Assessment Personnel		12,149	
Salary Supplements		3,500	
Secretary(ies)		24,416	
Clerical Personnel		24,475	
Longevity Pay		1,700	
In-service Training		1,110	
Contracts with Private Agencies		6,426	
Data Processing Services		12,415	
Legal Notices, Recording, and Court Costs		907	
Maintenance and Repair Services - Vehicles		512	
Travel		3,343	
Other Contracted Services		10,000	
Gasoline		463	
Office Supplies		2,049	
Other Charges		12,605	
Office Equipment		5,227	
Total Property Assessor's Office			\$ 217,158

County Trustee's Office

County Official/Administrative Officer	\$	68,090	
Deputy(ies)		27,779	
Data Processing Personnel		24,881	
Salary Supplements		4,500	
Clerical Personnel		25,894	
Part-time Personnel		3,595	
Longevity Pay		4,900	
In-service Training		400	
Data Processing Services		8,279	
Legal Notices, Recording, and Court Costs		122	
Printing, Stationery, and Forms		4,476	
Travel		812	
Office Supplies		2,801	
Premiums on Corporate Surety Bonds		10,788	
Office Equipment		1,009	
Total County Trustee's Office			188,326

County Clerk's Office

County Official/Administrative Officer	\$	68,090	
Deputy(ies)		26,979	
Salary Supplements		8,000	
Secretary(ies)		25,287	
Clerical Personnel		74,954	
Part-time Personnel		11,866	
Longevity Pay		4,300	
In-service Training		600	
Data Processing Services		15,581	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Legal Notices, Recording, and Court Costs	\$	17	
Travel		1,209	
Office Supplies		2,460	
Premiums on Corporate Surety Bonds		994	
Office Equipment		9,686	
Total County Clerk's Office			\$ 250,023

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	67,843	
Deputy(ies)		150,312	
Part-time Personnel		973	
Longevity Pay		5,800	
Other Salaries and Wages		15,052	
Jury and Witness Expense		11,314	
Data Processing Services		11,860	
Legal Notices, Recording, and Court Costs		1,046	
Travel		1,110	
Office Supplies		5,177	
Premiums on Corporate Surety Bonds		1,420	
Office Equipment		5,028	
Total Circuit Court			276,935

General Sessions Court

Judge(s)	\$	107,315	
Guidance Personnel		48,661	
Secretary(ies)		27,679	
Longevity Pay		2,400	
Travel		3,723	
Other Contracted Services		132	
Library Books/Media		530	
Office Supplies		849	
Office Equipment		2,006	
Total General Sessions Court			193,295

Chancery Court

County Official/Administrative Officer	\$	67,843	
Assistant(s)		25,699	
Deputy(ies)		25,694	
Part-time Personnel		10,792	
Longevity Pay		2,600	
Data Processing Services		8,951	
Office Supplies		6,069	
Office Equipment		2,840	
Total Chancery Court			150,488

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners

Part-time Personnel	\$	9,113	
Other Salaries and Wages		21,003	
In-service Training		302	
Travel		1,832	
Office Supplies		1,688	
Other Charges		360	
Total Judicial Commissioners			\$ 34,298

Courtroom Security

Other Supplies and Materials	\$	144	
Total Courtroom Security			144

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	75,228	
Deputy(ies)		794,996	
Salary Supplements		15,464	
Dispatchers/Radio Operators		210,502	
Secretary(ies)		26,194	
Clerical Personnel		22,137	
Longevity Pay		13,900	
Overtime Pay		34,438	
Other Salaries and Wages		62,747	
In-service Training		11,623	
Communication		6,745	
Data Processing Services		7,254	
Maintenance and Repair Services - Equipment		640	
Maintenance and Repair Services - Vehicles		34,440	
Postal Charges		300	
Travel		2,948	
Gasoline		92,214	
Law Enforcement Supplies		27,468	
Office Supplies		6,634	
Tires and Tubes		11,396	
Uniforms		12,322	
Premiums on Corporate Surety Bonds		2,831	
Motor Vehicles		90,000	
Office Equipment		2,810	
Total Sheriff's Department			1,565,231

Jail

Guards	\$	415,201	
Longevity Pay		4,800	
Overtime Pay		21,187	
Other Salaries and Wages		11,362	
In-service Training		400	
Medical and Dental Services		206,926	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Travel	\$	881	
Other Contracted Services		68,778	
Custodial Supplies		19,064	
Drugs and Medical Supplies		26,659	
Food Supplies		222,370	
Office Supplies		4,698	
Prisoners Clothing		3,731	
Uniforms		5,603	
Other Supplies and Materials		4,289	
Data Processing Equipment		1,321	
Office Equipment		2,932	
Total Jail			\$ 1,020,202

Fire Prevention and Control

In-service Training	\$	7,167	
Contracts with Government Agencies		2,000	
Other Contracted Services		3,143	
Total Fire Prevention and Control			12,310

Civil Defense

Supervisor/Director	\$	67,658	
Longevity Pay		700	
Other Salaries and Wages		22,923	
In-service Training		1,999	
Operating Lease Payments		3,400	
Maintenance and Repair Services - Equipment		8,915	
Maintenance and Repair Services - Vehicles		12,113	
Diesel Fuel		49	
Drugs and Medical Supplies		1,742	
Gasoline		1,852	
Office Supplies		1,368	
Propane Gas		1,608	
Uniforms		955	
Other Supplies and Materials		8,510	
Other Charges		472	
Communication Equipment		14,409	
Other Equipment		7,048	
Total Civil Defense			155,721

Rescue Squad

Contributions	\$	20,929	
Total Rescue Squad			20,929

County Coroner/Medical Examiner

Medical Personnel	\$	2,625	
Other Contracted Services		29,290	
Premiums on Corporate Surety Bonds		400	
Total County Coroner/Medical Examiner			32,315

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Contributions	\$	39,031	
Maintenance and Repair Services - Buildings		127	
Other Contracted Services		5,957	
Office Supplies		563	
Other Charges		62	
Total Local Health Center			\$ 45,740

Ambulance/Emergency Medical Services

Medical Personnel	\$	698,631	
Part-time Personnel		116,120	
Longevity Pay		9,100	
Overtime Pay		186,074	
In-service Training		9,916	
Other Per Diem and Fees		150	
Dues and Memberships		770	
Legal Notices, Recording, and Court Costs		52	
Maintenance and Repair Services - Buildings		1,859	
Maintenance and Repair Services - Equipment		6,244	
Maintenance and Repair Services - Vehicles		37,315	
Travel		855	
Other Contracted Services		121,439	
Custodial Supplies		2,050	
Diesel Fuel		44,504	
Drugs and Medical Supplies		71,411	
Gasoline		6,919	
Office Supplies		3,280	
Tires and Tubes		11,882	
Uniforms		8,506	
Other Supplies and Materials		4,763	
Motor Vehicles		119,794	
Other Equipment		18,260	
Total Ambulance/Emergency Medical Services			1,479,894

Alcohol and Drug Programs

Probation Officer(s)	\$	10,250	
Travel		361	
Office Supplies		504	
Other Charges		9,893	
Total Alcohol and Drug Programs			21,008

Other Local Health Services

Medical Personnel	\$	166,625	
Educational Assistants		50,091	
Printing, Stationery, and Forms		103	
Travel		17,482	
Other Contracted Services		103	
Liability Insurance		191	
Total Other Local Health Services			234,595

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Public Health and Welfare

Other Charges	\$ 21,908	
Total Other Public Health and Welfare		\$ 21,908

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

Libraries

Assistant(s)	\$ 102,553	
Librarians	36,362	
Longevity Pay	5,500	
Other Salaries and Wages	14,029	
Data Processing Services	2,190	
Dues and Memberships	50	
Maintenance and Repair Services - Buildings	1,877	
Postal Charges	1,068	
Travel	287	
Other Contracted Services	13,442	
Library Books/Media	4,659	
Office Supplies	5,020	
Utilities	4,704	
Other Supplies and Materials	625	
Other Charges	5,423	
Other Equipment	2,553	
Other Capital Outlay	2,257	
Total Libraries		202,599

Agriculture and Natural Resources

Agricultural Extension Service

Contributions	\$ 31,512	
Dues and Memberships	235	
Travel	556	
Custodial Supplies	117	
Office Supplies	2,095	
Total Agricultural Extension Service		34,515

Soil Conservation

Secretary(ies)	\$ 16,166	
Other Contracted Services	5,000	
Office Supplies	2,550	
Total Soil Conservation		23,716

Other Operations

Tourism

Contributions	\$ 5,000	
Total Tourism		5,000

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development

Supervisor/Director	\$	39,797	
Contributions		9,888	
Total Industrial Development			\$ 49,685

Veterans' Services

Part-time Personnel	\$	20,000	
Travel		362	
Other Contracted Services		399	
Office Supplies		194	
Office Equipment		295	
Total Veterans' Services			21,250

Other Charges

Liability Insurance	\$	261,321	
Trustee's Commission		142,163	
Workers' Compensation Insurance		135,948	
Total Other Charges			539,432

Employee Benefits

Social Security	\$	356,804	
Pensions		596,847	
Life Insurance		35,504	
Medical Insurance		1,347,244	
Unemployment Compensation		13,159	
Total Employee Benefits			2,349,558

Miscellaneous

Contracts with Government Agencies	\$	12,920	
Contributions		35,188	
Dues and Memberships		11,747	
Postal Charges		42,092	
Rentals		4,180	
Other Charges		1,541	
Total Miscellaneous			107,668

Total General Fund \$ 10,767,725

Drug Control Fund

Public Safety

Sheriff's Department

Other Supplies and Materials	\$	1,017	
Motor Vehicles		45,000	
Office Equipment		23,823	
Total Sheriff's Department			\$ 69,840

Total Drug Control Fund 69,840

(Continued)

Exhibit L-8

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

Adequate Facilities/Development Tax Fund

General Government

Building

Trustee's Commission	\$	948	
Total Building			\$ 948

Total Adequate Facilities/Development Tax Fund \$ 948

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	570	
Total Chancery Court			\$ 570

Total Constitutional Officers - Fees Fund 570

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	74,875	
Salary Supplements		1,500	
Secretary(ies)		32,571	
Overtime Pay		5,741	
Other Salaries and Wages		50,966	
Board and Committee Members Fees		16,600	
In-service Training		450	
Contributions		500	
Dues and Memberships		3,185	
Legal Notices, Recording, and Court Costs		288	
Travel		2,053	
Other Contracted Services		6,418	
Office Supplies		125	
Premiums on Corporate Surety Bonds		1,830	
Total Administration			\$ 197,102

Highway and Bridge Maintenance

Salary Supplements	\$	1,500	
Foremen		196,353	
Equipment Operators		289,994	
Laborers		245,431	
Overtime Pay		33,251	
Explosive and Drilling Services		750	
Asphalt - Cold Mix		32,279	
Asphalt - Liquid		213,778	
Crushed Stone		235,598	
General Construction Materials		1,368	
Other Road Materials		9,210	
Pipe		14,764	
Road Signs		10,069	
Small Tools		2,099	
Chemicals		5,100	
Total Highway and Bridge Maintenance			1,291,544

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Foremen	\$	34,383	
Mechanic(s)		31,214	
Overtime Pay		3,290	
Laundry Service		7,827	
Diesel Fuel		127,371	
Equipment and Machinery Parts		98,649	
Garage Supplies		24,323	
Gasoline		20,405	
Lubricants		11,447	
Tires and Tubes		23,636	
Total Operation and Maintenance of Equipment			\$ 382,545

Other Charges

Communication	\$	3,452	
Legal Services		710	
Electricity		4,996	
Water and Sewer		5,386	
Liability Insurance		38,076	
Trustee's Commission		24,950	
Total Other Charges			77,570

Employee Benefits

Social Security	\$	74,523	
Pensions		130,284	
Employee and Dependent Insurance		345,650	
Unemployment Compensation		10,062	
Workers' Compensation Insurance		136,669	
Other Charges		2,780	
Total Employee Benefits			699,968

Capital Outlay

Bridge Construction	\$	183,159	
Highway Construction		160,761	
Highway Equipment		422,649	
Motor Vehicles		11,452	
Other Construction		855	
Total Capital Outlay			778,876

Total Highway/Public Works Fund \$ 3,427,605

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$	163,603	
Principal on Other Loans		748,938	
Total General Government			\$ 912,541

(Continued)

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Highways and Streets

Principal on Notes	\$ 136,406	
Total Highways and Streets		\$ 136,406

Education

Principal on Other Loans	\$ 1,343,004	
Total Education		1,343,004

Interest on Debt

General Government

Interest on Notes	\$ 12,604	
Interest on Other Loans	13,820	
Total General Government		26,424

Highways and Streets

Interest on Notes	\$ 6,772	
Total Highways and Streets		6,772

Education

Interest on Other Loans	\$ 167,874	
Total Education		167,874

Other Debt Service

General Government

Trustee's Commission	\$ 33,739	
Other Debt Service	87,382	
Total General Government		121,121

Education

Other Debt Service	\$ 210,009	
Total Education		210,009

Total General Debt Service Fund		\$ 2,924,151
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Education Debt Service Fund

Principal on Debt

Education

Principal on Other Loans	\$ 614,000	
Total Education		\$ 614,000

Interest on Debt

Education

Interest on Other Loans	\$ 5,914	
Total Education		5,914

Other Debt Service

General Government

Trustee's Commission	\$ 3,065	
Total General Government		3,065

(Continued)

Exhibit L-8

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

<u>Education Debt Service Fund (Cont.)</u>			
<u>Other Debt Service (Cont.)</u>			
<u>Education</u>			
Other Debt Service	\$	33,871	
Total Education			\$ 33,871
Total Education Debt Service Fund			\$ 656,850
<u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Other Construction	\$	637,258	
Total Public Safety Projects			\$ 637,258
<u>Public Utility Projects</u>			
Building Improvements	\$	63,070	
Total Public Utility Projects			63,070
<u>Other General Government Projects</u>			
Other Construction	\$	172,828	
Total Other General Government Projects			172,828
<u>Highway and Street Capital Projects</u>			
Bridge Construction	\$	85,967	
Total Highway and Street Capital Projects			85,967
Total General Capital Projects Fund			959,123
Total Governmental Funds - Primary Government			\$ 18,806,812

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, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	7,846,527	
Career Ladder Program		77,500	
Career Ladder Extended Contracts		27,300	
Homebound Teachers		880	
Educational Assistants		270,305	
Other Salaries and Wages		309,438	
Non-certified Substitute Teachers		92,165	
Social Security		641,814	
Pensions		669,598	
Medical Insurance		1,694,295	
Other Contracted Services		2,486	
Instructional Supplies and Materials		119,127	
Textbooks		72,725	
Other Supplies and Materials		632	
Regular Instruction Equipment		227,846	
Total Regular Instruction Program			\$ 12,052,638

Alternative Instruction Program

Teachers	\$	134,510	
Educational Assistants		15,910	
Social Security		10,651	
Pensions		15,000	
Medical Insurance		26,500	
Instructional Supplies and Materials		30	
Total Alternative Instruction Program			202,601

Special Education Program

Teachers	\$	1,270,340	
Homebound Teachers		18,757	
Educational Assistants		140,154	
Speech Pathologist		86,069	
Social Security		109,938	
Pensions		159,000	
Medical Insurance		103,000	
Other Contracted Services		174,358	
Total Special Education Program			2,061,616

Vocational Education Program

Teachers	\$	765,079	
Non-certified Substitute Teachers		13,478	
Social Security		59,185	
Pensions		73,000	
Medical Insurance		160,000	
Instructional Supplies and Materials		20,356	
Other Supplies and Materials		8,837	
Total Vocational Education Program			1,099,935

(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	\$	111,221	
Other Salaries and Wages		34,830	
In-service Training		3,853	
Social Security		11,104	
Pensions		17,000	
Medical Insurance		28,300	
Instructional Supplies and Materials		4,498	
Other Supplies and Materials		2,983	
Total Adult Education Program			\$ 213,789

Support Services

Attendance

Supervisor/Director	\$	40,820	
Social Security		2,534	
Pensions		10,100	
Medical Insurance		10,000	
Legal Services		750	
Travel		3,298	
Other Contracted Services		32,780	
Other Supplies and Materials		2,648	
In Service/Staff Development		240	
Total Attendance			103,170

Health Services

Medical Personnel	\$	83,010	
Other Salaries and Wages		85,745	
Social Security		12,819	
Pensions		15,900	
Medical Insurance		32,600	
Travel		968	
Other Contracted Services		1,816	
Drugs and Medical Supplies		3,296	
Other Supplies and Materials		1,490	
Total Health Services			237,644

Other Student Support

Guidance Personnel	\$	518,280	
Other Salaries and Wages		27,435	
Social Security		41,275	
Pensions		51,500	
Medical Insurance		97,000	
Evaluation and Testing		28,479	
Payments to Schools - Other		37,620	
Travel		1,432	
Other Contracted Services		12,500	
Other Supplies and Materials		10,000	
Total Other Student Support			825,521

(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	\$	70,078	
Librarians		340,642	
Secretary(ies)		167,850	
Clerical Personnel		174,954	
Other Salaries and Wages		87,793	
Social Security		62,542	
Pensions		104,000	
Medical Insurance		117,000	
Maintenance and Repair Services - Equipment		5,939	
Travel		3,385	
Other Contracted Services		143,451	
Library Books/Media		3,126	
Other Supplies and Materials		3,080	
In Service/Staff Development		792	
Regular Instruction Equipment		80,220	
Total Regular Instruction Program			\$ 1,364,852

Alternative Instruction Program

Travel	\$	349	
Total Alternative Instruction Program			349

Special Education Program

Supervisor/Director	\$	64,830	
Other Salaries and Wages		1,049	
In-service Training		350	
Social Security		5,466	
Pensions		11,300	
Medical Insurance		17,000	
Maintenance and Repair Services - Equipment		3,785	
Travel		3,647	
Total Special Education Program			107,427

Vocational Education Program

Supervisor/Director	\$	67,933	
Social Security		5,197	
Pensions		5,900	
Medical Insurance		8,300	
Travel		1,679	
Other Supplies and Materials		1,088	
Total Vocational Education Program			90,097

Adult Programs

Travel	\$	2,530	
Total Adult Programs			2,530

(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	\$ 8,639	
In-service Training	10,970	
Social Security	661	
Audit Services	23,148	
Dues and Memberships	15,448	
Legal Services	11,339	
Other Contracted Services	3,672	
Liability Insurance	78,466	
Trustee's Commission	114,619	
Workers' Compensation Insurance	211,795	
Total Board of Education		478,757

Director of Schools

County Official/Administrative Officer	\$ 118,764	
Secretary(ies)	72,459	
Social Security	14,425	
Pensions	22,000	
Medical Insurance	15,000	
Communication	5,030	
Maintenance and Repair Services - Equipment	6,131	
Postal Charges	1,750	
Travel	2,501	
Other Contracted Services	904	
Office Supplies	1,889	
Other Supplies and Materials	3,444	
Total Director of Schools		264,297

Office of the Principal

Principals	\$ 582,020	
Assistant Principals	435,086	
Social Security	76,605	
Pensions	95,000	
Medical Insurance	121,000	
Postal Charges	1,600	
Other Contracted Services	76,568	
Other Equipment	83,922	
Total Office of the Principal		1,471,801

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	\$	44,467	
Other Contracted Services		423,973	
Custodial Supplies		22,391	
Electricity		719,609	
Natural Gas		73,834	
Water and Sewer		186,586	
Other Supplies and Materials		222	
Boiler Insurance		4,668	
Building and Contents Insurance		150,000	
Total Operation of Plant			\$ 1,625,750

Maintenance of Plant

Supervisor/Director	\$	56,520	
Secretary(ies)		9,395	
Other Salaries and Wages		147,599	
Social Security		15,522	
Pensions		32,200	
Medical Insurance		1,000	
Maintenance and Repair Services - Buildings		258,292	
Maintenance and Repair Services - Equipment		162,506	
Travel		2,390	
Other Contracted Services		85,997	
Equipment and Machinery Parts		2,226	
Building Improvements		84,363	
Maintenance Equipment		1,825	
Total Maintenance of Plant			859,835

Transportation

Supervisor/Director	\$	58,133	
Mechanic(s)		80,889	
Bus Drivers		571,317	
Secretary(ies)		9,395	
Social Security		52,530	
Pensions		97,200	
Medical Insurance		98,000	
Other Fringe Benefits		5,364	
Maintenance and Repair Services - Vehicles		320	
Other Contracted Services		24,095	
Diesel Fuel		173,314	
Garage Supplies		1,025	
Gasoline		35,203	
Lubricants		11,237	
Tires and Tubes		20,831	
Vehicle Parts		66,497	
Total Transportation			1,305,350

(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

Bonus Payments	\$	1,500	
Medical Insurance		700	
Unemployment Compensation		16,990	
Other Fringe Benefits		44,630	
Contributions		106,499	
Other Contracted Services		65,730	
Other Supplies and Materials		26,254	
Total Central and Other			\$ 262,303

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	16,189	
Social Security		1,238	
Pensions		1,168	
Travel		382	
In Service/Staff Development		1,350	
Total Food Service			20,327

Community Services

Other Salaries and Wages	\$	71,119	
Social Security		5,396	
Pensions		9,650	
Medical Insurance		6,000	
Other Supplies and Materials		10,800	
Total Community Services			102,965

Early Childhood Education

Supervisor/Director	\$	32,000	
Teachers		148,288	
Educational Assistants		60,344	
Other Salaries and Wages		32,283	
Non-certified Substitute Teachers		3,100	
Social Security		19,890	
Pensions		28,500	
Medical Insurance		46,740	
Unemployment Compensation		1,000	
Travel		70	
Other Contracted Services		863	
Food Supplies		1,295	
Instructional Supplies and Materials		24,131	
Other Supplies and Materials		15,909	
In Service/Staff Development		1,406	
Other Equipment		9,582	
Total Early Childhood Education			425,401

(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.)

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$ 1,118,308	
Total Regular Capital Outlay		\$ 1,118,308

Total General Purpose School Fund		\$ 26,391,637
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School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 610,511	
Other Salaries and Wages	5,800	
Non-certified Substitute Teachers	3,647	
Social Security	46,868	
Pensions	60,500	
Medical Insurance	119,572	
Unemployment Compensation	1,462	
Maintenance and Repair Services - Equipment	1,677	
Instructional Supplies and Materials	126,114	
Total Regular Instruction Program		\$ 976,151

Special Education Program

Educational Assistants	\$ 341,228	
Non-certified Substitute Teachers	43,367	
Social Security	25,836	
Pensions	50,312	
Medical Insurance	34,500	
Unemployment Compensation	2,600	
Instructional Supplies and Materials	5,418	
Other Supplies and Materials	2,405	
Special Education Equipment	4,702	
Total Special Education Program		510,368

Vocational Education Program

Educational Assistants	\$ 16,326	
Social Security	1,287	
Pensions	2,250	
Medical Insurance	1,500	
Unemployment Compensation	100	
Other Contracted Services	500	
Other Supplies and Materials	10,495	
Vocational Instruction Equipment	17,875	
Total Vocational Education Program		50,333

Support Services

Other Student Support

Other Salaries and Wages	\$ 2,249	
Social Security	19	

(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.)

Other Student Support (Cont.)

Evaluation and Testing	\$	29,324	
Postal Charges		398	
Travel		9,855	
Other Contracted Services		800	
Other Supplies and Materials		5,044	
Total Other Student Support			\$ 47,689

Regular Instruction Program

Supervisor/Director	\$	26,429	
Secretary(ies)		19,961	
Other Salaries and Wages		4,000	
Non-certified Substitute Teachers		2,179	
Social Security		2,301	
Pensions		2,000	
Medical Insurance		1,750	
Unemployment Compensation		150	
Maintenance and Repair Services - Equipment		5,145	
Travel		5,076	
Periodicals		38	
Other Supplies and Materials		3,425	
In Service/Staff Development		35,426	
Total Regular Instruction Program			107,880

Special Education Program

Supervisor/Director	\$	5,628	
Psychological Personnel		98,116	
Clerical Personnel		34,650	
Social Security		10,134	
Pensions		14,700	
Medical Insurance		19,800	
Unemployment Compensation		400	
Other Contracted Services		92,074	
Other Supplies and Materials		9,006	
Total Special Education Program			284,508

Total School Federal Projects Fund \$ 1,976,929

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	32,282	
Accountants/Bookkeepers		123,126	
Cafeteria Personnel		473,077	
Social Security		47,759	
Pensions		76,314	
Medical Insurance		110,000	

(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>		
Unemployment Compensation	\$	9,000
Communication		5,324
Maintenance and Repair Services - Equipment		38,109
Transportation - Other than Students		4,616
Travel		1,016
Other Contracted Services		86,437
Food Supplies		964,795
Utilities		127,360
USDA - Commodities		172,788
Other Supplies and Materials		87,422
Other Charges		20,990
Food Service Equipment		12,157
Total Food Service		<u>\$ 2,392,572</u>
Total Central Cafeteria Fund		<u>\$ 2,392,572</u>
Total Governmental Funds - Hickman County School Department		<u><u>\$ 30,761,138</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, 2015

Other Special Revenue Fund

General Government

County Commission

Audit Services	\$	577	
Legal Notices, Recording, and Court Costs		<u>40</u>	
Total County Commission			\$ 617

Public Health and Welfare

Ambulance/Emergency Medical Services

Contributions	\$	5,000	
Other Contracted Services		2,500	
Drugs and Medical Supplies		204	
Other Supplies and Materials		3,894	
Other Equipment		<u>10,253</u>	
Total Ambulance/Emergency Medical Services			<u>21,851</u>

Total Other Special Revenue Fund \$ 22,468

Total Governmental Funds - Hickman County Health Foundation \$ 22,468

Exhibit L-11

Hickman County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Solid Waste Disposal Fund  
For the Year Ended June 30, 2015

	Major Enterprise Fund
	Solid Waste Disposal Fund
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Commercial and Industrial Waste Collections	\$ 135,359
Residential Waste Collection Charge	115,730
Tipping Fees	36,554
Solid Waste Disposal Fee	678,550
Total Charges for Current Services	<u>\$ 966,193</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Lease/Rentals	\$ 21,364
Sale of Recycled Materials	148,384
Total Other Local Revenues	<u>\$ 169,748</u>
Total Operating Revenues	<u>\$ 1,135,941</u>
<u>Nonoperating Revenues</u>	
Investment Income	\$ 342
Litter Program	36,376
Solid Waste Grants	8,772
Total Nonoperating Revenues	<u>\$ 45,490</u>
Total Revenues	<u>\$ 1,181,431</u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Sanitation Management</u>	
Supervisor/Director	\$ 50,639
Deputies	26,242
Data Processing Personnel	26,421

(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	\$ 33,723
Equipment Operators - Heavy	34,868
Laborers	124,240
Clerical Personnel	26,184
Part-time Personnel	63,476
Longevity	10,500
Overtime Pay	5,997
Social Security	31,071
State Retirement	13,703
Medical Insurance	96,999
Advertising	979
Communication	2,803
Data Processing Services	2,682
Debt Collection Services	750
Legal Services	575
Maintenance and Repair Services - Buildings	5,922
Maintenance and Repair Services - Equipment	9,215
Maintenance and Repair Services - Vehicles	5,727
Pest Control	1,320
Postal Charges	3,070
Printing, Stationery, and Forms	507
Travel	1,687
Disposal Fees	293,265
Other Contracted Services	1,088
Custodial Supplies	1,095
Diesel Fuel	32,766
Electricity	17,683
Fertilizer, Lime, and Seed	1,264
Gasoline	304

(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>	
Lubricants	\$ 1,504
Office Supplies	2,175
Tires and Tubes	8,140
Uniforms	2,703
Utilities	6,057
Wire	2,499
Testing	4,014
Other Supplies and Materials	1,597
Trustee's Commission	9,514
Depreciation	116,214
Surcharge	5,500
Office Equipment	386
Solid Waste Equipment	30,590
Other Construction	5,129
Total Sanitation Management	<u>\$ 1,122,787</u>
<u>Litter and Trash Collection</u>	
Supervisor/Director	\$ 17,972
Instructional Supplies and Material	8,219
Other Charges	15,109
Total Other Charges	<u>\$ 41,300</u>
<u>Nonoperating Expenses</u>	
Interest on Notes	\$ 7,678
Total Nonoperating Expenses	<u>\$ 7,678</u>
Total Expenses	<u><u>\$ 1,171,765</u></u>

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, 2015

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 649,321
Total Cash Receipts	<u>\$ 649,321</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 642,828
Trustee's Commission	6,493
Total Cash Disbursements	<u>\$ 649,321</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2014	<u>0</u>
 Cash Balance, June 30, 2015	 <u><u>\$ 0</u></u>

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**SINGLE AUDIT SECTION**

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

**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance With *Government Auditing Standards***

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, 2015, 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 21, 2015.

**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.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2015-001, 2015-002, and 2015-005.

### **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: 2015-003 and 2015-004.

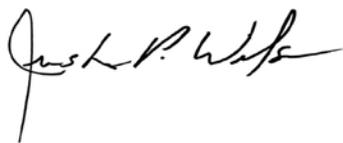
### **Hickman County's Responses to Findings**

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,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

September 21, 2015

JPW/sb



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

**Report on Compliance 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 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, 2015. 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 a 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, 2015.

### **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.

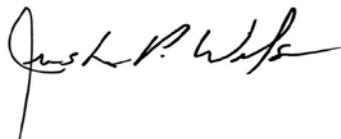
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2015, and the related notes to the financial statements, which collectively comprise Hickman County's basic financial statements. We issued our report thereon dated September 21, 2015, 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 21, 2015

JPW/sb

Hickman County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2015

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Emergency Watershed Protection Program, Recovery Act	10.923	N/A	\$ 464,700
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	452,421
National School Lunch Program	10.555	N/A	1,115,474 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	<u>172,788 (3)</u>
Total U.S. Department of Agriculture			<u>\$ 2,205,383</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	GG-10-34535	\$ 616,546
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii (Sewer System Improvements)	14.228	(2)	<u>63,070</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 679,616</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z-14-GHS160	<u>\$ 2,783</u>
Total U.S. Department of Transportation			<u>\$ 2,783</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	\$ 123,405
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	912,398
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	785,084
Special Education - Preschool Grants	84.173	N/A	22,133
Career and Technical Education - Basic Grants to States	84.048	N/A	63,153
Rural Education	84.358	N/A	56,086
Improving Teacher Quality State Grants	84.367	N/A	127,629
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	<u>42,884</u>
Total U.S. Department of Education			<u>\$ 2,132,772</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	34101-9200-1974	\$ 873,726
Homeland Security Grant Program	97.067	(2)	<u>40,354</u>
Total U.S. Department of Homeland Security			<u>\$ 914,080</u>
Total Expenditures of Federal Grants			<u>\$ 5,934,634</u>

<u>State Grants</u>		<u>Contract Number</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
Innovative Healthful Behavior Service - State Department of Health and Human Services	N/A	GG-14-40533	38,826
Safe Schools Act - State Department of Education	N/A	(2)	23,590
ACT/Explorer/Plan Testing - State Department of Education	N/A	(2)	5,491
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	41,135
Internet Connectivity - State Department of Education	N/A	(2)	10,254
Archives Development Program Grant - Tennessee State Library and Archives	N/A	(2)	3,500
Arts Program Categorical Grants - Tennessee Arts Commission	N/A	(2)	6,978
Local Health Services - State Department of Health	N/A	GG-15-42235	316,179
Litter Grant - State Department of Transportation	N/A	(2)	36,376
Optional Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	8,772
SNAP Grant - Tennessee State Library and Archives	N/A	(2)	1,400
State Supplement Juvenile Court Improvement - State Commission on Children and Youth	N/A	(2)	<u>4,500</u>
Total State Grants			<u>\$ 1,068,835</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 for CFDA No. 10.555 is \$1,288,262.

SUBRECIPIENTS	Federal CFDA Number	Amount Provided to Subrecipient	Subrecipient
Community Development Block Grant	14.228	\$ 63,070	Town of Centerville

Hickman County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2015

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. Presented below are the findings from the Annual Financial Report for Hickman County, Tennessee, for the year ended June 30, 2014, which have not been corrected.

**OFFICE OF COUNTY MAYOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-001	165	Deficiencies were noted in the operations of the Ambulance Service
2014-002	166	Multiple employees in the Office of Planning and Zoning operated from the same cash drawer

**DEPARTMENT OF SOLID WASTE AND THE OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND CLERK AND MASTER**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-010	172	Duties were not segregated adequately

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**HICKMAN COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2015**

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**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. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Hickman County.
4. The audit disclosed no material weaknesses in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), and the Emergency Watershed Protection Program, Recovery Act (CFDA No. 10.923) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Hickman County did not qualify as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The emergency management services director, circuit and general sessions courts clerk, and the director of solid waste provided written responses on certain 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 2015-001**                      **THE AMBULANCE SERVICE HAD OPERATING DEFICIENCIES**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination disclosed the following deficiencies at the Ambulance Service, which exist due to a lack of management's oversight and failure to correct the finding noted in the prior-year audit report.

- A.     The list of accounts receivable at June 30, 2015, included numerous accounts with credit balances, which 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.
  
- B.     Duties were not segregated adequately among employees at the Ambulance Service. The office manager collected funds, issued receipts, deposited funds with the county trustee, and reported collections to the contracted billing service. Sound internal controls require segregation of incompatible duties.

### **RECOMMENDATION**

Accounts receivable with credit balances should be reviewed by management for propriety. Officials should segregate duties to the extent possible using available resources.

### **MANAGEMENT'S RESPONSE – EMERGENCY MANAGEMENT SERVICES DIRECTOR**

- A.     Our employee charged with pre-billing works with the contracted billing company on any credit balances created by a double payment where a patient and the insurance company both paid the same bill. When this occurs, the billing company advises the employee, and she makes a refund to the patient. All refunds are reviewed at the monthly Emergency Services Committee meeting.
  
- B.     Duties will be segregated as much as possible between all office staff who oversee the daily office operations including the pre-billing employee, the administrative assistant, and the emergency management services assistant director.

FINDING 2015-002

**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 the failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should assign each employee their own cash drawer.

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**OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

FINDING 2015-003

**A CASH SHORTAGE OF AT LEAST \$1,106 EXISTED AT JUNE 30, 2015**

(Noncompliance Under *Government Auditing Standards*)

GENERAL SESSIONS COURT

During the annual audit, we noted outstanding deposits on the June 30, 2015, bank reconciliation dated December 31, 2014 (\$20) and February 27, 2015 (\$500). We verified that these funds had not been deposited to the office bank account and were not on hand in the clerk's office. As a result of these discrepancies, we extended our procedures to include all transactions for the period July 1, 2014, through June 30, 2015. We found two instances totaling \$333 where the bank notified the clerk that deposited funds were less than the amount recorded on the deposit slip. The bookkeeper posted these instances as reductions to the clerk's fee account. An examination of these bank deposits revealed the composition of cash and checks posted in the records did not agree with the composition of cash and checks from bank deposit records. The compromised deposits contained checks that were not reflected in office records. We also noted a deposit dated February 6, 2015, was \$3 more than the amount deposited in the bank account, which was adjusted against the fee account.

## CIRCUIT COURT

During the annual audit, we noted an outstanding deposit on the June 30, 2015, bank reconciliation dated February 24, 2015, totaling \$210. We verified these funds had not been deposited to the office's bank account and were not on hand in the clerk's office. As a result of this discrepancy, we extended our procedures to include all transactions for the period July 1, 2014, through June 30, 2015. We noted a deposit dated December 15, 2014, was \$40 more than the amount deposited in the bank account, which was adjusted against the fee account.

We have also reviewed this finding with the District Attorney General.

## RECOMMENDATION

County officials should take steps to recover the cash shortage.

## MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

My staff and I have discussed the finding and are in the process of a diligent inquiry/search into the cash shortage. We have also contacted our software provider to assist in this search. Therefore, I am taking all steps to correct this issue.

## FINDING 2015-004

### **THE DOCKET TRIAL BALANCE WAS NOT RECONCILED WITH CASH CONTROL RECORDS**

(Noncompliance Under *Government Auditing Standards*)

At June 30, 2015, the circuit court clerk had prepared a trial balance of execution docket cause balances as required by Section 18-2-103, *Tennessee Code Annotated (TCA)*. However, this trial balance did not reconcile with general ledger accounts by \$30,601. Therefore, we were unable to determine if the clerk had complied with provisions of the Unclaimed Property Act, Section 66-29-110, *TCA*. This statute provides that any funds held by the courts for more than one year and unclaimed by the owner are considered abandoned. Section 66-29-113, *TCA*, further requires these funds to be reported and paid to the state Treasurer's Office. This deficiency exists due to the failure of management to identify all funds placed on deposit with the court.

## RECOMMENDATION

The execution docket trial balance should be reconciled with general ledger accounts. Any funds held by the court for one year and unclaimed by the owner are considered abandoned and should be reported and paid to the state Treasurer's Office in compliance with state statute.

## MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

I am currently looking into the issue and taking necessary steps regarding abandoned property.

**DEPARTMENT OF SOLID WASTE AND THE OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND CLERK AND MASTER**

**FINDING 2015-005**

**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 Offices of Circuit and General Sessions Court Clerk and Clerk and Master. Employees 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**

While having only two employees, segregating duties is difficult considering the limited resources available.

**MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

I have taken all steps to segregate duties among staff.

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

There were no findings and questioned costs for federal awards.

**HICKMAN COUNTY, TENNESSEE**  
**AUDITEE REPORTING RESPONSIBILITIES**  
**For the Year Ended June 30, 2015**

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

Finance Director – Summary Schedule of Prior-Year's Findings

FINDINGS 2014-006 and 2014-011

Hickman County executed a written agreement with a third-party agency to review the 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.