

# **ANNUAL FINANCIAL REPORT**

## **HICKMAN COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2019**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT**  
**HICKMAN COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

***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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***Senior Auditor***

***TAYLOR ERSKIN, CPA***  
***CARRIE SABIN***  
***KAYLEE PARENT***  
***BETHANY GRAVES***  
***State Auditors***

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

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## HICKMAN COUNTY, TENNESSEE

### TABLE OF CONTENTS

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	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
Hickman County Officials		8-9
<u>FINANCIAL SECTION</u>		10
Independent Auditor's Report		11-15
BASIC FINANCIAL STATEMENTS:		16
Government-wide Financial Statements:		
Statement of Net Position	A	17-18
Statement of Activities	B	19-20
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	21-22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	23
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	24-25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	26
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	27-29
Highway/Public Works Fund	C-6	30
Proprietary Fund:		
Statement of Net Position	D-1	31-32
Statement of Revenues, Expenses, and Changes in Net Position	D-2	33
Statement of Cash Flows	D-3	34
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	35
Index and Notes to the Financial Statements		36-108
REQUIRED SUPPLEMENTARY INFORMATION:		109
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-1	110
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-2	111
Schedule of Contributions Based on Participation in the Teacher Retirement Pension Plan of TCRS – Discretely Presented Hickman County School Department	F-3	112
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Hickman County School Department	F-4	113

	Exhibit	Page(s)
Schedule of Proportionate Share of the Net Pension Liability (Asset) in the Teacher Retirement Pension Plan of TCRS – Discretely Presented Hickman County School Department	F-5	114
Schedule of Proportionate Share of the Net Pension Liability (Asset) in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Hickman County School Department	F-6	115
Schedule of Changes in the Total OPEB Liability and Related Ratios - Commercial Plan - Primary Government	F-7	116
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan - Discretely Presented Hickman County School Department	F-8	117
Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare - Discretely Presented Hickman County School Department	F-9	118
Notes to the Required Supplementary Information		119
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		120
Nonmajor Governmental Funds:		121
Combining Balance Sheet	G-1	122
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	123
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Drug Control Fund	G-3	124
Adequate Facilities/Development Tax Fund	G-4	125
Education Debt Service Fund	G-5	126
Major Governmental Fund:		127
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	128
Fiduciary Funds:		129
Combining Statement of Fiduciary Assets and Liabilities	I-1	130
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	131
Component Units:		
Discretely Presented Hickman County School Department:		132
Statement of Activities	J-1	133
Balance Sheet – Governmental Funds	J-2	134
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	J-3	135
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	136
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	137
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	138
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	J-7	139
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Purpose School Fund	J-8	140-141
School Federal Projects Fund	J-9	142
Central Cafeteria Fund	J-10	143

	Exhibit	Page(s)
Discretely Presented Hickman County Health Foundation:		144
Statement of Net Position and Governmental Fund Balance Sheet	K-1	145
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Net Position	K-2	146
Miscellaneous Schedules:		147
Schedule of Changes in Long-term Notes and Other Loans	L-1	148
Schedule of Long-term Debt Requirements by Year	L-2	149
Schedule of Transfers – Primary Government and Discretely Presented Hickman County School Department	L-3	150
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Hickman County School Department	L-4	151
Schedule of Detailed Revenues – All Governmental Fund Types	L-5	152-163
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Hickman County School Department	L-6	164-167
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Hickman County Health Foundation	L-7	168
Schedule of Detailed Expenditures – All Governmental Fund Types	L-8	169-182
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Hickman County School Department	L-9	183-191
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Hickman County Health Foundation	L-10	192
Schedule of Detailed Revenues and Expenses – Solid Waste Disposal Fund (Enterprise Fund)	L-11	193-195
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	L-12	196
<u>SINGLE AUDIT SECTION</u>		197
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government</i> <i>Auditing Standards</i>		198-199
Auditor's 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 Uniform Guidance		200-202
Schedule of Expenditures of Federal Awards and State Grants		203-204
Summary Schedule of Prior-year Findings		205
Schedule of Findings and Questioned Costs		206-211
Management's Corrective Action Plan		212-219

# ***Summary of Audit Findings***

Annual Financial Report  
Hickman County, Tennessee  
For the Year Ended June 30, 2019

## ***Scope***

We have audited the basic financial statements of Hickman County as of and for the year ended June 30, 2019.

## ***Results***

Our report on Hickman County's financial statements for the business-type activities, each major fund, and the aggregate remaining fund information is unmodified. Our report on the governmental activities and the aggregate discretely presented component units is qualified because of potential misstatements related to eligible employees not being enrolled in the Tennessee Consolidated Retirement System timely.

Our audit resulted in four 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:

### **OFFICES OF FINANCE DIRECTOR AND DIRECTOR OF SCHOOLS**

- ◆ Some eligible employees were not enrolled in the Tennessee Consolidated Retirement System timely.

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### **HICKMAN COUNTY HEALTH FOUNDATION**

- ◆ The Hickman County Health Foundation did not require a depository to adequately collateralize funds.

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

- ◆ The office had accounting deficiencies.

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### **OFFICE OF SOLID WASTE**

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

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## INTRODUCTORY SECTION

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## Hickman County Officials

### June 30, 2019

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#### **Officials**

Mark Bentley, County Mayor  
Ronald Coates, Road Superintendent  
Michelle Gilbert, Director of Schools  
Lisa Hellmann, Trustee  
Delton Mayberry, Assessor of Property  
Casey Dorton, County Clerk  
Dana Nicholson, Circuit and General Sessions Courts Clerk  
Elizabeth Harlow, Clerk and Master  
Angie Lockett, Register of Deeds  
Randall Ward, Sheriff  
Annette Elliott, Finance Director

#### **Board of County Commissioners**

Wayne Thomasson, Chairman Pro Tem	Steve Phillips
Christie McDaniel	Kenneth Bates
Billy Blackwell	Ricky Murray
Matthew Barnhill	Todd Collins
Claude Callicott	Clay Chessor
Kate Baldrige	Gary Hanes
John Deal	Austin Page
Keith Nash	Ronnie George
James Hassell	Lionel Barrett
Mark McFarlin	Trina Qualls
Corey King	

#### **Financial Management Committee**

Matthew Barnhill, Chairman	Keith Nash
Mark Bentley, County Mayor	Steve Phillips
Ronald Coates, Road Superintendent	Kate Baldrige
Michelle Gilbert, Director of Schools	

#### **Highway Commission**

Carl Sullivan, Chairman	David Redden
Sammy Creech	Danny Mathis
Louis Bryan	Gayle Potts
Kenneth Underhill	

(Continued)



## Hickman County Officials (Cont.)

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### **Board of Education**

Amy Bryant, Chairman  
Ronald Gammons  
Steve Gianakos  
Timothy Hobbs

Vance Willis  
Jane Herron  
James Hudgins

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

James Hassell, Chairman  
Lionel Barrett  
Kenneth Bates  
Gary Hanes

Steve Heathcote  
Billy Blackwell  
Annette Elliott, Finance Director

### **Audit Committee**

Steve Phillips, Chairman  
Cindy Ellis  
Todd Collins  
Korie Cochran

Trina Qualls  
Robert Bowman  
Keith Nash

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## FINANCIAL SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

## 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, 2019, 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 unmodified and qualified audit opinions.

### ***Summary of Opinions***

<b><u>Opinion Unit</u></b>	<b><u>Type of Opinion</u></b>
Governmental Activities	Qualified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Qualified
General Fund	Unmodified
Highway/Public Works Fund	Unmodified
General Debt Service Fund	Unmodified
General Capital Projects Fund	Unmodified
Solid Waste Disposal Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

### ***Basis for Qualified Opinions on the Governmental Activities and the Aggregated Discretely Presented Component Units***

As discussed in the Schedule of Findings and Questioned Costs in the Single Audit Section of this report, Hickman County did not enroll eligible non-certified employees of the discretely presented School Department into the Tennessee Consolidated Retirement System timely. Consequently, the net pension liability (asset) established by the actuary and recorded to the financial statements for the agent pension plan administered by the Tennessee Consolidated Retirement System may not be accurate. The agent plan includes non-certified employees of the discretely presented Hickman County School Department, as well as employees of the primary government. The amount by which this departure would affect the assets, deferred outflows, liabilities, deferred inflows, net position, and expenses of the governmental activities has not been determined. Because primary government employees are included in the agent plan, any adjustment necessary to reported plan amounts due to noncompliance by the School Department may also affect the allocation of reported plan amounts between the primary government and the discretely presented School Department. The amount of such adjustment, if any, that would have been required to assets, deferred outflows, liabilities,

deferred inflows, net position, and expenses of primary government, had the discretely presented School Department complied with the statutory membership requirements of the Tennessee Consolidated Retirement System, has not been determined.

### ***Qualified Opinions***

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinions on the Governmental Activities and the Aggregated Discretely Presented Component Units” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate discretely presented component units of Hickman County, Tennessee, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of Hickman County, Tennessee, as of June 30, 2019, 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.

### ***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 changes in the county’s and school’s total OPEB liabilities and related ratios, as listed in the table of contents, 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules of the 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), miscellaneous schedules and the other information such as the introductory section and management's corrective action plans are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of the nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Hickman County School Department and Hickman County Health Foundation (discretely presented component units), schedule of expenditures of federal awards, 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 the nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Hickman County School Department and Hickman County Health Foundation (discretely presented component units), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

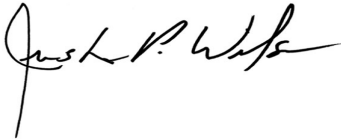
The introductory section and management's corrective action plans have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hickman County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hickman County's internal control over financial reporting and compliance.

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 3, 2019

JPW/yu

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# BASIC FINANCIAL STATEMENTS

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## Exhibit A

Hickman County, Tennessee  
Statement of Net Position  
June 30, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Hickman County School Department	Hickman County Health Foundation
<u>ASSETS</u>					
Cash	\$ 52,866	\$ 550	\$ 53,416	\$ 1,375	\$ 2,254,908
Equity in Pooled Cash and Investments	7,399,572	624,679	8,024,251	7,359,038	0
Accounts Receivable	4,602,532	759,902	5,362,434	7,070	0
Allowance for Uncollectibles	(3,773,909)	(513,000)	(4,286,909)	0	0
Due from Other Governments	800,066	18,486	818,552	688,664	0
Property Taxes Receivable	8,799,125	0	8,799,125	3,315,466	0
Allowance for Uncollectible Property Taxes	(191,325)	0	(191,325)	(72,292)	0
Restricted Assets:					
Amounts Accumulated for OPEB Benefits	0	0	0	2,183,515	0
Amounts Accumulated for Pension Benefits	0	0	0	71,108	
Other Restricted Assets	165,000	0	165,000	0	0
Net Pension Asset - Agent Plan	253,820	17,413	271,233	129,703	0
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	1,234,197	0
Net Pension Asset - Teacher Retirement Pension Plan	0	0	0	133,128	0
Capital Assets:					
Assets Not Depreciated:					
Land	309,214	145,004	454,218	1,018,261	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	10,274,203	607,352	10,881,555	30,597,605	0
Other Capital Assets	3,038,019	332,736	3,370,755	4,347,497	0
Infrastructure	21,612,238	0	21,612,238	14,058	0
Total Assets	\$ 53,341,421	\$ 1,993,122	\$ 55,334,543	\$ 51,028,393	\$ 2,254,908
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Pension Changes in Proportionate Share of NPL	\$ 0	\$ 0	\$ 0	\$ 63,216	\$ 0
Pension Changes in Experience	13,214	906	14,120	263,765	0
Pension Changes in Assumptions	306,422	21,022	327,444	891,786	0
Pension Contributions After Measurement Date	768,315	51,581	819,896	1,493,955	0
OPEB Changes in Assumptions	110,040	7,675	117,715	80,554	0
OPEB Changes in Experience	211,857	14,776	226,633	0	0
OPEB Benefits Paid After Measurement Date	0	0	0	130,420	0
Total Deferred Outflows of Resources	\$ 1,409,848	\$ 95,960	\$ 1,505,808	\$ 2,923,696	\$ 0

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Hickman County School Department	Hickman County Health Foundation
<b><u>LIABILITIES</u></b>					
Accounts Payable	\$ 83,290	\$ 30,656	\$ 113,946	\$ 10,754	\$ 0
Accrued Payroll	0	0	0	9,134	0
Payroll Deduction Payable	0	0	0	387,539	0
Accrued Interest Payable	26,866	0	26,866	0	0
Due to Litigant, Heirs, and Others	991	0	991	0	0
Other Current Liabilities	681	0	681	0	0
Noncurrent Liabilities:					
Due Within One Year - Debt	2,122,001	0	2,122,001	0	0
Due Within One Year - Other	76,826	19,673	96,499	0	0
Due in More Than One Year - Debt	21,633,122	0	21,633,122	0	0
Due in More Than One Year - Other	3,210,713	309,963	3,520,676	3,534,021	0
Total Liabilities	\$ 27,154,490	\$ 360,292	\$ 27,514,782	\$ 3,941,448	\$ 0
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>					
Deferred Current Property Taxes	\$ 8,304,511	\$ 0	\$ 8,304,511	\$ 3,124,906	\$ 0
Pension Changes in Proportionate Share of NPL	0	0	0	54,952	0
Pension Changes in Experience	147,700	10,133	157,833	1,745,807	0
Pension Changes in Investment Earnings	90,055	6,178	96,233	322,152	0
OPEB Changes in Assumptions	0	0	0	274,684	0
OPEB Changes in Experience	0	0	0	1,260,431	0
OPEB Changes in Proportionate Share	0	0	0	243,145	0
Total Deferred Inflows of Resources	\$ 8,542,266	\$ 16,311	\$ 8,558,577	\$ 7,026,077	\$ 0
<b><u>NET POSITION</u></b>					
Net Investment in Capital Assets	\$ 28,239,937	\$ 1,085,092	\$ 29,325,029	\$ 35,977,421	\$ 0
Restricted for:					
General Government	862,565	0	862,565	0	0
Administration of Justice	218,454	0	218,454	0	0
Public Safety	368,748	0	368,748	0	0
Public Health and Welfare	81,977	0	81,977	0	2,254,908
Social, Cultural, and Recreational Services	160,797	0	160,797	0	0
Highway	1,300,773	0	1,300,773	0	0
Debt Service	1,959,068	0	1,959,068	0	0
Capital Projects	78,924	0	78,924	0	0
Education	0	0	0	2,190,602	0
Pension	253,820	0	253,820	1,568,136	0
Unrestricted	(14,470,550)	627,387	(13,843,163)	3,248,405	0
Total Net Position	\$ 19,054,513	\$ 1,712,479	\$ 20,766,992	\$ 42,984,564	\$ 2,254,908

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

Exhibit B

Hickman County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position					
			Operating	Capital				Component Units		
		Charges	Grants	Grants	Primary Government			Hickman	Hickman	
		for	and	and	Governmental	Business-type		County	County	
Functions/Programs	Expenses	Services	Contributions	Contributions	Activities	Activities	Total	School	Health	
								Department	Foundation	
Primary Government:										
Governmental Activities:										
General Government	\$ 4,283,987	\$ 351,330	\$ 238,852	\$ 0	\$ (3,693,805)	\$ 0	\$ (3,693,805)	\$ 0	\$ 0	
Finance	1,316,788	643,677	0	0	(673,111)	0	(673,111)	0	0	
Administration of Justice	981,349	603,249	9,000	57,733	(311,367)	0	(311,367)	0	0	
Public Safety	4,279,904	383,612	67,591	4,410	(3,824,291)	0	(3,824,291)	0	0	
Public Health and Welfare	2,502,159	1,192,477	327,311	0	(982,371)	0	(982,371)	0	0	
Social, Cultural, and Recreational Services	226,233	1,476	5,150	0	(219,607)	0	(219,607)	0	0	
Agriculture and Natural Resources	149,226	0	0	0	(149,226)	0	(149,226)	0	0	
Highways	3,747,803	2,224	2,601,613	510,750	(633,216)	0	(633,216)	0	0	
Education	81,473	0	0	0	(81,473)	0	(81,473)	0	0	
Interest on Long-term Debt	444,621	0	0	0	(444,621)	0	(444,621)	0	0	
Total Governmental Activities	\$ 18,013,543	\$ 3,178,045	\$ 3,249,517	\$ 572,893	\$ (11,013,088)	\$ 0	\$ (11,013,088)	\$ 0	\$ 0	
Business-type Activities:										
Solid Waste Disposal	\$ 1,385,748	\$ 1,243,743	\$ 54,421	\$ 0	\$ 0	\$ (87,584)	\$ (87,584)	\$ 0	\$ 0	
Total Business-type Activities	\$ 1,385,748	\$ 1,243,743	\$ 54,421	\$ 0	\$ 0	\$ (87,584)	\$ (87,584)	\$ 0	\$ 0	
Total Primary Government	\$ 19,399,291	\$ 4,421,788	\$ 3,303,938	\$ 572,893	\$ (11,013,088)	\$ (87,584)	\$ (11,100,672)	\$ 0	\$ 0	
Component Units:										
Hickman County School Department	\$ 32,120,894	\$ 277,674	\$ 4,561,176	\$ 176,637	\$ 0	\$ 0	\$ 0	\$ (27,105,407)	\$ 0	
Hickman County Health Foundation	10,394	0	0	0	0	0	0	0	(10,394)	
Total Component Units	\$ 32,131,288	\$ 277,674	\$ 4,561,176	\$ 176,637	\$ 0	\$ 0	\$ 0	\$ (27,105,407)	\$ (10,394)	

(Continued)

Exhibit B

Hickman County, Tennessee  
Statement of Activities (Cont.)

					Net (Expense) Revenue and Changes in Net Position									
		Program Revenues						Component Units						
		Charges	Operating	Capital				Hickman	Hickman					
		for	Grants	Grants				County	County					
		Services	and	and	Governmental	Business-type		School	Health					
Functions/Programs	Expenses		Contributions	Contributions	Activities	Activities	Total	Department	Foundation					
General Revenues:														
Taxes:														
Property Taxes Levied for General Purposes					\$	8,199,203	\$	0	\$	8,199,203	\$	3,248,566	\$	0
Property Taxes Levied for Debt Service						133,173		0		133,173		0		0
Local Option Sales Tax						942,743		0		942,743		1,631,033		0
Wheel Tax						1,103,002		0		1,103,002		0		0
Wholesale Beer Tax						228,297		0		228,297		0		0
Adequate Facilities/Development Tax						224,152		0		224,152		0		0
Litigation Tax - General						128,784		0		128,784		0		0
Mineral Severance Tax						60,233		0		60,233		0		0
Litigation Tax - Jail, Workhouse, or Courthouse						114,167		0		114,167		0		0
Business Tax						86,513		0		86,513		0		0
Other Local Taxes						39,217		0		39,217		33,753		0
Grants and Contributions Not Restricted to Specific Programs						900,693		0		900,693		23,070,657		0
Unrestricted Investment Income						157,224		8,169		165,393		3,770		45,324
Gain on Investments						0		0		0		83,345		0
Miscellaneous						225,252		109,599		334,851		11,064		0
Total General Revenues						\$ 12,542,653		\$ 117,768		\$ 12,660,421		\$ 28,082,188		\$ 45,324
Change in Net Position						\$ 1,529,565		\$ 30,184		\$ 1,559,749		\$ 976,781		\$ 34,930
Net Position, July 1, 2018						17,524,948		1,682,295		19,207,243		42,007,783		2,219,978
Net Position, June 30, 2019						\$ 19,054,513		\$ 1,712,479		\$ 20,766,992		\$ 42,984,564		\$ 2,254,908

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, 2019

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 51,971	\$ 0	\$ 0	\$ 0	\$ 895	\$ 52,866
Equity in Pooled Cash and Investments	4,002,731	807,683	1,671,966	78,941	838,251	7,399,572
Accounts Receivable	4,477,586	472	77,121	21,383	25,970	4,602,532
Allowance for Uncollectibles	(3,773,909)	0	0	0	0	(3,773,909)
Due from Other Governments	153,861	487,141	159,064	0	0	800,066
Property Taxes Receivable	8,370,818	286,836	141,471	0	0	8,799,125
Allowance for Uncollectible Property Taxes	(182,005)	(6,242)	(3,078)	0	0	(191,325)
Restricted Assets	165,000	0	0	0	0	165,000
Total Assets	<u>\$ 13,266,053</u>	<u>\$ 1,575,890</u>	<u>\$ 2,046,544</u>	<u>\$ 100,324</u>	<u>\$ 865,116</u>	<u>\$ 17,853,927</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 60,920	\$ 970	\$ 0	\$ 21,400	\$ 0	\$ 83,290
Due to Litigants, Heirs, and Others	0	0	0	0	991	991
Other Current Liabilities	0	0	0	0	681	681
Total Liabilities	<u>\$ 60,920</u>	<u>\$ 970</u>	<u>\$ 0</u>	<u>\$ 21,400</u>	<u>\$ 1,672</u>	<u>\$ 84,962</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 7,900,428	\$ 270,613	\$ 133,470	\$ 0	\$ 0	\$ 8,304,511
Deferred Delinquent Property Taxes	275,969	9,551	4,707	0	0	290,227
Other Deferred/Unavailable Revenue	565,383	228,663	79,532	0	0	873,578
Total Deferred Inflows of Resources	<u>\$ 8,741,780</u>	<u>\$ 508,827</u>	<u>\$ 217,709</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,468,316</u>

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>						
Nonspendable:						
Endowments	\$ 165,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 165,000
Restricted:						
Restricted for General Government	53,046	0	0	0	644,519	697,565
Restricted for Administration of Justice	218,454	0	0	0	0	218,454
Restricted for Public Safety	222,683	0	0	0	146,065	368,748
Restricted for Public Health and Welfare	81,977	0	0	0	0	81,977
Restricted for Social, Cultural, and Recreational Services	160,797	0	0	0	0	160,797
Restricted for Highways/Public Works	0	1,066,093	0	0	0	1,066,093
Restricted for Debt Service	0	0	1,828,835	0	72,860	1,901,695
Restricted for Capital Projects	0	0	0	78,924	0	78,924
Committed:						
Committed for General Government	50,416	0	0	0	0	50,416
Committed for Social, Cultural, and Recreational Services	92,559	0	0	0	0	92,559
Assigned:						
Assigned for Finance	4,000	0	0	0	0	4,000
Assigned for Public Safety	2,284	0	0	0	0	2,284
Assigned for Public Health and Welfare	31,520	0	0	0	0	31,520
Unassigned	3,380,617	0	0	0	0	3,380,617
Total Fund Balances	\$ 4,463,353	\$ 1,066,093	\$ 1,828,835	\$ 78,924	\$ 863,444	\$ 8,300,649
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,266,053	\$ 1,575,890	\$ 2,046,544	\$ 100,324	\$ 865,116	\$ 17,853,927

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, 2019

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	8,300,649
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	309,214	
Add: buildings and improvements net of accumulated depreciation		10,274,203	
Add: other capital assets net of accumulated depreciation		3,038,019	
Add: infrastructure net of accumulated depreciation		<u>21,612,238</u>	35,233,674
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(2,496,013)	
Less: other loans payable		(21,259,110)	
Less: net OPEB liability		(2,980,235)	
Less: compensated absences payable		(307,304)	
Less: accrued interest on notes and other loans		<u>(26,866)</u>	(27,069,528)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	1,087,951	
Less: deferred inflows of resources related to pensions		(237,755)	
Add: deferred outflows of resources related to OPEB		<u>321,897</u>	1,172,093
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			253,820
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,163,805</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>19,054,513</u></u>

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

Exhibit C-3

Hickman County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2019

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>						
Local Taxes	\$ 8,623,611	\$ 339,957	\$ 1,890,835	\$ 0	\$ 523,247	\$ 11,377,650
Licenses and Permits	136,225	0	0	0	0	136,225
Fines, Forfeitures, and Penalties	160,765	0	0	0	33,834	194,599
Charges for Current Services	1,370,308	6,950	0	0	0	1,377,258
Other Local Revenues	45,146	143,608	151,049	0	0	339,803
Fees Received From County Officials	1,204,370	0	0	0	0	1,204,370
State of Tennessee	1,556,799	2,921,779	9,746	0	0	4,488,324
Federal Government	58,201	186,102	0	0	0	244,303
Other Governments and Citizens Groups	37,558	3,110	163,284	0	0	203,952
Total Revenues	\$ 13,192,983	\$ 3,601,506	\$ 2,214,914	\$ 0	\$ 557,081	\$ 19,566,484
<u>Expenditures</u>						
Current:						
General Government	\$ 1,480,767	\$ 0	\$ 0	\$ 0	\$ 2,280	\$ 1,483,047
Finance	972,620	0	0	0	0	972,620
Administration of Justice	794,411	0	0	0	0	794,411
Public Safety	3,328,380	0	0	0	75,669	3,404,049
Public Health and Welfare	2,004,449	0	0	0	0	2,004,449
Social, Cultural, and Recreational Services	218,592	0	0	0	0	218,592
Agriculture and Natural Resources	75,059	0	0	0	0	75,059
Other Operations	3,570,228	0	0	0	0	3,570,228
Highways	0	3,772,290	0	0	0	3,772,290
Debt Service:						
Principal on Debt	0	0	1,885,624	0	0	1,885,624
Interest on Debt	0	0	452,573	0	0	452,573
Other Debt Service	0	0	134,079	0	2,994	137,073

(Continued)



Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 2,440,110	\$ 0	\$ 2,440,110
Total Expenditures	\$ 12,444,506	\$ 3,772,290	\$ 2,472,276	\$ 2,440,110	\$ 80,943	\$ 21,210,125
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 748,477	 \$ (170,784)	 \$ (257,362)	 \$ (2,440,110)	 \$ 476,138	 \$ (1,643,641)
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 2,307,803	\$ 0	\$ 2,307,803
Other Loans Issued	0	0	0	130,662	0	130,662
Insurance Recovery	92,583	4,757	0	0	0	97,340
Transfers In	67,740	0	377,847	0	0	445,587
Transfers Out	(100,000)	(67,740)	0	0	(277,847)	(445,587)
Total Other Financing Sources (Uses)	\$ 60,323	\$ (62,983)	\$ 377,847	\$ 2,438,465	\$ (277,847)	\$ 2,535,805
 Net Change in Fund Balances	 \$ 808,800	 \$ (233,767)	 \$ 120,485	 \$ (1,645)	 \$ 198,291	 \$ 892,164
Fund Balance, July 1, 2018	3,654,553	1,299,860	1,708,350	80,569	665,153	7,408,485
 Fund Balance, June 30, 2019	 \$ 4,463,353	 \$ 1,066,093	 \$ 1,828,835	 \$ 78,924	 \$ 863,444	 \$ 8,300,649

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, 2019

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)		\$	892,164
(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	\$	2,857,829	
Less: current-year depreciation expense		(1,806,194)	1,051,635
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value of capital assets disposed			(28,599)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2019	\$	1,163,805	
Less: deferred delinquent property taxes and other deferred June 30, 2018		(1,255,922)	(92,117)
(4) The issuance of long-term debt (e.g., notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Add: principal payments on other loans	\$	1,885,624	
Less: notes proceeds and other loan proceeds		(2,438,465)	(552,841)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	7,952	
Change in OPEB liability		(42,590)	
Change in compensated absences payable		(27,222)	
Change in net pension liability/asset		523,898	
Change in deferred outflows related to pensions		(136,388)	
Change in deferred inflows related to pensions		(37,877)	
Change in deferred outflows related to OPEB		(28,450)	259,323
Change in net position of governmental activities (Exhibit B)		\$	<u>1,529,565</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 (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 8,623,611	\$ 0	\$ 0	\$ 8,623,611	\$ 8,088,655	\$ 8,088,655	\$ 534,956
Licenses and Permits	136,225	0	0	136,225	104,000	104,000	32,225
Fines, Forfeitures, and Penalties	160,765	0	0	160,765	131,600	131,600	29,165
Charges for Current Services	1,370,308	0	0	1,370,308	1,725,732	1,725,732	(355,424)
Other Local Revenues	45,146	0	0	45,146	39,930	42,076	3,070
Fees Received From County Officials	1,204,370	0	0	1,204,370	1,090,500	1,090,500	113,870
State of Tennessee	1,556,799	0	0	1,556,799	1,300,064	1,337,231	219,568
Federal Government	58,201	0	0	58,201	40,769	40,769	17,432
Other Governments and Citizens Groups	37,558	0	0	37,558	35,875	37,875	(317)
Total Revenues	\$ 13,192,983	\$ 0	\$ 0	\$ 13,192,983	\$ 12,557,125	\$ 12,598,438	\$ 594,545
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 63,695	\$ 0	\$ 0	\$ 63,695	\$ 68,900	\$ 68,900	\$ 5,205
Board of Equalization	2,550	0	0	2,550	3,500	3,500	950
Beer Board	131	0	0	131	1,000	1,000	869
County Mayor/Executive	126,073	0	0	126,073	130,128	130,128	4,055
County Attorney	10,098	0	0	10,098	15,000	15,000	4,902
Election Commission	192,561	0	0	192,561	218,636	218,636	26,075
Register of Deeds	146,747	0	0	146,747	160,098	160,098	13,351
Planning	125,748	0	0	125,748	134,077	136,711	10,963
County Buildings	259,669	0	0	259,669	283,985	283,985	24,316
Other Facilities	400,859	0	0	400,859	465,250	465,250	64,391
Other General Administration	116,093	0	0	116,093	121,375	121,375	5,282
Preservation of Records	36,543	0	0	36,543	42,993	42,993	6,450
<u>Finance</u>							
Accounting and Budgeting	259,823	0	0	259,823	262,704	262,704	2,881
Property Assessor's Office	240,542	0	0	240,542	295,454	294,654	54,112
County Trustee's Office	201,671	0	0	201,671	213,314	214,114	12,443
County Clerk's Office	270,584	0	0	270,584	275,986	281,486	10,902

(Continued)

## Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 306,126	\$ 0	\$ 0	\$ 306,126	\$ 320,991	\$ 320,991	\$ 14,865
General Sessions Court	216,948	0	0	216,948	208,285	219,691	2,743
General Sessions Judge	1,374	0	0	1,374	0	4,000	2,626
Chancery Court	149,399	0	0	149,399	155,022	155,022	5,623
Judicial Commissioners	49,877	0	0	49,877	54,020	54,020	4,143
Courtroom Security	70,687	0	0	70,687	0	70,687	0
<u>Public Safety</u>							
Sheriff's Department	1,987,646	0	0	1,987,646	2,111,581	2,163,327	175,681
Administration of the Sexual Offender Registry	2,773	0	0	2,773	12,500	12,500	9,727
Jail	1,116,361	0	0	1,116,361	1,329,480	1,329,480	213,119
Fire Prevention and Control	14,541	0	0	14,541	15,550	15,550	1,009
Civil Defense	130,789	0	0	130,789	170,944	170,944	40,155
Rescue Squad	20,000	0	0	20,000	20,000	20,000	0
County Coroner/Medical Examiner	56,270	0	0	56,270	36,400	64,400	8,130
<u>Public Health and Welfare</u>							
Local Health Center	40,978	0	0	40,978	50,601	50,601	9,623
Ambulance/Emergency Medical Services	1,726,107	(53,869)	28,258	1,700,496	1,855,657	1,855,657	155,161
Alcohol and Drug Programs	17,559	0	0	17,559	22,787	22,787	5,228
Other Local Health Services	215,402	0	0	215,402	287,500	248,100	32,698
Other Public Health and Welfare	4,403	0	0	4,403	8,060	9,185	4,782
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	10,000	0	0	10,000	10,000	10,000	0
Libraries	208,592	0	0	208,592	221,329	221,979	13,387
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	41,705	0	0	41,705	57,626	57,626	15,921
Soil Conservation	33,354	0	0	33,354	33,354	33,354	0
<u>Other Operations</u>							
Tourism	0	0	0	0	76,200	76,200	76,200
Industrial Development	239,098	0	0	239,098	70,444	239,098	0

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Veterans' Services	\$ 21,116	\$ 0	\$ 0	\$ 21,116	\$ 23,550	\$ 24,550	\$ 3,434
Other Charges	627,666	0	0	627,666	645,000	636,500	8,834
Employee Benefits	2,527,981	0	0	2,527,981	2,694,918	2,679,218	151,237
Miscellaneous	154,367	0	0	154,367	173,920	183,920	29,553
Total Expenditures	\$ 12,444,506	\$ (53,869)	\$ 28,258	\$ 12,418,895	\$ 13,358,119	\$ 13,649,921	\$ 1,231,026
Excess (Deficiency) of Revenues Over Expenditures	\$ 748,477	\$ 53,869	\$ (28,258)	\$ 774,088	\$ (800,994)	\$ (1,051,483)	\$ 1,825,571
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 92,583	\$ 0	\$ 0	\$ 92,583	\$ 40,000	\$ 94,380	\$ (1,797)
Transfers In	67,740	0	0	67,740	33,870	33,870	33,870
Transfers Out	(100,000)	0	0	(100,000)	(100,000)	(100,000)	0
Total Other Financing Sources	\$ 60,323	\$ 0	\$ 0	\$ 60,323	\$ (26,130)	\$ 28,250	\$ 32,073
Net Change in Fund Balance	\$ 808,800	\$ 53,869	\$ (28,258)	\$ 834,411	\$ (827,124)	\$ (1,023,233)	\$ 1,857,644
Fund Balance, July 1, 2018	3,654,553	(53,869)	0	3,600,684	3,500,000	3,654,553	(53,869)
Fund Balance, June 30, 2019	\$ 4,463,353	\$ 0	\$ (28,258)	\$ 4,435,095	\$ 2,672,876	\$ 2,631,320	\$ 1,803,775

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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 339,957	\$ 359,048	\$ 359,048	\$ (19,091)
Charges for Current Services	6,950	6,200	6,200	750
Other Local Revenues	143,608	34,500	34,500	109,108
State of Tennessee	2,921,779	3,815,177	3,815,177	(893,398)
Federal Government	186,102	325,000	325,000	(138,898)
Other Governments and Citizens Groups	3,110	0	0	3,110
Total Revenues	<u>\$ 3,601,506</u>	<u>\$ 4,539,925</u>	<u>\$ 4,539,925</u>	<u>\$ (938,419)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 168,468	\$ 191,785	\$ 191,785	\$ 23,317
Highway and Bridge Maintenance	1,370,753	1,946,336	1,946,336	575,583
Operation and Maintenance of Equipment	404,351	568,803	568,803	164,452
Other Charges	85,820	106,000	106,000	20,180
Employee Benefits	723,809	895,481	895,481	171,672
Capital Outlay	1,019,089	1,289,000	1,289,000	269,911
Total Expenditures	<u>\$ 3,772,290</u>	<u>\$ 4,997,405</u>	<u>\$ 4,997,405</u>	<u>\$ 1,225,115</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (170,784)</u>	<u>\$ (457,480)</u>	<u>\$ (457,480)</u>	<u>\$ 286,696</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 4,757	0	0	4,757
Transfers Out	(67,740)	(33,870)	(67,740)	0
Total Other Financing Sources	<u>\$ (62,983)</u>	<u>\$ (33,870)</u>	<u>\$ (67,740)</u>	<u>\$ 4,757</u>
Net Change in Fund Balance	<u>\$ (233,767)</u>	<u>\$ (491,350)</u>	<u>\$ (525,220)</u>	<u>\$ 291,453</u>
Fund Balance, July 1, 2018	<u>1,299,860</u>	<u>800,000</u>	<u>1,299,860</u>	<u>0</u>
Fund Balance, June 30, 2019	<u><u>\$ 1,066,093</u></u>	<u><u>\$ 308,650</u></u>	<u><u>\$ 774,640</u></u>	<u><u>\$ 291,453</u></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, 2019

Business-type  
 Activities -  
Enterprise Fund  
 Solid  
 Waste  
 Disposal  
Fund

ASSETS

## Current Assets:

Cash	\$	550
Equity in Pooled Cash and Investments		624,679
Accounts Receivable		759,902
Allowance for Uncollectibles		(513,000)
Due from Other Governments		18,486
Total Current Assets	\$	<u>890,617</u>

## Noncurrent Assets:

Net Pension Asset	\$	17,413
Capital Assets:		
Assets Not Depreciated:		
Land		145,004
Assets Net of Accumulated Depreciation:		
Buildings and Improvements		607,352
Machinery and Equipment		332,736
Total Noncurrent Assets	\$	<u>1,102,505</u>
Total Assets	\$	<u>1,993,122</u>

DEFERRED OUTFLOWS OF RESOURCES

## Deferred Outflows of Resources:

Pension Changes in Experience	\$	906
Pension Changes in Assumptions		21,022
Pension Contributions After Measurement Date		51,581
OPEB Changes in Experience		14,776
OPEB Other Deferrals		7,675
Total Deferred Outflows of Resources	\$	<u>95,960</u>

Total Assets and Deferred Outflows of Resources	\$	<u>2,089,082</u>
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(Continued)

Exhibit D-1

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

	Business-type Activities - <u>Enterprise Fund</u> Solid Waste Disposal <u>Fund</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 30,656
Accrued Leave - Current	9,001
Accrued Liability for Landfill Closure/Postclosure Care Costs - Current	10,672
Total Current Liabilities	<u>\$ 50,329</u>
Noncurrent Liabilities:	
Accrued Liability for Landfill Closure/Postclosure Care Costs	\$ 75,096
Net OPEB Liability	207,864
Accrued Leave - Long-term	27,003
Total Noncurrent Liabilities	<u>\$ 309,963</u>
Total Liabilities	<u>\$ 360,292</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Inflows of Resources:	
Pension Changes in Experience	\$ 10,133
Pension Changes in Investment Earnings	6,178
Total Deferred Inflows of Resources	<u>\$ 16,311</u>
<u>NET POSITION</u>	
Committed for Public Health and Welfare	\$ 117,834
Unrestricted	509,553
Net Investment in Capital Assets	<u>1,085,092</u>
Total Net Position	<u>\$ 1,712,479</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, 2019

	Business-type Activities - Major Enterprise Fund Solid Waste Disposal Fund
<u>Operating Revenues</u>	
Charges for Current Services	\$ 1,182,066
Other Local Revenues	158,493
Total Operating Revenues	<u>\$ 1,340,559</u>
<u>Operating Expenses</u>	
Sanitation Management	\$ 1,226,417
Litter and Trash Collection	47,130
Depreciation	110,661
Total Operating Expenses	<u>\$ 1,384,208</u>
Operating Income (Loss)	<u>\$ (43,649)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 8,169
Insurance Recovery	12,783
Interest Expense	(1,540)
Solid Waste Grants	54,421
Total Nonoperating Revenues (Expenses)	<u>\$ 73,833</u>
Change in Net Position	\$ 30,184
Net Position, July 1, 2018	<u>1,682,295</u>
Net Position, June 30, 2019	<u><u>\$ 1,712,479</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, 2019

	Business-type Activities - Major Enterprise Fund Solid Waste Disposal Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 1,188,732
Other Cash Receipts (Payments)	158,493
Payments to Employees	(671,564)
Payments for Waste Collection and Disposal Activity	(586,603)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 89,058</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Paid on Notes	\$ (37,500)
Interest Paid on Notes	(1,540)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (39,040)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Grants Received	\$ 54,421
Insurance Recovery	12,783
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 67,204</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 8,169
Net Cash Provided By (Used In) Investing Activities	<u>\$ 8,169</u>
Increase (Decrease) in Cash	\$ 125,391
Cash, July 1, 2018	<u>499,838</u>
Cash, June 30, 2019	<u><u>\$ 625,229</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (43,649)
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	110,661
Changes in Pension Related Inflows and Outflows of Resources	13,238
Changes in OPEB Related to Inflows and Outflows of Resources	(4,012)
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(34,489)
(Increase) Decrease in Allowance for Uncollectibles	50,634
(Increase) Decrease in Due from other Governments	(9,479)
(Increase) Decrease in Net Pension Asset	(17,413)
Increase (Decrease) in Accounts Payable	(1,169)
Increase (Decrease) in Accrued Leave	476
Increase (Decrease) in Accrued Liability for Landfill Closure/Postclosure	(10,277)
Increase (Decrease) in Net Pension Liability	(18,714)
Increase (Decrease) in Net OPEB Liability	53,251
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 89,058</u></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>624,679</u>
Cash, June 30, 2019	<u><u>\$ 625,229</u></u>

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

Exhibit E

Hickman County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2019

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,030,728
Accounts Receivable	341
Due from Other Governments	115,436
Cash Shortage	<u>486</u>
Total Assets	<u>\$ 1,146,991</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 115,436
Due to Litigants, Heirs, and Others	<u>1,031,555</u>
Total Liabilities	<u>\$ 1,146,991</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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Note	Page(s)
<b>I. Summary of Significant Accounting Policies</b>	
A. Reporting Entity	37
B. Government-wide and Fund Financial Statements	38
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	39
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	42
2. Receivables and Payables	43
3. Restricted Assets	43
4. Capital Assets	44
5. Deferred Outflows/Inflows of Resources	45
6. Compensated Absences	46
7. Long-term Debt and Long-term Obligations	46
8. Net Position and Fund Balance	47
E. Pension Plans	49
F. Other Postemployment Benefits (OPEB)	49
<b>II. Reconciliation of Government-wide and Fund Financial Statements</b>	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	50
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	50
<b>III. Stewardship, Compliance, and Accountability</b>	
A. Budgetary Information	51
B. Health Foundation Accountability	51
C. Cash Shortage - Prior Year	52
D. The County Had Deposits Exposed to Custodial Credit Risk	52
<b>IV. Detailed Notes on All Funds</b>	
A. Deposits and Investments	52
B. Capital Assets	60
C. Interfund Receivables, Payables, and Transfers	64
D. Long-term Debt	65
E. Long-term Obligations	68
F. On-Behalf Payments	72
<b>V. Other Information</b>	
A. Risk Management	72
B. Accounting Changes	72
C. Contingent Liabilities	73
D. Changes in Administration	73
E. Landfill Closure/Postclosure Care Costs	73
F. Joint Ventures	74
G. Jointly Governed Organization	75
H. Retirement Commitments	76
I. Other Postemployment Benefits (OPEB)	94
J. Office of Central Accounting, Budgeting, and Purchasing	107
K. Purchasing Law	108
L. Financial Policy – Health Foundation	108

**HICKMAN COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**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. Although required by GAAP, the financial statements of the Hickman County Emergency Communications District and the Industrial Development Board of Hickman County, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. 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 material to the component units' opinion unit and therefore have been omitted from this report.

The Industrial Development Board of Hickman County promotes industrial development to provide additional job opportunities within Hickman County. The county mayor nominates, and the Hickman County Commission confirms the board members. The financial statements of the Industrial Development Board of Hickman County were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Offices:

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

Industrial Development Board of Hickman County  
Hickman County Mayor  
5640 Hwy 100  
Centerville, TN 37033

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

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

separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Hickman County School Department component unit only reports governmental activities in the government-wide financial statements.

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

Hickman County issues all debt for the discretely presented Hickman County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2019.

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

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

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

Fund financial statements of Hickman County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and

proprietary categories. Hickman County only reports one proprietary fund, an enterprise fund. It has no internal service funds to report.

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

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

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

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

Hickman County reports the following major governmental funds:

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



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

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

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

Hickman County reports the following major proprietary fund:

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

Additionally, Hickman County reports the following fund type:

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Hickman County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Hickman County School Department reports the following major governmental fund:

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

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

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

The discretely presented Hickman County Health Foundation reports the following major governmental fund:

**Health Foundation Fund** – This is the foundation’s only operating fund. It accounts for all financial resources of the foundation.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund used to account for solid waste activities. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations.

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

**1. Deposits and Investments**

For purposes of the Statement of Cash Flows, cash includes cash on hand and cash on deposit with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Hickman County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Hickman County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. 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. No investments required to be reported at fair value were held at the balance sheet date.

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

## **2. Receivables and Payables**

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

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

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

## **3. Restricted Assets**

Certain resources set aside for 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.

Also, restricted assets consist of amounts held in trust by the Tennessee School Board Association (TSBA) OPEB Trust for the benefit of the discretely presented Hickman County School Department. These funds are held and invested by the trust pursuant to an irrevocable agreement and may only be used to reimburse the Hickman County School Department for postemployment benefits paid from School Department funds. To date, the Hickman County School Department has not requested any amounts to be reimbursed by the trust. Trust documents provide that the funds are not subject to the claims of general creditors of the School Department. Since the payment of postemployment benefits has not been administered through this trust, the trust is not considered to be in compliance with paragraph 4 of Governmental Accounting Standards Board Statement No. 75. OPEB liabilities of the School Department are therefore reported gross and have not been reduced by balances of the trust. The trust is reported as an asset and restricted fund balance of the School Department's General Purpose School Fund.

In addition, restricted assets also consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Hickman County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Hickman County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Hickman County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the School Department.

#### **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 acquisition 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. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government 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 the proportionate share of net pension asset/liability, pension changes in experience, pension changes in assumptions, employer contributions made to the pension plan after the measurement date, OPEB changes in assumptions, OPEB changes in experience, OPEB benefits paid after measurement date, and other OPEB deferrals.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental

funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in proportionate share of net pension asset/liability, pension changes in experience, pension changes in investment earnings, OPEB changes in assumptions, OPEB changes in experience, other OPEB deferrals, 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 Debt and 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 are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, other postemployment benefits, and landfill closure/postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

#### **8. Net Position and Fund Balance**

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

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

As of June 30, 2019, Hickman County had \$16,761,386 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.



**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.

**F. Other Postemployment Benefit (OPEB) Plans**

**Primary Government**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by Hickman County. For this purpose, Hickman County recognizes benefit payments when due and payable in accordance with benefit terms. Hickman County's OPEB plan is not administered through a trust.

**Discretely Presented Hickman County School Department**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Hickman County School Department. For this purpose, the School Department recognizes benefit payments when due and payable in

accordance with benefit terms. The School Department's OPEB plan is not administered through a trust.

## **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**

Since 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.

At June 30, 2019, Hickman County had outstanding encumbrances in the budget funds as follows:

Fund	Amount
Primary Government:	
General	\$ 28,258

#### 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 – Prior Year**

The audit of Hickman County for the 2014-15 year reported a cash shortage of \$1,106 in the Office of Circuit and General Sessions Courts Clerk. During the 2015-16 fiscal year, the office discovered funds of \$620 in the safe and deposited them into the office bank account. As of June 30, 2019, the outstanding cash shortage balance is \$486.

**D. The County Had Deposits Exposed to Custodial Credit Risk**

The Hickman County Health Foundation did not require one depository holding county funds to pledge adequate securities to protect funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 2019, deposits at this depository exceeded FDIC coverage and collateral securities pledged by \$456,527. Section 5-8-201, *Tennessee Code Annotated*, requires any bank that is a depository of county funds to deposit in an escrow account in a second bank collateral security equal to 105 percent of such county funds.

**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 and investments reflected on the balance sheets or statements of net position represent nonpooled amounts held separately by individual funds.

**Deposits**

**Legal Provisions.** All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may

be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

**Custodial Credit Risk.** Custodial credit risk is the risk that in the event of a bank failure, Hickman County's deposits may not be returned to it. Hickman County does not have a formal policy that limits custodial credit risk for deposits. Separate disclosures concerning bank balances of pooled deposits 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. As of June 30, 2019, bank balances of \$456,527 were exposed to custodial credit risk. This amount of a nonpooled bank balance was exposed to custodial credit risk as uninsured and uncollateralized. This \$456,527 consisted of a certificate of deposit reported in the discretely presented Hickman County Health Foundation Fund. Uninsured and uncollateralized deposits are a violation of state statutes.

### **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, 2019, Hickman County had the following investments carried at amortized cost using a Stable Net Asset Value or fair value within the fair value hierarchy established by generally accepted accounting principles. All investments are in the county trustee's

investment pool. Separate disclosures concerning pooled investments cannot be made for Hickman County and the discretely presented Hickman County School Department since both pool their deposits and investments through the county trustee.

<u>Investment</u>	<u>Weighted Average Maturity (days)</u>	<u>Maturities</u>	<u>Amortized Cost</u>
State Treasurer's Investment Pool	1 to 86	N/A	\$ 8,543,795

**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, 2019, Hickman County's investment in the State Treasurer's Investment Pool was unrated.

#### **TCRS Stabilization Trust**

**Legal Provisions.** The Hickman County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The School Department has placed funds into the irrevocable trust as authorized by 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 trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the School Department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Hickman County School Department may not impose any restrictions on investments placed by the trust on their behalf.

**Investment Balances.** Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings

agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value or amortized, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2019, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments using the Net Asset Value ("NAV") per share have no readily determinable fair value and have been determined using amortized cost, which approximates fair value.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan's custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

US Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter’s NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2019, the Hickman County School Department had the following investments held by the trust on its behalf.



Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 22,044
Developed Market International Equity	N/A	N/A	9,955
Emerging Market International Equity	N/A	N/A	2,844
U.S. Fixed Income	N/A	N/A	14,222
Real Estate	N/A	N/A	7,111
Short-term Securities	N/A	N/A	711
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	14,221
Total			<u>\$ 71,108</u>

Investment by fair value level	Fair Value Measurements Using				Amortized Cost
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
U.S. Equity	\$ 22,044	\$ 22,044	0	\$ 0	0
Developed Market International Equity	9,955	9,955	0	0	0
Emerging Market International Equity	2,844	2,844	0	0	0
U.S. Fixed Income	14,222	0	14,222	0	0
Real Estate	7,111	0	0	7,111	0
Short-term Securities	711	0	711	0	0
Private Equity and Strategic Lending	14,221	0	0	0	14,221
Total	<u>\$ 71,108</u>	<u>\$ 34,843</u>	<u>\$ 14,933</u>	<u>\$ 7,111</u>	<u>\$ 14,221</u>

**Risks and Uncertainties.** The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Hickman County School Department does not have the ability to limit trust 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. The Hickman County School Department does not have the ability to limit the credit ratings of individual investments made by the trust.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Hickman County School Department places no limit on the amount the county may invest in one issuer.

**Custodial Credit Risk.** Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Hickman County School Department to pay retirement benefits of the School Department employees.

For further information concerning the School Department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2019/ag18092.pdf>

### **OPEB Trust**

**Legal Provisions.** The Hickman County School Department is a member of the Tennessee School Board OPEB Trust. The School Department has placed funds into the irrevocable trust as authorized by the Other Postemployment Benefit Trust Act of 2006, section 8-50-1201, et. seq., *Tennessee Code Annotated*. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of postemployment benefits of that member's employees. Trust documents provide that the funds are not subject to the claims of general creditors of the School Department.

The trust is authorized to make investments in securities as authorized by each member's investment committee. The Hickman County School Department has not imposed any restrictions on investments placed by the trust on their behalf.

**Investment Balances.** At June 30, 2019, the Hickman County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
Cash	N/A	N/A	\$ 34,936
US Equities	N/A	N/A	971,664
International Equities	N/A	N/A	414,868
Emerging & Frontier Market	N/A	N/A	85,157
Fixed Income & Preferreds	N/A	N/A	635,403
Alternatives	N/A	N/A	<u>41,487</u>
Total			<u>\$ 2,183,515</u>

Investment by fair value level	Fair Value 6/30/2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	34,936	34,936	0	0
US Equities	971,664	971,664	0	0
International Equities	414,868	414,868	0	0
Emerging & Frontier Market	85,157	85,157	0	0
Fixed Income & Preferreds	635,403	635,403	0	0
Alternatives	<u>41,487</u>	<u>41,487</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 2,183,515</u>	<u>\$ 2,183,515</u>	<u>\$ 0</u>	<u>\$ 0</u>

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

**Risks and Uncertainties.** The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Hickman County School Department does not have the ability to limit trust 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. The Hickman County School Department does not have a formal investment policy that limits the credit ratings of individual investments made by the trust.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Hickman County School Department places no limit on the amount the county may invest in one issuer.

**Custodial Credit Risk.** Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Hickman County School Department to pay postemployment benefits of the School Department employees.

For further information concerning the School Department's investments with the TSBA, audited financial statements of the TSBA OPEB Trust may be obtained from the TSBA administrative office at 525 Brick Church Park Drive, Nashville, TN 37207.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2019, was as follows:

## **Primary Government**

### **Governmental Activities:**

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 227,514	\$ 81,700	\$ 0	\$ 309,214
Construction in Progress	44,081	546,318	(590,399)	0
Total Capital Assets Not Depreciated	<u>\$ 271,595</u>	<u>\$ 628,018</u>	<u>\$ (590,399)</u>	<u>\$ 309,214</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 14,084,549	\$ 590,399	\$ 0	\$ 14,674,948
Other Capital Assets	6,226,968	1,130,397	(383,269)	6,974,096
Infrastructure	51,760,432	1,099,414	0	52,859,846
Total Capital Assets Depreciated	<u>\$ 72,071,949</u>	<u>\$ 2,820,210</u>	<u>\$ (383,269)</u>	<u>\$ 74,508,890</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,051,986	\$ 348,759	\$ 0	\$ 4,400,745
Other Capital Assets	3,790,410	500,337	(354,670)	3,936,077
Infrastructure	30,290,510	957,098	0	31,247,608
Total Accumulated Depreciation	<u>\$ 38,132,906</u>	<u>\$ 1,806,194</u>	<u>\$ (354,670)</u>	<u>\$ 39,584,430</u>
Total Capital Assets Depreciated, Net	<u>\$ 33,939,043</u>	<u>\$ 1,014,016</u>	<u>\$ (28,599)</u>	<u>\$ 34,924,460</u>
Governmental Activities Capital Assets, Net	<u>\$ 34,210,638</u>	<u>\$ 1,642,034</u>	<u>\$ (618,998)</u>	<u>\$ 35,233,674</u>

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

### **Governmental Activities:**

General Government	\$ 37,808
Administration of Justice	43,131
Public Safety	378,613
Public Health and Welfare	165,954
Social, Cultural, and Recreational Services	9,376
Highway/Public Works	<u>1,171,312</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,806,194</u>

**Business-type Activities:**

	Balance 7-1-18	Increases	Balance 6-30-19
Capital Assets Not Depreciated:			
Land	\$ 145,004	\$ 0	\$ 145,004
Total Capital Assets Not Depreciated	\$ 145,004	\$ 0	\$ 145,004
Capital Assets Depreciated:			
Buildings and Improvements	\$ 1,077,579	\$ 0	\$ 1,077,579
Other Capital Assets	1,426,185	0	1,426,185
Total Capital Assets Depreciated	\$ 2,503,764	\$ 0	\$ 2,503,764
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 443,287	\$ 26,940	\$ 470,227
Other Capital Assets	1,009,728	83,721	1,093,449
Total Accumulated Depreciation	\$ 1,453,015	\$ 110,661	\$ 1,563,676
Total Capital Assets Depreciated, Net	\$ 1,050,749	\$ (110,661)	\$ 940,088
Business-type Activities Capital Assets, Net	\$ 1,195,753	\$ (110,661)	\$ 1,085,092

There were no decreases in capital assets to report during the year ended June 30, 2019.

Depreciation expense totaling \$110,661 was charged to the Sanitation Management function of the Solid Waste Disposal Fund (enterprise fund).

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

### **Governmental Activities:**

	Balance 7-1-18	Increases	Balance 6-30-19
Capital Assets Not Depreciated:			
Land	\$ 1,018,261	\$ 0	\$ 1,018,261
Total Capital Assets Not Depreciated	\$ 1,018,261	\$ 0	\$ 1,018,261
Capital Assets Depreciated:			
Buildings and Improvements	\$ 61,586,550	\$ 93,550	\$ 61,680,100
Other Capital Assets	10,367,499	534,591	10,902,090
Infrastructure	27,206	0	27,206
Total Capital Assets Depreciated	\$ 71,981,255	\$ 628,141	\$ 72,609,396
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 29,384,777	\$ 1,697,718	\$ 31,082,495
Other Capital Assets	6,104,134	450,459	6,554,593
Infrastructure	11,788	1,360	13,148
Total Accumulated Depreciation	\$ 35,500,699	\$ 2,149,537	\$ 37,650,236
Total Capital Assets Depreciated, Net	\$ 36,480,556	\$ (1,521,396)	\$ 34,959,160
Governmental Activities Capital Assets, Net	\$ 37,498,817	\$ (1,521,396)	\$ 35,977,421

There were no decreases in capital assets to report during the year ended June 30, 2019.

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

**Governmental Activities:**

Instruction	\$ 5,043
Support Services	2,135,904
Operation of Non-instructional Services	<u>8,590</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,149,537</u></u>

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

The composition of interfund balances as of June 30, 2019, was as follows:

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	\$ 895

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, 2019, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In	
	General Debt Service Fund	General Fund
General Fund	\$ 100,000	\$ 0
Nonmajor governmental fund	277,847	0
Highway/Public Works Fund	0	67,740
Total	<u><u>\$ 377,847</u></u>	<u><u>\$ 67,740</u></u>



## Discretely Presented Hickman County School Department

Transfer Out	<u>Transfer In</u>	
	General Purpose School Fund	Purpose
Nonmajor governmental fund	\$ 22,823	Indirect Costs

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

### D. Long-term Debt

#### Primary Government

##### Notes and Other Loans

Direct Borrowing and Direct Placements - 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, credit, and taxing authority of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 13 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, 2019, will be retired from the General Debt Service fund.

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Capital outlay notes and other loans outstanding as of June 30, 2019, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-19
Capital Outlay Notes	3.99 to 4.59 %	5-22-31	\$ 2,496,013	\$ 2,496,013
Other Loans	variable	5-25-33	38,476,141	21,259,110

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 \$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, 2019, the variable interest rate was 2.07 percent, and other fees totaled \$60 per month per loan (trustee), .57 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, 2019, the variable interest rate was 2.07 percent, and other fees totaled \$60 per month (trustee), .57 percent (letter of credit), and .08 percent (remarketing) of the outstanding loan principal.

Additionally, 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.

Furthermore, 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.

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 \$955,479 to Hickman County for a school energy efficiency HVAC project. This loan is repayable at a fixed interest rate of .75 percent.

During the current 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 make \$1,346,000 available for loan to Hickman County on an as-needed basis for a sewer system construction project. Hickman County borrowed \$130,662 of the authorized amount during the year. This loan is repayable at a fixed interest rate of 3.945 percent.

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2019, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2020	\$ 173,981	\$ 104,756	\$ 278,737
2021	184,553	94,248	278,801
2022	192,395	86,470	278,865
2023	200,453	78,362	278,815
2024	208,808	70,045	278,853
2025-2029	1,184,366	209,857	1,394,223
2030-2031	351,457	16,904	368,361
Total	\$ 2,496,013	\$ 660,642	\$ 3,156,655

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2020	\$ 1,948,020	\$ 444,059	\$ 103,860	\$ 2,495,939
2021	1,993,399	408,162	95,221	2,496,782
2022	2,044,544	370,523	86,336	2,501,403
2023	2,094,739	331,773	77,177	2,503,689
2024	1,867,346	294,528	67,746	2,229,620
2025-2029	9,607,000	855,500	186,964	10,649,464
2030-2033	1,704,062	97,094	10,074	1,811,230
Total	\$ 21,259,110	\$ 2,801,639	\$ 627,378	\$ 24,688,127

There is \$1,828,835 available in the General Debt Service Fund and \$72,860 available in the Education Debt Service Fund to service long-term debt. Total debt per capita, including notes and other loans totaled \$962, based on the 2010 federal census.

#### Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2019, was as follows:

Governmental Activities:

	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2018	\$ 188,210	\$ 23,014,072
Additions	2,307,803	130,662
Reductions	0	(1,885,624)
Balance, June 30, 2019	<u>\$ 2,496,013</u>	<u>\$ 21,259,110</u>
Balance Due Within One Year	<u>\$ 173,981</u>	<u>\$ 1,948,020</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 23,755,123
Less: Balance Due Within One Year - Debt	<u>(2,122,001)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 21,633,122</u>

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

Long-term debt activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2019, was as follows:

Business-type Activities:

	Notes
Balance, July 1, 2018	\$ 37,500
Additions	0
Reductions	<u>(37,500)</u>
Balance, June 30, 2019	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 0</u>

**E. Long-term Obligations**

**Changes in Long-term Obligations**

Long-term obligations activity for the year ended June 30, 2019, was as follows:

Governmental Activities:

	Net Pension Liability - Agent Plan*	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2018	\$ 270,078	\$ 2,937,645	\$ 280,082
Additions	455,041	105,760	430,449
Reductions	(978,939)	(63,170)	(403,227)
Balance, June 30, 2019	<u>\$ (253,820)</u>	<u>\$ 2,980,235</u>	<u>\$ 307,304</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 76,826</u>

\*At June 30, 2019, the Agent Plan had a net pension asset.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2019	\$ 3,287,539
Less: Balance Due Within One Year - Other	<u>(76,826)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 3,210,713</u></u>

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

**Solid Waste Disposal (Enterprise) Fund**

Changes in Long-term Obligations

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2019, was as follows:

Business-type Activities:

	Compensated Absences	Closure/ Postclosure Care Costs
Balance, July 1, 2018	\$ 35,528	\$ 96,045
Additions	36,264	1,928
Reductions	(35,788)	(12,205)
Balance, June 30, 2019	<u>\$ 36,004</u>	<u>\$ 85,768</u>
Balance Due Within One Year	<u>\$ 9,001</u>	<u>\$ 10,672</u>

	Net Pension Liability - Agent Plan*	Other Post- employment Benefits
Balance, July 1, 2018	\$ 18,714	\$ 154,613
Additions	22,151	57,657
Reductions	(58,278)	(4,406)
Balance, June 30, 2019	<u>\$ (17,413)</u>	<u>\$ 207,864</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

\*At June 30, 2019, the Agent Plan had a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2019	\$ 329,636
Less: Balance Due Within One Year - Other	<u>(19,673)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 309,963</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, 2019, was as follows:

Governmental Activities:

	Net Pension Liability - Agent Plan*
Balance, July 1, 2018	\$ 137,343
Additions	228,192
Reductions	<u>(495,238)</u>
Balance, June 30, 2019	<u>\$ (129,703)</u>
Balance Due Within One Year	<u>\$ 0</u>

\*At June 30, 2019, the Agent Plan had a net pension asset.

	Other Postemployment Benefits - Local Education Plan	Other Postemployment Benefits - Medicare Supplement Plan
Balance, July 1, 2018	\$ 3,799,923	\$ 1,609,880
Additions	288,174	108,731
Reductions	<u>(1,744,941)</u>	<u>(527,746)</u>
Balance, June 30, 2019	<u>\$ 2,343,156</u>	<u>\$ 1,190,865</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2019	\$ 3,534,021
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,534,021</u>

Other postemployment benefits and net pension liabilities 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 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, 2019, were \$43,044 and \$29,533, 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. 83, *Certain Asset Retirement Obligations*; Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements* became effective for the year ended June 30, 2019. In addition, Typical County early implemented the provisions of GASB Statement No. 89,



*Accounting for Interest Costs Incurred Before the End of a Construction Period.*

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes accounting and reporting requirements for certain asset retirement obligations (AROs) associated with tangible capital assets. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, and expense/expenditures. In addition, this standard establishes note disclosure requirements for AROs.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements* addresses note disclosure requirements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should report when disclosing information related to debt. These required disclosures include direct borrowings and direct placements, unused lines of credit, assets pledged as collateral for debt, terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant acceleration clauses.

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period* amends paragraphs 5 through 22 of GASB Statement No. 62. This standard establishes that interest cost incurred before the end of a construction period should be recognized as an expense/expenditure. The changes adopted to conform with this standard are to be applied prospectively.

**C. Contingent Liabilities**

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

**D. Changes in Administration**

On August 31, 2018, Shaun Lawson left the Office of County Mayor and was succeeded by Mark Bentley; Cheryl Chessor left the Office of Trustee and was succeeded by Lisa Hellmann; and Patty Sisk left the Office of Register of Deeds and was succeeded by Angie Lockett.

**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 \$85,768 reported as postclosure care liability at June 30, 2019, represents amounts based on what it would cost to perform all postclosure care in 2019. 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 \$15,444 to the Hickman County Joint Economic and Community Development Association Board for the year ended June 30, 2019.

The Twenty-first Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-first Judicial District, Williamson, Lewis, Hickman, and Perry counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Hickman County contributed \$3,500 to the DTF during the year ended June 30, 2019.

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, Bedford County, Coffee County, Dickson County, Fayetteville City, Houston County, Humphreys County, Lewis County, Lincoln County, Manchester City, Marshall 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 (Dickson 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  
220 McLemore Street  
Dickson, TN 37055

**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 67.65 percent, the non-certified employees of the discretely presented School Department comprise 32.35 percent of the plan based on contribution 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/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies](http://www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies).

*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 vest 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 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, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	235
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	288
Active Employees	339
Total	<u><u>862</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, 2019, the employer contribution for Hickman County was \$1,197,471 based on a rate of 13.78 percent of covered 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 contributions (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, 2018, 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, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	5.69	31
Developed Market		
International Equity	5.29	14
Emerging Market		
International Equity	6.36	4
Private Equity and		
Strategic Lending	5.79	20
U.S. Fixed Income	2.01	20
Real Estate	4.32	10
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 7.25 percent based on a blending of the factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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, 2017	\$ 30,248,682	\$ 29,822,547	\$ 426,135
Changes for the Year:			
Service Cost	\$ 705,759	\$ 0	\$ 705,759
Interest	2,199,470	0	2,199,470
Differences Between Expected and Actual Experience	(48,638)	0	(48,638)
Changes in Assumptions	0	0	0
Contributions-Employer	0	1,245,970	(1,245,970)
Contributions-Employees	0	0	0
Net Investment Income	0	2,474,426	(2,474,426)
Benefit Payments, Including Refunds of Employee Contributions	(1,233,861)	(1,233,861)	0
Administrative Expense	0	(29,853)	29,853
Other Changes	0	(6,881)	6,881
Net Changes	\$ 1,622,730	\$ 2,449,801	\$ (827,071)
Balance, June 30, 2018	\$ 31,871,412	\$ 32,272,348	\$ (400,936)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	67.65%	\$ 21,561,010	\$ 21,832,243	\$ (271,233)
School Department	32.35%	10,310,402	10,440,105	(129,703)
Total		\$ 31,871,412	\$ 32,272,348	\$ (400,936)

*Sensitivity of the Net Pension 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 7.25 percent, as well as what the net pension liability (asset) would be if it were



calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 3,745,591	\$ (400,936)	\$ (3,860,215)

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

*Pension Expense or Negative Pension Expense.* For the year ended June 30, 2019, Hickman County recognized pension expense of \$661,299.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2019, 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
Difference Between Expected and Actual Experience	\$ 20,872	\$ 233,308
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	142,252
Changes in Assumptions	484,027	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	1,197,471	N/A
Total	\$ 1,702,370	\$ 375,560

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2018,” 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	\$ 1,087,951	\$ 237,755
Business-type Activities	73,509	16,311
School Department	540,910	121,494
Total	<u>\$ 1,702,370</u>	<u>\$ 375,560</u>

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

Year Ending June 30	Amount
2020	\$ 274,954
2021	84,040
2022	(157,288)
2023	(72,365)
2024	0
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 67.65 percent and the non-certified employees of the

discretely presented School Department comprise 32.35 percent of the plan based on contribution 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 publicly available financial report that can be obtained at [www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies](http://www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies).

*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 with an unreduced benefit 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. 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 60 or pursuant to the rule of 80. 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 percent and one percent. Members who leave 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 or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. 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, 2019, to the Teacher Retirement Plan were \$55,900, which is 1.94 percent of covered payroll. In addition, employer contributions of \$67,518, which is 2.06 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, 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 (Assets).* At June 30, 2019, the School Department reported a liability (asset) of (\$133,128) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of

June 30, 2018, the School Department's proportion was .293539 percent. The proportion as of June 30, 2017, was .336564 percent.

*Pension Expense.* For the year ended June 30, 2019, the School Department recognized pension expense of \$46,393.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2019, the 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
Difference Between Expected and Actual Experience	\$ 7,540	\$ 5,303
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	7,520
Changes in Assumptions	6,281	0
Changes in Proportion of Net Pension Liability (Asset)	13,862	2,146
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	55,900	N/A
Total	<u>\$ 83,583</u>	<u>\$ 14,969</u>

The School Department's employer contributions of \$55,900, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ (45)
2021	(284)
2022	(1,355)
2023	610
2024	1,611
Thereafter	12,177

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, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	5.69	%	31	%
Developed Market				
International Equity	5.29		14	
Emerging Market				
International Equity	6.36		4	
Private Equity and				
Strategic Lending	5.79		20	
U.S. Fixed Income	2.01		20	
Real Estate	4.32		10	
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 7.25 percent based on a blending of the factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability	\$	20,582	\$	(133,128)	\$	(246,376)
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*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

### **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 publicly available financial report that can be obtained at [www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies](http://www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies).

*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. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs 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 are required to contribute five percent of their salaries. 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, 2019, to the Teacher Legacy Pension Plan were \$1,060,480, which is 10.46 percent of covered 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 Liability (Assets).* At June 30, 2019, the School Department reported a liability (asset) of (\$1,234,197) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, the School Department's proportion was .350732 percent. The proportion measured at June 30, 2017, was .348861 percent.

*Pension Expense.* For the year ended June 30, 2019, the School Department recognized (negative) pension expense of (\$365,806).

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2019, the 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
Difference Between Expected and Actual Experience	\$ 249,473	\$ 1,665,029
Changes in Assumptions	728,922	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	268,613
Changes in Proportion of Net Pension Liability (Asset)	49,354	52,806
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	1,060,480	N/A
Total	<u>\$ 2,088,229</u>	<u>\$ 1,986,448</u>

The School Department's employer contributions of \$1,060,480 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ 241,911
2021	(406,655)
2022	(681,126)
2023	(112,827)
2024	0
Thereafter	0

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, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	5.69	%	31	%
Developed Market				
International Equity	5.29		14	
Emerging Market				
International Equity	6.36		4	
Private Equity and				
Strategic Lending	5.79		20	
U.S. Fixed Income	2.01		20	
Real Estate	4.32		10	
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 7.25 percent based on a blending of the factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	6.25%	7.25%	8.25%

Net Pension Liability   \$   9,513,965   \$ (1,234,197)   \$ (10,126,803)

*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.

Teachers hired after July 1, 2014, by the School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion, which is placed into the state's 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the School Department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year the School Department contributed \$154,931 and teachers contributed \$42,355 to this deferred compensation pension plan.

## **I. Other Postemployment Benefits (OPEB)**

Hickman County and the discretely presented Hickman County School Department provide OPEB benefits to its retirees under various OPEB plans. These include OPEB provided through state administered public entity risk pools and commercial health insurance plans. For reporting purposes, the plans are considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

### **Primary Government - Commercial Plan**

Hickman County provides OPEB benefits to its employees through a commercial insurance plan.

*Plan Description.* The primary government participates in a commercial postemployment benefits plan for its retirees and their covered dependents. County employees, other than highway, are eligible for OPEB benefits if they retire at age 55 with at least 25 years of service. Highway employees are eligible for OPEB benefits if they retire at age 50 with at least 20 years of accumulated service from the state, city, and/or county government, is a vested member of the Tennessee Consolidated Retirement System, and has been employed with the Hickman County Highway Department for at least the last 10 years. 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. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

*Benefits Provided.* The plan provides healthcare insurance benefits to retirees and their dependents, as well as dental benefits to highway retirees and their dependents.

The benefit terms provide for the primary government to pay the same benefit as an active employee which is payable until age 65 for all non-highway employees. At age 65 for non-highway employees, the county will pay \$40 toward a supplemental Medicare policy with the State of Tennessee. Eligible highway employees are entitled to the same benefit that they received as an active employee, which is payable for life. In addition, Hickman County contributes up to \$4,400 (single coverage) and up to \$8,800 (family coverage) to a Health Reimbursement Account administered by the insurance carrier to cover employees' health insurance deductibles.

### Employees Covered by Benefit Terms

At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	9
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Fully Eligible for Benefits	0
Active Employees Who Will Not Be Eligible for Benefits*	0
Active Employees Not Yet Eligible for Benefits	0
Active Employees	166
Total	<u>175</u>

\* employees over age 65 and will not meet age and service requirements before age 65

### **Total OPEB Liability**

The primary government's total OPEB liability of \$3,188,099 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Discount Rate	3.00%
Salary Scale	2.00%
Healthcare Cost Trend Rate	5.25%
Retirees share of Benefit-related Cost	Same rate as active employees

Mortality rates were based on sex-distinct Society of actuaries RP-2014 for blue collar with mortality improvement scale MP-2015 using generational techniques.

The actuarial assumptions used in the June 30, 2019, valuation was based on plan data and costs presented by the primary government with concurrence by the actuary.

### Changes in the Total OPEB Liability

	Total OPEB Liability
Balance July 1, 2018	\$ 3,092,258
Changes for the Year:	
Service Cost	\$ 69,568
Interest	93,849
Difference between actual and expected	0
Plan Change	0
Benefit Payments	(67,576)
Net Changes	<u>\$ 95,841</u>
Balance June 30, 2019	<u><u>\$ 3,188,099</u></u>

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

		Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Primary Government				
Governmental Activities	93.48%	\$ 2,980,235	\$ 0	\$ 2,980,235
Business-type Activities	6.52%	<u>207,864</u>	<u>0</u>	<u>207,864</u>
Total		<u><u>\$ 3,188,099</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 3,188,099</u></u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2019, the primary government recognized OPEB expense of \$187,792 (Primary Government: Governmental Activities \$175,607, Business-type Activities \$12,248). At June 30, 2019, the primary government reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 226,633	\$ 0
Changes of Assumptions	<u>117,715</u>	
Total	<u><u>\$ 344,348</u></u>	<u><u>\$ 0</u></u>



### Allocation of OPEB Plan Deferred Inflows and Outflows

	Deferred Outflows	Deferred Inflows
Primary Government		
Governmental Activities	\$ 321,897	\$ 0
Business-type Activities	22,451	0
Total	<u>\$ 344,348</u>	<u>\$ 0</u>

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2020	\$ (24,375)
2021	(24,375)
2022	(24,375)
2023	(24,375)
2024	(24,375)
Thereafter	(222,473)

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

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the primary government calculated using the discount rate of 3 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2%) or one percentage point higher (4%) than the current rate:

	1% Decrease 2.00%	Current Discount Rate 3.00%	1% Increase 4.00%
Total OPEB Liability	\$ 3,742,001	\$ 3,188,099	\$ 2,743,914

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the total OPEB liability of the primary government calculated using the healthcare cost trend rate of 5.25 percent, as well as what the OPEB liability would be if it was calculated using a trend

rate that is one percentage point lower (4.25%) or one percentage point higher (6.25%) than the current rate:

	1% Decrease 4.25%	Current Trend Rate 5.25%	1% Increase 6.25%
Total OPEB Liability	\$ 2,767,998	\$ 3,188,099	\$ 3,725,814

**Discretely Presented Hickman County School Department**

Hickman County School Department provides OPEB benefits to its certified retirees through a state administered public entity risk pool. For reporting purposes the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meet the criteria of paragraph 4 of GASB Statement No. 75.

**OPEB Provided Through State Administered Public Entity Risk Pools**

The Hickman County School Department provides healthcare benefits to its certified retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Hickman County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. Hickman County provides a direct subsidy of 55 percent of the premium cost for eligible retirees with 30 or more years of service in Hickman County schools, 35 percent for eligible retirees with 20-29 years of service in Hickman County Schools, and 20% for eligible retirees with 10-19 years of service in Hickman County Schools.

The School Department’s total OPEB liability for the plan was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2018, actuarial valuation of the plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2018 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.62%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.75% for the 2019 calendar year, and gradually decreasing over a 32-year period to an ultimate trend rate of 3.53% with .32% added to approximate the effect of the excise tax
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.62 percent, based on the daily rate of Fidelity's 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2018, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2017, valuations were the same as those employed in the July 1, 2017, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2.0 percent load for males and a -3.0 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10.0percent load.

*Changes in Assumptions.* The discount rate changed from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of the measurement date of June 30, 2018. The healthcare cost trend rate changed from 5.40 percent as of the beginning of the measurement period to 6.75 percent as of the measurement date of June 30, 2018.

## **Closed Local Education (LEP) OPEB Plan (Discretely Presented School Department)**

*Plan Description.* Employees of the Hickman County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits Provided.* The Hickman County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. During the year, Hickman County provided a direct subsidy for eligible retirees premiums based on years of service. Retirees with 30 or more years of service receive 55 percent of a single policy premium or 30 percent of a family policy premium; 20-29 years of service, 45 percent of a single family policy premium or 25 percent of a family policy premium; and 10-19 years of service receive 35 percent of a single policy premium or 15 percent of a family policy premium. Also, the state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 20 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

### Employees Covered by Benefit Terms

At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

	<u>School Department</u>
Retirees and Beneficiaries	11
Inactive, nonretired members	2
Active Members Eligible for Future Benefits	354
Active Members Not Eligible for Future Benefits	40
Total	<u><u>407</u></u>

A state insurance committee, created in accordance with *TCA* 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the School Department paid \$86,925 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Hickman County School Department 73.8587%	State of TN 26.1413%	Total OPEB Liability
Balance July 1, 2017	\$ 3,799,923	\$ 1,222,988	\$ 5,022,911
Changes for the Year:			
Service Cost	\$ 261,989	\$ 92,727	\$ 354,716
Interest	139,119	49,239	188,358
Changes in Benefit Terms	(485,447)	(171,817)	(657,264)
Difference between Expected and Actuarial Experience	(1,242,848)	(439,889)	(1,682,737)
Changes in Proportion			
Changes in Assumption and Other Inputs	(90,066)	90,066	0
Benefit Payments	88,529	31,334	119,863
Benefit Payments	(128,043)	(45,319)	(173,362)
Net Changes	<u>\$ (1,456,767)</u>	<u>\$ (393,659)</u>	<u>\$ (1,850,426)</u>
Balance June 30, 2018	<u>\$ 2,343,156</u>	<u>\$ 829,329</u>	<u>\$ 3,172,485</u>

The Hickman County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired

employees participating in the LEP. The Hickman County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department is required by GASB Statement No. 75 to recognize revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department employees. The amount of the subsidy is equal to the nonemployer share of collective OPEB expenses. During the year, collective OPEB expenses for Hickman County School employees was negative. Consequently, Hickman County has recorded the negative collective OPEB expense (\$279,727) and recorded negative operating grants and contributions revenues (\$64,831) for the nonemployer share of the collective OPEB expense.

During the year, the Hickman County School Department's proportionate share of the collective OPEB liability was 73.8587% and the State of Tennessee's share was 26.1413%.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2019, the School Department recognized OPEB expense of \$279,727, including the state's share of the expense. At June 30, 2019, the School Department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 1,130,879
Changes of Assumptions/Inputs	80,554	157,123
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employees and Nonemployer Contributors As Benefits Came Due	0	83,756
Benefits Paid After the Measurement Date of June 30, 2108	<u>86,925</u>	<u>0</u>
Total	<u>\$ 167,479</u>	<u>\$ 1,371,758</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>School Department</u>
2019	\$ (130,556)
2020	(130,556)
2021	(130,556)
2022	(130,556)
2023	(130,556)
Thereafter	(638,424)

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

*Sensitivity of proportionate share of the collective total OPEB liability to changes in the discount rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>	Current Discount Rate
1% Decrease 2.62%	1% Increase 4.62%

Proportionate Share of the Collective Total OPEB Liability	\$ 2,538,104	\$ 2,343,156	\$ 2,159,409
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*Sensitivity of proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	Current Rate
1% Decrease 5.75 to 2.85%	1% Increase 7.75 to 4.85%

Proportionate Share of the Collective Total OPEB Liability	\$ 2,041,838	\$ 2,343,156	\$ 2,705,456
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## **Closed Tennessee Plan – Medicare (Discretely Presented School Department)**

*Plan description.* Employees of the Hickman County School Department, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan - Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retired teachers and disability participants of local education agencies, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015. The School Department's total OPEB liability for the TNM Plan was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date

*Benefits provided.* The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by TCA, 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receive a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The Hickman County School Department provides a subsidy of 55 percent of the monthly premium for retirees with 30 or more years of service in Hickman County Schools, retirees with 20-29 years of service in Hickman County Schools receive 35 percent of the monthly premium, and retirees with 10-19 years of service in Hickman County Schools receive 20 percent of the monthly premium. The state, as a governmental nonemployer contributing entity, contributes to the premiums of eligible retirees of local education agencies based on years of service. The State of Tennessee provides a subsidy of \$50 per month for retirees with 30 or more years of service, retirees with 20-29 years of service receive \$37.50, and retirees with 15-19 years of service receive \$25.

### Employees Covered by Benefit Terms

At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:



	<u>School Department</u>
Retirees and Beneficiaries	
Currently Receiving Benefits)	59
Inactive, nonretired members	25
Active Members	418
Total	<u><u>502</u></u>

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* Nos. 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2019, the School Department paid \$43,495 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Hickman County School Department 58.02%	State of TN 41.98%	Total OPEB Liability
Balance July 1, 2017	\$ 1,609,880	\$ 877,777	\$ 2,487,657
Changes for the Year:			
Service Cost	\$ 60,280	\$ 43,616	\$ 103,896
Interest	52,775	38,185	90,960
Changes in Benefit Terms	(167,428)	(121,142)	(288,570)
Difference between Expected and Actuarial Experience	(145,942)	(105,595)	(251,537)
Changes in Proportion	(166,467)	166,467	0
Changes in Assumption and Other Inputs	(9,886)	(7,153)	(17,039)
Benefit Payments	(42,347)	(30,640)	(72,987)
Net Changes	<u>\$ (419,015)</u>	<u>\$ (16,262)</u>	<u>\$ (435,277)</u>
Balance June 30, 2018	<u>\$ 1,190,865</u>	<u>\$ 861,515</u>	<u>\$ 2,052,380</u>

The Hickman County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retirees participating in the TNM. The Hickman County School Department's proportionate share of the collective total OPEB Liability was based on a

projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department is required by GASB Statement No. 75 to recognize revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TNM for School Department employees. The amount of the subsidy is equal to the nonemployer share of collective OPEB expenses. During the year, collective OPEB expenses for Hickman County School employees was negative. Consequently, Hickman County has recorded the negative collective OPEB expense (\$148,889) and recorded negative operating grants and contributions revenues (\$42,322) for the nonemployer share of the collective OPEB expense.

During the year, the Hickman County School Department's proportionate share of the collective OPEB liability was 58.02 percent and the State of Tennessee's Share was 41.98 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2019, the School Department recognized OPEB expense of \$178,981 including the state's share of the OPEB expense.

At June 30, 2019, the School Department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 129,552
Changes of Assumptions/Inputs	0	117,561
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employees and Nonemployer Contributors As Benefits Came Due	0	159,389
Benefits Paid After the Measurement Date Of June 30, 2108	43,495	0
Total	<u>\$ 43,495</u>	<u>\$ 406,502</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>School Department</u>
2019	\$ (52,191)
2020	(52,191)
2021	(52,191)
2022	(52,191)
2023	(52,191)
Thereafter	(145,547)

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

*Sensitivity of proportionate share of the collective total OPEB liability to changes in the discount rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the TNM, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>	Current Discount Rate
1% Decrease 2.62%	1% Increase 3.62%

Proportionate Share of the Collective Total OPEB Liability	\$ 1,372,501	\$ 1,190,865	\$ 1,140,674
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*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

## **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

	2014	2015	2016	2017	2018
<b>Total Pension Liability</b>					
Service Cost	\$ 654,690	\$ 696,494	\$ 673,495	\$ 666,353	\$ 705,759
Interest	1,787,192	1,909,251	2,001,964	2,110,306	2,199,470
Differences Between Actual and Expected Experience	125,227	(264,612)	(56,802)	(197,920)	(48,638)
Changes in Assumptions	0	0	0	806,711	0
Benefit Payments, Including Refunds of Employee Contributions	(917,225)	(1,045,668)	(1,118,252)	(1,215,663)	(1,233,861)
Net Change in Total Pension Liability	\$ 1,649,884	\$ 1,295,465	\$ 1,500,405	\$ 2,169,787	\$ 1,622,730
Total Pension Liability, Beginning	23,633,141	25,283,025	26,578,490	28,078,895	30,248,682
Total Pension Liability, Ending (a)	\$ 25,283,025	\$ 26,578,490	\$ 28,078,895	\$ 30,248,682	\$ 31,871,412
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ 1,103,787	\$ 1,173,742	\$ 1,170,034	\$ 1,176,267	\$ 1,245,970
Contributions - Employee	300	0	25,928	0	0
Net Investment Income	3,586,524	779,537	695,653	3,044,261	2,474,426
Benefit Payments, Including Refunds of Employee Contributions	(917,225)	(1,045,668)	(1,118,252)	(1,215,663)	(1,233,861)
Administrative Expense	(12,757)	(16,152)	(22,486)	(26,820)	(29,853)
Other	0	0	0	0	(6,881)
Net Change in Plan Fiduciary Net Position	\$ 3,760,629	\$ 891,459	\$ 750,877	\$ 2,978,045	\$ 2,449,801
Plan Fiduciary Net Position, Beginning	21,441,537	25,202,166	26,093,625	26,844,502	29,822,547
Plan Fiduciary Net Position, Ending (b)	\$ 25,202,166	\$ 26,093,625	\$ 26,844,502	\$ 29,822,547	\$ 32,272,348
Net Pension Liability (Asset), Ending (a - b)	\$ 80,859	\$ 484,865	\$ 1,234,393	\$ 426,135	\$ (400,936)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.68%	98.18%	95.60%	98.59%	101.26%
Covered Payroll	\$ 8,336,761	\$ 8,643,168	\$ 8,617,705	\$ 8,661,755	\$ 9,041,871
Net Pension Liability (Asset) as a Percentage of Covered Payroll	0.97%	5.61%	14.32%	4.92%	(4.43%)

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

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented 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

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 1,103,787	\$ 1,173,742	\$ 1,170,034	\$ 1,176,301	\$ 1,245,970	\$ 1,197,471
Less Contributions in Relation to the						
Actuarially Determined Contribution	(1,103,787)	(1,173,742)	(1,170,034)	(1,176,301)	(1,245,970)	(1,197,471)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 8,336,761	\$ 8,643,168	\$ 8,617,705	\$ 8,661,755	\$ 9,041,871	\$ 8,689,924
Contributions as a Percentage of Covered Payroll	13.24%	13.58%	13.58%	13.58%	13.78%	13.78%

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

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented School Department.

Exhibit F-3

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

	2015	2016	2017	2018	2019*
Contractually Required Contribution	\$ 23,634	\$ 65,173	\$ 88,360	\$ 102,607	\$ 55,900
Less Contributions in Relation to the Contractually Required Contribution	(23,634)	(65,173)	(88,360)	(102,607)	(55,900)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 590,846	\$ 1,629,333	\$ 2,208,998	\$ 2,565,170	\$ 2,881,459
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%

\* - In FY 2019 the School Department placed the actuarially determined contribution rate (1.94%) of covered payroll into the pension plan and placed 2.06 percent of covered payroll into the Pension Stabilization Reserve Trust.

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

	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 1,222,030	\$ 1,169,474	\$ 1,159,435	\$ 1,114,818	\$ 1,115,160	\$ 1,060,480
Less Contributions in Relation to the						
Contractually Required Contribution	(1,222,030)	(1,169,474)	(1,159,435)	(1,114,818)	(1,115,160)	(1,060,480)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 13,761,597	\$ 12,936,665	\$ 12,825,612	\$ 12,332,055	\$ 12,281,495	\$ 10,138,411
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%

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

Exhibit F-5

Hickman County, Tennessee  
Schedule of Proportionate Share of the Net Pension Liability (Asset)  
in the Teacher Retirement Pension Plan of TCRS  
Discretely Presented Hickman County School Department  
For the Fiscal Year Ended June 30

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability (Asset)	0.278503%	0.370298%	0.336564%	0.293539%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (11,440)	\$ (38,549)	\$ (88,798)	\$ (133,128)
Covered Payroll	\$ 590,846	\$ 1,629,333	\$ 2,208,998	\$ 2,565,170
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%

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

Exhibit F-6

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

	2014	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability (Asset)	0.350615%	0.345576%	0.355300%	0.348861%	35.073200%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (56,973)	\$ 141,560	\$ 2,220,427	\$ (114,143)	\$ (1,234,197)
Covered Payroll	\$ 13,761,597	\$ 12,936,665	\$ 12,825,612	\$ 12,332,055	\$ 12,281,495
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%	(10.05)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%

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

Exhibit F-7

Hickman County, Tennessee

Schedule of Changes in the Total OPEB Liability and Related Ratios - Commercial Plan

Primary Government

For the Fiscal Year Ended June 30

	2018	2019
<b>Total OPEB Liability</b>		
Service Cost	\$ 67,542	\$ 69,568
Interest	80,406	93,849
Plan Change	134,452	0
Differences Between Actual and Expected Experience	258,709	0
Changes in Assumptions or Other Inputs	0	0
Benefit Payments	(61,509)	(67,576)
Net Change in Total OPEB Liability	\$ 479,600	\$ 95,841
Total OPEB Liability, Beginning	2,612,658	3,092,258
Total OPEB Liability, Ending	\$ 3,092,258	\$ 3,188,099
Covered Employee Payroll	\$ 8,994,458	\$ 9,174,347
Net OPEB Liability as a Percentage of Covered Employee Payroll	0.3437959	0.3475015

Note 1: Ten years of data will be presented when available.

Exhibit F-8

Hickman County, Tennessee  
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan  
Discretely Presented Hickman County School Department  
For the Fiscal Year Ended June 30 \*

	2017	2018
<b>Total OPEB Liability</b>		
Service Cost	\$ 382,666	\$ 354,716
Interest	151,959	188,358
Changes in Benefit Terms	0	(657,264)
Differences Between Actual and Expected Experience	0	(1,682,737)
Changes in Assumptions or Other Inputs	(262,208)	119,863
Benefit Payments	(141,848)	(173,362)
Net Change in Total OPEB Liability	\$ 130,569	\$ (1,850,426)
Total OPEB Liability, Beginning	4,892,342	5,022,911
Total OPEB Liability, Ending	<u>\$ 5,022,911</u>	<u>\$ 3,172,485</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,222,988	\$ 829,329
Employer Proportionate Share of the Total OPEB Liability	3,799,923	2,343,156
Covered Employee Payroll	\$ 14,846,665	\$ 13,019,870
Net OPEB Liability as a Percentage of Covered Employee Payroll	0.255944551	0.179967696

Note 1: Ten years of data will be presented when available.

Note 2. Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.92%
2018	3.56%
2019	3.62%

Exhibit F-9

Hickman County, Tennessee  
Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare  
Discretely Presented Hickman County School Department  
For the Fiscal Year Ended June 30

	2017	2018
<b>Total OPEB Liability</b>		
Service Cost	\$ 125,681	\$ 103,896
Interest	78,298	90,960
Changes in Benefit Terms	0	(288,570)
Differences Between Actual and Expected Experience	0	(251,537)
Changes in Assumptions or Other Inputs	(237,480)	(17,039)
Benefit Payments	(69,226)	(72,987)
Net Change in Total OPEB Liability	\$ (102,727)	\$ (435,277)
Total OPEB Liability, Beginning	2,590,384	2,487,657
Total OPEB Liability, Ending	<u>\$ 2,487,657</u>	<u>\$ 2,052,380</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 877,777	\$ 861,515
Employer Proportionate Share of the Total OPEB Liability	1,609,880	1,190,865
Covered Employee Payroll	\$ 14,846,665	\$ 13,019,870
Net OPEB Liability as a Percentage of Covered Employee Payroll	0.10843378	0.0914652

Note 1: Ten years of data will be presented when available.

Note 2. Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.92%
2018	3.56%
2019	3.62%

**HICKMAN COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2019**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for fiscal year 2019 were calculated based on the June 30, 2017, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, closed (not to exceed 20 years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, 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	2.25%

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

## Debt Service Fund

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

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

Exhibit G-1

Hickman County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Total	Education Debt Service	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 895	\$ 895	\$ 0	\$ 895
Equity in Pooled Cash and Investments	146,746	644,519	0	791,265	46,986	838,251
Accounts Receivable	0	0	96	96	25,874	25,970
Total Assets	\$ 146,746	\$ 644,519	\$ 991	\$ 792,256	\$ 72,860	\$ 865,116
<u>LIABILITIES</u>						
Due to Litigants, Heirs, and Others	\$ 0	\$ 0	\$ 991	\$ 991	\$ 0	\$ 991
Other Current Liabilities	681	0	0	681	0	681
Total Liabilities	\$ 681	\$ 0	\$ 991	\$ 1,672	\$ 0	\$ 1,672
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 0	\$ 644,519	\$ 0	\$ 644,519	\$ 0	\$ 644,519
Restricted for Public Safety	146,065	0	0	146,065	0	146,065
Restricted for Debt Service	0	0	0	0	72,860	72,860
Total Fund Balances	\$ 146,065	\$ 644,519	\$ 0	\$ 790,584	\$ 72,860	\$ 863,444
Total Liabilities and Fund Balances	\$ 146,746	\$ 644,519	\$ 991	\$ 792,256	\$ 72,860	\$ 865,116

Exhibit G-2

Hickman County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Drug Control	Adequate Facilities/ Development Tax	Total	Education Debt Service	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 224,152	\$ 224,152	\$ 299,095	\$ 523,247
Fines, Forfeitures, and Penalties	33,834	0	33,834	0	33,834
Total Revenues	\$ 33,834	\$ 224,152	\$ 257,986	\$ 299,095	\$ 557,081
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 2,280	\$ 2,280	\$ 0	\$ 2,280
Public Safety	75,669	0	75,669	0	75,669
Debt Service:					
Other Debt Service	0	0	0	2,994	2,994
Total Expenditures	\$ 75,669	\$ 2,280	\$ 77,949	\$ 2,994	\$ 80,943
Excess (Deficiency) of Revenues Over Expenditures	\$ (41,835)	\$ 221,872	\$ 180,037	\$ 296,101	\$ 476,138
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ 0	\$ 0	\$ 0	\$ (277,847)	\$ (277,847)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ (277,847)	\$ (277,847)
Net Change in Fund Balances	\$ (41,835)	\$ 221,872	\$ 180,037	\$ 18,254	\$ 198,291
Fund Balance, July 1, 2018	187,900	422,647	610,547	54,606	665,153
Fund Balance, June 30, 2019	\$ 146,065	\$ 644,519	\$ 790,584	\$ 72,860	\$ 863,444

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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 33,834	\$ 63,500	\$ 63,500	\$ (29,666)
Total Revenues	\$ 33,834	\$ 63,500	\$ 63,500	\$ (29,666)
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 75,669	\$ 60,000	\$ 76,969	\$ 1,300
Total Expenditures	\$ 75,669	\$ 60,000	\$ 76,969	\$ 1,300
Excess (Deficiency) of Revenues Over Expenditures	\$ (41,835)	\$ 3,500	\$ (13,469)	\$ (28,366)
Net Change in Fund Balance	\$ (41,835)	\$ 3,500	\$ (13,469)	\$ (28,366)
Fund Balance, July 1, 2018	187,900	150,000	187,900	0
Fund Balance, June 30, 2019	\$ 146,065	\$ 153,500	\$ 174,431	\$ (28,366)

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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 224,152	\$ 130,000	\$ 130,000	\$ 94,152
Total Revenues	<u>\$ 224,152</u>	<u>\$ 130,000</u>	<u>\$ 130,000</u>	<u>\$ 94,152</u>
<u>Expenditures</u>				
<u>General Government</u>				
Building	\$ 2,280	\$ 1,500	\$ 2,500	\$ 220
Total Expenditures	<u>\$ 2,280</u>	<u>\$ 1,500</u>	<u>\$ 2,500</u>	<u>\$ 220</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 221,872</u>	<u>\$ 128,500</u>	<u>\$ 127,500</u>	<u>\$ 94,372</u>
Net Change in Fund Balance	\$ 221,872	\$ 128,500	\$ 127,500	\$ 94,372
Fund Balance, July 1, 2018	<u>422,647</u>	<u>385,000</u>	<u>422,647</u>	<u>0</u>
Fund Balance, June 30, 2019	<u><u>\$ 644,519</u></u>	<u><u>\$ 513,500</u></u>	<u><u>\$ 550,147</u></u>	<u><u>\$ 94,372</u></u>

## 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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 299,095	\$ 342,000	\$ 342,000	\$ (42,905)
Total Revenues	\$ 299,095	\$ 342,000	\$ 342,000	\$ (42,905)
<u>Expenditures</u>				
<u>Other Debt Service</u>				
General Government	\$ 2,994	\$ 4,000	\$ 4,000	\$ 1,006
Total Expenditures	\$ 2,994	\$ 4,000	\$ 4,000	\$ 1,006
Excess (Deficiency) of Revenues Over Expenditures	\$ 296,101	\$ 338,000	\$ 338,000	\$ (41,899)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (277,847)	\$ (277,847)	\$ (277,847)	\$ 0
Total Other Financing Sources	\$ (277,847)	\$ (277,847)	\$ (277,847)	\$ 0
Net Change in Fund Balance	\$ 18,254	\$ 60,153	\$ 60,153	\$ (41,899)
Fund Balance, July 1, 2018	54,606	20,000	54,606	0
Fund Balance, June 30, 2019	\$ 72,860	\$ 80,153	\$ 114,759	\$ (41,899)

# **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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,890,835	\$ 1,685,321	\$ 1,685,321	\$ 205,514
Other Local Revenues	151,049	11,000	11,000	140,049
State of Tennessee	9,746	30,000	30,000	(20,254)
Other Governments and Citizens Groups	163,284	0	163,284	0
Total Revenues	\$ 2,214,914	\$ 1,726,321	\$ 1,889,605	\$ 325,309
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 323,000	\$ 323,000	\$ 323,000	\$ 0
Education	1,562,624	1,562,624	1,562,624	0
<u>Interest on Debt</u>				
General Government	123,110	177,857	179,884	56,774
Education	329,463	492,420	490,093	160,630
<u>Other Debt Service</u>				
General Government	52,606	77,885	77,885	25,279
Education	81,473	82,051	82,351	878
Total Expenditures	\$ 2,472,276	\$ 2,715,837	\$ 2,715,837	\$ 243,561
Excess (Deficiency) of Revenues Over Expenditures	\$ (257,362)	\$ (989,516)	\$ (826,232)	\$ 568,870
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 377,847	\$ 541,131	\$ 377,847	\$ 0
Total Other Financing Sources	\$ 377,847	\$ 541,131	\$ 377,847	\$ 0
Net Change in Fund Balance	\$ 120,485	\$ (448,385)	\$ (448,385)	\$ 568,870
Fund Balance, July 1, 2018	1,708,350	1,450,000	1,708,350	0
Fund Balance, June 30, 2019	\$ 1,828,835	\$ 1,001,615	\$ 1,259,965	\$ 568,870



# Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register 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, 2019

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,030,728	\$ 1,030,728
Accounts Receivable	0	341	341
Due from Other Governments	115,436	0	115,436
Cash Shortage	0	486	486
Total Assets	<u>\$ 115,436</u>	<u>\$ 1,031,555</u>	<u>\$ 1,146,991</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 115,436	\$ 0	\$ 115,436
Due to Litigants, Heirs, and Others	0	1,031,555	1,031,555
Total Liabilities	<u>\$ 115,436</u>	<u>\$ 1,031,555</u>	<u>\$ 1,146,991</u>

## Exhibit I-2

Hickman County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 674,573	\$ 674,573	\$ 0
Due from Other Governments	108,522	115,436	108,522	115,436
Total Assets	\$ 108,522	\$ 790,009	\$ 783,095	\$ 115,436
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 108,522	\$ 790,009	\$ 783,095	\$ 115,436
Total Liabilities	\$ 108,522	\$ 790,009	\$ 783,095	\$ 115,436
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 765,705	\$ 5,533,035	\$ 5,268,012	\$ 1,030,728
Accounts Receivable	422	341	422	341
Cash Shortage	486	0	0	486
Total Assets	\$ 766,613	\$ 5,533,376	\$ 5,268,434	\$ 1,031,555
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 766,613	\$ 5,533,376	\$ 5,268,434	\$ 1,031,555
Total Liabilities	\$ 766,613	\$ 5,533,376	\$ 5,268,434	\$ 1,031,555
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 765,705	\$ 5,533,035	\$ 5,268,012	\$ 1,030,728
Equity in Pooled Cash and Investments	0	674,573	674,573	0
Accounts Receivable	422	341	422	341
Due from Other Governments	108,522	115,436	108,522	115,436
Cash Shortage	486	0	0	486
Total Assets	\$ 875,135	\$ 6,323,385	\$ 6,051,529	\$ 1,146,991
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 108,522	\$ 790,009	\$ 783,095	\$ 115,436
Due to Litigants, Heirs, and Others	766,613	5,533,376	5,268,434	1,031,555
Total Liabilities	\$ 875,135	\$ 6,323,385	\$ 6,051,529	\$ 1,146,991

# 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.

## Exhibit J-1

Hickman County, Tennessee  
Statement of Activities  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 17,331,053	\$ 5,578	\$ 2,622,182	\$ 0	\$ (14,703,293)
Support Services	12,287,193	830	36,020	176,637	(12,073,706)
Operation of Non-instructional Services	2,502,648	271,266	1,902,974	0	(328,408)
Total Governmental Activities	<u>\$ 32,120,894</u>	<u>\$ 277,674</u>	<u>\$ 4,561,176</u>	<u>\$ 176,637</u>	<u>\$ (27,105,407)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,248,566
Local Option Sales Tax					1,631,033
Other Local Taxes					33,753
Grants and Contributions Not Restricted to Specific Programs					23,070,657
Unrestricted Investment Income					3,770
Gain on Investments					83,345
Miscellaneous					11,064
Total General Revenues					<u>\$ 28,082,188</u>
Change in Net Position					\$ 976,781
Net Position, July 1, 2018					<u>42,007,783</u>
Net Position, June 30, 2019					<u>\$ 42,984,564</u>

## Exhibit J-2

Hickman County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Hickman County School Department  
June 30, 2019

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,375	\$ 1,375
Equity in Pooled Cash and Investments	6,664,275	694,763	7,359,038
Accounts Receivable	5,730	1,340	7,070
Due from Other Governments	418,134	270,530	688,664
Due from Other Funds	0	895	895
Property Taxes Receivable	3,315,466	0	3,315,466
Allowance for Uncollectible Property Taxes	(72,292)	0	(72,292)
Restricted Assets	2,254,623	0	2,254,623
Total Assets	\$ 12,585,936	\$ 968,903	\$ 13,554,839
<u>LIABILITIES</u>			
Accounts Payable	\$ 10,754	\$ 0	\$ 10,754
Accrued Payroll	6,816	2,318	9,134
Payroll Deductions Payable	387,539	0	387,539
Due to Other Funds	895	0	895
Total Liabilities	\$ 406,004	\$ 2,318	\$ 408,322
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,124,906	\$ 0	\$ 3,124,906
Deferred Delinquent Property Taxes	113,175	0	113,175
Other Deferred/Unavailable Revenue	140,988	0	140,988
Total Deferred Inflows of Resources	\$ 3,379,069	\$ 0	\$ 3,379,069
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 2,190,602	\$ 0	\$ 2,190,602
Restricted for Hybrid Retirement Stabilization Funds	71,108	0	71,108
Committed:			
Committed for Education	0	966,585	966,585
Unassigned	6,539,153	0	6,539,153
Total Fund Balances	\$ 8,800,863	\$ 966,585	\$ 9,767,448
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,585,936	\$ 968,903	\$ 13,554,839

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, 2019

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)		\$	9,767,448
(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		30,597,605	
Add: other capital assets net of accumulated depreciation		4,347,497	
Add: infrastructure net of accumulated depreciation		<u>14,058</u>	35,977,421
(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 - Local Education Plan	\$	(2,343,156)	
Less: other postemployment benefits liability - Medicare Supplement Plan		<u>(1,190,865)</u>	(3,534,021)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years:			
Add: deferred outflows of resources related to pensions	\$	2,712,722	
Less: deferred inflows of resources related to pensions		(2,122,911)	
Add: deferred outflows of resources related to OPEB		210,974	
Less: deferred inflows of resources related to OPEB		<u>(1,778,260)</u>	(977,475)
(4) Net pension assets of the teacher retirement pension plans are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset-Teacher Legacy Pension Plan	\$	1,234,197	
Add: net pension asset-Teacher Retirement Pension Plan		133,128	
Add: net pension asset-Agent Plan		<u>129,703</u>	1,497,028
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>254,163</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>42,984,564</u></u>

## Exhibit J-4

Hickman County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2019

	Major Fund	Nonmajor Funds	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 4,936,311	\$ 0	\$ 4,936,311
Licenses and Permits	1,454	0	1,454
Charges for Current Services	57,248	219,596	276,844
Other Local Revenues	110,039	180	110,219
State of Tennessee	23,496,309	0	23,496,309
Federal Government	60,734	4,289,346	4,350,080
Other Governments and Citizens Groups	46,975	0	46,975
Total Revenues	<u>\$ 28,709,070</u>	<u>\$ 4,509,122</u>	<u>\$ 33,218,192</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 17,063,185	\$ 1,691,152	\$ 18,754,337
Support Services	10,215,400	694,747	10,910,147
Operation of Non-Instructional Services	541,806	2,093,527	2,635,333
Capital Outlay	294,814	0	294,814
Debt Service:			
Other Debt Service	163,284	0	163,284
Total Expenditures	<u>\$ 28,278,489</u>	<u>\$ 4,479,426</u>	<u>\$ 32,757,915</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ 430,581</u>	<u>\$ 29,696</u>	<u>\$ 460,277</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 22,823	\$ 0	\$ 22,823
Transfers Out	0	(22,823)	(22,823)
Total Other Financing Sources (Uses)	<u>\$ 22,823</u>	<u>\$ (22,823)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 453,404	\$ 6,873	\$ 460,277
Fund Balance, July 1, 2018	<u>8,347,459</u>	<u>959,712</u>	<u>9,307,171</u>
Fund Balance, June 30, 2019	<u>\$ 8,800,863</u>	<u>\$ 966,585</u>	<u>\$ 9,767,448</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, 2019

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)		\$	460,277
(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	\$	628,141	
Less: current-year depreciation expense		<u>(2,149,537)</u>	(1,521,396)
(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, 2019	\$	254,163	
Less: deferred delinquent property taxes and other deferred June 30, 2018		<u>(267,526)</u>	(13,363)
(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 asset - teacher retirement pension plan	\$	44,330	
Change in net pension asset/liability - agent plan		267,046	
Change in net pension asset - teacher legacy pension plan		1,120,054	
Change in deferred outflows related to pensions		(212,954)	
Change in deferred inflows related to pensions		380,905	
Change in OPEB liability - Local Education Plan		1,456,767	
Change in OPEB liability - Medicare Supplement Plan		419,015	
Change in deferred outflows related to OPEB		37,202	
Change in deferred inflows related to OPEB		<u>(1,461,102)</u>	<u>2,051,263</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 976,781</u>

## Exhibit J-6

Hickman County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Hickman County School Department  
June 30, 2019

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>		<u>Nonmajor</u>
	<u>Federal</u>	<u>Central</u>	<u>Governmental</u>
	<u>Projects</u>	<u>Cafeteria</u>	<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,375	\$ 1,375
Equity in Pooled Cash and Investments	248,682	446,081	694,763
Accounts Receivable	1,340	0	1,340
Due from Other Governments	250,478	20,052	270,530
Due from Other Funds	895	0	895
Total Assets	<u>\$ 501,395</u>	<u>\$ 467,508</u>	<u>\$ 968,903</u>
<u>LIABILITIES</u>			
Accrued Payroll	\$ 2,318	\$ 0	\$ 2,318
Total Liabilities	<u>\$ 2,318</u>	<u>\$ 0</u>	<u>\$ 2,318</u>
<u>FUND BALANCES</u>			
Committed:			
Committed for Education	\$ 499,077	\$ 467,508	\$ 966,585
Total Fund Balances	<u>\$ 499,077</u>	<u>\$ 467,508</u>	<u>\$ 966,585</u>
Total Liabilities and Fund Balances	<u>\$ 501,395</u>	<u>\$ 467,508</u>	<u>\$ 968,903</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, 2019

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>		<u>Nonmajor</u>
	<u>Federal</u>	<u>Central</u>	<u>Governmental</u>
	<u>Projects</u>	<u>Cafeteria</u>	<u>Funds</u>
<hr/>			
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 219,596	\$ 219,596
Other Local Revenues	0	180	180
Federal Government	2,403,266	1,886,080	4,289,346
Total Revenues	<u>\$ 2,403,266</u>	<u>\$ 2,105,856</u>	<u>\$ 4,509,122</u>
<hr/>			
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,691,152	\$ 0	\$ 1,691,152
Support Services	694,747	0	694,747
Operation of Non-Instructional Services	0	2,093,527	2,093,527
Total Expenditures	<u>\$ 2,385,899</u>	<u>\$ 2,093,527</u>	<u>\$ 4,479,426</u>
<hr/>			
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ 17,367</u>	<u>\$ 12,329</u>	<u>\$ 29,696</u>
<hr/>			
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (22,823)	\$ 0	\$ (22,823)
Total Other Financing Sources (Uses)	<u>\$ (22,823)</u>	<u>\$ 0</u>	<u>\$ (22,823)</u>
<hr/>			
Net Change in Fund Balances	\$ (5,456)	\$ 12,329	\$ 6,873
Fund Balance, July 1, 2018	504,533	455,179	959,712
<hr/>			
Fund Balance, June 30, 2019	<u>\$ 499,077</u>	<u>\$ 467,508</u>	<u>\$ 966,585</u>

## Exhibit J-8

Hickman County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Hickman County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2019

			Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual		Original	Final	
<u>Revenues</u>					
Local Taxes	\$ 4,936,311	\$	4,566,022	\$ 4,566,022	\$ 370,289
Licenses and Permits	1,454		1,300	1,300	154
Charges for Current Services	57,248		62,200	62,200	(4,952)
Other Local Revenues	110,039		114,000	197,346	(87,307)
State of Tennessee	23,496,309		23,403,000	23,601,367	(105,058)
Federal Government	60,734		50,000	50,000	10,734
Other Governments and Citizens Groups	46,975		0	43,500	3,475
Total Revenues	\$ 28,709,070	\$	28,196,522	\$ 28,521,735	\$ 187,335
<u>Expenditures</u>					
<u>Instruction</u>					
Regular Instruction Program	\$ 13,324,397	\$	14,413,671	\$ 14,423,671	\$ 1,099,274
Alternative Instruction Program	152,110		221,914	221,914	69,804
Special Education Program	2,615,644		2,964,587	2,964,587	348,943
Career and Technical Education Program	971,034		1,084,097	1,084,097	113,063
<u>Support Services</u>					
Attendance	135,373		145,283	145,283	9,910
Health Services	322,079		359,175	365,093	43,014
Other Student Support	835,017		991,326	991,326	156,309
Regular Instruction Program	1,141,925		1,256,232	1,258,732	116,807
Special Education Program	105,255		158,751	158,751	53,496
Career and Technical Education Program	98,688		102,025	102,025	3,337
Technology	215,946		321,180	321,180	105,234
Other Programs	72,577		0	72,577	0
Board of Education	472,844		670,000	670,000	197,156
Director of Schools	284,469		286,397	308,397	23,928
Office of the Principal	1,447,699		1,587,571	1,587,571	139,872
Fiscal Services	1,047		3,000	3,000	1,953
Operation of Plant	1,984,715		2,153,000	2,153,000	168,285
Maintenance of Plant	1,026,702		1,009,013	1,134,953	108,251
Transportation	1,846,573		2,091,794	2,091,794	245,221
Central and Other	224,491		285,000	290,000	65,509
<u>Operation of Non-Instructional Services</u>					
Food Service	24,600		25,320	25,320	720
Community Services	117,729		131,076	131,076	13,347
Early Childhood Education	399,477		454,632	458,483	59,006
<u>Capital Outlay</u>					
Regular Capital Outlay	294,814		390,000	390,000	95,186
<u>Other Debt Service</u>					
Education	163,284		0	163,284	0
Total Expenditures	\$ 28,278,489	\$	31,105,044	\$ 31,516,114	\$ 3,237,625
Excess (Deficiency) of Revenues Over Expenditures					
	\$ 430,581	\$	(2,908,522)	\$ (2,994,379)	\$ 3,424,960
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$	10,000	\$ 10,000	\$ (10,000)

(Continued)

## Exhibit J-8

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

					Variance with Final Budget - Positive (Negative)
	Actual	Budgeted Amounts			
		Original	Final		
<u>Other Financing Sources (Uses) (Cont.)</u>					
Transfers In	\$ 22,823	\$ 25,000	\$ 25,000	\$	(2,177)
Transfers Out	0	(165,000)	(1,716)		1,716
Total Other Financing Sources	\$ 22,823	\$ (130,000)	\$ 33,284	\$	(10,461)
Net Change in Fund Balance	\$ 453,404	\$ (3,038,522)	\$ (2,961,095)	\$	3,414,499
Fund Balance, July 1, 2018	8,347,459	7,441,348	8,347,459		0
Fund Balance, June 30, 2019	\$ 8,800,863	\$ 4,402,826	\$ 5,386,364	\$	3,414,499

## 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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,403,266	\$ 2,111,872	\$ 2,931,207	\$ (527,941)
Total Revenues	\$ 2,403,266	\$ 2,111,872	\$ 2,931,207	\$ (527,941)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,086,033	\$ 908,527	\$ 1,235,939	\$ 149,906
Special Education Program	550,396	578,837	623,933	73,537
Career and Technical Education Program	54,723	0	54,773	50
<u>Support Services</u>				
Other Student Support	52,649	29,228	69,795	17,146
Regular Instruction Program	308,682	304,339	448,372	139,690
Special Education Program	333,230	261,834	460,255	127,025
Board of Education	0	0	144	144
Transportation	186	8,000	8,000	7,814
<u>Operation of Non-Instructional Services</u>				
Food Service	0	0	5,760	5,760
Total Expenditures	\$ 2,385,899	\$ 2,090,765	\$ 2,906,971	\$ 521,072
Excess (Deficiency) of Revenues Over Expenditures	\$ 17,367	\$ 21,107	\$ 24,236	\$ (6,869)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (22,823)	\$ (21,107)	\$ (24,236)	\$ 1,413
Total Other Financing Sources	\$ (22,823)	\$ (21,107)	\$ (24,236)	\$ 1,413
Net Change in Fund Balance	\$ (5,456)	\$ 0	\$ 0	\$ (5,456)
Fund Balance, July 1, 2018	504,533	500,000	500,000	4,533
Fund Balance, June 30, 2019	\$ 499,077	\$ 500,000	\$ 500,000	\$ (923)

## 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, 2019

		<u>Budgeted Amounts</u>		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 219,596	\$ 203,000	\$ 203,000	\$ 16,596
Other Local Revenues	180	1,200	1,200	(1,020)
Federal Government	1,886,080	1,774,000	1,995,623	(109,543)
Total Revenues	<u>\$ 2,105,856</u>	<u>\$ 1,978,200</u>	<u>\$ 2,199,823</u>	<u>\$ (93,967)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,093,527	\$ 1,977,405	\$ 2,199,028	\$ 105,501
Total Expenditures	<u>\$ 2,093,527</u>	<u>\$ 1,977,405</u>	<u>\$ 2,199,028</u>	<u>\$ 105,501</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 12,329</u>	<u>\$ 795</u>	<u>\$ 795</u>	<u>\$ 11,534</u>
Net Change in Fund Balance	\$ 12,329	\$ 795	\$ 795	\$ 11,534
Fund Balance, July 1, 2018	455,179	444,589	444,589	10,590
Fund Balance, June 30, 2019	<u><u>\$ 467,508</u></u>	<u><u>\$ 445,384</u></u>	<u><u>\$ 445,384</u></u>	<u><u>\$ 22,124</u></u>

# Hickman County Health Foundation

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

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



## Exhibit K-1

Hickman County, Tennessee  
Statement of Net Position and Governmental Fund Balance Sheet  
Discretely Presented Hickman County Health Foundation  
June 30, 2019

	Health Foundation Fund	Adjustments	Statement of Net Position
<u>ASSETS</u>			
Cash	\$ 2,254,908	\$ 0	\$ 2,254,908
Total Assets	\$ 2,254,908	\$ 0	\$ 2,254,908
<u>FUND BALANCE/NET POSITION</u>			
Fund Balance:			
Restricted for Public Health and Welfare	\$ 2,254,908	\$ (2,254,908)	\$ 0
Total Fund Balance	\$ 2,254,908	\$ (2,254,908)	\$ 0
Total Fund Balance	<u>\$ 2,254,908</u>		
Net Position:			
Restricted for Public Health and Welfare		\$ 2,254,908	\$ 2,254,908
Total Net Position		<u>\$ 2,254,908</u>	<u>\$ 2,254,908</u>

Exhibit K-2

Hickman County, Tennessee  
Statement of Activities and Governmental Fund Revenues, Expenditures,  
and Changes in Fund Balance/Net Position  
Discretely Presented Hickman County Health Foundation  
For the Year Ended June 30, 2019

	Health Foundation Fund	Adjustments	Statement of Activities
Expenditures/Expenses:			
General Government:			
County Commission	\$ 399	\$ 0	\$ 399
Public Health and Welfare:			
Ambulance/Emergency Medical Services	9,995	0	9,995
Total Expenditures/Expenses	<u>\$ 10,394</u>	<u>\$ 0</u>	<u>\$ 10,394</u>
General Revenues:			
Investment Income	\$ 45,324	\$ 0	\$ 45,324
Total General Revenues	<u>\$ 45,324</u>	<u>\$ 0</u>	<u>\$ 45,324</u>
Excess of Revenues Over Expenditures	\$ 34,930	\$ (34,930)	\$ 0
Change in Net Position	0	34,930	34,930
Fund Balance/Net Position:			
July 1, 2018	<u>2,219,978</u>	<u>0</u>	<u>2,219,978</u>
June 30, 2019	<u><u>\$ 2,254,908</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 2,254,908</u></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, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-19
<u>GOVERNMENTAL ACTIVITIES</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Energy Upgrades	\$ 1,266,045	3.99 %	5-22-18	5-22-31	\$ 123,317	\$ 1,142,728	\$ 0	\$ 1,266,045
Solar panel/Energy Upgrades	461,624	4.59	5-22-18	5-22-22	64,893	396,731	0	461,624
Highway Equipment	768,344	4.07	12-27-18	2-1-29	0	768,344	0	768,344
Total Notes Payable					<u>\$ 188,210</u>	<u>\$ 2,307,803</u>	<u>\$ 0</u>	<u>\$ 2,496,013</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Construction	22,000,000	Variable	6-28-04	5-25-29	\$ 12,246,000	\$ 0	\$ 967,000	\$ 11,279,000
Jail Construction	6,140,000	Variable	10-27-05	5-25-30	3,428,062	0	252,000	3,176,062
Sewer Line	2,000,000	Variable	3-30-06	5-25-33	1,262,000	0	71,000	1,191,000
School Construction	657,000	Variable	8-27-07	5-17-19	8,000	0	8,000	0
School Roofing and HVAC	5,250,000	2.71	12-17-12	12-1-32	4,195,000	0	230,000	3,965,000
Energy Efficient School Initiative	2,000,000	0	9-25-13	9-1-23	1,049,981	0	200,004	849,977
Energy Efficient School Initiative	955,479	0.75	1-17-17	6-30-23	825,029	0	157,620	667,409
Land and Sewer System	(1)	3.945	10-26-18	5-1-20	0	130,662	0	130,662
Total Other Loans Payable					<u>\$ 23,014,072</u>	<u>\$ 130,662</u>	<u>\$ 1,885,624</u>	<u>\$ 21,259,110</u>
<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	3-22-19	\$ 37,500	\$ 0	\$ 37,500	\$ 0
Total Notes Payable					<u>\$ 37,500</u>	<u>\$ 0</u>	<u>\$ 37,500</u>	<u>\$ 0</u>

(1) Total amount approved was \$1,346,000, of which \$1,215,338 remains available for draws as of June 30, 2019.

Exhibit L-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes		
	Principal	Interest	Total
2020	\$ 173,981	\$ 104,756	\$ 278,737
2021	184,553	94,248	278,801
2022	192,395	86,470	278,865
2023	200,453	78,362	278,815
2024	208,808	70,045	278,853
2025	217,753	61,113	278,866
2026	226,920	51,931	278,851
2027	236,438	42,367	278,805
2028	246,363	32,458	278,821
2029	256,892	21,988	278,880
2030	172,050	12,131	184,181
2031	179,407	4,773	184,180
Total	\$ 2,496,013	\$ 660,642	\$ 3,156,655

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2020	\$ 1,948,020	\$ 444,059	\$ 103,860	\$ 2,495,939
2021	1,993,399	408,162	95,221	2,496,782
2022	2,044,544	370,523	86,336	2,501,403
2023	2,094,739	331,773	77,177	2,503,689
2024	1,867,346	294,528	67,746	2,229,620
2025	1,811,000	253,268	58,028	2,122,296
2026	1,865,000	213,375	48,018	2,126,393
2027	1,919,000	172,304	37,702	2,129,006
2028	1,977,000	130,042	27,081	2,134,123
2029	2,035,000	86,511	16,135	2,137,646
2030	437,062	41,711	4,144	482,917
2031	412,000	29,906	2,592	444,498
2032	422,000	18,557	1,981	442,538
2033	433,000	6,920	1,357	441,277
Total	\$ 21,259,110	\$ 2,801,639	\$ 627,378	\$ 24,688,127

Exhibit L-3

Hickman County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Hickman County School Department

For the Year Ended June 30, 2019

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	Debt retirement	\$ 100,000
Highway/Public Works	General	Administrative costs	67,740
Education Debt Service	General Debt Service	Debt retirement	<u>277,847</u>
Total Transfers Primary Government			<u>\$ 445,587</u>
<u>DISCRETELY PRESENTED HICKMAN COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 22,823</u>
Total Transfers Discretely Presented Hickman County School Department			<u>\$ 22,823</u>

Hickman County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2019

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Shaun Lawson (7-1-18 through 8-31-18)	Section 8-24-102, <i>TCA</i>	\$ 14,643	\$ 100,000 (5)	State Farm Fire and Casualty Company
Mark Bentley (9-1-18 through 6-30-19)	Section 8-24-102, <i>TCA</i>	73,215	400,000	Tennessee Risk Management Trust
Road Superintendent	Section 8-24-102, <i>TCA</i>	83,676 (1)	400,000	"
Director of Schools	State Board of Education and Local Board of Education	105,000 (6)	100,000 (5)	State Farm Fire and Casualty Company
Trustee:				
Cheryl Chessor (7-1-18 through 8-31-18)	Section 8-24-102, <i>TCA</i>	12,678 (1)	1,029,435	"
Lisa Hellmann (9-1-18 through 6-30-19)	Section 8-24-102, <i>TCA</i>	63,391	1,247,998 (5)	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	76,069 (2)	50,000 (5)	"
County Clerk	Section 8-24-102, <i>TCA</i>	76,069 (1)	400,000	Tennessee Risk Management Trust
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	76,069	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Judge	76,069	100,000 (5)	State Farm Fire and Casualty Company
Register of Deeds:				
Patty Sisk (7-1-18 through 8-31-18)	Section 8-24-102, <i>TCA</i>	12,678 (1)	100,000 (5)	"
Angie Luckett (9-1-18 through 6-30-19)	Section 8-24-102, <i>TCA</i>	63,391	400,000	Tennessee Risk Management Trust
Sheriff	Section 8-24-102, <i>TCA</i>	83,676 (3)	400,000	"
Finance Director	County Commission	76,069 (4)	400,000	"
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Tennessee Risk Management Trust
Employee Fidelity - School Department			400,000	"

- (1) Does not include a certified public administrator supplement of \$430.  
(2) Does not include a certified public administrator supplement of \$1,430.  
(3) Does not include a law enforcement training supplement of \$600.  
(4) Does not include a certified public administrator supplement of \$1,500.  
(5) Officials are additionally covered by employee insurance pursuant to Section 8-19-101, *TCA*.  
(6) Includes a CEO supplement of \$1,000; does not include a bonus of \$3,000.

## Exhibit L-5

Hickman County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2019

	Special Revenue Funds				Debt Service Funds
	General	Drug Control	Adequate Facilities/ Development Tax	Highway / Public Works	General Debt Service
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 7,506,631	\$ 0	\$ 0	\$ 259,815	\$ 128,148
Trustee's Collections - Prior Year	247,597	0	0	9,043	16,158
Circuit Clerk/Clerk and Master Collections - Prior Years	174,323	0	0	6,135	3,813
Interest and Penalty	46,534	0	0	1,580	2,546
Payments in-Lieu-of Taxes - T.V.A.	8,686	0	0	303	219
Payments in-Lieu-of Taxes - Local Utilities	11,178	0	0	0	0
Payments in-Lieu-of Taxes - Other	17,020	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	934,426
Hotel/Motel Tax	20,617	0	0	0	0
Wheel Tax	0	0	0	0	803,907
Litigation Tax - General	128,784	0	0	0	0
Litigation Tax - Special Purpose	18,600	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	114,167	0	0	0	0
Business Tax	82,047	0	0	2,848	1,618
Mineral Severance Tax	0	0	0	60,233	0
Adequate Facilities/Development Tax	0	0	224,152	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	19,130	0	0	0	0
Wholesale Beer Tax	228,297	0	0	0	0
Total Local Taxes	\$ 8,623,611	\$ 0	\$ 224,152	\$ 339,957	\$ 1,890,835
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 43,770	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)



## Exhibit L-5

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

	Special Revenue Funds				Debt Service Funds
			Adequate Facilities/ Development Tax	Highway / Public Works	General Debt Service
	General	Drug Control			
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 4,734	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	87,721	0	0	0	0
Total Licenses and Permits	\$ 136,225	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 16,386	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	4,464	0	0	0	0
Drug Control Fines	0	12,147	0	0	0
Drug Court Fees	1,290	0	0	0	0
Jail Fees	1,386	0	0	0	0
DUI Treatment Fines	828	0	0	0	0
Data Entry Fee - Circuit Court	732	0	0	0	0
<u>Criminal Court</u>					
DUI Treatment Fines	1,188	0	0	0	0
<u>General Sessions Court</u>					
Fines	10,082	0	0	0	0
Officers Costs	34,163	0	0	0	0
Game and Fish Fines	511	0	0	0	0
Drug Control Fines	0	15,342	0	0	0
Drug Court Fees	4,167	0	0	0	0
Jail Fees	8,943	0	0	0	0
DUI Treatment Fines	3,202	0	0	0	0
Data Entry Fee - General Sessions Court	17,992	0	0	0	0

(Continued)

## Exhibit L-5

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

	General	Special Revenue Funds			Debt Service Funds	
		Drug Control	Adequate Facilities/ Development Tax	Highway / Public Works	General Debt Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Officers Costs	\$ 2,101	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - Chancery Court	3,360	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Courtroom Security Fee	13,702	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	7,768	6,345	0	0	0	0
Other Fines, Forfeitures, and Penalties	28,500	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 160,765	\$ 33,834	\$ 0	\$ 0	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other Employee Benefit Charges/Contributions	\$ 34,356	\$ 0	\$ 0	\$ 5,176	\$ 0	0
Patient Charges	1,247,206	0	0	0	0	0
<u>Fees</u>						
Copy Fees	9,432	0	0	0	0	0
Library Fees	1,476	0	0	0	0	0
Archives and Records Management Fee	23,241	0	0	0	0	0
Telephone Commissions	34,315	0	0	0	0	0
Vending Machine Collections	0	0	0	1,774	0	0
Data Processing Fee - Register	11,718	0	0	0	0	0
Probation Fees	1,951	0	0	0	0	0
Data Processing Fee - Sheriff	265	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	5,271	0	0	0	0	0
Data Processing Fee - County Clerk	552	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	525	0	0	0	0	0
Total Charges for Current Services	\$ 1,370,308	\$ 0	\$ 0	\$ 6,950	\$ 0	0

(Continued)

## Exhibit L-5

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

	Special Revenue Funds				Debt Service Funds
	General	Drug Control	Adequate Facilities/ Development Tax	Highway / Public Works	General Debt Service
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 9,175	\$ 0	\$ 0	\$ 0	\$ 148,049
Lease/Rentals	5,909	0	0	0	0
Sale of Materials and Supplies	379	0	0	0	0
Commissary Sales	12,950	0	0	0	0
Sale of Recycled Materials	0	0	0	2,224	0
E-Rate Funding	1,826	0	0	0	0
Miscellaneous Refunds	11,599	0	0	29,320	3,000
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	112,064	0
Sale of Property	528	0	0	0	0
Contributions and Gifts	2,409	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	371	0	0	0	0
Total Other Local Revenues	\$ 45,146	\$ 0	\$ 0	\$ 143,608	\$ 151,049
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 244,706	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	39,518	0	0	0	0
General Sessions Court Clerk	258,742	0	0	0	0
Clerk and Master	112,338	0	0	0	0
Juvenile Court Clerk	10,214	0	0	0	0
Register	120,923	0	0	0	0
Sheriff	20,035	0	0	0	0
Trustee	397,894	0	0	0	0
Total Fees Received From County Officials	\$ 1,204,370	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

## Exhibit L-5

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

	Special Revenue Funds				Debt Service Funds
	General	Drug Control	Adequate Facilities/ Development Tax	Highway / Public Works	General Debt Service
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	13,800	0	0	0	0
Other Public Safety Grants	57,733	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	297,311	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	184,151	0
State Aid Program	0	0	0	116,255	0
<u>Other State Revenues</u>					
Income Tax	76,916	0	0	0	0
Beer Tax	17,959	0	0	0	0
Vehicle Certificate of Title Fees	7,040	0	0	0	0
Alcoholic Beverage Tax	78,398	0	0	0	0
State Revenue Sharing - T.V.A.	570,929	0	0	19,760	9,746
State Revenue Sharing - Telecommunications	61,000	0	0	0	0
Contracted Prisoner Boarding	293,553	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	2,583,798	0
Petroleum Special Tax	0	0	0	17,815	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	35,150	0	0	0	0
Other State Revenues	22,846	0	0	0	0
Total State of Tennessee	\$ 1,556,799	\$ 0	\$ 0	\$ 2,921,779	\$ 9,746

(Continued)

## Exhibit L-5

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

	Special Revenue Funds				Debt Service Funds
	General	Drug Control	Adequate Facilities/ Development Tax	Highway / Public Works	General Debt Service
<u>Federal Government</u>					
<u>Federal Through State</u>					
Homeland Security Grants	\$ 53,791	\$ 0	\$ 0	\$ 0	\$ 0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	4,410	0	0	186,102	0
Total Federal Government	<u>\$ 58,201</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 186,102</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 3,110	\$ 0
Contributions	37,558	0	0	0	163,284
Total Other Governments and Citizens Groups	<u>\$ 37,558</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,110</u>	<u>\$ 163,284</u>
Total	<u>\$ 13,192,983</u>	<u>\$ 33,834</u>	<u>\$ 224,152</u>	<u>\$ 3,601,506</u>	<u>\$ 2,214,914</u>

(Continued)

## Exhibit L-5

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

	Debt Service Fund		Education Debt Service	Total
<hr/>				
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$	0	\$	7,894,594
Trustee's Collections - Prior Year		0		272,798
Circuit Clerk/Clerk and Master Collections - Prior Years		0		184,271
Interest and Penalty		0		50,660
Payments in-Lieu-of Taxes - T.V.A.		0		9,208
Payments in-Lieu-of Taxes - Local Utilities		0		11,178
Payments in-Lieu-of Taxes - Other		0		17,020
<u>County Local Option Taxes</u>				
Local Option Sales Tax		0		934,426
Hotel/Motel Tax		0		20,617
Wheel Tax		299,095		1,103,002
Litigation Tax - General		0		128,784
Litigation Tax - Special Purpose		0		18,600
Litigation Tax - Jail, Workhouse, or Courthouse		0		114,167
Business Tax		0		86,513
Mineral Severance Tax		0		60,233
Adequate Facilities/Development Tax		0		224,152
<u>Statutory Local Taxes</u>				
Bank Excise Tax		0		19,130
Wholesale Beer Tax		0		228,297
Total Local Taxes	\$	299,095	\$	11,377,650
<hr/>				
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Cable TV Franchise	\$	0	\$	43,770

(Continued)

## Exhibit L-5

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

	Debt Service Fund		Education Debt Service	Total
<hr/>				
<u>Licenses and Permits (Cont.)</u>				
<u>Permits</u>				
Beer Permits	\$	0	\$	4,734
Building Permits		0		87,721
Total Licenses and Permits	\$	0	\$	136,225
<hr/>				
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$	0	\$	16,386
Officers Costs		0		4,464
Drug Control Fines		0		12,147
Drug Court Fees		0		1,290
Jail Fees		0		1,386
DUI Treatment Fines		0		828
Data Entry Fee - Circuit Court		0		732
<u>Criminal Court</u>				
DUI Treatment Fines		0		1,188
<u>General Sessions Court</u>				
Fines		0		10,082
Officers Costs		0		34,163
Game and Fish Fines		0		511
Drug Control Fines		0		15,342
Drug Court Fees		0		4,167
Jail Fees		0		8,943
DUI Treatment Fines		0		3,202
Data Entry Fee - General Sessions Court		0		17,992

(Continued)

## Exhibit L-5

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

	Debt Service Fund		Education Debt Service	Total
<hr/>				
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Chancery Court</u>				
Officers Costs	\$	0	\$	2,101
Data Entry Fee - Chancery Court		0		3,360
<u>Judicial District Drug Program</u>				
Courtroom Security Fee		0		13,702
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property		0		14,113
Other Fines, Forfeitures, and Penalties		0		28,500
Total Fines, Forfeitures, and Penalties	\$	0	\$	194,599
<hr/>				
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Other Employee Benefit Charges/Contributions	\$	0	\$	39,532
Patient Charges		0		1,247,206
<u>Fees</u>				
Copy Fees		0		9,432
Library Fees		0		1,476
Archives and Records Management Fee		0		23,241
Telephone Commissions		0		34,315
Vending Machine Collections		0		1,774
Data Processing Fee - Register		0		11,718
Probation Fees		0		1,951
Data Processing Fee - Sheriff		0		265
Sexual Offender Registration Fee - Sheriff		0		5,271
Data Processing Fee - County Clerk		0		552
Vehicle Insurance Coverage and Reinstatement Fees		0		525
Total Charges for Current Services	\$	0	\$	1,377,258

(Continued)



## Exhibit L-5

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

	Debt Service Fund		Education Debt Service	Total
<hr/>				
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$	0	\$	157,224
Lease/Rentals		0		5,909
Sale of Materials and Supplies		0		379
Commissary Sales		0		12,950
Sale of Recycled Materials		0		2,224
E-Rate Funding		0		1,826
Miscellaneous Refunds		0		43,919
<u>Nonrecurring Items</u>				
Sale of Equipment		0		112,064
Sale of Property		0		528
Contributions and Gifts		0		2,409
<u>Other Local Revenues</u>				
Other Local Revenues		0		371
Total Other Local Revenues	\$	0	\$	339,803
<hr/>				
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$	0	\$	244,706
Circuit Court Clerk		0		39,518
General Sessions Court Clerk		0		258,742
Clerk and Master		0		112,338
Juvenile Court Clerk		0		10,214
Register		0		120,923
Sheriff		0		20,035
Trustee		0		397,894
Total Fees Received From County Officials	\$	0	\$	1,204,370
<hr/>				

(Continued)

## Exhibit L-5

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

	Debt Service Fund		Education Debt Service	Total
<hr/>				
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$	0	\$	9,000
<u>Public Safety Grants</u>				
Law Enforcement Training Programs		0		13,800
Other Public Safety Grants		0		57,733
<u>Health and Welfare Grants</u>				
Health Department Programs		0		297,311
<u>Public Works Grants</u>				
Bridge Program		0		184,151
State Aid Program		0		116,255
<u>Other State Revenues</u>				
Income Tax		0		76,916
Beer Tax		0		17,959
Vehicle Certificate of Title Fees		0		7,040
Alcoholic Beverage Tax		0		78,398
State Revenue Sharing - T.V.A.		0		600,435
State Revenue Sharing - Telecommunications		0		61,000
Contracted Prisoner Boarding		0		293,553
Gasoline and Motor Fuel Tax		0		2,583,798
Petroleum Special Tax		0		17,815
Registrar's Salary Supplement		0		15,164
Other State Grants		0		35,150
Other State Revenues		0		22,846
Total State of Tennessee	\$	0	\$	4,488,324

(Continued)

## Exhibit L-5

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

	Debt Service		
	Fund		
	Education		
	Debt		
	Service		Total
<hr/>			
<u>Federal Government</u>			
<u>Federal Through State</u>			
Homeland Security Grants	\$	0	\$ 53,791
<u>Direct Federal Revenue</u>			
Other Direct Federal Revenue		0	190,512
Total Federal Government	<hr/>	<hr/>	<hr/>
	\$	0	\$ 244,303
<hr/>			
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Paving and Maintenance	\$	0	\$ 3,110
Contributions		0	200,842
Total Other Governments and Citizens Groups	<hr/>	<hr/>	<hr/>
	\$	0	\$ 203,952
<hr/>			
Total	<hr/>	<hr/>	<hr/>
	\$	299,095	\$ 19,566,484

## 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, 2019

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,078,528	\$ 0	\$ 0	\$ 3,078,528
Trustee's Collections - Prior Year	107,138	0	0	107,138
Circuit Clerk/Clerk and Master Collections - Prior Years	71,894	0	0	71,894
Interest and Penalty	19,544	0	0	19,544
Payments in-Lieu-of Taxes - T.V.A.	3,596	0	0	3,596
Payments in-Lieu-of Taxes - Local Utilities	6,000	0	0	6,000
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,615,858	0	0	1,615,858
Business Tax	33,753	0	0	33,753
Total Local Taxes	<u>\$ 4,936,311</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,936,311</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,454	\$ 0	\$ 0	\$ 1,454
Total Licenses and Permits	<u>\$ 1,454</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,454</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other	\$ 5,578	\$ 0	\$ 0	\$ 5,578
Lunch Payments - Adults	0	0	64,285	64,285
Income from Breakfast	0	0	4,389	4,389
A la Carte Sales	0	0	150,922	150,922
Receipts from Individual Schools	51,530	0	0	51,530
Community Service Fees - Adults	140	0	0	140
Total Charges for Current Services	<u>\$ 57,248</u>	<u>\$ 0</u>	<u>\$ 219,596</u>	<u>\$ 276,844</u>

(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>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 3,590	\$ 0	\$ 180	\$ 3,770
Lease/Rentals	830	0	0	830
Miscellaneous Refunds	8,185	0	0	8,185
<u>Nonrecurring Items</u>				
Gain on Retirement of Debt	83,345	0	0	83,345
Damages Recovered from Individuals	379	0	0	379
Contributions and Gifts	11,210	0	0	11,210
<u>Other Local Revenues</u>				
Other Local Revenues	2,500	0	0	2,500
Total Other Local Revenues	\$ 110,039	\$ 0	\$ 180	\$ 110,219
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 72,577	\$ 0	\$ 0	\$ 72,577
<u>State Education Funds</u>				
Basic Education Program	22,318,467	0	0	22,318,467
Early Childhood Education	423,212	0	0	423,212
School Food Service	20,073	0	0	20,073
Driver Education	8,249	0	0	8,249
Coordinated School Health	90,000	0	0	90,000
Family Resource Centers	59,223	0	0	59,223
Career Ladder Program	73,077	0	0	73,077
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	234,141	0	0	234,141

(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>Other State Revenues (Cont.)</u>				
Other State Grants	\$ 46,800	\$ 0	\$ 0	\$ 46,800
Safe Schools	139,837	0	0	139,837
Other State Revenues	10,653	0	0	10,653
Total State of Tennessee	\$ 23,496,309	\$ 0	\$ 0	\$ 23,496,309
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,215,150	\$ 1,215,150
USDA - Commodities	0	0	101,623	101,623
Breakfast	0	0	553,524	553,524
USDA - Other	0	0	15,783	15,783
Vocational Education - Basic Grants to States	0	69,796	0	69,796
Title I Grants to Local Education Agencies	0	1,145,129	0	1,145,129
Special Education - Grants to States	0	869,788	0	869,788
Special Education Preschool Grants	0	21,394	0	21,394
English Language Acquisition Grants	0	28,221	0	28,221
Rural Education	0	88,852	0	88,852
Eisenhower Professional Development State Grants	0	108,364	0	108,364
Other Federal through State	0	71,722	0	71,722
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	60,734	0	0	60,734
Total Federal Government	\$ 60,734	\$ 2,403,266	\$ 1,886,080	\$ 4,350,080

(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>Other Governments and Citizens Groups</u>				
<u>Other</u>				
Other	\$ 46,975	\$ 0	\$ 0	\$ 46,975
Total Other Governments and Citizens Groups	\$ 46,975	\$ 0	\$ 0	\$ 46,975
 Total	 \$ 28,709,070	 \$ 2,403,266	 \$ 2,105,856	 \$ 33,218,192

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, 2019

	Special Revenue Fund	Other Special Revenue	Total
<hr/>			
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 45,324	\$ 45,324	
Total Other Local Revenues	<u>\$ 45,324</u>	<u>\$ 45,324</u>	
Total	<u>\$ 45,324</u>	<u>\$ 45,324</u>	



## Exhibit L-8

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2019

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	50,400	
Audit Services		9,382	
Legal Notices, Recording, and Court Costs		3,641	
Travel		272	
Total County Commission			\$ 63,695

Board of Equalization

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

Beer Board

Criminal Investigation of Applicants - TBI	\$	131	
Total Beer Board			131

County Mayor/Executive

County Official/Administrative Officer	\$	87,858	
Secretary(ies)		24,520	
Part-time Personnel		932	
Legal Notices, Recording, and Court Costs		1,489	
Travel		3,047	
Other Contracted Services		4,570	
Office Supplies		1,422	
In Service/Staff Development		1,445	
Office Equipment		790	
Total County Mayor/Executive			126,073

County Attorney

Legal Services	\$	10,098	
Total County Attorney			10,098

Election Commission

County Official/Administrative Officer	\$	68,462	
Deputy(ies)		28,921	
Part-time Personnel		10,114	
Election Commission		4,720	
Election Workers		44,433	
Data Processing Services		3,045	
Legal Notices, Recording, and Court Costs		1,890	
Printing, Stationery, and Forms		3,836	
Rentals		1,500	
Travel		4,534	
Other Contracted Services		16,860	
Office Supplies		2,986	
Office Equipment		1,260	
Total Election Commission			192,561

(Continued)

## Exhibit L-8

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	\$	76,069	
Deputy(ies)		28,252	
Salary Supplements		3,430	
Clerical Personnel		22,746	
Longevity Pay		1,100	
Data Processing Services		11,930	
Maintenance and Repair Services - Office Equipment		971	
Travel		781	
Office Supplies		968	
In Service/Staff Development		500	
Total Register of Deeds			\$ 146,747

Planning

Supervisor/Director	\$	44,861	
Deputy(ies)		24,594	
Part-time Personnel		16,188	
Longevity Pay		500	
Board and Committee Members Fees		2,225	
Contracts with Private Agencies		13,500	
Data Processing Services		2,079	
Legal Services		1,762	
Legal Notices, Recording, and Court Costs		1,564	
Maintenance and Repair Services - Vehicles		5,298	
Printing, Stationery, and Forms		774	
Other Contracted Services		7,459	
Gasoline		1,758	
Office Supplies		837	
Other Supplies and Materials		777	
Premiums on Corporate Surety Bonds		50	
In Service/Staff Development		377	
Office Equipment		1,145	
Total Planning			125,748

County Buildings

Supervisor/Director	\$	48,512	
Custodial Personnel		21,510	
Part-time Personnel		4,580	
Maintenance and Repair Services - Buildings		162,420	
Maintenance and Repair Services - Equipment		6,895	
Maintenance and Repair Services - Vehicles		84	
Travel		157	
Custodial Supplies		9,661	
Gasoline		2,535	
Uniforms		2,922	
Other Charges		393	
Total County Buildings			259,669

(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	\$	138,871	
Pest Control		6,150	
Electricity		163,227	
Utilities		92,611	
Total Other Facilities			\$ 400,859

Other General Administration

Other Salaries and Wages	\$	76,875	
Maintenance Agreements		7,067	
Maintenance and Repair Services - Equipment		10,713	
Travel		310	
Other Contracted Services		5,712	
Office Equipment		15,416	
Total Other General Administration			116,093

Preservation of Records

Salary Supplements	\$	1,500	
Clerical Personnel		27,543	
Longevity Pay		2,100	
Travel		26	
Other Contracted Services		4,058	
Office Supplies		442	
Other Supplies and Materials		491	
Other Charges		383	
Total Preservation of Records			36,543

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	76,069	
Assistant(s)		37,964	
Accountants/Bookkeepers		102,766	
Salary Supplements		6,375	
Longevity Pay		3,000	
Data Processing Services		16,333	
Legal Notices, Recording, and Court Costs		4,284	
Printing, Stationery, and Forms		2,871	
Travel		1,575	
Other Contracted Services		1,168	
Office Supplies		3,034	
In Service/Staff Development		508	
Office Equipment		3,876	
Total Accounting and Budgeting			259,823

Property Assessor's Office

County Official/Administrative Officer	\$	76,069	
Deputy(ies)		34,000	
Assessment Personnel		19,988	

(Continued)

## Exhibit L-8

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

General Fund (Cont.)Finance (Cont.)Property Assessor's Office (Cont.)

Salary Supplements	\$	4,430	
Secretary(ies)		5,950	
Clerical Personnel		25,575	
Longevity Pay		2,100	
Overtime Pay		12	
Contracts with Private Agencies		4,775	
Data Processing Services		27,937	
Legal Notices, Recording, and Court Costs		52	
Maintenance and Repair Services - Vehicles		947	
Printing, Stationery, and Forms		1,140	
Travel		2,098	
Other Contracted Services		2,019	
Gasoline		951	
Office Supplies		2,486	
In Service/Staff Development		1,035	
Other Charges		11,354	
Motor Vehicles		13,000	
Office Equipment		4,624	
Total Property Assessor's Office			\$ 240,542

County Trustee's Office

County Official/Administrative Officer	\$	76,069	
Deputy(ies)		31,803	
Data Processing Personnel		11,152	
Salary Supplements		3,805	
Clerical Personnel		26,808	
Part-time Personnel		7,680	
Longevity Pay		3,300	
Data Processing Services		10,202	
Legal Notices, Recording, and Court Costs		92	
Printing, Stationery, and Forms		4,029	
Travel		1,362	
Office Supplies		2,903	
Premiums on Corporate Surety Bonds		12,960	
In Service/Staff Development		470	
Office Equipment		9,036	
Total County Trustee's Office			201,671

County Clerk's Office

County Official/Administrative Officer	\$	76,069	
Deputy(ies)		29,427	
Salary Supplements		6,805	
Secretary(ies)		28,050	
Clerical Personnel		79,980	
Part-time Personnel		12,287	
Longevity Pay		5,700	
Data Processing Services		23,767	

(Continued)

## Exhibit L-8

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

General Fund (Cont.)Finance (Cont.)County Clerk's Office (Cont.)

Travel	\$	2,155	
Office Supplies		2,185	
In Service/Staff Development		575	
Office Equipment		3,584	
Total County Clerk's Office			\$ 270,584

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	76,069	
Deputy(ies)		159,547	
Part-time Personnel		4,027	
Longevity Pay		6,300	
Other Salaries and Wages		25,175	
Jury and Witness Expense		3,086	
Data Processing Services		15,250	
Legal Notices, Recording, and Court Costs		662	
Maintenance and Repair Services - Office Equipment		4,255	
Travel		89	
Office Supplies		5,257	
Office Equipment		6,409	
Total Circuit Court			306,126

General Sessions Court

Judge(s)	\$	112,883	
Guidance Personnel		52,490	
Secretary(ies)		21,240	
Longevity Pay		2,400	
Travel		2,353	
Other Contracted Services		20,100	
Library Books/Media		1,069	
Office Supplies		1,528	
In Service/Staff Development		839	
Office Equipment		2,046	
Total General Sessions Court			216,948

General Sessions Judge

Judge(s)	\$	874	
Travel		500	
Total General Sessions Judge			1,374

Chancery Court

County Official/Administrative Officer	\$	76,069	
Assistant(s)		28,921	
Deputy(ies)		24,572	
Longevity Pay		2,300	
Data Processing Services		11,944	
Legal Notices, Recording, and Court Costs		668	

(Continued)

## Exhibit L-8

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

General Fund (Cont.)Administration of Justice (Cont.)Chancery Court (Cont.)

Travel	\$	30	
Office Supplies		4,895	
Total Chancery Court			\$ 149,399

Judicial Commissioners

Part-time Personnel	\$	13,440	
Longevity Pay		700	
Other Salaries and Wages		32,056	
In-service Training		872	
Travel		1,939	
Office Supplies		360	
In Service/Staff Development		150	
Other Charges		360	
Total Judicial Commissioners			49,877

Courtroom Security

Other Capital Outlay	\$	70,687	
Total Courtroom Security			70,687

Public SafetySheriff's Department

County Official/Administrative Officer	\$	83,676	
Assistant(s)		35,817	
Deputy(ies)		915,138	
Accountants/Bookkeepers		34,028	
Salary Supplements		15,300	
Dispatchers/Radio Operators		242,103	
Part-time Personnel		35,101	
Longevity Pay		14,477	
Overtime Pay		42,617	
Other Salaries and Wages		150,141	
Communication		13,343	
Data Processing Services		16,397	
Maintenance and Repair Services - Equipment		2,338	
Maintenance and Repair Services - Vehicles		56,877	
Postal Charges		293	
Travel		4,006	
Other Contracted Services		2,130	
Gasoline		77,534	
Law Enforcement Supplies		39,818	
Office Supplies		7,796	
Tires and Tubes		23,145	
Uniforms		14,568	
Premiums on Corporate Surety Bonds		1,330	
In Service/Staff Development		18,459	
Motor Vehicles		127,234	
Office Equipment		13,980	
Total Sheriff's Department			1,987,646

(Continued)

## Exhibit L-8

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

General Fund (Cont.)Public Safety (Cont.)Administration of the Sexual Offender Registry

Other Charges	\$	1,750	
Office Equipment		1,023	
Total Administration of the Sexual Offender Registry			\$ 2,773

Jail

Guards	\$	538,958	
Longevity Pay		4,700	
Overtime Pay		13,838	
Other Salaries and Wages		10,080	
Medical and Dental Services		158,930	
Other Contracted Services		128,740	
Custodial Supplies		18,361	
Drugs and Medical Supplies		20,078	
Food Supplies		186,844	
Office Supplies		4,551	
Prisoners Clothing		3,079	
Uniforms		6,538	
Other Supplies and Materials		6,563	
In Service/Staff Development		100	
Data Processing Equipment		10,133	
Office Equipment		4,868	
Total Jail			1,116,361

Fire Prevention and Control

Contracts with Government Agencies	\$	2,000	
Instructional Supplies and Materials		2,240	
In Service/Staff Development		10,301	
Total Fire Prevention and Control			14,541

Civil Defense

Supervisor/Director	\$	57,520	
Longevity Pay		1,100	
Other Salaries and Wages		24,286	
Dues and Memberships		433	
Operating Lease Payments		3,400	
Maintenance and Repair Services - Buildings		501	
Maintenance and Repair Services - Equipment		3,623	
Maintenance and Repair Services - Vehicles		4,065	
Travel		412	
Other Contracted Services		4,305	
Diesel Fuel		385	
Gasoline		3,101	
Office Supplies		2,005	
Propane Gas		765	
Uniforms		200	
Other Supplies and Materials		10,751	
In Service/Staff Development		369	

(Continued)

## Exhibit L-8

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

General Fund (Cont.)Public Safety (Cont.)Civil Defense (Cont.)

Other Charges	\$	968	
Communication Equipment		10,632	
Other Equipment		1,968	
Total Civil Defense			\$ 130,789

Rescue Squad

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

County Coroner/Medical Examiner

Medical Personnel	\$	5,775	
Other Contracted Services		50,495	
Total County Coroner/Medical Examiner			56,270

Public Health and WelfareLocal Health Center

Contributions	\$	38,111	
Other Contracted Services		1,441	
Office Supplies		326	
Other Charges		1,100	
Total Local Health Center			40,978

Ambulance/Emergency Medical Services

Supervisor/Director	\$	52,457	
Medical Personnel		759,110	
Part-time Personnel		129,691	
Longevity Pay		12,600	
Overtime Pay		262,450	
Other Per Diem and Fees		1,261	
Dues and Memberships		625	
Maintenance and Repair Services - Buildings		1,127	
Maintenance and Repair Services - Equipment		1,471	
Maintenance and Repair Services - Vehicles		22,575	
Travel		1,369	
Other Contracted Services		176,381	
Custodial Supplies		1,411	
Diesel Fuel		4,091	
Drugs and Medical Supplies		75,960	
Gasoline		43,608	
Office Supplies		1,527	
Tires and Tubes		5,195	
Uniforms		5,761	
Other Supplies and Materials		5,768	
In Service/Staff Development		10,034	
Motor Vehicles		151,635	
Total Ambulance/Emergency Medical Services			1,726,107

(Continued)



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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Alcohol and Drug Programs

Probation Officer(s)	\$	10,483	
Travel		600	
Office Supplies		597	
Other Charges		5,879	
Total Alcohol and Drug Programs			\$ 17,559

Other Local Health Services

Medical Personnel	\$	138,161	
Educational Assistants		56,257	
Travel		17,417	
Other Contracted Services		50	
Other Supplies and Materials		2,147	
Liability Insurance		192	
Other Charges		1,178	
Total Other Local Health Services			215,402

Other Public Health and Welfare

Other Charges	\$	4,403	
Total Other Public Health and Welfare			4,403

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	10,000	
Total Senior Citizens Assistance			10,000

Libraries

Assistant(s)	\$	97,555	
Librarians		35,721	
Longevity Pay		3,800	
Other Salaries and Wages		16,329	
Data Processing Services		2,190	
Dues and Memberships		174	
Maintenance and Repair Services - Buildings		1,138	
Postal Charges		651	
Travel		1,140	
Other Contracted Services		15,114	
Library Books/Media		5,297	
Office Supplies		5,897	
Utilities		6,124	
Other Supplies and Materials		826	
In Service/Staff Development		225	
Other Charges		10,770	
Other Equipment		5,641	
Total Libraries			208,592

(Continued)

## Exhibit L-8

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

General Fund (Cont.)Agriculture and Natural ResourcesAgricultural Extension Service

Contributions	\$	39,611	
Dues and Memberships		225	
Travel		264	
Custodial Supplies		120	
Office Equipment		1,485	
Total Agricultural Extension Service			\$ 41,705

Soil Conservation

Secretary(ies)	\$	25,804	
Other Contracted Services		5,000	
Other Charges		2,550	
Total Soil Conservation			33,354

Other OperationsIndustrial Development

Supervisor/Director	\$	55,000	
Contributions		15,444	
Other Capital Outlay		168,654	
Total Industrial Development			239,098

Veterans' Services

Part-time Personnel	\$	16,000	
Maintenance and Repair Services - Vehicles		123	
Travel		151	
Other Contracted Services		449	
Gasoline		1,353	
Office Supplies		57	
Other Charges		2,881	
Office Equipment		102	
Total Veterans' Services			21,116

Other Charges

Liability Insurance	\$	287,163	
Trustee's Commission		201,618	
Workers' Compensation Insurance		138,885	
Total Other Charges			627,666

Employee Benefits

Social Security	\$	410,789	
Pensions		695,152	
Life Insurance		37,662	
Medical Insurance		1,375,878	
Unemployment Compensation		8,500	
Total Employee Benefits			2,527,981

Miscellaneous

Contracts with Government Agencies	\$	12,920	
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(Continued)

## Exhibit L-8

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

General Fund (Cont.)Other Operations (Cont.)Miscellaneous (Cont.)

Contributions	\$	54,000	
Dues and Memberships		14,457	
Postal Charges		38,323	
Rentals		2,500	
Other Contracted Services		30,000	
Other Charges		2,167	
Total Miscellaneous			\$ 154,367

Total General Fund \$ 12,444,506

Drug Control FundPublic SafetySheriff's Department

Other Charges	\$	8,700	
Law Enforcement Equipment		16,969	
Motor Vehicles		50,000	
Total Sheriff's Department			\$ 75,669

Total Drug Control Fund 75,669

Adequate Facilities/ Development Tax FundGeneral GovernmentBuilding

Trustee's Commission	\$	2,280	
Total Building			\$ 2,280

Total Adequate Facilities/ Development Tax Fund 2,280

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	83,676	
Salary Supplements		2,230	
Secretary(ies)		35,544	
Part-time Personnel		13,690	
Overtime Pay		1,962	
Board and Committee Members Fees		16,600	
Contributions		500	
Dues and Memberships		3,700	
Legal Notices, Recording, and Court Costs		216	
Travel		1,347	
Other Contracted Services		8,162	
Office Supplies		251	
In Service/Staff Development		590	
Total Administration			\$ 168,468

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Salary Supplements	\$	1,500	
Foremen		209,209	
Equipment Operators		353,204	
Laborers		252,214	
Overtime Pay		30,460	
Asphalt - Cold Mix		42,629	
Asphalt - Liquid		222,656	
Crushed Stone		187,453	
General Construction Materials		3,395	
Other Road Materials		24,410	
Pipe		28,412	
Road Signs		5,019	
Small Tools		2,647	
Wood Products		2,745	
Chemicals		4,800	
Total Highway and Bridge Maintenance			\$ 1,370,753

Operation and Maintenance of Equipment

Foremen	\$	35,599	
Mechanic(s)		34,112	
Overtime Pay		2,108	
Laundry Service		9,046	
Diesel Fuel		143,194	
Equipment and Machinery Parts		90,001	
Garage Supplies		24,735	
Gasoline		25,092	
Lubricants		11,595	
Tires and Tubes		28,729	
Other Charges		140	
Total Operation and Maintenance of Equipment			404,351

Other Charges

Communication	\$	2,564	
Electricity		5,156	
Water and Sewer		3,580	
Liability Insurance		42,446	
Trustee's Commission		32,074	
Total Other Charges			85,820

Employee Benefits

Social Security	\$	78,730	
Pensions		139,085	
Employee and Dependent Insurance		379,749	
Unemployment Compensation		8,469	
Workers' Compensation Insurance		116,971	
Other Charges		805	
Total Employee Benefits			723,809

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Bridge Construction	\$	261,006	
Highway Construction		689,445	
Highway Equipment		27,000	
Motor Vehicles		41,638	
Total Capital Outlay			\$ 1,019,089

Total Highway/Public Works Fund

\$ 3,772,290

General Debt Service Fund

Principal on Debt

General Government

Principal on Other Loans	\$	323,000	
Total General Government			\$ 323,000

Education

Principal on Other Loans	\$	1,562,624	
Total Education			1,562,624

Interest on Debt

General Government

Interest on Notes	\$	42,808	
Interest on Other Loans		80,302	
Total General Government			123,110

Education

Interest on Other Loans	\$	329,463	
Total Education			329,463

Other Debt Service

General Government

Trustee's Commission	\$	20,484	
Other Debt Service		32,122	
Total General Government			52,606

Education

Other Debt Service	\$	81,473	
Total Education			81,473

Total General Debt Service Fund

2,472,276

Education Debt Service Fund

Other Debt Service

General Government

Trustee's Commission	\$	2,994	
Total General Government			\$ 2,994

Total Education Debt Service Fund

2,994

(Continued)

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

<u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Health and Welfare Projects</u>			
Other Capital Outlay	\$	1,646	
Total Public Health and Welfare Projects			\$ 1,646
<u>Other General Government Projects</u>			
Other Debt Issuance Charges	\$	8,076	
Other Capital Outlay		<u>1,662,044</u>	
Total Other General Government Projects			1,670,120
<u>Highway and Street Capital Projects</u>			
Other Debt Issuance Charges	\$	500	
Highway Equipment		<u>767,844</u>	
Total Highway and Street Capital Projects			<u>768,344</u>
Total General Capital Projects Fund			<u>\$ 2,440,110</u>
Total Governmental Funds - Primary Government			<u><u>\$ 21,210,125</u></u>

## Exhibit L-9

Hickman County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Hickman County School Department  
For the Year Ended June 30, 2019

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 8,506,781	
Career Ladder Program	54,180	
Homebound Teachers	600	
Salary Supplements	287,276	
Educational Assistants	317,910	
Other Salaries and Wages	356,681	
Non-certified Substitute Teachers	153,406	
Social Security	714,011	
Pensions	935,881	
Medical Insurance	1,494,415	
Maintenance and Repair Services - Equipment	434	
Other Contracted Services	32,913	
Instructional Supplies and Materials	102,490	
Textbooks - Bound	208,339	
Other Supplies and Materials	8,532	
Regular Instruction Equipment	150,548	
Total Regular Instruction Program		\$ 13,324,397

Alternative Instruction Program

Teachers	\$ 97,400	
Educational Assistants	17,470	
Social Security	8,382	
Pensions	12,591	
Medical Insurance	15,846	
Instructional Supplies and Materials	323	
Other Supplies and Materials	98	
Total Alternative Instruction Program		152,110

Special Education Program

Teachers	\$ 1,462,209	
Homebound Teachers	20,596	
Educational Assistants	184,118	
Speech Pathologist	176,174	
Social Security	132,039	
Pensions	151,539	
Medical Insurance	290,000	
Other Contracted Services	198,969	
Total Special Education Program		2,615,644

Career and Technical Education Program

Teachers	\$ 695,781	
Salary Supplements	6,000	
Non-certified Substitute Teachers	10,688	
Social Security	53,156	
Pensions	60,602	
Medical Insurance	91,932	

(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.)Career and Technical Education Program (Cont.)

Other Contracted Services	\$	15,000	
Other Supplies and Materials		12,185	
Other Equipment		25,690	
Total Career and Technical Education Program			\$ 971,034

Support ServicesAttendance

Supervisor/Director	\$	67,360	
Other Salaries and Wages		30,175	
Social Security		7,449	
Pensions		6,189	
Medical Insurance		7,472	
Travel		2,558	
Other Contracted Services		12,000	
Other Supplies and Materials		1,830	
In Service/Staff Development		340	
Total Attendance			135,373

Health Services

Medical Personnel	\$	136,792	
Other Salaries and Wages		99,503	
Social Security		17,487	
Pensions		19,754	
Medical Insurance		35,400	
Travel		2,901	
Other Contracted Services		3,110	
Drugs and Medical Supplies		2,327	
Other Supplies and Materials		4,251	
In Service/Staff Development		554	
Total Health Services			322,079

Other Student Support

Guidance Personnel	\$	491,039	
Other Salaries and Wages		73,400	
Social Security		40,970	
Pensions		48,694	
Medical Insurance		62,846	
Evaluation and Testing		9,702	
Payments to Schools - Other		80,000	
Travel		2,497	
Other Contracted Services		21,464	
Other Supplies and Materials		3,690	
In Service/Staff Development		715	
Total Other Student Support			835,017

(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	\$	75,000	
Librarians		355,919	
Secretary(ies)		183,132	
Clerical Personnel		175,833	
Other Salaries and Wages		36,551	
Social Security		61,042	
Pensions		87,966	
Medical Insurance		154,980	
Travel		5,525	
Other Contracted Services		554	
Library Books/Media		4,000	
Other Supplies and Materials		269	
In Service/Staff Development		1,154	
Total Regular Instruction Program			\$ 1,141,925

Special Education Program

Supervisor/Director	\$	69,184	
Other Salaries and Wages		4,700	
In-service Training		1,343	
Social Security		5,412	
Pensions		7,461	
Medical Insurance		6,444	
Maintenance and Repair Services - Equipment		3,948	
Travel		6,763	
Total Special Education Program			105,255

Career and Technical Education Program

Supervisor/Director	\$	72,920	
Social Security		5,506	
Pensions		7,627	
Medical Insurance		7,900	
Maintenance and Repair Services - Equipment		990	
Travel		877	
Other Supplies and Materials		2,868	
Total Career and Technical Education Program			98,688

Technology

Supervisor/Director	\$	56,490	
Other Salaries and Wages		16,373	
Social Security		5,365	
Pensions		9,759	
Medical Insurance		7,900	
Maintenance and Repair Services - Equipment		2,879	
Travel		1,260	
Other Contracted Services		88,380	
Other Supplies and Materials		2,082	
Regular Instruction Equipment		25,458	
Total Technology			215,946

(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	\$	72,577	
Total Other Programs			\$ 72,577

Board of Education

Board and Committee Members Fees	\$	9,502	
In-service Training		6,269	
Social Security		673	
Audit Services		25,750	
Dues and Memberships		33,551	
Legal Services		32,167	
Liability Insurance		58,980	
Trustee's Commission		119,845	
Workers' Compensation Insurance		181,359	
Other Charges		4,748	
Total Board of Education			472,844

Director of Schools

County Official/Administrative Officer	\$	105,000	
Secretary(ies)		84,455	
Social Security		14,270	
Pensions		20,605	
Medical Insurance		11,900	
Communication		316	
Maintenance and Repair Services - Equipment		12,692	
Travel		3,229	
Other Contracted Services		4,670	
Office Supplies		3,233	
Other Supplies and Materials		2,100	
Other Charges		21,999	
Total Director of Schools			284,469

Office of the Principal

Principals	\$	612,772	
Assistant Principals		441,663	
Social Security		78,207	
Pensions		98,160	
Medical Insurance		113,930	
Postal Charges		840	
Travel		2,127	
Other Contracted Services		100,000	
Total Office of the Principal			1,447,699

Fiscal Services

Other Contracted Services	\$	1,047	
Total Fiscal Services			1,047

(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	\$	52,470	
Other Contracted Services		571,786	
Custodial Supplies		28,892	
Electricity		847,044	
Natural Gas		118,136	
Water and Sewer		212,553	
Other Supplies and Materials		489	
Boiler Insurance		4,825	
Building and Contents Insurance		143,520	
Plant Operation Equipment		5,000	
Total Operation of Plant			\$ 1,984,715

Maintenance of Plant

Supervisor/Director	\$	60,350	
Secretary(ies)		10,205	
Other Salaries and Wages		155,049	
Social Security		15,067	
Pensions		29,160	
Medical Insurance		19,800	
Maintenance and Repair Services - Buildings		228,981	
Maintenance and Repair Services - Equipment		249,921	
Travel		3,625	
Other Contracted Services		66,212	
Equipment and Machinery Parts		7,498	
Other Supplies and Materials		2,405	
Administration Equipment		95,057	
Building Improvements		29,184	
Maintenance Equipment		54,188	
Total Maintenance of Plant			1,026,702

Transportation

Supervisor/Director	\$	52,310	
Mechanic(s)		78,224	
Bus Drivers		626,003	
Secretary(ies)		10,205	
Social Security		56,685	
Pensions		100,620	
Medical Insurance		114,844	
Other Fringe Benefits		19,229	
Maintenance and Repair Services - Vehicles		370	
Travel		1,961	
Other Contracted Services		30,222	
Diesel Fuel		170,470	
Equipment and Machinery Parts		682	
Garage Supplies		2,955	
Gasoline		20,905	

(Continued)

## Exhibit L-9

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

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

Lubricants	\$	5,050	
Tires and Tubes		22,570	
Vehicle Parts		73,823	
Vehicle and Equipment Insurance		40,158	
Plant Operation Equipment		26,599	
Transportation Equipment		392,688	
Total Transportation			\$ 1,846,573

Central and Other

Social Security	\$	47	
Unemployment Compensation		6,449	
Other Fringe Benefits		728	
Contributions		172,587	
Other Contracted Services		27,306	
Other Supplies and Materials		13,374	
Other Charges		4,000	
Total Central and Other			224,491

Operation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	22,880	
Social Security		1,720	
Total Food Service			24,600

Community Services

Supervisor/Director	\$	30,176	
Other Salaries and Wages		53,515	
Social Security		6,337	
Pensions		11,169	
Medical Insurance		11,422	
Other Supplies and Materials		5,000	
In Service/Staff Development		110	
Total Community Services			117,729

Early Childhood Education

Supervisor/Director	\$	36,609	
Teachers		174,047	
Educational Assistants		45,591	
Other Salaries and Wages		10,713	
Social Security		19,855	
Pensions		36,036	
Medical Insurance		45,450	
Travel		126	
Other Contracted Services		560	
Instructional Supplies and Materials		15,464	
Other Supplies and Materials		9,059	

(Continued)

## Exhibit L-9

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

General Purpose School Fund (Cont.)Operation of Non-Instructional Services (Cont.)Early Childhood Education (Cont.)

In Service/Staff Development	\$ 976	
Other Equipment	4,991	
Total Early Childhood Education		\$ 399,477

Capital OutlayRegular Capital Outlay

Other Capital Outlay	\$ 294,814	
Total Regular Capital Outlay		294,814

Other Debt ServiceEducation

Debt Service Contribution to Primary Government	\$ 163,284	
Total Education		163,284

Total General Purpose School Fund \$ 28,278,489

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$ 630,113	
Other Salaries and Wages	10,505	
Non-certified Substitute Teachers	16,256	
Social Security	49,576	
Pensions	66,705	
Medical Insurance	70,000	
Instructional Supplies and Materials	203,709	
Other Charges	4,135	
Regular Instruction Equipment	35,034	
Total Regular Instruction Program		\$ 1,086,033

Special Education Program

Educational Assistants	\$ 387,373	
Non-certified Substitute Teachers	23,000	
Social Security	30,452	
Pensions	53,083	
Medical Insurance	40,092	
Unemployment Compensation	2,500	
Instructional Supplies and Materials	6,998	
Other Supplies and Materials	2,589	
Special Education Equipment	4,309	
Total Special Education Program		550,396

Career and Technical Education Program

Educational Assistants	\$ 18,216	
Social Security	1,394	
Pensions	2,515	

(Continued)

## Exhibit L-9

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

School Federal Projects Fund (Cont.)Instruction (Cont.)Career and Technical Education Program (Cont.)

Medical Insurance	\$	1,500	
Other Contracted Services		2,275	
Other Supplies and Materials		4,931	
Vocational Instruction Equipment		23,892	
Total Career and Technical Education Program			\$ 54,723

Support ServicesOther Student Support

Other Salaries and Wages	\$	3,974	
Social Security		304	
Pensions		395	
Communication		5,945	
Travel		11,302	
Other Supplies and Materials		26,308	
In Service/Staff Development		3,741	
Other Charges		680	
Total Other Student Support			52,649

Regular Instruction Program

Supervisor/Director	\$	75,420	
Secretary(ies)		21,290	
Other Salaries and Wages		64,480	
In-service Training		798	
Non-certified Substitute Teachers		6,474	
Social Security		12,846	
Pensions		17,197	
Medical Insurance		11,750	
Maintenance and Repair Services - Equipment		4,106	
Travel		6,126	
Other Supplies and Materials		20,579	
In Service/Staff Development		59,504	
Other Equipment		8,112	
Total Regular Instruction Program			308,682

Special Education Program

Supervisor/Director	\$	6,016	
Psychological Personnel		124,200	
Clerical Personnel		41,365	
Social Security		13,011	
Pensions		14,176	
Medical Insurance		20,451	
Unemployment Compensation		400	
Other Contracted Services		99,305	
Other Supplies and Materials		8,328	
Other Equipment		5,978	
Total Special Education Program			333,230

(Continued)

## Exhibit L-9

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

<u>School Federal Projects Fund (Cont.)</u>			
<u>Support Services (Cont.)</u>			
<u>Transportation</u>			
Other Charges	\$	186	
Total Transportation			\$ 186
Total School Federal Projects Fund			\$ 2,385,899
<u>Central Cafeteria Fund</u>			
<u>Operation of Non-Instructional Services</u>			
<u>Food Service</u>			
Supervisor/Director	\$	29,853	
Accountants/Bookkeepers		118,857	
Cafeteria Personnel		508,510	
Social Security		48,943	
Pensions		77,483	
Medical Insurance		22,000	
Communication		6,903	
Maintenance and Repair Services - Equipment		46,534	
Transportation - Other than Students		3,075	
Travel		1,717	
Other Contracted Services		53,766	
Food Supplies		967,001	
Utilities		2,398	
USDA - Commodities		101,623	
Other Supplies and Materials		88,822	
Other Charges		11,177	
Food Service Equipment		4,865	
Total Food Service			\$ 2,093,527
Total Central Cafeteria Fund			2,093,527
Total Governmental Funds - Hickman County School Department			\$ 32,757,915

## 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, 2019

<u>Other Special Revenue Fund</u>			
<u>General Government</u>			
<u>County Commission</u>			
Audit Services	\$	359	
Legal Notices, Recording, and Court Costs		<u>40</u>	
Total County Commission			\$ 399
<u>Public Health and Welfare</u>			
<u>Ambulance/Emergency Medical Services</u>			
Contributions	\$	2,500	
Other Contracted Services		2,500	
In Service/Staff Development		<u>4,995</u>	
Total Ambulance/Emergency Medical Services			<u>9,995</u>
Total Other Special Revenue Fund			<u>\$ 10,394</u>
Total Governmental Funds - Hickman County Health Foundation			<u><u>\$ 10,394</u></u>



Hickman County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Solid Waste Disposal Fund  
For the Year Ended June 30, 2019

	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	\$ 81,051
Residential Waste Collection Charge	211,189
Tipping Fees	68,166
Solid Waste Disposal Fee	821,660
Total Charges for Current Services	<u>\$ 1,182,066</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Lease/Rentals	\$ 61,677
Sale of Recycled Materials	96,816
Total Other Local Revenues	<u>\$ 158,493</u>
Total Operating Revenues	<u>\$ 1,340,559</u>
<u>Nonoperating Revenues</u>	
Investment Income	\$ 8,169
Insurance Recovery	12,783
Litter Program Grant	43,296
Solid Waste Grants	11,125
Total Nonoperating Revenues	<u>\$ 75,373</u>
Total Revenues	<u>\$ 1,415,932</u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Sanitation Management</u>	
Supervisor/Director	\$ 55,213
Deputies	28,920
Data Processing Personnel	26,608

(Continued)

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

	Major Enterprise Fund
	<hr/> Solid Waste Disposal Fund <hr/>
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Sanitation Management (Cont.)</u>	
Equipment Operators	\$ 39,862
Equipment Operators - Heavy	35,236
Laborers	149,222
Clerical Personnel	27,413
Part-time Personnel	71,074
Longevity	14,500
Overtime Pay	13,454
Social Security	33,688
Pension	32,845
Medical Insurance	147,261
Advertising	469
Communication	5,685
Contracts with Government Agencies	6,598
Data Processing Services	3,121
Debt Collection Services	16,640
Legal Services	1,738
Maintenance and Repair Services - Buildings	6,895
Maintenance and Repair Services - Equipment	25,131
Maintenance and Repair Services - Vehicles	3,268
Pest Control	1,620
Postal Charges	5,129
Printing, Stationery, and Forms	197
Travel	1,010
Disposal Fees	331,180
Other Contracted Services	3,546
Custodial Supplies	495
Diesel Fuel	36,398
Electricity	15,292
Gasoline	2,489

(Continued)

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

	Major Enterprise Fund Solid Waste Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Sanitation Management (Cont.)</u>	
Lubricants	\$ 2,096
Office Supplies	1,823
Tires and Tubes	5,806
Uniforms	5,444
Utilities	7,784
Wire	3,498
Testing	1,928
Other Supplies and Materials	3,151
Trustee's Commission	12,014
Depreciation	110,661
Surcharge	4,650
Office Equipment	790
Solid Waste Equipment	26,174
Other Construction	9,062
Total Sanitation Management	<u>\$ 1,337,078</u>
<u>Litter and Trash Collection</u>	
Supervisor/Director	\$ 23,094
Instructional Supplies and Material	11,805
Other Charges	12,231
Total Other Charges	<u>\$ 47,130</u>
<u>Nonoperating Expenses</u>	
Interest on Notes	\$ 1,540
Total Nonoperating Expenses	<u>\$ 1,540</u>
Total Expenses	<u><u>\$ 1,385,748</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, 2019

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 674,573
Total Cash Receipts	<u>\$ 674,573</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 667,827
Trustee's Commission	6,746
Total Cash Disbursements	<u>\$ 674,573</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2018	<u>0</u>
Cash Balance, June 30, 2019	<u><u>\$ 0</u></u>

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## SINGLE AUDIT SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

**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, 2019, and the related notes to the financial statements, which collectively comprise Hickman County's basic financial statements as listed in the table of contents, and have issued our report thereon dated October 3, 2019. Our report on the governmental activities and the aggregate discretely presented component units' financial statements was qualified due to not timely enrolling non-certified school employees into the Tennessee Consolidated Retirement System. Our report on the business-type activities, each major fund, and the aggregate remaining fund information was unmodified.

**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: 2019-003 (A and D) and 2019-004.

### **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: 2019-001, 2019-002, and 2019-003 (B and C).

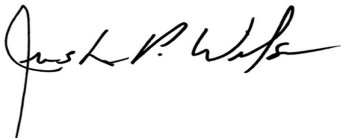
### **Hickman County's Responses to the Findings**

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

October 3, 2019

JPW/yu



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

**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 the Uniform Guidance**

**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, 2019. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2019.

### **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 the Uniform Guidance, 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.

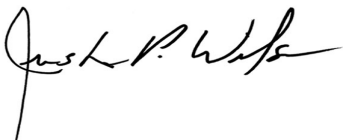
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2019, and the related notes to the financial statements, which collectively comprise Hickman County's basic financial statements. We issued our report thereon dated October 3, 2019. Our report on the governmental activities and the aggregate discretely presented component unit's financial statements was qualified due to not enrolling all eligible school employees into the Tennessee Consolidated Retirement System timely. Our report on the business-type activities, each major fund, and the aggregate remaining fund information was unmodified. 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 the Uniform Guidance 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

October 3, 2019

JPW/yu

Hickman County, Tennessee, and the Hickman County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2)  
For the Year-Ended June 30, 2019

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 101,623 (5)
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	553,524
National School Lunch Program	10.555	N/A	1,230,933 (5)
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	186,102
Total U.S. Department of Agriculture			<u>\$ 2,072,182</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	9,869
Total U.S. Department of Defense			<u>\$ 9,869</u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	4,410
Total U.S. Department of Justice			<u>\$ 4,410</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,145,129
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	872,106
Special Education - Preschool Grants	84.173	N/A	21,394
Career and Technical Education - Basic Grants to States	84.048	N/A	69,465
Rural Education	84.358	N/A	88,852
Supporting Effective Instruction State Grants	84.367	N/A	108,364
Student Support and Academic Enrichment Program	84.424	N/A	28,362
Passed-through Warren County:			
Supporting Effective Instruction State Grants	84.367	N/A	7,535
Total U.S. Department of Education			<u>\$ 2,341,207</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
CCDF Cluster: (4)			
Child Care and Development Block Grant	93.575	(3)	\$ 67,515
Total U.S. Department of Health and Human Services			<u>\$ 67,515</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(3)	\$ 29,850
Homeland Security Grant Program	97.067	(3)	23,941
Total U.S. Department of Homeland Security			<u>\$ 53,791</u>
Total Expenditures of Federal Grants			<u>\$ 4,548,974</u>

(Continued)

Hickman County, Tennessee, and the Hickman County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
State Grants:			
Early Childhood Education - State Department of Education	N/A	(3)	\$ 423,212
Family Resource - State Department of Education	N/A	(3)	59,223
Read to be Ready Coaching Network - State Department of Education	N/A	(3)	10,000
Coordinated School Health - State Department of Education	N/A	(3)	90,000
School Bus Seat Restraint Grant - State Department of Education	N/A	(3)	36,800
Safe Schools Act - State Department of Education	N/A	(3)	139,837
Access to Health and Healthy Built Environments - State Department of Health	N/A	(3)	30,000
Court Security Grant Program - Administrative Office of the Courts	N/A	(3)	57,733
Local Health Services - State Department of Health	N/A	GG-19-58253	297,311
Training Opportunities for the Public - Tennessee State Library and Archives	N/A	(3)	600
Arts Program Categorical Grants - Tennessee Arts Commission	N/A	(3)	4,550
Litter Grant - State Department of Transportation	N/A	(3)	43,296
Optional Waste Tire Grant - State Department of Environment and Conservation	N/A	(3)	11,125
State Supplement Juvenile Court Improvement - State Commission on Children and Youth	N/A	(3)	9,000
Total State Grants			<u>\$ 1,212,687</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) Hickman County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.

(3) Information not available.

(4) Child Nutrition Cluster total \$1,886,080; Special Education Cluster total \$893,500; CCDF Cluster total \$67,515 .

(5) Total for CFDA No. 10.555 is \$1,332,556.

Hickman County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2019

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Hickman County, Tennessee, for the year ended June 30, 2019.

***Prior-year Financial Statement Findings***

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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**HICKMAN COUNTY HEALTH FOUNDATION**

2018	203	2018-001	The Hickman County Health Foundation did not require a depository to adequately collateralize funds	N/A	Not Corrected - See Explanation on Corrective Action Plan
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**OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

2018	204	2018-002	The office had accounting deficiencies	N/A	Not Corrected - See Explanation on Corrective Action Plan
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**OFFICE OF SHERIFF**

2018	205	2018-003	The office had deficiencies in the administration of confidential drug funds	N/A	Corrected
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***Prior-year Federal Awards Findings***

There were no prior-year federal award findings to report.

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**HICKMAN COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2019**

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

**Financial Statements:**

1. Our report on Hickman County's financial statements for the business-type activities, each major fund, and the aggregate remaining fund information is unmodified. Our report on the governmental activities and the aggregate discretely presented component units is qualified as described in the independent auditor's report.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **YES**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* CFDA Number 84.010 Title I Grants to Local Educational Agencies
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

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

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

### **OFFICES OF FINANCE DIRECTOR AND DIRECTOR OF SCHOOLS**

#### **FINDING 2019-001**

#### **SOME ELIGIBLE EMPLOYEES WERE NOT ENROLLED IN THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM TIMELY**

(Material Noncompliance Under *Government Auditing Standards*)

While performing tests to determine the accuracy of retirement participation data, we selected 28 non-certified employees of the discretely presented School Department from Tennessee Consolidated Retirement System (TCRS) census data. This testing revealed 17 of the 28 full-time employees were eligible for participation between seven and 44 months before they were enrolled in the TCRS. Title 8, Chapters 34-37 of *Tennessee Code Annotated (TCA)*, establish and govern the TCRS. These statutes require mandatory participation in the TCRS for all employees of participating employers after a probationary period. The provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)* became effective for the year ended June 30, 2015. This statement modifies the presentation and disclosures for pensions. The effects on the government-wide financial statements and note disclosures are not determinable at this time. Because of this potential misstatement, we have qualified our opinion on the governmental activities opinion unit and the aggregate discretely presented component units opinion unit since the primary government employees and the non-certified employees of the School Department participate in the same TCRS agent plan. This finding will be reported to the TCRS. This deficiency is the result of a lack of management oversight.

#### **RECOMMENDATION**

Hickman County should comply with provisions of Title 8, Chapters 34-37, *TCA*, regarding employee participation in TCRS. Employees should be enrolled in the TCRS in their first month of eligibility. County officials should contact the TCRS to determine a corrective action plan for employees with identified deficiencies in total service credits.

#### **MANAGEMENT'S RESPONSE – FINANCE DIRECTOR**

We concur with the finding.

## MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

The Hickman County School System will comply with provisions of Title 8, Chapters 34-37, TCA, regarding employee enrollment and participation in the TCRS.

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## HICKMAN COUNTY HEALTH FOUNDATION

### FINDING 2019-002

### **THE HICKMAN COUNTY HEALTH FOUNDATION DID NOT REQUIRE A DEPOSITORY TO ADEQUATELY COLLATERALIZE FUNDS**

(Material Noncompliance Under *Government Auditing Standards*)

The Hickman County Health Foundation, a discretely presented component unit of Hickman County, did not require one depository holding county funds to pledge sufficient securities to protect funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 2019, deposits exceeded FDIC coverage by \$456,527. Section 5-8-201, *Tennessee Code Annotated*, provides for county officials to require any bank that is a depository of county funds to deposit in an escrow account in a second bank collateral security equal to 105 percent of such county funds. This deficiency is the result of a lack of management oversight, management's failure to correct the deficiency noted in the prior-year audit report, and the failure to implement their corrective action plan. The failure to adequately collateralize funds could result in a loss for the county.

### RECOMMENDATION

The Hickman County Health Foundation should require all depositories to pledge sufficient securities to protect county funds exceeding FDIC coverage as required by state statute.

## MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur with this finding. The Hickman County Health Foundation is a committee, which controls the decision on investing funds. The committee was made aware of a 1999 finding by auditors for the same procedure, but still chose to invest the money after reviewing the county attorney's opinion. The certificate of deposit was invested for five years, if withdrawn before maturity it would be subject to large penalties that would result in possible loss of principal.

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

### **FINDING 2019-003**

### **THE OFFICE HAD ACCOUNTING DEFICIENCIES**

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

We noted the following deficiencies related to the accounting records in the Office of Circuit and General Sessions Courts Clerk. These deficiencies are the result of a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and the failure to implement their corrective action plan:

- A. The clerk has not taken steps to liquidate the remaining balance of a cash shortage reported June 30, 2015, totaling \$486.
- B. The clerk did not report and pay to the state unclaimed funds (old outstanding checks) totaling \$6,335. At June 30, 2019, Circuit Court had ten outstanding checks totaling \$4,915, and General Sessions Court had 36 outstanding checks totaling \$1,420 that were issued between March 19, 2015, and April 13, 2018. The Unclaimed Property Act, Section 66-29-101, et seq., *Tennessee Code Annotated (TCA)*, provides that any funds held by the office for more than one year and unclaimed by the owner are considered abandoned. This statute further provides for the funds to be reported and paid to the state Treasurer's Office.
- C. At June 30, 2019, the General Sessions Court Clerk had prepared a trial balance of execution docket cause balances as required by Section 18-2-103, *TCA*. However, this trial balance did not reconcile with general ledger accounts by \$42. 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 court 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.
- D. Bank statements were not reconciled properly in either court. Instead, the bookkeeper posted adjustments to the Cash in Bank account for unidentified differences without further investigation. The failure to properly reconcile bank statements allows errors to remain unidentified and uncorrected.

### **RECOMMENDATION**

The clerk should take steps to liquidate the remaining balance of the 2015 cash shortage. The office should report and pay to the state unclaimed funds held for more than one year as required by state statute. The execution docket trial balance should be reconciled with general ledger accounts. Bank statements should be reconciled properly, and any differences should be investigated and corrected.

## MANAGEMENT'S RESPONSE – CIRCUIT COURT CLERK

I have requested that the Hickman County Commission forgive the shortage totaling \$486. The clerk and bookkeeper have been working to submit the old outstanding checks to either the state or the payee. The trial balance of execution docket cause balances and the bank statements have now been reconciled.

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## OFFICE OF SOLID WASTE

### FINDING 2019-004

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

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

The software application created a charge ticket each time a customer disposed of material at the landfill. When payment was later received for the ticket, the application did not properly reflect the payment on the current day's daily checkout report. Sound business practices dictate that proper application controls be implemented. Since the vendor did not design the system with these controls, inappropriate system activity could occur.

### RECOMMENDATION

Management should ensure proper controls are in place to account for all payments.

## MANAGEMENT RESPONSE – SOLID WASTE DIRECTOR

We agree and acknowledge the finding concerning the software not having adequate application controls. We will purchase the proper software application or update the current software to meet the recommendation.

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

There were no findings and questioned costs related to federal awards for the year ended June 30, 2019.

**Hickman County, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2019**

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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**OFFICES OF FINANCE DIRECTOR AND DIRECTOR OF SCHOOLS**

2019-001	Some eligible employees were not enrolled in the Tennessee Consolidated Retirement System timely	212-214
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**HICKMAN COUNTY HEALTH FOUNDATION**

2019-002	The Hickman County Health Foundation did not require a depository to adequately collateralize funds	215
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**OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

2019-003	The office had accounting deficiencies	216-217
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**OFFICE OF SOLID WASTE**

2019-004	The receipting software for the Landfill Office did not have adequate application controls	218
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**Hickman County Finance Office  
114 N. Central Ave., Suite 203  
Centerville, Tennessee 37033**

**September 11, 2019  
Corrective Action Plan**

**Finding 2019-001: Some eligible employees were not enrolled in the Tennessee Consolidated Retirement System timely.**

**Response and corrective Action Plan Prepared by:**  
Annette Elliott, Finance Director

**Person Responsible for Implementing the Corrective Action:**  
Annette Elliott, Finance Director

**Repeat Finding:**  
No

**Planned Corrective Action:** The Finance Dept. and the school system will work closely together to correct this. There will be an internal audit performed to insure this is corrected.

Signature:

A handwritten signature in cursive script that reads "Annette Elliott". The signature is written in dark ink and is positioned above a horizontal line.

Annette Elliott  
Finance Director

**AMY BRYANT**  
9589 S. Lick Creek Rd., Lyles, TN 37098

**RONALD GAMMONS**  
6419 Rice Ln., Lyles, TN 37098

**TIM HOBBS**  
9220 Old Bon Aqua Rd., Bon Aqua, TN 37025

**JIM HUDGINS**  
1297 E. Grinders Switch Rd., Centerville, TN 37033



**Michelle Gilbert**  
Director of Schools  
115 MURPHREE AVENUE  
CENTERVILLE, TN 37033

**JANE HERRON**  
1222 Hwy. 100., Centerville, TN 37033

**STEVE GIANAKOS**  
9792 Dogwood Dr., Bon Aqua, TN 37025

**VANCE WILLIS**  
2868 Hwy 48 N., Nunnely, TN 37137

### **Response and Corrective Action Plan**

#### **FINDING 2019-001: SOME ELIGIBLE EMPLOYEES WERE NOT ENROLLED IN THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM TIMELY.**

##### **Response and Corrective Action Plan Prepared by:**

Michelle Gilbert, Director of Schools  
&  
Michael Elkins, Business Operation Officer

##### **Person Responsible for Implementing the Corrective Action:**

Michael Elkins, Business Operation Officer

##### **Anticipated Completion Date of Corrective Action:**

October 31, 2019

##### **Repeat Finding:**

No

##### **Response:**

The Hickman County School System will comply with provisions of Title 8, Chapters 34-37 of Tennessee Code Annotated (TCA) regarding employee enrollment and participation in the Tennessee Consolidated Retirement System (TCRS).

**Planned Corrective Action:**

- The Hickman County School System (HCSS) is developing and implementing internal control procedures designed to ensure that all HCSS employees are properly enrolled into the TCRS and the enrollment occurs during the first month of an employee's eligibility.
- The HCSS will develop controls with the Hickman County Finance Office to ensure all HCSS employees are properly enrolled into the TCRS and the enrollment occurs during the first month of an employee's eligibility.
- The HCSS will implement procedures requiring monthly reconciliation of eligible employees with the TCRS enrollment report.
- The HCSS will reconcile current eligible employees and their eligible enrollment date with the employee information in the TCRS. The HCSS will contact the TCRS with all identified deficiencies in total service credits to determine and initiate corrective action.

Hickman County Health Foundation  
114 N. Central Ave.  
Centerville, Tn. 37033

September 11th, 2019  
Corrective Action Plan

**Finding 2019-001:** The Hickman County Health Foundation did not require a depository to adequately collateralize funds.

**Response and corrective Action Plan Prepared by:**

Annette Elliott, Finance Director

**Person Responsible for Implementing the Corrective Action:**

Annette Elliott, Finance Director

**Repeat Finding:**

Yes

**Reason Corrective Action was Not Taken in Prior Year:**

The CD was invested for a five year term, if withdrawn before maturity it would be subject to large penalties that would result in possible loss of principal.

**Planned Corrective Action:**

Once the CD reaches its maturity the Hickman County Health Foundation will move the CD to an organization that will properly collateralize the funds.

Signature:

A handwritten signature in cursive script that reads "Annette Elliott".

Annette Elliott  
Finance Director



DANA NICHOLSON  
HICKMAN COUNTY CIRCUIT COURT CLERK  
104 COLLEGE AVE SUIT 204  
CENTERVILLE, TN 37033  
931-729-2211

*Correction Action Plan*

FINDING:           The Office Had Accounting Deficiencies

Response and Corrective Plan of Action Prepared by :  
Dana Nicholson, Circuit Court Clerk

Person Responsible for Implementing the Corrective Action:  
Dana Nicholson, Circuit Court Clerk

Anticipated Completion Date of Corrective Action:  
Immediate Action

Repeat Finding:

Planned Corrective Action:

A. The Clerk did take all steps to have the County Court pass a motion to waive or forgive the shortage in the amount of \$486. Matter was heard on Aug 23, 2019. Clerk will be able to provide all documents after the next County Court meeting held on Sept 23, 2019. Matter has been resolved prior to the EXIT.


B. The Clerk and Bookkeeper have been working with due diligence to correct issues prior to Audit Entry and Exit; however, the prior bookkeeper with Circuit Court Clerks Office resigned and left her position as bookkeeper in May 2019. Currently, the Clerk and newly hired bookkeeper have taken all steps to submit funds to State and or Payee.

C. Matter was resolved prior to Exit.

D. Matter was resolved prior to Exit, funds in question were directly deposited

into the Circuit Court bank account by the State of TN which belonged to the local public library on a grant.

Entered this 12th day of Sept. 2019.

Signature:   
Dana Nicholson, Circuit Court Clerk

HICKMAN COUNTY SOLID WASTE  
2220 Skyview Drive  
Centerville, TN 37033

**Corrective Action Plan**

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

**Response and Corrective Action Plan Prepared by:**  
Marty Turbeville, Solid Waste Director

**Person Responsible for Implementing the Corrective Action:**  
Marty Turbeville, Solid Waste Director

**Anticipated Completion Date of Corrective Action:**  
Date: October 15, 2019

**Repeat Finding:**  
No

**Planned Corrective Action:**

Hickman County Solid Waste Department agrees and acknowledge the findings and recommendations concerning the Software that doesn't have Adequate Application Controls.

I, Marty Turbeville. will upgrade or purchase the proper software for the Solid Waste Department that meets the recommendations the auditor needs by October 15, 2019.

Signature:

