



**ANNUAL FINANCIAL REPORT  
VAN BUREN COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2014**



**ANNUAL FINANCIAL REPORT**  
**VAN BUREN COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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

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

*STEVE REEDER, CPA, CGFM, CFE*  
*Audit Manager*

*ANITA SCARLETT, CPA*  
*Auditor 4*

*TIM BRASHEARS, CGFM*  
*JENI PALADENI, CISA*  
*State Auditors*

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

---



---

## VAN BUREN COUNTY, TENNESSEE

### TABLE OF CONTENTS

---



---

	Exhibit	Page(s)
Summary of Audit Findings		6-7
<u>INTRODUCTORY SECTION</u>		8
Van Buren County Officials		9
<u>FINANCIAL SECTION</u>		10
Independent Auditor's Report		11-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Position	A	16-17
Statement of Activities	B	18-19
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	20-21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	23-24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	25
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	C-5	26-27
Ambulance Service Fund	C-6	28
Highway/Public Works Fund	C-7	29
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	30
Index and Notes to the Financial Statements		31-68
REQUIRED SUPPLEMENTARY INFORMATION:		69
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Van Buren County School Department	E-1	70
Schedule of Funding Progress – Other Postemployment Benefits Plan – Discretely Presented Van Buren County School Department	E-2	71
Notes to the Required Supplementary Information		72

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		73
Nonmajor Governmental Funds:		74
Combining Balance Sheet	F-1	75-76
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	77
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Courthouse and Jail Maintenance Fund	F-3	78
Solid Waste/Sanitation Fund	F-4	79
Local Purpose Tax Fund	F-5	80
Drug Control Fund	F-6	81
Major Governmental Fund:		82
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	83
Fiduciary Funds:		84
Combining Statement of Fiduciary Assets and Liabilities	H-1	85
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	86
Component Unit:		
Discretely Presented Van Buren County School Department:		87
Statement of Activities	I-1	88
Balance Sheet – Governmental Funds	I-2	89
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	90
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	91
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	92
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	93
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	94
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Purpose School Fund	I-8	95-96
School Federal Projects Fund	I-9	97
Central Cafeteria Fund	I-10	98

	Exhibit	Page(s)
Miscellaneous Schedules:		99
Schedule of Changes in Long-term Notes, Other Loans, and Bonds	J-1	100
Schedule of Long-term Debt Requirements by Year	J-2	101-102
Schedule of Transfers – Discretely Presented Van Buren County School Department	J-3	103
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Van Buren County School Department	J-4	104
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	105-114
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Van Buren County School Department	J-6	115-116
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	117-130
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Van Buren County School Department	J-8	131-139
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	J-9	140
 <u>SINGLE AUDIT SECTION</u>		 141
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>		   142-143
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 OMB Circular A-133		   144-146
Schedule of Expenditures of Federal Awards and State Grants		147-148
Schedule of Audit Findings Not Corrected		149
Schedule of Findings and Questioned Costs		150-154
Best Practice		155
Auditee Reporting Responsibilities		156

# ***Summary of Audit Findings***

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

## ***Scope***

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

## ***Results***

Our report on Van Buren County's financial statements is unmodified.

Our audit resulted in six findings and recommendations, which we have reviewed with Van Buren County management. Detailed findings and recommendations are included in the Single Audit section of this report.

## ***Findings***

The following are summaries of the audit findings:

### **OFFICE OF COUNTY MAYOR**

- ◆ The General Debt Service Fund required material audit adjustments for proper financial statement presentation.
- ◆ Competitive bids were not solicited for food and custodial supplies at the jail and liability insurance for the volunteer fire departments.

---

### **OFFICE OF ROAD SUPERINTENDENT**

- ◆ Competitive bids were not solicited for asphalt patchwork.

---

### **OFFICE OF TRUSTEE**

- ◆ The office did not review its software audit logs.

---

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

- ◆ Multiple employees operated from the same cash drawer.
-

**OFFICES OF COUNTY MAYOR, ROAD SUPERINTENDENT, TRUSTEE,  
COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK,  
CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF**

- ◆ Duties were not segregated adequately.

---

---

# INTRODUCTORY SECTION

---

---

# Van Buren County Officials

## June 30, 2014

---

### **Officials**

Herbert Davis, County Mayor  
Danny Hodge, Road Superintendent  
Michael Martin, Director of Schools  
Tammie Clendenon, Trustee  
Darlene Hale, Assessor of Property  
Linda Pettit, County Clerk  
Teresa Simmons Delong, Circuit and General Sessions Courts Clerk  
Tina Shockley, Clerk and Master  
April Shockley, Register of Deeds  
Eddie Carter, Sheriff

### **Board of County Commissioners**

David Sullivan, Chairman  
Lesa Bouldin  
Bennie Bryant  
Robert Dodson  
James Grissom  
Joey Grissom  
Tim Harris  
Walter Hillis  
Mickey Robinson  
Perry Simmons

### **Board of Education**

Ricky Walling, Chairman  
Tabitha Denney  
J.W. Deweese  
Ronnie Hitchcock  
Tim Hodges

### **Audit Committee**

Vernor Curry  
Walter Hillis  
Joshua Keener  
George Rogalle  
June Rogers

---

---

**FINANCIAL SECTION**

---

---



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

Independent Auditor's Report

Van Buren County Mayor and  
Board of County Commissioners  
Van Buren 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Buren County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Van Buren County Emergency Communications District. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Van Buren County Emergency Communications District, is based solely on the report of the other auditors. We were unable to determine Van Buren County Emergency Communications District's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Industrial Development

Board of Van Buren County, a component unit requiring discrete presentation, was not included in the county's financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Buren County, Tennessee, as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparison for the General, Ambulance Service, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

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

### ***Other Matters***

#### ***Required Supplementary Information***

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part

of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plan and other postemployment benefits plan on pages 70 - 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary and Other Information*

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Van Buren County School Department (a discretely presented component unit), 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 by us. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Van Buren County School Department

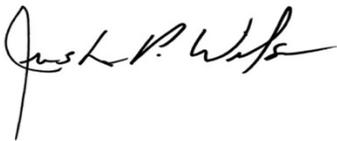
(a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2014, on our consideration of Van Buren County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Van Buren County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 9, 2014

JPW/sb

---

---

# **BASIC FINANCIAL STATEMENTS**

---

---

Exhibit A

Van Buren County, Tennessee  
Statement of Net Position  
June 30, 2014

	Primary Governmental Activities	Component Units	
		Van Buren County School Department	Emergency Communications District
<b><u>ASSETS</u></b>			
Cash	\$ 27,519	\$ 0	\$ 135,298
Equity in Pooled Cash and Investments	2,460,412	4,623,408	0
Accounts Receivable	268,767	1,269	5,134
Allowance for Uncollectibles	(222,872)	0	0
Due from Other Governments	275,729	231,665	2,361
Due from Component Units	2,245,682	0	0
Property Taxes Receivable	2,335,470	940,272	0
Allowance for Uncollectible Property Taxes	(477,200)	(192,123)	0
Prepaid Items	0	0	3,857
Capital Assets:			
Assets Not Depreciated:			
Land	484,324	269,347	60,000
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	776,684	5,563,754	304,173
Other Capital Assets	478,999	586,580	353,726
Infrastructure	3,107,276	5,954	0
Total Assets	<u>\$ 11,760,790</u>	<u>\$ 12,030,126</u>	<u>\$ 864,549</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 0	\$ 87,878	\$ 741
Accrued Payroll	3,686	0	0
Payroll Deductions Payable	896	0	0
Contracts Payable	0	179,029	0
Retainage Payable	0	2,977	0
Accrued Interest Payable	13,294	0	0
Due to Primary Government	0	2,245,682	0
Due to State of Tennessee	3,492	3,113	0
Due to Litigants, Heirs, and Others	242	0	0
Noncurrent Liabilities:			
Due Within One Year	237,603	0	0
Due in More Than One Year	2,428,461	1,230,457	0
Total Liabilities	<u>\$ 2,687,674</u>	<u>\$ 3,749,136</u>	<u>\$ 741</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred Revenue - Current Property Taxes	\$ 1,755,185	\$ 706,647	\$ 0
Total Deferred Inflows of Resources	<u>\$ 1,755,185</u>	<u>\$ 706,647</u>	<u>\$ 0</u>

(Continued)

Exhibit A

Van Buren County, Tennessee  
Statement of Net Position (Cont.)

	Primary Government Governmental Activities	Component Units	
		Van Buren County School Department	Emergency Communications District
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 4,735,984	\$ 6,425,635	\$ 717,899
Restricted for:			
General Government	33,819	0	0
Administration of Justice	19,707	0	0
Public Safety	71,466	0	0
Public Health and Welfare	263	0	0
Highway/Public Works	1,257,152	0	0
Education	0	215,012	0
Debt Service	469,252	0	0
Capital Projects	4,843	0	0
Unrestricted	725,445	933,696	145,909
Total Net Position	<u>\$ 7,317,931</u>	<u>\$ 7,574,343</u>	<u>\$ 863,808</u>

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

Exhibit B

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

Functions/Programs	Program Revenues						Primary Government Total Governmental Activities	Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Van Buren County School Department	Emergency Communications District		Net (Expense) Revenue and Changes in Net Position		
								Van Buren County School Department	Emergency Communications District	
<b>Primary Government:</b>										
Governmental Activities:										
General Government	\$ 607,778	\$ 45,793	\$ 15,164	\$ 279,202	\$ (267,619)	\$ 0	\$ 0	\$ 0		
Finance	281,899	152,392	0	0	(129,507)	0	0	0		
Administration of Justice	242,598	194,918	4,500	188,400	145,220	0	0	0		
Public Safety	1,133,557	86,877	7,990	38,155	(1,000,535)	0	0	0		
Public Health and Welfare	973,296	275,803	20,695	0	(676,798)	0	0	0		
Social, Cultural, and Recreational Services	85,706	602	14,747	1,400	(68,957)	0	0	0		
Agriculture and Natural Resources	76,458	0	15,965	0	(60,493)	0	0	0		
Highways/Public Works	1,529,520	0	1,356,450	0	(173,070)	0	0	0		
Education	8,487	0	0	8,487	0	0	0	0		
Interest on Long-term Debt	78,658	0	0	74,618	(4,040)	0	0	0		
Total Governmental Activities	\$ 5,017,957	\$ 756,385	\$ 1,435,511	\$ 590,262	\$ (2,235,799)	\$ 0	\$ 0	\$ 0		
Total Primary Government	\$ 5,017,957	\$ 756,385	\$ 1,435,511	\$ 590,262	\$ (2,235,799)	\$ 0	\$ 0	\$ 0		
<b>Component Units:</b>										
Van Buren County School Department	\$ 8,095,294	\$ 148,674	\$ 1,034,073	\$ 86,965	\$ 0	\$ (6,825,582)	\$ 0	\$ 0		
Emergency Communications District	382,776	49,740	138,349	0	0	0	0	(194,687)		
Total Component Units	\$ 8,478,070	\$ 198,414	\$ 1,172,422	\$ 86,965	\$ 0	\$ (6,825,582)	\$ 0	\$ (194,687)		

(Continued)

Exhibit B

Van Buren County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Program Revenues		Primary Government	Component Units	
	Charges for Services	Operating Grants and Contributions	Total Governmental Activities	Van Buren County School Department	Emergency Communications District
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes			\$ 1,735,742	\$ 709,448	\$ 0
Property Taxes Levied for Debt Service			26,313	0	0
Local Option Sales Taxes			57,170	335,900	0
Hotel/Motel Tax			62,052	105,654	0
Litigation Taxes			41,334	0	0
Business Tax			16,828	0	0
Wholesale Beer Tax			29,268	0	0
Other Local Taxes			3,796	615	316,050
Grants and Contributions Not Restricted to Specific Programs			359,639	5,238,600	287
Unrestricted Investment Earnings			13,237	287	0
Miscellaneous			47,646	19,309	0
Total General Revenues			\$ 2,393,015	\$ 6,409,813	\$ 316,337
Change in Net Position			\$ 157,216	\$ (415,769)	\$ 121,650
Net Position, July 1, 2013			7,275,581	7,990,112	742,158
Prior-period Adjustment - See Note I.D.8.			(114,866)	0	0
Net Position, June 30, 2014			\$ 7,317,931	\$ 7,574,343	\$ 863,808

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

Exhibit C-1

Van Buren County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2014

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other	Governmental Funds	
\$	0	26,883	0	0	636		27,519
Cash	665,357	111,354	1,017,656	455,966	210,079		2,460,412
Equity in Pooled Cash and Investments	3,983	262,673	0	0	2,111		268,767
Accounts Receivable	0	(222,872)	0	0	0		(222,872)
Allowance for Uncollectibles	32,547	0	243,182	0	0		275,729
Due from Other Governments	1,006	0	0	25,000	0		26,006
Due from Other Funds	1,807,528	250,549	0	35,793	241,600		2,335,470
Property Taxes Receivable	(369,327)	(51,194)	0	(7,314)	(49,365)		(477,200)
Allowance for Uncollectible Property Taxes							
Total Assets	\$ 2,141,094	\$ 377,393	\$ 1,260,838	\$ 509,445	\$ 405,061	\$	4,693,831

ASSETS

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

Total Assets

LIABILITIES

Accrued Payroll  
Payroll Deductions Payable  
Due to Other Funds  
Due to State of Tennessee  
Due to Litigants, Heirs, and Others  
Total Liabilities

\$	0	0	3,686	0	0	0	3,686
	836	60	0	0	0	0	896
	25,000	0	0	0	1,006		26,006
	2,421	659	0	0	412		3,492
	0	0	0	0	242		242
Total Liabilities	\$ 28,257	\$ 719	\$ 3,686	\$ 0	\$ 1,660	\$	34,322

DEFERRED INFLOWS OF RESOURCES

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

\$	1,358,419	188,296	0	26,899	181,571		1,755,185
	73,851	10,294	0	1,471	9,927		95,543
	7,770	19,622	120,945	0	0		148,337
Total Deferred Inflows of Resources	\$ 1,440,040	\$ 218,212	\$ 120,945	\$ 28,370	\$ 191,498	\$	1,999,065

(Continued)

Exhibit C-1

Van Buren County, Tennessee  
Balance Sheet  
Governmental Funds (Cont.)

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other	Governmental Funds	
\$	12,917	\$ 0	\$ 0	\$ 0	\$ 20,902	\$ 33,819	
Restricted for General Government	19,707	0	0	0	0	19,707	
Restricted for Administration of Justice	0	0	0	0	64,113	64,113	
Restricted for Public Safety	263	0	0	0	0	263	
Restricted for Public Health and Welfare	0	0	1,136,207	0	0	1,136,207	
Restricted for Highways/Public Works	4,843	0	0	0	0	4,843	
Restricted for Capital Outlay	0	0	0	481,075	0	481,075	
Restricted for Debt Service							
Committed:							
Committed for Public Health and Welfare	0	158,462	0	0	126,888	285,350	
Unassigned	635,067	0	0	0	0	635,067	
Total Fund Balances	\$ 672,797	\$ 158,462	\$ 1,136,207	\$ 481,075	\$ 211,903	\$ 2,660,444	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,141,094	\$ 377,393	\$ 1,260,838	\$ 509,445	\$ 405,061	\$ 4,693,831	

FUND BALANCES

Restricted:

Restricted for General Government  
 Restricted for Administration of Justice  
 Restricted for Public Safety  
 Restricted for Public Health and Welfare  
 Restricted for Highways/Public Works  
 Restricted for Capital Outlay  
 Restricted for Debt Service

Committed:

Committed for Public Health and Welfare

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

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

Exhibit C-2

Van Buren County, Tennessee  
Reconciliation of the Balance Sheet of Governmental  
Funds to the Statement of Net Position  
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 2,660,444	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	484,324	
Add: infrastructure net of accumulated depreciation		3,107,276	
Add: buildings and improvements net of accumulated depreciation		776,684	
Add: other capital assets net of accumulated depreciation		<u>478,999</u>	4,847,283
(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	\$	(111,299)	
Less: bonds payable		(1,793,682)	
Less: other loans payable		(452,000)	
Add: debt to be contributed by the School Department		2,245,682	
Less: accrued interest on notes and bonds		(13,294)	
Less: landfill postclosure care costs		(248,631)	
Less: compensated absences payable		<u>(60,452)</u>	(433,676)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>243,880</u>
Net position of governmental activities (Exhibit A)			<u>\$ 7,317,931</u>

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

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other	Governmental Funds	
<u>Revenues</u>							
Local Taxes	\$ 1,707,644	\$ 209,047	\$ 2,561	\$ 90,932	\$ 245,659	\$ 2,255,843	
Licenses and Permits	10,176	0	0	0	0	10,176	
Fines, Forfeitures, and Penalties	41,796	0	0	0	9,680	51,476	
Charges for Current Services	12,973	308,798	0	0	49,502	371,273	
Other Local Revenues	42,626	40	21,485	1,806	15,253	81,210	
Fees Received from County Officials	327,504	0	0	0	0	327,504	
State of Tennessee	324,619	0	1,331,029	19,255	0	1,674,903	
Federal Government	316,298	0	0	0	0	316,298	
Other Governments and Citizens Groups	54,111	0	0	238,180	0	292,291	
Total Revenues	\$ 2,837,747	\$ 517,885	\$ 1,355,075	\$ 350,173	\$ 320,094	\$ 5,380,974	
<u>Expenditures</u>							
Current:							
General Government	\$ 458,479	\$ 0	\$ 0	\$ 0	\$ 35,402	\$ 493,881	
Finance	268,760	0	0	0	0	268,760	
Administration of Justice	230,981	0	0	0	300	231,281	
Public Safety	908,333	0	0	31,534	144,434	1,084,301	
Public Health and Welfare	68,515	468,238	0	0	122,259	659,012	
Social, Cultural, and Recreational Services	73,443	0	0	0	0	73,443	
Agriculture and Natural Resources	74,311	0	0	0	0	74,311	
Other Operations	205,990	0	0	0	3,492	209,482	
Highways	25,559	0	1,317,906	0	0	1,343,465	
Debt Service:							
Principal on Debt	0	0	0	227,790	0	227,790	
Interest on Debt	0	0	0	79,436	0	79,436	
Other Debt Service	0	0	0	9,858	0	9,858	
Capital Projects	258,988	0	0	0	0	258,988	
Total Expenditures	\$ 2,573,359	\$ 468,238	\$ 1,317,906	\$ 348,618	\$ 305,887	\$ 5,014,008	

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other Governmental Funds		
Excess (Deficiency) of Revenues Over Expenditures	\$ 264,388	\$ 49,647	\$ 37,169	\$ 1,555	\$ 14,207	\$	\$ 366,966
Net Change in Fund Balances	\$ 264,388	\$ 49,647	\$ 37,169	\$ 1,555	\$ 14,207	\$	\$ 366,966
Fund Balance, July 1, 2013	408,409	108,815	1,099,038	479,520	197,696		2,293,478
Fund Balance, June 30, 2014	\$ 672,797	\$ 158,462	\$ 1,136,207	\$ 481,075	\$ 211,903	\$	\$ 2,660,444

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

Exhibit C-4

Van Buren County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2014

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 366,966
(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	\$ 95,335	
Less: current-year depreciation expense	<u>(339,331)</u>	(243,996)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized		188,400
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2013	\$ (483,006)	
Add: deferred delinquent property taxes and other deferred June 30, 2014	<u>243,880</u>	(239,126)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on notes	\$ 53,701	
Add: principal payments on bonds	39,089	
Add: principal payments on other loans	135,000	
Less: contributions from School Department for bonds and other loans	<u>(155,075)</u>	72,715
(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	\$ 778	
Change in compensated absences payable	3,387	
Change in landfill postclosure care costs	<u>8,092</u>	<u>12,257</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 157,216</u>

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

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,707,644	\$ 1,567,406	\$ 1,566,605	\$ 141,039
Licenses and Permits	10,176	9,400	9,400	776
Fines, Forfeitures, and Penalties	41,796	38,050	38,050	3,746
Charges for Current Services	12,973	8,200	8,200	4,773
Other Local Revenues	42,626	39,900	39,900	2,726
Fees Received from County Officials	327,504	262,000	262,000	65,504
State of Tennessee	324,619	381,375	372,249	(47,630)
Federal Government	316,298	286,528	319,636	(3,338)
Other Governments and Citizens Groups	54,111	31,500	72,526	(18,415)
<b>Total Revenues</b>	<b>\$ 2,837,747</b>	<b>\$ 2,624,359</b>	<b>\$ 2,688,566</b>	<b>\$ 149,181</b>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 21,420	\$ 28,639	\$ 28,639	\$ 7,219
Board of Equalization	1,000	1,500	1,500	500
Beer Board	12	1,000	1,000	988
County Mayor/Executive	133,890	142,263	142,263	8,373
County Attorney	6,600	7,500	7,500	900
Election Commission	117,604	98,620	118,834	1,230
Register of Deeds	72,552	79,432	79,432	6,880
Planning	2,112	3,638	3,638	1,526
County Buildings	103,289	116,885	113,105	9,816
Preservation of Records	0	500	500	500
<u>Finance</u>				
Property Assessor's Office	91,686	97,587	97,587	5,901
County Trustee's Office	82,631	94,842	94,842	12,211
County Clerk's Office	94,443	94,538	95,878	1,435
<u>Administration of Justice</u>				
Circuit Court	99,950	115,090	115,090	15,140
General Sessions Court	37,076	37,180	37,180	104
Chancery Court	78,941	79,632	79,632	691
Juvenile Court	10,000	10,500	10,500	500
Judicial Commissioners	5,014	6,000	6,000	986
<u>Public Safety</u>				
Sheriff's Department	451,396	581,663	599,163	147,767
Jail	378,334	484,261	484,261	105,927
Fire Prevention and Control	1,000	1,000	1,000	0
Rescue Squad	4,000	4,000	4,000	0
Other Emergency Management	2,000	2,000	2,000	0
County Coroner/Medical Examiner	1,915	6,300	6,290	4,375
Public Safety Grants Program	13,748	15,064	15,064	1,316
Other Public Safety	55,940	60,000	60,000	4,060

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 41,715	\$ 34,298	\$ 52,445	\$ 10,730
Regional Mental Health Center	1,800	2,423	2,423	623
Appropriation to State	25,000	25,000	25,000	0
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	18,525	19,349	19,349	824
Senior Citizens Assistance	16,024	18,172	18,172	2,148
Libraries	30,444	29,495	30,895	451
Parks and Fair Boards	1,200	1,200	1,200	0
Other Social, Cultural, and Recreational	7,250	8,000	8,000	750
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	37,732	38,641	38,651	919
Soil Conservation	36,579	36,475	36,915	336
<u>Other Operations</u>				
Industrial Development	20,090	31,000	31,000	10,910
Veterans' Services	7,539	10,000	10,000	2,461
Other Charges	152,367	148,170	152,370	3
Miscellaneous	25,994	29,500	27,300	1,306
<u>Highways</u>				
Litter and Trash Collection	25,559	33,700	33,700	8,141
<u>Capital Projects</u>				
Public Utility Projects	258,988	237,407	258,988	0
Total Expenditures	\$ 2,573,359	\$ 2,872,464	\$ 2,951,306	\$ 377,947
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 264,388	\$ (248,105)	\$ (262,740)	\$ 527,128
Net Change in Fund Balance				
Fund Balance, July 1, 2013	\$ 408,409	\$ 398,018	\$ 398,018	\$ 10,391
Fund Balance, June 30, 2014	\$ 672,797	\$ 149,913	\$ 135,278	\$ 537,519

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

Exhibit C-6

Van Buren County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Ambulance Service Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 209,047	\$ 185,119	\$ 185,119	\$ 23,928
Charges for Current Services	308,798	275,000	275,000	33,798
Other Local Revenues	40	2,000	2,000	(1,960)
Total Revenues	<u>\$ 517,885</u>	<u>\$ 462,119</u>	<u>\$ 462,119</u>	<u>\$ 55,766</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 468,238	\$ 512,600	\$ 512,600	\$ 44,362
Total Expenditures	<u>\$ 468,238</u>	<u>\$ 512,600</u>	<u>\$ 512,600</u>	<u>\$ 44,362</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 49,647</u>	<u>\$ (50,481)</u>	<u>\$ (50,481)</u>	<u>\$ 100,128</u>
Net Change in Fund Balance	\$ 49,647	\$ (50,481)	\$ (50,481)	\$ 100,128
Fund Balance, July 1, 2013	<u>108,815</u>	<u>76,736</u>	<u>134,567</u>	<u>(25,752)</u>
Fund Balance, June 30, 2014	<u>\$ 158,462</u>	<u>\$ 26,255</u>	<u>\$ 84,086</u>	<u>\$ 74,376</u>

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

## Exhibit C-7

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,561	\$ 0	\$ 0	\$ 2,561
Other Local Revenues	21,485	0	0	21,485
State of Tennessee	1,331,029	1,293,925	1,293,925	37,104
Total Revenues	<u>\$ 1,355,075</u>	<u>\$ 1,293,925</u>	<u>\$ 1,293,925</u>	<u>\$ 61,150</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 155,688	\$ 170,398	\$ 170,398	\$ 14,710
Highway and Bridge Maintenance	683,135	813,145	813,145	130,010
Operation and Maintenance of Equipment	271,034	318,354	333,354	62,320
Quarry Operations	11,084	11,300	12,500	1,416
Other Charges	116,904	134,000	134,000	17,096
Employee Benefits	65,181	91,850	91,850	26,669
Capital Outlay	14,880	159,800	143,600	128,720
Total Expenditures	<u>\$ 1,317,906</u>	<u>\$ 1,698,847</u>	<u>\$ 1,698,847</u>	<u>\$ 380,941</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 37,169</u>	<u>\$ (404,922)</u>	<u>\$ (404,922)</u>	<u>\$ 442,091</u>
Net Change in Fund Balance	\$ 37,169	\$ (404,922)	\$ (404,922)	\$ 442,091
Fund Balance, July 1, 2013	1,099,038	1,300,070	1,300,070	(201,032)
Fund Balance, June 30, 2014	<u>\$ 1,136,207</u>	<u>\$ 895,148</u>	<u>\$ 895,148</u>	<u>\$ 241,059</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 414,597
Due from Other Governments	24,183
Cash Shortage	<u>3,000</u>
Total Assets	<u>\$ 441,780</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 24,183
Due to Litigants, Heirs, and Others	<u>417,597</u>
Total Liabilities	<u>\$ 441,780</u>

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

---



---

**VAN BUREN COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

---



---

Note	Page(s)
<b>I. Summary of Significant Accounting Policies</b>	
A. Reporting Entity	32
B. Government-wide and Fund Financial Statements	33
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	34
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	36
2. Receivables and Payables	37
3. Capital Assets	38
4. Deferred Outflows/Inflows of Resources	39
5. Compensated Absences	39
6. Long-term Obligations	40
7. Net Position and Fund Balance	41
8. Prior-period Adjustment	42
<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	43
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	43
<b>III. Stewardship, Compliance, and Accountability</b>	
A. Budgetary Information	43
B. Cash Shortage - Prior Year	44
<b>IV. Detailed Notes on All Funds</b>	
A. Deposits and Investments	44
B. Capital Assets	45
C. Interfund Receivables, Payables, and Transfers	48
D. Long-term Obligations	49
E. On-Behalf Payments	53
F. Short-term Debt	53
<b>V. Other Information</b>	
A. Risk Management	54
B. Accounting Changes	55
C. Subsequent Events	55
D. Contingent Liabilities	56
E. Landfill Postclosure Care Costs	56
F. Retirement Commitments	56
G. Other Postemployment Benefits (OPEB)	60
H. Purchasing Laws	62
<b>VI. Other Notes - Discretely Presented Van Buren County Emergency Communications District</b>	62

**VAN BUREN COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Van Buren 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 Van Buren County:

**A. Reporting Entity**

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

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

The Van Buren County School Department operates the public school system in the county, and the voters of Van Buren 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 Van Buren County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Van Buren County, and the Van Buren County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Industrial Development Board of Van Buren County was created to provide assistance in industrial recruitment in Van Buren County, and the Van Buren County Commission appointed its board of directors. The Van Buren County Industrial Development Board is funded primarily by

contributions from Van Buren County. The financial statements of the Industrial Development Board of Van Buren County were not audited; however, in our opinion this omission is not material to the component units' opinion unit.

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

Administrative Offices:

Van Buren County Emergency  
Communications District  
1150 Old Dunlap Street  
Spencer, TN 38585

The Industrial Development Board  
of Van Buren County  
112 Generation Drive  
Spencer, TN 38585

**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. However, the primary government of Van Buren County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Van Buren 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.

Van Buren County issues all debt for the discretely presented Van Buren County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2014.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds 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 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 Van Buren 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 outflows of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Van Buren County has no proprietary funds to report.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds 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. Van Buren 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 General Debt Service Fund 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.

Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds, which have no measurement focus. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Van Buren 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.

**Ambulance Service Fund** – This special revenue fund accounts for the transactions of the county’s Ambulance Service. Patient charges are the foundational revenue of this fund.

**Highway/Public Works Fund** – This special revenue fund accounts for the 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.

Additionally, Van Buren 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 Van Buren 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 Van Buren 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 Van Buren 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 expenditure for specified purposes other than debt service or capital projects.

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.

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

**1. Deposits and Investments**

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 Van Buren 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 Fund. Van Buren County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the

balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 11.94 percent of total taxes levied.

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.

Most payables are disaggregated on the face of the financial statements.

Retainage payable in the discretely presented School Department represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the General Purpose School Fund.

### **3. 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 column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Primary Government:	
Buildings and Improvements	15 - 40
Other Capital Assets	5 - 15
Infrastructure:	
Roads	20 - 50
Bridges	40
Discretely Presented School Department:	
Buildings and Improvements	25 - 40
Other Capital Assets	5 - 20
Infrastructure	40 - 50

**4. 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 no items that qualify for reporting in this category.

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

**5. Compensated Absences**

Primary Government

The general policy of Van Buren County (with the exception of the Highway Department) permits employees to accumulate earned but unused vacation and sick leave. Vacation and sick leave are each granted at the rate of one day per month. Employees of the county do

not have a limit on the number of vacation or sick days that can be accumulated. Upon termination of employment, an employee will be paid for any unused vacation.

The policy of the Highway Department allows employees to accumulate earned but unused sick leave. Sick leave is granted at a rate of one day per month. Employees are paid for their unused sick leave balance each December 31 and June 30.

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

#### Discretely Presented Van Buren County School Department

The general policy of the discretely presented Van Buren County School Department does not allow for the accumulation of vacation days beyond year-end for professional personnel. However, the contract with the director of schools does permit accumulation of earned but unused vacation benefits of 12 days per year. All professional personnel (teachers) of the School Department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment attached, and therefore, is not required to be accrued or recorded. The director of school's vacation pay is accrued when incurred in the government-wide financial statements for the School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

#### **6. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources 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.

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

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

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

As of June 30, 2014, Van Buren County had \$2,245,682 in outstanding debt for the capital purposes for the discretely presented Van Buren County School Department. This debt is a liability of Van Buren County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Van Buren 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.

**8. Prior-period Adjustment**

Capital assets were reduced \$114,866 from the prior year because they included vehicles and equipment titled to the volunteer fire departments.

**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 Van Buren County School Department**

Exhibit I-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.

**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 Van Buren County School Department**

Exhibit I-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. 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, County Mayor, County Attorney, 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 the GAAP basis is presented on the face of each budgetary schedule.

**B. Cash Shortage - Prior Year**

During the prior year, the Sheriff's Department had a cash shortage of \$3,000. This shortage resulted from not properly accounting for funds received from the County Mayor's Office for confidential undercover drug operations. On February 19, 2014, a former employee of the Sheriff's Department was indicted on multiple counts of theft and official misconduct related to this and other incidents, which occurred when the individual was an employee of the Sheriff's Department. No payments were received during the year examined to liquidate this shortage; therefore, a cash shortage of \$3,000 is reflected in the county's financial statements at June 30, 2014.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Van Buren County and the Van Buren 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, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheet or statements of net position represents nonpooled amounts held separately by individual funds.

**Deposits**

**Legal Provisions.** All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount

of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for the purposes of credit risk disclosure.

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

### **Investments**

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The county had no pooled or nonpooled investments at June 30, 2014.

### **B. Capital Assets**

Capital assets activity for the year ended June 30, 2014, was as follows:

## Primary Government

### Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 295,924	\$ 188,400	\$ 0	\$ 484,324
Total Capital Assets Not Depreciated	<u>\$ 295,924</u>	<u>\$ 188,400</u>	<u>\$ 0</u>	<u>\$ 484,324</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 1,536,888	\$ 0	\$ 0	\$ 1,536,888
Roads and Bridges	6,494,120	0	0	6,494,120
Other Capital Assets	3,455,758	95,335	(869,989)	2,681,104
Total Capital Assets Depreciated	<u>\$ 11,486,766</u>	<u>\$ 95,335</u>	<u>\$ (869,989)</u>	<u>\$ 10,712,112</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 728,775	\$ 31,429	\$ 0	\$ 760,204
Roads and Bridges	3,239,255	147,589	0	3,386,844
Other Capital Assets	2,796,915	160,313	(755,123)	2,202,105
Total Accumulated Depreciation	<u>\$ 6,764,945</u>	<u>\$ 339,331</u>	<u>\$ (755,123)</u>	<u>\$ 6,349,153</u>
Total Capital Assets Depreciated, Net	<u>\$ 4,721,821</u>	<u>\$ (243,996)</u>	<u>\$ (114,866)</u>	<u>\$ 4,362,959</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,017,745</u>	<u>\$ (55,596)</u>	<u>\$ (114,866)</u>	<u>\$ 4,847,283</u>

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

### Governmental Activities:

General Government	\$ 30,268
Public Safety	45,013
Public Health and Welfare	59,595
Highways/Public Works	<u>204,455</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 339,331</u>

**Discretely Presented Van Buren County School Department**

**Governmental Activities:**

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 269,347	\$ 0	\$ 0	\$ 269,347
Total Capital Assets Not Depreciated	<u>\$ 269,347</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 269,347</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 9,264,018	\$ 0	\$ 0	\$ 9,264,018
Infrastructure	22,760	0	0	22,760
Other Capital Assets	1,094,689	87,878	(51,747)	1,130,820
Total Capital Assets Depreciated	<u>\$ 10,381,467</u>	<u>\$ 87,878</u>	<u>\$ (51,747)</u>	<u>\$ 10,417,598</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 3,468,574	\$ 231,690	\$ 0	\$ 3,700,264
Infrastructure	15,680	1,126	0	16,806
Other Capital Assets	532,684	62,786	(51,230)	544,240
Total Accumulated Depreciation	<u>\$ 4,016,938</u>	<u>\$ 295,602</u>	<u>\$ (51,230)</u>	<u>\$ 4,261,310</u>
Total Capital Assets Depreciated, Net	<u>\$ 6,364,529</u>	<u>\$ (207,724)</u>	<u>\$ (517)</u>	<u>\$ 6,156,288</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,633,876</u>	<u>\$ (207,724)</u>	<u>\$ (517)</u>	<u>\$ 6,425,635</u>

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

**Governmental Activities:**

Instruction	\$ 233,722
Support Services	<u>61,880</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 295,602</u></u>

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

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

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 1,006
General Debt Service	General	25,000
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	2,629

These balances 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.

**Due to/from Primary Government and Component Unit:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General Debt Service	Component Unit: School Department: General Purpose School	\$ 2,245,682

The Due to Primary Government is the balance of bonds and other loans issued by the county for the School Department. The School Department has agreed to contribute the funds annually to retire these bonds and other loans. These long-term obligations are reflected in governmental activities on the Statement of Net Position.

**Interfund Transfers:**

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

**Discretely Presented Van Buren County School Department**

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental funds	\$ 4,729

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.

**D. Long-term Obligations**

**Primary Government**

**General Obligation Bonds, Notes, and Other Loans**

Van Buren County issues general obligation bonds and 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.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and the other loans outstanding were issued for original terms of up to 40 years for bonds, three years for notes, and 20 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. The bonds, notes, and other loans included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

The general obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds	4	%	4-25-52	\$ 1,833,060	\$ 1,793,682
Capital Outlay Notes	2.4		12-3-15	165,000	111,299
Other Loans	Variable		5-15-17	2,000,000	452,000

In prior years, Van Buren County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority issued variable rate bonds of \$2,000,000 and loaned the proceeds to Van Buren County for the construction of an elementary school. This loan is repayable at a tax-exempt variable rate of interest determined by the remarking agent daily or weekly depending on the particular program. At June 30, 2014, the variable interest rate was .38 percent, and other fees totaled approximately 1.2 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal. In addition, a trustee fee is charged on this loan at \$85 per month.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 20,878	\$ 71,747	\$ 92,625
2016	21,713	70,912	92,625
2017	22,581	70,044	92,625
2018	23,485	69,140	92,625
2019	24,424	68,201	92,625
2020-2024	137,580	325,545	463,125
2025-2029	167,386	295,739	463,125
2030-2034	203,652	259,473	463,125
2035-2039	247,773	215,352	463,125
2040-2044	301,454	161,671	463,125
2045-2049	366,765	96,360	463,125
2050-2052	255,991	20,701	276,692
Total	<u>\$ 1,793,682</u>	<u>\$ 1,724,885</u>	<u>\$ 3,518,567</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 54,990	\$ 2,671	\$ 57,661
2016	56,309	1,352	57,661
Total	<u>\$ 111,299</u>	<u>\$ 4,023</u>	<u>\$ 115,322</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2015	\$ 143,000	\$ 1,718	\$ 6,806	\$ 151,524
2016	150,000	1,174	4,975	156,149
2017	159,000	604	3,055	162,659
Total	\$ 452,000	\$ 3,496	\$ 14,836	\$ 470,332

There is \$481,075 available in the General Debt Service Fund to service long-term debt. Debt per capita, including the bonds, notes, and other loans totaled \$425, based on the 2010 federal census.

The School Department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government.

Description of Indebtedness	Outstanding 6-30-14
<u>Other Loans Payable</u>	
<u>Public Building Authority Loan Agreement</u>	
<u>Contributions from the General Purpose School Fund</u>	
School	\$ 452,000
<u>Bonds Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
General Obligation Bonds	1,793,682
Total	\$ 2,245,682

Changes in Long-term Obligations

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

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2013	\$ 1,832,771	\$ 165,000	\$ 587,000
Reductions	(39,089)	(53,701)	(135,000)
Balance, June 30, 2014	<u>\$ 1,793,682</u>	<u>\$ 111,299</u>	<u>\$ 452,000</u>
Balance Due Within One Year	<u>\$ 20,878</u>	<u>\$ 54,990</u>	<u>\$ 143,000</u>

Governmental Activities:

	Compensated Absences	Landfill Postclosure Care Costs
Balance, July 1, 2013	\$ 68,544	\$ 252,018
Additions	51,245	4,636
Reductions	(59,337)	(8,023)
Balance, June 30, 2014	<u>\$ 60,452</u>	<u>\$ 248,631</u>
Balance Due Within One Year	<u>\$ 3,023</u>	<u>\$ 15,712</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 2,666,064
Less: Balance Due Within One Year	<u>(237,603)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,428,461</u>

Compensated absences will be paid from the employing funds, primarily the General and Ambulance Service funds. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

**Discretely Presented Van Buren County School Department**

Changes in Long-term Obligations

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

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	\$ 19,753	\$ 1,148,044
Additions	4,353	132,183
Reductions	(24,106)	(49,770)
	<hr/>	<hr/>
Balance, June 30, 2014	\$ 0	\$ 1,230,457
	<hr/>	<hr/>
Balance Due Within One Year	\$ 0	\$ 0
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 1,230,457
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,230,457</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Van Buren County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, were \$19,731 and \$8,740, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**F. Short-term Debt**

On September 18, 2003, Van Buren County issued tax anticipation notes of \$65,000 from the General Debt Service Fund in advance of property tax collections and deposited the proceeds in the General Fund. These funds were necessary because funds were not available to meet the current expenditures. This note should have been retired by June 30, 2004. During the year, the General Fund made the final payment of \$16,250 to the General Debt Service Fund to retire this debt.

On September 28, 2007, Van Buren County issued a tax anticipation note of \$8,400 from the General Debt Service Fund in advance of property tax collections and deposited the proceeds in the General Fund. These funds were necessary to pay the credit card balance from the prior-year cash shortage. This note should have been retired by June 30, 2008. During the year, the General Fund repaid the \$8,400 to the General Debt Service Fund.

Short-term debt activity for the year ended June 30, 2014, was as follows:

	Balance 7-1-13	Issued	Paid	Balance 6-30-14
Tax Anticipation Notes	\$ 24,650	\$ 0	\$ (24,650)	\$ 0

**V. OTHER INFORMATION**

**A. Risk Management**

**Primary Government**

The county is exposed to various risks related to general liability, property, casualty, and workers' compensation losses. The county's risk of loss relating to general liability, property, casualty, and workers' compensation is covered by participation in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund (LGWCF), which are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The county pays annual premiums to these pools for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of these pools provides for them to be self-sustaining through member premiums. The LGPCF and LGWCF reinsure through commercial insurance companies for claims exceeding \$100,000 for each insured event.

The county carries commercial insurance for risks of loss for the volunteer fire departments. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

Van Buren County does not provide health insurance for its employees.

**Discretely Presented Van Buren County School Department**

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

**B. Accounting Changes**

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

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

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

**C. Subsequent Events**

Director of Schools Mike Martin retired June 30, 2014, and was succeeded by Cheryl Cole effective July 1, 2014.

On August 19, 2014, the County Commission passed a resolution authorizing the retirement of the Van Buren County Industrial Development Board's outstanding debt of \$159,000. The commission voted to pay \$80,000 toward the debt during the year ending June 30, 2015, and \$79,000 toward the debt during the year ending June 30, 2016.

On August 31, 2014, Herbert Davis left the Office of County Mayor and was succeeded by Greg Wilson, Danny Hodge left the Office of Road Superintendent and was succeeded by Randy Oakes, Linda Pettit left the Office of County Clerk and was succeeded by Lisa Rigsby, and Teresa Simmons Delong left the Office of Circuit and General Sessions Courts Clerk and was succeeded by B.J. Baker.

**D. Contingent Liabilities**

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

**E. Landfill Postclosure Care Costs**

Van Buren County has an active permit on file with the state Department of Environment and Conservation for a sanitary 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. Van Buren County closed its sanitary landfill in 1996. The \$248,631 reported as postclosure care liability at June 30, 2014, represents amounts based on what it would cost to perform all postclosure care in 2014. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Retirement Commitments**

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

**Plan Description**

Information for this footnote for the year ended June 30, 2014, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented below is for the fiscal year ended June 30, 2013.

Employees of Van Buren County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members

with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Van Buren County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

### **Funding Policy**

Van Buren County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 8.82 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

### **Annual Pension Cost**

For the year ended June 30, 2013, Van Buren County's annual pension cost of \$254,812 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being

amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was seven years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

### **Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	\$254,812	100%	\$0
6-30-12	252,126	100	0
6-30-11	247,119	100	0

### **Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the plan was 85.97 percent funded. The actuarial accrued liability for benefits was \$6.27 million, and the actuarial value of assets was \$5.39 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.88 million. The covered payroll (annual payroll of active employees covered by the plan) was \$2.83 million, and the ratio of the UAAL to the covered payroll was 31.09 percent.

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

## **SCHOOL TEACHERS**

### **Plan Description**

The Van Buren County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the

result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2013, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2013, 2012, and 2011, were \$310,858, \$308,133, and \$307,916, respectively, equal to the required contributions for each year.

## **2. Deferred Compensation**

The School Department offers its employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding the program are the responsibility of plan participants. The 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the plan.

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

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2014, the discretely presented Van Buren County School Department contributed \$49,770 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	<u>Local Education Group Plan</u>
ARC	\$ 131,000
Interest on the NOPEBO	45,922
Adjustment to the ARC	(44,739)
Annual OPEB cost	<u>\$ 132,183</u>
Amount of contribution	(49,770)
Increase/decrease in NOPEBO	<u>\$ 82,413</u>
Net OPEB obligation, 7-1-13	<u>1,148,044</u>
Net OPEB obligation, 6-30-14	<u><u>\$ 1,230,457</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Education Group	\$ 248,176	19%	\$ 943,330
6-30-13	"	250,680	18	1,148,044
6-30-14	"	132,183	38	1,230,457

#### Funded Status and Funding Progress

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

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 1,272,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,272,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 3,459,650
UAAL as a % of covered payroll	37%

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

#### Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.5 percent for fiscal year 2014. The trend rate will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

**H. Purchasing Laws**

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by Chapter 36, Private Acts of 1973, and Chapter 111, Private Acts of 1986, which provide for competitive bids to be solicited on all purchases exceeding \$2,500.

Office of Road Superintendent

Chapter 460, Private Acts of 1951, as amended, and Section 54-7-113, *Tennessee Code Annotated (TCA)*, (Uniform Road Law), govern purchasing procedures for the Highway Department. Provisions of the Uniform Road Law require all purchases exceeding \$10,000 to be based on publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

**VI. OTHER NOTES – DISCRETELY PRESENTED VAN BUREN COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

**A. Summary of Significant Accounting Policies**

The Van Buren County Emergency Communications District was established for the purpose of providing an enhanced level of 911 services to the Van Buren County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due

to increased speed in the transmittal of critical information and improved reliability of address and information. It is a component unit of Van Buren County. The Van Buren County Emergency Communications District is run by a board of directors appointed by Van Buren County. The district must file a budget with Van Buren County each year. Any bond issued by the district is subject to approval by Van Buren County.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis of accounting when the exchange takes place. Nonexchange transactions, in which the district receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. On an accrual basis, expenses are recognized at the time they are incurred. The district also uses the economic resources measurement focus.

**1. Depreciation**

Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives. Depreciation begins when the capital assets are placed in service. Any capital assets purchased over \$10,000 are capitalized. Depreciation is summarized as follows:

	Method	Estimated Useful Life	2014 Depreciation
Buildings and Improvements	S/L	40 years	\$ 12,072
Furniture and Fixtures	S/L	10 years	2,250
Office Equipment	S/L	5-10 years	550
Communications Equipment	S/L	5-10 years	71,612
Total			<u>\$ 86,484</u>

**2. Major Sources of Revenue**

The major sources of operating revenue are emergency telephone, wireless surcharges, and operational funding from the Tennessee Emergency Communications Board (TECB). Nonoperating revenue consists of grants given by the TECB, contributions from Van Buren County and the City of Spencer, and miscellaneous income.

**3. Net Position**

Net position presents the difference between assets and liabilities in the Statement of Net Position. Net investment in capital assets is reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on

their use by the district legislation or external restrictions by creditors, grantors, laws, or regulations of other governments. If restricted and unrestricted assets are available for the same purpose, then restricted assets will be used before unrestricted assets.

**B. Cash and Cash Investments**

The *Tennessee Code Annotated (TCA)*, requires Tennessee banks and savings and loan associations to secure a governmental entity's deposits by pledging government securities as collateral. The market value of pledged securities must equal 105 percent of the entity's deposits. The entity may waive collateral requirements for deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) or Savings Association Insurance Fund (SAIF).

The following is a schedule of bank accounts at June 30, 2014:

Operating Checking - Citizens Bank	\$ 85,190
Savings - Citizens Bank	<u>50,108</u>
Total Deposits	<u>\$ 135,298</u>

At June 30, 2014, the carrying amount of the Van Buren County Emergency Communications District's cash deposits was \$135,298. The district's deposit accounts are covered up to \$250,000 by FDIC. The district is authorized to deposit and invest funds according to the provisions of Section 5-8-301, *TCA*.

**C. Bonding**

Van Buren County Emergency Communications District has a bond covering certain members of the board at June 30, 2014. The district also has insurance covering liability and buildings and contents. There have been no losses or settlements that exceeded coverage during the past three years.

**D. Capital Assets**

The following is a schedule of capital assets at June 30, 2014:

Assets	Cost	Accumulated Depreciation	Net
Non-Depreciable:			
Land	\$ 60,000	\$ 0	\$ 60,000
Depreciable:			
Buildings and Improvements	\$ 380,177	\$ 76,004	\$ 304,173
Furniture and Fixtures	22,494	13,480	9,014
Office Equipment	2,750	2,200	550
Communications Equipment	524,517	180,355	344,162
Total Depreciable	<u>\$ 929,938</u>	<u>\$ 272,039</u>	<u>\$ 657,899</u>
Total Assets	<u>\$ 989,938</u>	<u>\$ 272,039</u>	<u>\$ 717,899</u>

Assets	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Non-Depreciable:				
Land	\$ 60,000	\$ 0	0	\$ 60,000
Depreciable:				
Buildings and Improvements	\$ 380,177	\$ 0	\$ 0	\$ 380,177
Furniture and Fixtures	22,494	0	0	22,494
Office Equipment	2,750	0	0	2,750
Communications Equipment	343,640	180,877	0	524,517
Total Depreciable	<u>\$ 749,061</u>	<u>\$ 180,877</u>	<u>\$ 0</u>	<u>\$ 929,938</u>
Total Assets	<u>\$ 809,061</u>	<u>\$ 180,877</u>	<u>\$ 0</u>	<u>\$ 989,938</u>

**E. Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

**F. Accounts Receivable/Due from State**

The amounts due to the district from the wireless charges and Tennessee Emergency Communications Board include the following:

Ben Lomand	\$ 3,137
Bledsoe Telephone	<u>1,997</u>
Subtotal	\$ 5,134
State of Tennessee - ECB Wireless	<u>2,361</u>
Total	<u><u>\$ 7,495</u></u>

**G. Compensated Absences**

There were no compensated absences for June 30, 2014.

**H. Calculation of Investment in Capital Assets**

Net Book Value	\$ 717,899
Current and Non-current Debt	<u>0</u>
Investment in Capital Assets	<u><u>\$ 717,899</u></u>

**I. Budgetary Information**

The district must file a budget with Van Buren County each year. The budget is prepared on the accrual basis of accounting. Compliance with the legally adopted budget is required at the line-item level.

**J. Pension Plan**

Information for this footnote for the year ended June 30, 2014, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented below is for the fiscal year ended June 30, 2013.

Plan Description

Employees of Van Buren County Emergency Communications District are members of the Political Subdivision Pension Plan (PSPP), and agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and

members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Van Buren County Emergency Communications District participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

### Funding Policy

Van Buren County Emergency Communications District requires employees to contribute five percent of earnable compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 5.53 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the district is established and may be amended by the TCRS Board of Trustees.

### Annual Pension Cost

For the year ended June 30, 2013, Van Buren County Emergency Communications District's annual pension cost of \$4,422 to TCRS was equal to the district's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), and (d) projected 3.5 percent annual increase in the Social Security wage base.

The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. The district's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was 11 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

### Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	\$ 4,422	100 %	\$ 0
6-30-12	4,134	100	0
6-30-11	4,303	100	0

### Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 77.44 percent funded. The actuarial accrued liability for benefits was \$.06 million, and the actuarial value of assets was \$.05 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.01 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.07 million, and the ratio of the UAAL to the covered payroll was 19.39 percent.

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

---

---

**REQUIRED SUPPLEMENTARY  
INFORMATION**

---

---

Exhibit E-1

Van Buren County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Van Buren County School Department  
June 30, 2014

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$ 5,386	\$ 6,265	\$ 879	85.97 %	\$ 2,827	31.09 %
7-1-09	4,145	4,162	17	99.59	2,452	0.70
7-1-07	3,692	3,713	21	99.43	2,233	0.94

Information for this exhibit for the year ended June 30, 2014, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented above is for the fiscal year ended June 30, 2013.

Exhibit E-2

Van Buren County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plan  
Discretely Presented Van Buren County School Department  
June 30, 2014

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-10	\$ 0	\$ 2,072	\$ 2,072	0 %	\$ 1,786	116 %
"	7-1-11	0	2,195	2,195	0	3,336	66
"	7-1-13	0	1,272	1,272	0	3,460	37

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

NONE

---

---

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

---

---

# Nonmajor Governmental Funds

## Special Revenue Funds

---

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

---

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions involving solid waste collection.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for a special property tax levied to provide funding for Van Buren County Volunteer Fire Departments.

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

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.

Exhibit F-1

Van Buren County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2014

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Solid Waste/ Sanitation	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	
\$	0 \$	0 \$	0 \$	0 \$	636 \$	636
	20,971	125,299	47,279	16,530	0	210,079
	0	1,741	0	0	370	2,111
	0	62,637	178,963	0	0	241,600
	0	(12,798)	(36,567)	0	0	(49,365)
\$	20,971 \$	176,879 \$	189,675 \$	16,530 \$	1,006 \$	405,061

ASSETS

Cash	
Equity in Pooled Cash and Investments	
Accounts Receivable	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	
Total Assets	

LIABILITIES

Due to Other Funds	
Due to State of Tennessee	
Due to Litigants, Heirs, and Others	
Total Liabilities	

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	
Deferred Delinquent Property Taxes	
Total Deferred Inflows of Resources	

(Continued)

Exhibit F-1

Van Buren County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees		
Restricted:							
Restricted for General Government	\$ 20,902	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	20,902
Restricted for Public Safety	0	0	47,825	16,288	0	0	64,113
Committed:							
Committed for Public Health and Welfare	0	126,888	0	0	0	0	126,888
Total Fund Balances	\$ 20,902	\$ 126,888	\$ 47,825	\$ 16,288	\$ 0	\$ 0	\$ 211,903
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 20,971	\$ 176,879	\$ 189,675	\$ 16,530	\$ 1,006	\$ 0	\$ 405,061

FUND BALANCES

Exhibit F-2

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

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees		
<u>Revenues</u>							
Local Taxes	\$ 36,208	\$ 54,303	\$ 155,148	\$ 0	\$ 0	\$ 0	\$ 245,659
Fines, Forfeitures, and Penalties	0	0	0	9,680	0	0	9,680
Charges for Current Services	0	49,202	0	0	300	0	49,502
Other Local Revenues	0	15,251	2	0	0	0	15,253
Total Revenues	\$ 36,208	\$ 118,756	\$ 155,150	\$ 9,680	\$ 300	\$ 300	\$ 320,094
<u>Expenditures</u>							
Current:							
General Government	\$ 35,402	0	0	0	0	0	35,402
Administration of Justice	0	0	0	0	300	0	300
Public Safety	3,536	0	140,000	898	0	0	144,434
Public Health and Welfare	0	122,259	0	0	0	0	122,259
Other Operations	352	0	3,044	96	0	0	3,492
Total Expenditures	\$ 39,290	\$ 122,259	\$ 143,044	\$ 994	\$ 300	\$ 300	\$ 305,887
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,082)	\$ (3,503)	\$ 12,106	\$ 8,686	\$ 0	\$ 0	\$ 14,207
Net Change in Fund Balances Fund Balance, July 1, 2013	\$ (3,082)	\$ (3,503)	\$ 12,106	\$ 8,686	\$ 0	\$ 0	\$ 14,207
	23,984	130,391	35,719	7,602	0	0	197,696
Fund Balance, June 30, 2014	\$ 20,902	\$ 126,888	\$ 47,825	\$ 16,288	\$ 0	\$ 0	\$ 211,903

Exhibit F-3

Van Buren County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Courthouse and Jail Maintenance Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 36,208	\$ 50,000	\$ 50,000	\$ (13,792)
Total Revenues	\$ 36,208	\$ 50,000	\$ 50,000	\$ (13,792)
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 35,402	\$ 41,270	\$ 41,270	\$ 5,868
<u>Public Safety</u>				
Jail	3,536	8,000	8,000	4,464
<u>Other Operations</u>				
Other Charges	352	450	450	98
Total Expenditures	\$ 39,290	\$ 49,720	\$ 49,720	\$ 10,430
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,082)	\$ 280	\$ 280	\$ (3,362)
Net Change in Fund Balance	\$ (3,082)	\$ 280	\$ 280	\$ (3,362)
Fund Balance, July 1, 2013	23,984	23,983	23,983	1
Fund Balance, June 30, 2014	\$ 20,902	\$ 24,263	\$ 24,263	\$ (3,361)

Exhibit F-4

Van Buren County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 54,303	\$ 51,796	\$ 51,796	\$ 2,507
Charges for Current Services	49,202	48,000	48,000	1,202
Other Local Revenues	15,251	15,000	15,000	251
Total Revenues	<u>\$ 118,756</u>	<u>\$ 114,796</u>	<u>\$ 114,796</u>	<u>\$ 3,960</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 19,130	\$ 20,835	\$ 20,835	\$ 1,705
Convenience Centers	95,106	115,550	115,100	19,994
Landfill Operation and Maintenance	8,023	7,600	8,050	27
Total Expenditures	<u>\$ 122,259</u>	<u>\$ 143,985</u>	<u>\$ 143,985</u>	<u>\$ 21,726</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,503)</u>	<u>\$ (29,189)</u>	<u>\$ (29,189)</u>	<u>\$ 25,686</u>
Net Change in Fund Balance	\$ (3,503)	\$ (29,189)	\$ (29,189)	\$ 25,686
Fund Balance, July 1, 2013	<u>130,391</u>	<u>132,096</u>	<u>132,096</u>	<u>(1,705)</u>
Fund Balance, June 30, 2014	<u>\$ 126,888</u>	<u>\$ 102,907</u>	<u>\$ 102,907</u>	<u>\$ 23,981</u>

Exhibit F-5

Van Buren County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Local Purpose Tax Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 155,148	\$ 140,630	\$ 140,630	\$ 14,518
Other Local Revenues	2	500	544	(542)
Total Revenues	<u>\$ 155,150</u>	<u>\$ 141,130</u>	<u>\$ 141,174</u>	<u>\$ 13,976</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Fire Prevention and Control	\$ 140,000	\$ 140,000	\$ 140,000	\$ 0
<u>Other Operations</u>				
Other Charges	3,044	3,000	3,044	0
Total Expenditures	<u>\$ 143,044</u>	<u>\$ 143,000</u>	<u>\$ 143,044</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 12,106</u>	<u>\$ (1,870)</u>	<u>\$ (1,870)</u>	<u>\$ 13,976</u>
Net Change in Fund Balance	\$ 12,106	\$ (1,870)	\$ (1,870)	\$ 13,976
Fund Balance, July 1, 2013	<u>35,719</u>	<u>34,320</u>	<u>34,320</u>	<u>1,399</u>
Fund Balance, June 30, 2014	<u><u>\$ 47,825</u></u>	<u><u>\$ 32,450</u></u>	<u><u>\$ 32,450</u></u>	<u><u>\$ 15,375</u></u>

Exhibit F-6

Van Buren County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Drug Control Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 9,680	\$ 7,500	\$ 7,500	\$ 2,180
Other Local Revenues	0	3,500	3,500	(3,500)
Total Revenues	<u>\$ 9,680</u>	<u>\$ 11,000</u>	<u>\$ 11,000</u>	<u>\$ (1,320)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 898	\$ 10,400	\$ 10,400	\$ 9,502
<u>Other Operations</u>				
Other Charges	96	125	125	29
Total Expenditures	<u>\$ 994</u>	<u>\$ 10,525</u>	<u>\$ 10,525</u>	<u>\$ 9,531</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 8,686</u>	<u>\$ 475</u>	<u>\$ 475</u>	<u>\$ 8,211</u>
Net Change in Fund Balance	\$ 8,686	\$ 475	\$ 475	\$ 8,211
Fund Balance, July 1, 2013	<u>7,602</u>	<u>7,602</u>	<u>7,602</u>	<u>0</u>
Fund Balance, June 30, 2014	<u><u>\$ 16,288</u></u>	<u><u>\$ 8,077</u></u>	<u><u>\$ 8,077</u></u>	<u><u>\$ 8,211</u></u>

# **Major Governmental Fund**

## **General Debt Service Fund**

---

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

---

Exhibit G

Van Buren County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 90,932	\$ 92,512	\$ 92,512	\$ (1,580)
Other Local Revenues	1,806	0	0	1,806
State of Tennessee	19,255	18,908	18,908	347
Other Governments and Citizens Groups	238,180	0	238,180	0
<b>Total Revenues</b>	<b>\$ 350,173</b>	<b>\$ 111,420</b>	<b>\$ 349,600</b>	<b>\$ 573</b>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 31,534	\$ 0	\$ 31,534	\$ 0
<u>Principal on Debt</u>				
General Government	72,715	131,500	97,755	25,040
Education	155,075	0	155,075	0
<u>Interest on Debt</u>				
General Government	4,818	4,000	7,768	2,950
Education	74,618	0	74,618	0
<u>Other Debt Service</u>				
General Government	1,371	1,200	1,450	79
Education	8,487	0	8,487	0
<b>Total Expenditures</b>	<b>\$ 348,618</b>	<b>\$ 136,700</b>	<b>\$ 376,687</b>	<b>\$ 28,069</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,555	\$ (25,280)	\$ (27,087)	\$ 28,642
Net Change in Fund Balance	\$ 1,555	\$ (25,280)	\$ (27,087)	\$ 28,642
Fund Balance, July 1, 2013	479,520	490,673	490,673	(11,153)
<b>Fund Balance, June 30, 2014</b>	<b>\$ 481,075</b>	<b>\$ 465,393</b>	<b>\$ 463,586</b>	<b>\$ 17,489</b>

# Fiduciary Funds

---

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

---

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

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

Exhibit H-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 414,597	\$ 414,597
Due from Other Governments	24,183	0	24,183
Cash Shortage	0	3,000	3,000
Total Assets	<u>\$ 24,183</u>	<u>\$ 417,597</u>	<u>\$ 441,780</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 24,183	\$ 0	\$ 24,183
Due to Litigants, Heirs, and Others	0	417,597	417,597
Total Liabilities	<u>\$ 24,183</u>	<u>\$ 417,597</u>	<u>\$ 441,780</u>

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 132,653	\$ 132,653	\$ 0
Due from Other Governments	25,019	24,183	25,019	24,183
<b>Total Assets</b>	<b>\$ 25,019</b>	<b>\$ 156,836</b>	<b>\$ 157,672</b>	<b>\$ 24,183</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 25,019	\$ 156,836	\$ 157,672	\$ 24,183
<b>Total Liabilities</b>	<b>\$ 25,019</b>	<b>\$ 156,836</b>	<b>\$ 157,672</b>	<b>\$ 24,183</b>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 329,857	\$ 3,737,371	\$ 3,652,631	\$ 414,597
Cash Shortage	3,000	0	0	3,000
<b>Total Assets</b>	<b>\$ 332,857</b>	<b>\$ 3,737,371</b>	<b>\$ 3,652,631</b>	<b>\$ 417,597</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 332,857	\$ 3,737,371	\$ 3,652,631	\$ 417,597
<b>Total Liabilities</b>	<b>\$ 332,857</b>	<b>\$ 3,737,371</b>	<b>\$ 3,652,631</b>	<b>\$ 417,597</b>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 329,857	\$ 3,737,371	\$ 3,652,631	\$ 414,597
Equity in Pooled Cash and Investments	0	132,653	132,653	0
Due from Other Governments	25,019	24,183	25,019	24,183
Cash Shortage	3,000	0	0	3,000
<b>Total Assets</b>	<b>\$ 357,876</b>	<b>\$ 3,894,207</b>	<b>\$ 3,810,303</b>	<b>\$ 441,780</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 25,019	\$ 156,836	\$ 157,672	\$ 24,183
Due to Litigants, Heirs, and Others	332,857	3,737,371	3,652,631	417,597
<b>Total Liabilities</b>	<b>\$ 357,876</b>	<b>\$ 3,894,207</b>	<b>\$ 3,810,303</b>	<b>\$ 441,780</b>

# Van Buren County School Department

---

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

---

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

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

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

Exhibit I-1

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

Functions/Programs	Program Revenues			Charges for Services	Capital Grants and Contributions		Net (Expense) Revenue and Changes in Net Position
	Expenses	Operating Grants and Contributions	Contributions		Total Governmental Activities		
Governmental Activities:							
Instruction	\$ 3,934,813	\$ 0	\$ 317,037	\$ 12,487	\$	(3,605,289)	
Support Services	3,201,483	14,219	233,778	66,250		(2,887,236)	
Operation of Non-instructional Services	884,380	134,455	483,258	8,228		(258,439)	
Interest on Long-term Debt	74,618	0	0	0		(74,618)	
<b>Total Governmental Activities</b>	<b>\$ 8,095,294</b>	<b>\$ 148,674</b>	<b>\$ 1,034,073</b>	<b>\$ 86,965</b>	<b>\$</b>	<b>(6,825,582)</b>	
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$	709,448	
Local Option Sales Taxes						335,900	
Hotel/Motel Taxes						105,654	
Other Local Taxes						615	
Grants and Contributions Not Restricted to Specific Programs						5,238,600	
Unrestricted Investment Earnings						287	
Miscellaneous						19,309	
<b>Total General Revenues</b>					<b>\$</b>	<b>6,409,813</b>	
Change in Net Position					\$	(415,769)	
Net Position, July 1, 2013						7,990,112	
<b>Net Position, June 30, 2014</b>					<b>\$</b>	<b>7,574,343</b>	

Exhibit I-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>			
Equity in Pooled Cash and Investments	\$ 4,351,363	\$ 272,045	\$ 4,623,408
Accounts Receivable	1,245	24	1,269
Due from Other Governments	187,391	44,274	231,665
Due from Other Funds	2,629	0	2,629
Property Taxes Receivable	940,272	0	940,272
Allowance for Uncollectible Property Taxes	(192,123)	0	(192,123)
<b>Total Assets</b>	<b>\$ 5,290,777</b>	<b>\$ 316,343</b>	<b>\$ 5,607,120</b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 87,878	\$ 0	\$ 87,878
Contracts Payable	179,029	0	179,029
Retainage Payable	2,977	0	2,977
Due to Other Funds	0	2,629	2,629
Due to State of Tennessee	2,914	199	3,113
<b>Total Liabilities</b>	<b>\$ 272,798</b>	<b>\$ 2,828</b>	<b>\$ 275,626</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred Current Property Taxes	\$ 706,647	\$ 0	\$ 706,647
Deferred Delinquent Property Taxes	38,417	0	38,417
Other Deferred/Unavailable Revenue	39,342	0	39,342
<b>Total Deferred Inflows of Resources</b>	<b>\$ 784,406</b>	<b>\$ 0</b>	<b>\$ 784,406</b>
<b><u>FUND BALANCES</u></b>			
Restricted:			
Restricted for Education	\$ 1,497	\$ 213,515	\$ 215,012
Committed:			
Committed for Education	3,035,082	100,000	3,135,082
Unassigned	1,196,994	0	1,196,994
<b>Total Fund Balances</b>	<b>\$ 4,233,573</b>	<b>\$ 313,515</b>	<b>\$ 4,547,088</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 5,290,777</b>	<b>\$ 316,343</b>	<b>\$ 5,607,120</b>

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	4,547,088
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	269,347	
Add: buildings and improvements net of accumulated depreciation		5,563,754	
Add: infrastructure net of accumulated depreciation		5,954	
Add: other capital assets net of accumulated depreciation		<u>586,580</u>	6,425,635
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: contributions due on primary government debt for bonds	\$	(1,793,682)	
Less: contributions due on primary government debt for other loans		(452,000)	
Less: other postemployment benefits liabilities		<u>(1,230,457)</u>	(3,476,139)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>77,759</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>7,574,343</u></u>

Exhibit I-4

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 1,246,561	\$ 0	\$ 1,246,561
Licenses and Permits	342	0	342
Charges for Current Services	14,219	134,455	148,674
Other Local Revenues	23,588	1,549	25,137
State of Tennessee	5,352,051	4,132	5,356,183
Federal Government	14,958	938,175	953,133
Total Revenues	<u>\$ 6,651,719</u>	<u>\$ 1,078,311</u>	<u>\$ 7,730,030</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 3,167,684	\$ 450,994	\$ 3,618,678
Support Services	2,542,857	130,882	2,673,739
Operation of Non-instructional Services	391,008	493,372	884,380
Capital Outlay	566,501	0	566,501
Debt Service:			
Principal on Debt	155,075	0	155,075
Interest on Debt	74,618	0	74,618
Other Debt Service	8,487	0	8,487
Total Expenditures	<u>\$ 6,906,230</u>	<u>\$ 1,075,248</u>	<u>\$ 7,981,478</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (254,511)</u>	<u>\$ 3,063</u>	<u>\$ (251,448)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 4,729	\$ 0	\$ 4,729
Transfers Out	0	(4,729)	(4,729)
Total Other Financing Sources (Uses)	<u>\$ 4,729</u>	<u>\$ (4,729)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (249,782)	\$ (1,666)	\$ (251,448)
Fund Balance, July 1, 2013	4,483,355	315,181	4,798,536
Fund Balance, June 30, 2014	<u>\$ 4,233,573</u>	<u>\$ 313,515</u>	<u>\$ 4,547,088</u>

Exhibit I-5

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

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ (251,448)
(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	\$ 87,878	
Less: current-year depreciation expense	<u>(295,602)</u>	(207,724)
(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		(517)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2013	\$ (126,254)	
Add: deferred delinquent property taxes and other deferred June 30, 2014	<u>77,759</u>	(48,495)
(4) The contributions of long-term debt (e.g., bonds, notes, other loans, leases) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on bonds to primary government	\$ 20,075	
Add: principal contributions on other loans to primary government	<u>135,000</u>	155,075
(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 compensated absences payable	\$ 19,753	
Change in other postemployment benefits liabilities	<u>(82,413)</u>	<u>(62,660)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (415,769)</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 99,828	\$ 172,217	\$ 272,045
Accounts Receivable	0	24	24
Due from Other Governments	8,489	35,785	44,274
Total Assets	<u>\$ 108,317</u>	<u>\$ 208,026</u>	<u>\$ 316,343</u>
<u>LIABILITIES</u>			
Due to Other Funds	\$ 2,629	\$ 0	\$ 2,629
Due to State of Tennessee	0	199	199
Total Liabilities	<u>\$ 2,629</u>	<u>\$ 199</u>	<u>\$ 2,828</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 5,688	\$ 207,827	\$ 213,515
Committed:			
Committed for Education	100,000	0	100,000
Total Fund Balances	<u>\$ 105,688</u>	<u>\$ 207,827</u>	<u>\$ 313,515</u>
Total Liabilities and Fund Balances	<u>\$ 108,317</u>	<u>\$ 208,026</u>	<u>\$ 316,343</u>

Exhibit I-7

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

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 134,455	\$ 134,455
Other Local Revenues	0	1,549	1,549
State of Tennessee	0	4,132	4,132
Federal Government	583,996	354,179	938,175
Total Revenues	<u>\$ 583,996</u>	<u>\$ 494,315</u>	<u>\$ 1,078,311</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 450,994	\$ 0	\$ 450,994
Support Services	130,882	0	130,882
Operation of Non-instructional Services	0	493,372	493,372
Total Expenditures	<u>\$ 581,876</u>	<u>\$ 493,372</u>	<u>\$ 1,075,248</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,120</u>	<u>\$ 943</u>	<u>\$ 3,063</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (4,729)	\$ 0	\$ (4,729)
Total Other Financing Sources (Uses)	<u>\$ (4,729)</u>	<u>\$ 0</u>	<u>\$ (4,729)</u>
Net Change in Fund Balances	\$ (2,609)	\$ 943	\$ (1,666)
Fund Balance, July 1, 2013	108,297	206,884	315,181
Fund Balance, June 30, 2014	<u>\$ 105,688</u>	<u>\$ 207,827</u>	<u>\$ 313,515</u>

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,246,561	\$ 1,160,900	\$ 1,160,900	\$ 85,661
Licenses and Permits	342	200	200	142
Charges for Current Services	14,219	14,000	14,000	219
Other Local Revenues	23,588	31,000	31,000	(7,412)
State of Tennessee	5,352,051	5,327,555	5,356,026	(3,975)
Federal Government	14,958	83,400	83,400	(68,442)
<b>Total Revenues</b>	<b>\$ 6,651,719</b>	<b>\$ 6,617,055</b>	<b>\$ 6,645,526</b>	<b>\$ 6,193</b>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,640,560	\$ 3,115,500	\$ 3,115,500	\$ 474,940
Special Education Program	357,428	449,900	449,900	92,472
Vocational Education Program	169,696	194,700	194,700	25,004
Adult Education Program	0	20,000	20,000	20,000
<u>Support Services</u>				
Attendance	68,475	78,300	78,300	9,825
Health Services	148,147	163,800	163,800	15,653
Other Student Support	215,823	283,800	283,800	67,977
Regular Instruction Program	291,083	355,000	355,000	63,917
Special Education Program	97,145	148,900	148,900	51,755
Vocational Education Program	4,489	5,290	5,290	801
Adult Programs	90	4,990	4,990	4,900
Other Programs	28,471	0	28,471	0
Board of Education	118,383	161,050	161,050	42,667
Director of Schools	135,210	124,900	144,900	9,690
Office of the Principal	273,220	289,600	289,600	16,380
Fiscal Services	130,949	158,500	158,500	27,551
Operation of Plant	564,079	646,850	646,850	82,771
Maintenance of Plant	107,491	144,000	144,000	36,509
Transportation	359,802	462,400	462,400	102,598
<u>Operation of Non-instructional Services</u>				
Community Services	179,051	288,300	288,300	109,249
Early Childhood Education	211,957	261,000	261,000	49,043
<u>Capital Outlay</u>				
Regular Capital Outlay	566,501	1,103,000	1,083,000	516,499
<u>Principal on Debt</u>				
Education	155,075	225,000	225,000	69,925
<u>Interest on Debt</u>				
Education	74,618	115,000	115,000	40,382
<u>Other Debt Service</u>				
Education	8,487	10,000	10,000	1,513
<b>Total Expenditures</b>	<b>\$ 6,906,230</b>	<b>\$ 8,809,780</b>	<b>\$ 8,838,251</b>	<b>\$ 1,932,021</b>

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (254,511)	\$ (2,192,725)	\$ (2,192,725)	\$ 1,938,214
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 4,729	\$ 10,000	\$ 10,000	\$ (5,271)
Total Other Financing Sources	\$ 4,729	\$ 10,000	\$ 10,000	\$ (5,271)
Net Change in Fund Balance	\$ (249,782)	\$ (2,182,725)	\$ (2,182,725)	\$ 1,932,943
Fund Balance, July 1, 2013	4,483,355	2,437,225	2,437,225	2,046,130
Fund Balance, June 30, 2014	\$ 4,233,573	\$ 254,500	\$ 254,500	\$ 3,979,073

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 583,996	\$ 685,043	\$ 685,586	\$ (101,590)
Total Revenues	\$ 583,996	\$ 685,043	\$ 685,586	\$ (101,590)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 303,824	\$ 311,802	\$ 311,843	\$ 8,019
Special Education Program	139,098	211,283	199,383	60,285
Vocational Education Program	8,072	7,119	8,072	0
<u>Support Services</u>				
Other Student Support	55,423	56,646	55,693	270
Regular Instruction Program	23,860	24,199	24,199	339
Special Education Program	50,998	65,887	78,125	27,127
Vocational Education Program	601	601	601	0
Total Expenditures	\$ 581,876	\$ 677,537	\$ 677,916	\$ 96,040
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,120	\$ 7,506	\$ 7,670	\$ (5,550)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (4,729)	\$ (7,506)	\$ (7,670)	\$ 2,941
Total Other Financing Sources	\$ (4,729)	\$ (7,506)	\$ (7,670)	\$ 2,941
Net Change in Fund Balance	\$ (2,609)	\$ 0	\$ 0	\$ (2,609)
Fund Balance, July 1, 2013	108,297	0	0	108,297
Fund Balance, June 30, 2014	\$ 105,688	\$ 0	\$ 0	\$ 105,688

Exhibit I-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 134,455	\$ 206,000	\$ 206,000	\$ (71,545)
Other Local Revenues	1,549	2,000	2,000	(451)
State of Tennessee	4,132	5,000	5,000	(868)
Federal Government	354,179	341,000	341,000	13,179
Total Revenues	<u>\$ 494,315</u>	<u>\$ 554,000</u>	<u>\$ 554,000</u>	<u>\$ (59,685)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 493,372	\$ 666,900	\$ 666,900	\$ 173,528
Total Expenditures	<u>\$ 493,372</u>	<u>\$ 666,900</u>	<u>\$ 666,900</u>	<u>\$ 173,528</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 943</u>	<u>\$ (112,900)</u>	<u>\$ (112,900)</u>	<u>\$ 113,843</u>
Net Change in Fund Balance	\$ 943	\$ (112,900)	\$ (112,900)	\$ 113,843
Fund Balance, July 1, 2013	<u>206,884</u>	<u>146,096</u>	<u>146,096</u>	<u>60,788</u>
Fund Balance, June 30, 2014	<u>\$ 207,827</u>	<u>\$ 33,196</u>	<u>\$ 33,196</u>	<u>\$ 174,631</u>

---

---

## MISCELLANEOUS SCHEDULES

---

---

Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	%	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Paid and/or Matured During Period	Outstanding 6-30-14
<u>NOTES PAYABLE</u>								
Payable through <u>General Debt Service Fund</u>								
Land	\$ 165,000	2.4		12-3-12	12-3-15	\$ 165,000	\$ 53,701	\$ 111,299
<u>OTHER LOANS PAYABLE</u>								
Public Building Authority Loan Agreement								
Contributions Due by School Department from <u>General Purpose</u>								
School Fund to the <u>General Debt Service Fund</u>	2,000,000	Variable		6-30-1997	5-15-17	\$ 587,000	\$ 135,000	\$ 452,000
<u>BONDS PAYABLE</u>								
Payable through <u>General Debt Service Fund</u>								
General Obligation Bonds	102,500	4.5		6-26-09	6-26-14	\$ 19,014	\$ 19,014	\$ 0
Contributions Due by School Department from <u>General Purpose</u>								
School Fund to the <u>General Debt Service Fund</u>	1,833,060	4		4-25-12	4-25-52	1,813,757	20,075	1,793,682
General Obligation Bonds								
Total Bonds Payable						\$ 1,832,771	\$ 39,089	\$ 1,793,682

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 54,990	\$ 2,671	\$ 57,661
2016	56,309	1,352	57,661
Total	<u>\$ 111,299</u>	<u>\$ 4,023</u>	<u>\$ 115,322</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2015	\$ 143,000	\$ 1,718	\$ 6,806	\$ 151,524
2016	150,000	1,174	4,975	156,149
2017	159,000	604	3,055	162,659
Total	<u>\$ 452,000</u>	<u>\$ 3,496</u>	<u>\$ 14,836</u>	<u>\$ 470,332</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 20,878	\$ 71,747	\$ 92,625
2016	21,713	70,912	92,625
2017	22,581	70,044	92,625
2018	23,485	69,140	92,625
2019	24,424	68,201	92,625
2020	25,401	67,224	92,625
2021	26,417	66,208	92,625
2022	27,474	65,151	92,625
2023	28,573	64,052	92,625
2024	29,715	62,910	92,625
2025	30,904	61,721	92,625
2026	32,140	60,485	92,625
2027	33,426	59,199	92,625
2028	34,763	57,862	92,625
2029	36,153	56,472	92,625
2030	37,600	55,025	92,625

(Continued)

Exhibit J-2

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

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2031	\$ 39,104	\$ 53,521	\$ 92,625
2032	40,668	51,957	92,625
2033	42,294	50,331	92,625
2034	43,986	48,639	92,625
2035	45,746	46,879	92,625
2036	47,575	45,050	92,625
2037	49,478	43,147	92,625
2038	51,458	41,167	92,625
2039	53,516	39,109	92,625
2040	55,657	36,968	92,625
2041	57,883	34,742	92,625
2042	60,198	32,427	92,625
2043	62,606	30,019	92,625
2044	65,110	27,515	92,625
2045	67,715	24,910	92,625
2046	70,423	22,202	92,625
2047	73,240	19,385	92,625
2048	76,170	16,455	92,625
2049	79,217	13,408	92,625
2050	82,385	10,240	92,625
2051	85,681	6,944	92,625
2052	87,925	3,517	91,442
Total	\$ 1,793,682	\$ 1,724,885	\$ 3,518,567

Exhibit J-3

Van Buren County, Tennessee  
Schedule of Transfers  
Discretely Presented Van Buren County School Department  
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect costs	\$ 4,729
Total Transfers Discretely Presented Van Buren County School Department			<u>\$ 4,729</u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 64,832	\$ 25,000	Western Surety Company
Road Superintendent	Section 8-24-102, TCA	61,745	100,000	"
Director of Schools	State Board of Education and Van Buren County Board of Education	98,724 (1)	(2)	Western Surety Company
Trustee	Section 8-24-102, TCA	56,132	311,900	"
Assessor of Property	Section 8-24-102, TCA	56,132	50,000	"
County Clerk	Section 8-24-102, TCA	56,132	25,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	56,132	30,000	"
Clerk and Master	Section 8-24-102, TCA and Chancery Court Judge	56,132 (3)	50,000	"
Register of Deeds	Section 8-24-102, TCA	56,132	15,000	"
Sheriff	Section 8-24-102, TCA	61,745 (4)	25,000	"
Public Employees Blanket Bond:				
Public Employees Dishonesty - County Employees			150,000	Local Government Insurance Pool
Public Employees Dishonesty - School Employees			150,000	Tennessee Risk Management Trust

(1) Includes a chief executive officer training supplement of \$1,000 and accrued leave of \$16,849.

(2) The director of schools is covered under the public employee dishonesty bond.

(3) Does not include special commissioner fees of \$300.

(4) Does not include a law enforcement training supplement of \$600.

Exhibit J-5

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

Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,211,654	\$ 0	\$ 41,989	\$ 167,953	\$ 119,966	\$ 0
Trustee's Collections - Prior Year	83,755	0	3,070	9,650	8,773	0
Circuit/Clerk and Master Collections - Prior Years	127,174	0	4,686	14,725	13,387	0
Interest and Penalty	49,599	0	1,824	5,782	5,210	0
Payments in-Lieu-of Taxes - T.V.A.	4,365	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	78,903	0	2,734	10,937	7,812	0
Payments in-Lieu-of Taxes - Other	36,722	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	57,097	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0	0
Litigation Tax - General	5,126	0	0	0	0	0
Litigation Tax - Special Purpose	0	25,553	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	10,655	0	0	0	0
Business Tax	16,828	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	5,951	0	0	0	0	0
Wholesale Beer Tax	29,268	0	0	0	0	0
Beer Privilege Tax	800	0	0	0	0	0
Interstate Telecommunications Tax	402	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 1,707,644</b>	<b>\$ 36,208</b>	<b>\$ 54,303</b>	<b>\$ 209,047</b>	<b>\$ 155,148</b>	<b>\$ 0</b>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 10,176	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Licenses and Permits</b>	<b>\$ 10,176</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

(Continued)

Exhibit J-5

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

Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 6,628	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	1,124	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	6,261
Data Entry Fee - Circuit Court	342	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	5,062	0	0	0	0	0
Officers Costs	13,884	0	0	0	0	0
Drug Control Fines	6,684	0	0	0	0	3,419
Data Entry Fee - General Sessions Court	4,322	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	3,184	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Data Entry Fee - Other Courts	566	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 41,796	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,680
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 49,202	\$ 0	\$ 0	\$ 0
Patient Charges	0	0	0	308,798	0	0
<u>Fees</u>						
Library Fees	602	0	0	0	0	0
Telephone Commissions	5,726	0	0	0	0	0
Vending Machine Collections	3,181	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	2,564	0	0	0	0	0

(Continued)

Exhibit J-5

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

Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Sexual Offender Registration Fee - Sheriff	900 \$	0 \$	0 \$	0 \$	0 \$	0
Total Charges for Current Services	12,973 \$	0 \$	49,202 \$	308,798 \$	0 \$	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	13,227 \$	0 \$	0 \$	0 \$	0 \$	0
Lease/Rentals	4,936	0	0	0	0	0
Sale of Recycled Materials	0	0	15,251	0	0	0
Miscellaneous Refunds	23,141	0	0	40	2	0
<u>Nonrecurring Items</u>						
Contributions and Gifts	150	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	1,172	0	0	0	0	0
Total Other Local Revenues	42,626 \$	0 \$	15,251 \$	40 \$	2 \$	0
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	54,338 \$	0 \$	0 \$	0 \$	0 \$	0
Circuit Court Clerk	21,883	0	0	0	0	0
General Sessions Court Clerk	59,348	0	0	0	0	0
Clerk and Master	61,911	0	0	0	0	0
Register	28,122	0	0	0	0	0
Sheriff	3,958	0	0	0	0	0
Trustee	97,944	0	0	0	0	0
Total Fees Received from County Officials	327,504 \$	0 \$	0 \$	0 \$	0 \$	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	
<u>State of Tennessee</u>							
General Government Grants							
Juvenile Services Program	4,500 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Public Safety Grants							
Law Enforcement Training Programs	3,000	0	0	0	0	0	0
Health and Welfare Grants							
Health Department Programs	9,799	0	0	0	0	0	0
Public Works Grants							
Litter Program	28,069	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	4,103	0	0	0	0	0	0
Beer Tax	17,806	0	0	0	0	0	0
Vehicle Certificate of Title Fees	1,388	0	0	0	0	0	0
Alcoholic Beverage Tax	21,127	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	134,782	0	0	0	0	0	0
Contracted Prisoner Boarding	73,112	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0
Other State Revenues	11,769	0	0	0	0	0	0
Total State of Tennessee	324,619 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Federal Government</u>							
Federal Through State							
Community Development	230,756 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Homeland Security Grants	13,155	0	0	0	0	0	0
Law Enforcement Grants	4,990	0	0	0	0	0	0
Other Federal through State	36,361	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
Federal Government (Cont.)						
Direct Federal Revenue						
Other Direct Federal Revenue	\$ 31,036	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	\$ 316,298	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 38,161	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	15,950	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 54,111	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 2,837,747	\$ 36,208	\$ 118,756	\$ 517,885	\$ 155,150	\$ 9,680

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service		
<u>Local Taxes</u>						
County Property Taxes						
Current Property Tax	\$ 0	\$ 0	\$ 23,993	\$ 1,565,555		
Trustee's Collections - Prior Year	0	0	878	106,126		
Circuit/Clerk and Master Collections - Prior Years	0	0	1,338	161,310		
Interest and Penalty	0	0	537	62,952		
Payments in-Lieu-of Taxes - T.V.A.	0	0	572	4,937		
Payments in-Lieu-of Taxes - Local Utilities	0	0	1,562	101,948		
Payments in-Lieu-of Taxes - Other	0	0	0	36,722		
County Local Option Taxes						
Local Option Sales Tax	0	0	0	57,097		
Hotel/Motel Tax	0	0	62,052	62,052		
Litigation Tax - General	0	0	0	5,126		
Litigation Tax - Special Purpose	0	0	0	25,553		
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	10,655		
Business Tax	0	0	0	16,828		
Mineral Severance Tax	0	2,561	0	2,561		
Statutory Local Taxes						
Bank Excise Tax	0	0	0	5,951		
Wholesale Beer Tax	0	0	0	29,268		
Beer Privilege Tax	0	0	0	800		
Interstate Telecommunications Tax	0	0	0	402		
Total Local Taxes	\$ 0	\$ 2,561	\$ 90,932	\$ 2,255,843		
<u>Licenses and Permits</u>						
Licenses						
Cable TV Franchise	0	0	0	10,176		
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 10,176		

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service		
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,628
Officers Costs	0	0	0	0	0	1,124
Drug Control Fines	0	0	0	0	0	6,261
Data Entry Fee - Circuit Court	0	0	0	0	0	342
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	5,062
Officers Costs	0	0	0	0	0	13,884
Drug Control Fines	0	0	0	0	0	10,103
Data Entry Fee - General Sessions Court	0	0	0	0	0	4,322
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	0	0	0	0	0	3,184
<u>Judicial District Drug Program</u>						
Data Entry Fee - Other Courts	0	0	0	0	0	566
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	51,476
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	49,202
Patient Charges	0	0	0	0	0	308,798
<u>Fees</u>						
Library Fees	0	0	0	0	0	602
Telephone Commissions	0	0	0	0	0	5,726
Vending Machine Collections	0	0	0	0	0	3,181
Special Commissioner Fees/Special Master Fees	300	0	0	0	0	300
Data Processing Fee - Register	0	0	0	0	0	2,564

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Total
	Constitutional Officers - Fees	Highway / Public Works		General Debt Service		
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Sexual Offender Registration Fee - Sheriff	0 \$	0 \$	0 \$	0 \$	0 \$	900
Total Charges for Current Services	300 \$	0 \$	0 \$	0 \$	0 \$	371,273
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0 \$	0 \$	0 \$	0 \$	0 \$	13,227
Lease/Rentals	0	0	0	0	0	4,936
Sale of Recycled Materials	0	0	0	0	0	15,251
Miscellaneous Refunds	0	21,485	1,806	1,806	0	46,474
Nonrecurring Items						
Contributions and Gifts	0	0	0	0	0	150
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	1,172
Total Other Local Revenues	0 \$	21,485 \$	1,806 \$	1,806 \$	0 \$	81,210
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	54,338
Circuit Court Clerk	0	0	0	0	0	21,883
General Sessions Court Clerk	0	0	0	0	0	59,348
Clerk and Master	0	0	0	0	0	61,911
Register	0	0	0	0	0	28,122
Sheriff	0	0	0	0	0	3,958
Trustee	0	0	0	0	0	97,944
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0 \$	327,504

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service		
State of Tennessee						
General Government Grants						
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$		4,500
Public Safety Grants						
Law Enforcement Training Programs						
Health and Welfare Grants	0	0	0	0		3,000
Health Department Programs						
Public Works Grants	0	0	0	0		9,799
Litter Program						
Other State Revenues	0	0	0	0		28,069
Income Tax						
Beer Tax	0	0	0	0		4,103
Vehicle Certificate of Title Fees	0	0	0	0		17,806
Alcoholic Beverage Tax	0	0	0	0		1,388
State Revenue Sharing - T.V.A.	0	0	0	0		21,127
Contracted Prisoner Boarding			19,255			154,037
Gasoline and Motor Fuel Tax	0	1,327,025	0	0		73,112
Petroleum Special Tax	0	4,004	0	0		4,004
Registrar's Salary Supplement	0	0	0	0		15,164
Other State Revenues	0	0	0	0		11,769
Total State of Tennessee	0 \$	1,331,029 \$	19,255 \$	0 \$		1,674,903
Federal Government						
Federal Through State						
Community Development	0 \$	0 \$	0 \$	0 \$		230,756
Homeland Security Grants	0	0	0	0		13,155
Law Enforcement Grants	0	0	0	0		4,990
Other Federal through State	0	0	0	0		36,361

(Continued)

Exhibit J-5

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service		
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	\$ 0 \$	0 \$	0 \$	0 \$		31,036
Total Federal Government	\$ 0 \$	0 \$	0 \$	0 \$		316,298
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0 \$	0 \$	0 \$	238,180 \$		276,341
Contracted Services	0	0	0	0		15,950
Total Other Governments and Citizens Groups	\$ 0 \$	0 \$	0 \$	238,180 \$		292,291
<u>Total</u>	\$ 300 \$	1,355,075 \$	350,173 \$			5,380,974

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 627,430	\$ 0	\$ 0	\$ 627,430
Trustee's Collections - Prior Year	43,914	0	0	43,914
Circuit/Clerk and Master Collections - Prior Years	62,302	0	0	62,302
Interest and Penalty	25,997	0	0	25,997
Payments in-Lieu-of Taxes - T.V.A.	5,404	0	0	5,404
Payments in-Lieu-of Taxes - Local Utilities	41,045	0	0	41,045
<u>County Local Option Taxes</u>				
Local Option Sales Tax	334,250	0	0	334,250
Hotel/Motel Tax	105,654	0	0	105,654
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	565	0	0	565
<b>Total Local Taxes</b>	<b>\$ 1,246,561</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,246,561</b>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 342	\$ 0	\$ 0	\$ 342
<b>Total Licenses and Permits</b>	<b>\$ 342</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 342</b>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 43,224	\$ 43,224
Lunch Payments - Adults	0	0	12,606	12,606
Income from Breakfast	0	0	14,462	14,462
A la carte Sales	0	0	64,163	64,163
Receipts from Individual Schools	14,219	0	0	14,219
<b>Total Charges for Current Services</b>	<b>\$ 14,219</b>	<b>\$ 0</b>	<b>\$ 134,455</b>	<b>\$ 148,674</b>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 287	\$ 287
Sale of Materials and Supplies	11	0	0	11
Miscellaneous Refunds	14,987	0	1,262	16,249
<u>Nonrecurring Items</u>				
Sale of Equipment	2,010	0	0	2,010
Damages Recovered from Individuals	49	0	0	49
Contributions and Gifts	3,531	0	0	3,531
<u>Other Local Revenues</u>				
Other Local Revenues	3,000	0	0	3,000
<b>Total Other Local Revenues</b>	<b>\$ 23,588</b>	<b>\$ 0</b>	<b>\$ 1,549</b>	<b>\$ 25,137</b>

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 28,471	\$ 0	\$ 0	\$ 28,471
<u>State Education Funds</u>				
Basic Education Program	4,576,000	0	0	4,576,000
Early Childhood Education	195,903	0	0	195,903
School Food Service	0	0	4,132	4,132
Energy Efficient School Initiative	10,000	0	0	10,000
Other State Education Funds	327,062	0	0	327,062
Career Ladder Program	30,272	0	0	30,272
Career Ladder - Extended Contract	8,770	0	0	8,770
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	166,873	0	0	166,873
Other State Grants	8,700	0	0	8,700
Total State of Tennessee	\$ 5,352,051	\$ 0	\$ 4,132	\$ 5,356,183
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 196,230	\$ 196,230
USDA - Commodities	0	0	29,685	29,685
Breakfast	0	0	87,825	87,825
USDA - Other	0	0	40,439	40,439
Adult Education State Grant Program	1,545	0	0	1,545
Vocational Education - Basic Grants to States	0	12,020	0	12,020
Title I Grants to Local Education Agencies	0	249,502	0	249,502
Special Education - Grants to States	13,413	187,137	0	200,550
Special Education Preschool Grants	0	7,588	0	7,588
Rural Education	0	12,866	0	12,866
Eisenhower Professional Development State Grants	0	42,537	0	42,537
Race-to-the-Top - ARRA	0	72,346	0	72,346
Total Federal Government	\$ 14,958	\$ 583,996	\$ 354,179	\$ 953,133
Total	\$ 6,651,719	\$ 583,996	\$ 494,315	\$ 7,730,030

Exhibit J-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	10,584	
Social Security		654	
Unemployment Compensation		253	
Employer Medicare		153	
Audit Services		1,664	
Consultants		1,139	
Contracts with Government Agencies		5,089	
Refunds		1,884	
Total County Commission			\$ 21,420

Board of Equalization

Board and Committee Members Fees	\$	1,000	
Total Board of Equalization			1,000

Beer Board

Board and Committee Members Fees	\$	12	
Total Beer Board			12

County Mayor/Executive

County Official/Administrative Officer	\$	64,832	
Accountants/Bookkeepers		29,756	
Part-time Personnel		2,510	
Social Security		6,020	
State Retirement		8,343	
Unemployment Compensation		276	
Employer Medicare		1,408	
Communication		4,836	
Data Processing Services		6,133	
Dues and Memberships		1,105	
Legal Notices, Recording, and Court Costs		1,570	
Printing, Stationery, and Forms		1,633	
Travel		1,495	
Office Supplies		1,652	
Premiums on Corporate Surety Bonds		100	
Other Charges		450	
Data Processing Equipment		1,771	
Total County Mayor/Executive			133,890

County Attorney

County Official/Administrative Officer	\$	6,600	
Total County Attorney			6,600

Election Commission

County Official/Administrative Officer	\$	50,518	
Election Commission		5,490	
Election Workers		3,935	
Social Security		3,132	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

State Retirement	\$	4,456	
Unemployment Compensation		216	
Employer Medicare		733	
Communication		943	
Data Processing Services		12,797	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		3,725	
Maintenance and Repair Services - Equipment		18,674	
Printing, Stationery, and Forms		364	
Travel		6,042	
Other Contracted Services		5,040	
Office Supplies		1,193	
Other Charges		196	
Total Election Commission			\$ 117,604

Register of Deeds

County Official/Administrative Officer	\$	56,132	
Social Security		3,475	
State Retirement		4,951	
Employer Medicare		813	
Communication		691	
Data Processing Services		2,574	
Dues and Memberships		432	
Printing, Stationery, and Forms		550	
Office Supplies		2,834	
Premiums on Corporate Surety Bonds		100	
Total Register of Deeds			72,552

Planning

Board and Committee Members Fees	\$	675	
Contracts with Government Agencies		1,437	
Total Planning			2,112

County Buildings

Custodial Personnel	\$	15,371	
Social Security		953	
State Retirement		365	
Unemployment Compensation		254	
Employer Medicare		223	
Communication		1,573	
Maintenance and Repair Services - Buildings		34,277	
Travel		588	
Custodial Supplies		3,072	
Electricity		25,105	
Natural Gas		14,380	
Water and Sewer		7,128	
Total County Buildings			103,289

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	56,132	
Part-time Personnel		11,895	
Social Security		4,218	
State Retirement		4,951	
Unemployment Compensation		216	
Employer Medicare		986	
Audit Services		1,625	
Communication		1,252	
Data Processing Services		6,513	
Dues and Memberships		1,050	
Legal Notices, Recording, and Court Costs		52	
Travel		1,951	
Office Supplies		845	
Total Property Assessor's Office			\$ 91,686

County Trustee's Office

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		2,247	
Social Security		3,608	
State Retirement		4,951	
Unemployment Compensation		50	
Employer Medicare		844	
Communication		1,653	
Data Processing Services		6,393	
Dues and Memberships		422	
Legal Notices, Recording, and Court Costs		395	
Printing, Stationery, and Forms		202	
Office Supplies		1,599	
Premiums on Corporate Surety Bonds		1,810	
Data Processing Equipment		2,325	
Total County Trustee's Office			82,631

County Clerk's Office

County Official/Administrative Officer	\$	56,132	
Deputy(ies)		19,142	
Social Security		4,661	
State Retirement		6,639	
Unemployment Compensation		216	
Employer Medicare		1,090	
Communication		2,038	
Data Processing Services		3,837	
Dues and Memberships		412	
Office Supplies		151	
Premiums on Corporate Surety Bonds		125	
Total County Clerk's Office			94,443

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	56,132	
Secretary(ies)		17,355	
Jury and Witness Expense		3,864	
Social Security		4,556	
State Retirement		6,358	
Unemployment Compensation		173	
Employer Medicare		1,066	
Communication		2,240	
Data Processing Services		4,494	
Dues and Memberships		397	
Printing, Stationery, and Forms		1,478	
Office Supplies		1,712	
Premiums on Corporate Surety Bonds		125	
Total Circuit Court			\$ 99,950

General Sessions Court

Judge(s)	\$	26,258	
Secretary(ies)		5,947	
Other Fringe Benefits		4,374	
Communication		497	
Total General Sessions Court			37,076

Chancery Court

County Official/Administrative Officer	\$	56,132	
Social Security		3,480	
State Retirement		4,951	
Employer Medicare		814	
Communication		1,358	
Data Processing Services		4,177	
Dues and Memberships		337	
Legal Notices, Recording, and Court Costs		6,393	
Printing, Stationery, and Forms		105	
Office Supplies		894	
Premiums on Corporate Surety Bonds		300	
Total Chancery Court			78,941

Juvenile Court

Contracts with Government Agencies	\$	10,000	
Total Juvenile Court			10,000

Judicial Commissioners

County Official/Administrative Officer	\$	4,800	
Premiums on Corporate Surety Bonds		214	
Total Judicial Commissioners			5,014

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	61,745	
Deputy(ies)		165,461	
Accountants/Bookkeepers		26,405	
Salary Supplements		3,000	
School Resource Officer		15,950	
Overtime Pay		18,623	
In-service Training		7,515	
Social Security		18,048	
State Retirement		24,385	
Unemployment Compensation		2,212	
Employer Medicare		4,221	
Communication		10,567	
Dues and Memberships		1,117	
Maintenance and Repair Services - Vehicles		20,003	
Printing, Stationery, and Forms		208	
Travel		895	
Gasoline		33,297	
Office Supplies		1,532	
Uniforms		5,441	
Premiums on Corporate Surety Bonds		234	
Other Charges		3,486	
Communication Equipment		2,051	
Motor Vehicles		25,000	
Total Sheriff's Department	\$		451,396

Jail

Laborers	\$	17,088	
Guards		193,369	
Overtime Pay		6,950	
Social Security		13,442	
State Retirement		13,168	
Unemployment Compensation		2,824	
Employer Medicare		3,144	
Maintenance and Repair Services - Buildings		14,426	
Medical and Dental Services		49,597	
Custodial Supplies		8,627	
Electricity		8,046	
Food Supplies		33,890	
Natural Gas		2,787	
Water and Sewer		8,435	
Other Charges		2,541	
Total Jail			378,334

Fire Prevention and Control

Contributions	\$	1,000	
Total Fire Prevention and Control			1,000

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad

Contributions	\$ 4,000	
Total Rescue Squad		\$ 4,000

Other Emergency Management

Contributions	\$ 2,000	
Total Other Emergency Management		2,000

County Coroner/Medical Examiner

Other Charges	\$ 1,915	
Total County Coroner/Medical Examiner		1,915

Public Safety Grants Programs

Contracts with Other Public Agencies	\$ 13,748	
Total Public Safety Grants Programs		13,748

Other Public Safety

Communication	\$ 4,240	
Contributions	51,700	
Total Other Public Safety		55,940

Public Health and Welfare

Local Health Center

Clerical Personnel	\$ 1,932	
Social Security	120	
Unemployment Compensation	46	
Employer Medicare	28	
Communication	1,872	
Travel	672	
Custodial Supplies	860	
Drugs and Medical Supplies	769	
Electricity	5,695	
Natural Gas	1,549	
Office Supplies	51	
Water and Sewer	335	
Other Supplies and Materials	1,740	
Other Charges	26,046	
Total Local Health Center		41,715

Regional Mental Health Center

Contributions	\$ 1,800	
Total Regional Mental Health Center		1,800

Appropriation to State

Contracts with Government Agencies	\$ 25,000	
Total Appropriation to State		25,000

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$	12,064	
Social Security		748	
Unemployment Compensation		216	
Employer Medicare		175	
Communication		1,323	
Custodial Supplies		207	
Electricity		1,702	
Natural Gas		1,433	
Water and Sewer		577	
Other Charges		80	
Total Adult Activities			\$ 18,525

Senior Citizens Assistance

Part-time Personnel	\$	13,362	
Social Security		828	
Unemployment Compensation		321	
Employer Medicare		194	
Communication		719	
Medical and Dental Services		600	
Total Senior Citizens Assistance			16,024

Libraries

County Official/Administrative Officer	\$	19,968	
Part-time Personnel		630	
Social Security		1,238	
Unemployment Compensation		216	
Employer Medicare		290	
Communication		1,668	
Data Processing Services		3,722	
Postal Charges		32	
Library Books/Media		1,112	
Office Supplies		1,568	
Total Libraries			30,444

Parks and Fair Boards

Contributions	\$	1,200	
Total Parks and Fair Boards			1,200

Other Social, Cultural, and Recreational

Contributions	\$	7,250	
Total Other Social, Cultural, and Recreational			7,250

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	16,701	
Secretary(ies)		8,105	
Social Security		1,573	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

State Retirement	\$	3,728	
Employer Medicare		368	
Communication		2,257	
Other Charges		3,000	
Other Equipment		2,000	
Total Agricultural Extension Service			\$ 37,732

Soil Conservation

Supervisor/Director	\$	32,602	
Social Security		2,021	
State Retirement		323	
Unemployment Compensation		216	
Employer Medicare		473	
Communication		944	
Total Soil Conservation			36,579

Other Operations

Industrial Development

Contributions	\$	9,000	
Other Charges		11,090	
Total Industrial Development			20,090

Veterans' Services

Part-time Personnel	\$	4,984	
Social Security		309	
Unemployment Compensation		120	
Employer Medicare		72	
Communication		873	
Travel		578	
Office Supplies		603	
Total Veterans' Services			7,539

Other Charges

Liability Insurance	\$	62,457	
Trustee's Commission		37,197	
Workers' Compensation Insurance		52,713	
Total Other Charges			152,367

Miscellaneous

Postal Charges	\$	12,182	
Duplicating Supplies		12,447	
Other Charges		1,365	
Total Miscellaneous			25,994

Highways

Litter and Trash Collection

Laborers	\$	13,438	
----------	----	--------	--

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection (Cont.)

Social Security	\$	963	
State Retirement		299	
Unemployment Compensation		258	
Employer Medicare		225	
Accounting Services		2,123	
Other Supplies and Materials		3,989	
Other Charges		4,264	
Total Litter and Trash Collection			\$ 25,559

Capital Projects

Public Utility Projects

Other Capital Outlay	\$	258,988	
Total Public Utility Projects			258,988

Total General Fund \$ 2,573,359

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Maintenance Personnel	\$	26,520	
Social Security		1,644	
State Retirement		2,339	
Unemployment Compensation		216	
Employer Medicare		385	
Gasoline		2,000	
Building Improvements		2,298	
Total County Buildings			\$ 35,402

Public Safety

Jail

Maintenance and Repair Services - Buildings	\$	3,536	
Total Jail			3,536

Other Operations

Other Charges

Trustee's Commission	\$	352	
Total Other Charges			352

Total Courthouse and Jail Maintenance Fund 39,290

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Truck Drivers	\$	4,954	
Social Security		300	
Unemployment Compensation		81	
Employer Medicare		70	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Maintenance and Repair Services - Equipment	\$	8,225	
Diesel Fuel		5,500	
Total Waste Pickup			\$ 19,130

Convenience Centers

Laborers	\$	49,942	
Social Security		3,088	
Unemployment Compensation		1,081	
Employer Medicare		722	
Communication		539	
Other Contracted Services		16,814	
Electricity		7,219	
Water and Sewer		992	
Other Supplies and Materials		1,659	
Trustee's Commission		1,696	
Other Charges		4,052	
Building Improvements		7,302	
Total Convenience Centers			95,106

Landfill Operation and Maintenance

Other Charges	\$	8,023	
Total Landfill Operation and Maintenance			8,023

Total Solid Waste/Sanitation Fund \$ 122,259

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Medical Personnel	\$	239,401	
Part-time Personnel		3,010	
Overtime Pay		60,297	
In-service Training		711	
Social Security		18,748	
State Retirement		21,775	
Unemployment Compensation		2,809	
Employer Medicare		4,385	
Communication		3,745	
Dues and Memberships		480	
Licenses		3,000	
Maintenance and Repair Services - Buildings		8,452	
Maintenance and Repair Services - Vehicles		5,966	
Printing, Stationery, and Forms		118	
Other Contracted Services		17,435	
Custodial Supplies		772	
Data Processing Supplies		75	
Diesel Fuel		27,829	
Drugs and Medical Supplies		16,463	

(Continued)

Exhibit J-7

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Electricity	\$	4,432	
Natural Gas		1,033	
Office Supplies		44	
Uniforms		1,307	
Water and Sewer		627	
Other Supplies and Materials		3,200	
Premiums on Corporate Surety Bonds		100	
Trustee's Commission		7,329	
Vehicle and Equipment Insurance		4,500	
Workers' Compensation Insurance		10,000	
Other Charges		195	
Total Ambulance/Emergency Medical Services			\$ 468,238

Total Ambulance Service Fund \$ 468,238

Local Purpose Tax Fund

Public Safety

Fire Prevention and Control

Contributions	\$	105,000	
Building and Contents Insurance		35,000	
Total Fire Prevention and Control			\$ 140,000

Other Operations

Other Charges

Trustee's Commission	\$	3,044	
Total Other Charges			3,044

Total Local Purpose Tax Fund 143,044

Drug Control Fund

Public Safety

Drug Enforcement

Other Supplies and Materials	\$	758	
Judgments		140	
Total Drug Enforcement			\$ 898

Other Operations

Other Charges

Trustee's Commission	\$	96	
Total Other Charges			96

Total Drug Control Fund 994

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	300	
Total Chancery Court			\$ 300

Total Constitutional Officers - Fees Fund 300

(Continued)

Exhibit J-7

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	61,745	
Assistant(s)		31,130	
Accountants/Bookkeepers		34,500	
Overtime Pay		6,979	
Other Salaries and Wages		3,842	
Social Security		8,374	
Employer Medicare		1,958	
Other Fringe Benefits		300	
Communication		2,297	
Dues and Memberships		2,018	
Postal Charges		230	
Printing, Stationery, and Forms		56	
Travel		315	
Electricity		1,058	
Office Supplies		546	
Other Charges		340	
Total Administration			\$ 155,688

Highway and Bridge Maintenance

Equipment Operators	\$	84,958	
Truck Drivers		28,320	
Laborers		131,988	
Overtime Pay		6,006	
Other Salaries and Wages		9,589	
Social Security		16,173	
Employer Medicare		3,782	
Other Fringe Benefits		1,000	
Other Contracted Services		352,830	
Asphalt - Cold Mix		4,274	
Crushed Stone		18,434	
Lubricants		2,600	
Pipe - Metal		935	
Road Signs		3,923	
Salt		17,732	
Small Tools		65	
Other Supplies and Materials		526	
Total Highway and Bridge Maintenance			683,135

Operation and Maintenance of Equipment

Mechanic(s)	\$	56,280	
Laborers		23,990	
Nightwatchmen		53,140	
Overtime Pay		1,153	
Other Salaries and Wages		5,469	
Social Security		8,682	
Employer Medicare		2,030	
Other Fringe Benefits		400	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Laundry Service	\$	981	
Maintenance and Repair Services - Equipment		410	
Other Contracted Services		45	
Diesel Fuel		48,155	
Equipment and Machinery Parts		30,614	
Garage Supplies		409	
Gasoline		19,604	
Lubricants		1,779	
Propane Gas		1,684	
Small Tools		91	
Tires and Tubes		15,090	
Water and Sewer		390	
Other Supplies and Materials		333	
Other Charges		305	
Total Operation and Maintenance of Equipment			\$ 271,034

Quarry Operations

Communication	\$	2,140	
Operating Lease Payments		6,000	
Electricity		2,944	
Total Quarry Operations			11,084

Other Charges

Liability Insurance	\$	20,514	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		13,275	
Workers' Compensation Insurance		82,765	
Total Other Charges			116,904

Employee Benefits

Social Security	\$	197	
State Retirement		45,865	
Employee and Dependent Insurance		14,311	
Unemployment Compensation		4,762	
Employer Medicare		46	
Total Employee Benefits			65,181

Capital Outlay

Communication Equipment	\$	1,810	
Motor Vehicles		12,000	
Office Equipment		1,070	
Total Capital Outlay			14,880

Total Highway/Public Works Fund \$ 1,317,906

(Continued)

Exhibit J-7

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

<u>General Debt Service Fund</u>		
<u>Public Safety</u>		
<u>Sheriff's Department</u>		
Motor Vehicles	\$ 31,534	
Total Sheriff's Department		\$ 31,534
 <u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Bonds	\$ 19,014	
Principal on Notes	53,701	
Total General Government		72,715
 <u>Education</u>		
Principal on Bonds	\$ 20,075	
Principal on Other Loans	135,000	
Total Education		155,075
 <u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Bonds	\$ 858	
Interest on Notes	3,960	
Total General Government		4,818
 <u>Education</u>		
Interest on Bonds	\$ 72,550	
Interest on Other Loans	2,068	
Total Education		74,618
 <u>Other Debt Service</u>		
<u>General Government</u>		
Trustee's Commission	\$ 1,371	
Total General Government		1,371
 <u>Education</u>		
Other Debt Service	\$ 8,487	
Total Education		8,487
 Total General Debt Service Fund		 <u>\$ 348,618</u>
 Total Governmental Funds - Primary Government		 <u>\$ 5,014,008</u>

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	1,864,058	
Career Ladder Program		11,910	
Career Ladder Extended Contracts		6,000	
Homebound Teachers		3,710	
Educational Assistants		72,929	
Certified Substitute Teachers		15,225	
Non-certified Substitute Teachers		43,728	
Social Security		115,560	
State Retirement		173,166	
Medical Insurance		99,523	
Employer Medicare		27,026	
Contracts with Other School Systems		525	
Other Contracted Services		987	
Instructional Supplies and Materials		12,416	
Textbooks		29,510	
Other Supplies and Materials		993	
Fee Waivers		3,400	
Other Charges		6,068	
Regular Instruction Equipment		153,826	
Total Regular Instruction Program			\$ 2,640,560

Special Education Program

Teachers	\$	214,997	
Career Ladder Program		2,445	
Homebound Teachers		880	
Speech Pathologist		50,430	
Non-certified Substitute Teachers		118	
Social Security		13,742	
State Retirement		23,145	
Medical Insurance		36,906	
Employer Medicare		3,186	
Contracts with Private Agencies		7,055	
Maintenance and Repair Services - Equipment		152	
Other Supplies and Materials		57	
Other Charges		470	
Special Education Equipment		3,845	
Total Special Education Program			357,428

Vocational Education Program

Teachers	\$	140,451	
Career Ladder Program		1,000	
Social Security		8,478	
State Retirement		12,558	
Medical Insurance		2,373	
Employer Medicare		1,980	
Other Supplies and Materials		999	
Vocational Instruction Equipment		1,857	
Total Vocational Education Program			169,696

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services

Attendance

Supervisor/Director	\$	57,244	
Career Ladder Program		1,000	
Social Security		3,544	
State Retirement		5,172	
Unemployment Compensation		4	
Employer Medicare		829	
Other Supplies and Materials		392	
In Service/Staff Development		290	
Total Attendance			\$ 68,475

Health Services

Supervisor/Director	\$	39,815	
Medical Personnel		39,895	
Other Salaries and Wages		25,353	
Social Security		6,045	
State Retirement		9,244	
Medical Insurance		5,618	
Unemployment Compensation		13	
Employer Medicare		1,414	
Communication		30	
Drugs and Medical Supplies		1,418	
Other Supplies and Materials		15,541	
In Service/Staff Development		2,222	
Other Charges		1,273	
Administration Equipment		266	
Total Health Services			148,147

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		140,686	
Other Salaries and Wages		9,834	
Social Security		11,669	
State Retirement		18,100	
Medical Insurance		10,639	
Unemployment Compensation		20	
Employer Medicare		2,729	
Contracts with Government Agencies		15,950	
Evaluation and Testing		3,266	
Travel		1,624	
Other Contracted Services		306	
Total Other Student Support			215,823

Regular Instruction Program

Supervisor/Director	\$	63,448
Career Ladder Program		4,000
Career Ladder Extended Contracts		2,000

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Librarians	\$	86,707	
Instructional Computer Personnel		46,144	
Other Salaries and Wages		23,573	
In-service Training		8,175	
Social Security		11,962	
State Retirement		18,662	
Medical Insurance		12,370	
Unemployment Compensation		23	
Employer Medicare		3,139	
Travel		1,415	
Library Books/Media		4,921	
Other Supplies and Materials		787	
In Service/Staff Development		1,753	
Other Equipment		2,004	
Total Regular Instruction Program			\$ 291,083

Special Education Program

Supervisor/Director	\$	57,844	
Career Ladder Program		500	
Psychological Personnel		15,291	
Other Salaries and Wages		5,720	
Social Security		4,677	
State Retirement		7,043	
Medical Insurance		3,016	
Unemployment Compensation		11	
Employer Medicare		1,093	
Travel		1,823	
Other Charges		127	
Total Special Education Program			97,145

Vocational Education Program

Supervisor/Director	\$	3,649	
Social Security		265	
State Retirement		380	
Unemployment Compensation		30	
Employer Medicare		65	
Travel		100	
Total Vocational Education Program			4,489

Adult Programs

Other Charges	\$	90	
Total Adult Programs			90

Other Programs

On-behalf Payments to OPEB	\$	28,471	
Total Other Programs			28,471

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Board and Committee Members Fees	\$	5,500	
Social Security		341	
Medical Insurance		31,126	
Employer Medicare		80	
Audit Services		3,700	
Dues and Memberships		3,128	
Travel		26	
Other Contracted Services		2,000	
Trustee's Commission		32,256	
Workers' Compensation Insurance		40,226	
Total Board of Education	\$		118,383

Director of Schools

County Official/Administrative Officer	\$	97,724	
Career Ladder Program		1,000	
Social Security		5,670	
State Retirement		8,767	
Medical Insurance		5,838	
Unemployment Compensation		4	
Employer Medicare		1,326	
Communication		9,718	
Dues and Memberships		1,204	
Postal Charges		740	
Travel		1,780	
Office Supplies		817	
Other Supplies and Materials		412	
Other Charges		210	
Total Director of Schools			135,210

Office of the Principal

Principals	\$	121,729	
Career Ladder Program		2,000	
Assistant Principals		55,078	
Secretary(ies)		40,852	
Social Security		12,287	
State Retirement		19,481	
Medical Insurance		12,919	
Unemployment Compensation		22	
Employer Medicare		2,873	
Communication		1,279	
Other Charges		4,700	
Total Office of the Principal			273,220

Fiscal Services

Accountants/Bookkeepers	\$	44,425	
Secretary(ies)		32,500	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Other Salaries and Wages	\$	23,037	
Social Security		6,124	
State Retirement		8,409	
Unemployment Compensation		19	
Employer Medicare		1,432	
Data Processing Services		7,974	
Other Contracted Services		1,233	
Data Processing Supplies		1,515	
Office Supplies		1,082	
Other Supplies and Materials		95	
Administration Equipment		3,104	
Total Fiscal Services			\$ 130,949

Operation of Plant

Custodial Personnel	\$	162,299	
Social Security		9,996	
State Retirement		13,332	
Unemployment Compensation		56	
Employer Medicare		2,338	
Disposal Fees		11,886	
Other Contracted Services		20,505	
Custodial Supplies		13,092	
Electricity		172,690	
Natural Gas		51,762	
Water and Sewer		22,529	
Other Supplies and Materials		718	
Building and Contents Insurance		82,426	
Other Charges		450	
Total Operation of Plant			564,079

Maintenance of Plant

Supervisor/Director	\$	37,648	
Other Salaries and Wages		960	
Social Security		2,394	
State Retirement		3,406	
Unemployment Compensation		7	
Employer Medicare		560	
Communication		558	
Maintenance and Repair Services - Buildings		18,333	
Maintenance and Repair Services - Equipment		31,811	
Other Contracted Services		8,745	
Other Supplies and Materials		1,462	
Maintenance Equipment		1,607	
Total Maintenance of Plant			107,491

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Mechanic(s)	\$	32,836	
Bus Drivers		101,902	
Other Salaries and Wages		15,414	
Social Security		9,365	
State Retirement		12,724	
Unemployment Compensation		39	
Employer Medicare		2,192	
Communication		498	
Travel		89	
Gasoline		65,246	
Lubricants		981	
Tires and Tubes		6,590	
Vehicle Parts		20,012	
Other Supplies and Materials		483	
Other Charges		3,553	
Transportation Equipment		87,878	
Total Transportation			\$ 359,802

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	32,724	
Teachers		87,090	
Educational Assistants		9,715	
Cafeteria Personnel		1,894	
Other Salaries and Wages		9,720	
Social Security		8,138	
State Retirement		12,609	
Medical Insurance		6,985	
Unemployment Compensation		10	
Employer Medicare		1,903	
Travel		35	
Other Supplies and Materials		7,962	
Other Equipment		266	
Total Community Services			179,051

Early Childhood Education

Supervisor/Director	\$	32,724	
Teachers		91,020	
Educational Assistants		39,039	
Social Security		9,084	
State Retirement		14,394	
Medical Insurance		11,372	
Unemployment Compensation		23	
Employer Medicare		2,124	
Communication		457	
Travel		1,452	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Early Childhood Education (Cont.)

Food Supplies	\$	70	
Instructional Supplies and Materials		770	
Other Supplies and Materials		5,803	
In Service/Staff Development		1,031	
Other Charges		1,000	
Other Equipment		1,594	
Total Early Childhood Education			\$ 211,957

Capital Outlay

Regular Capital Outlay

Architects	\$	27,565	
Building Improvements		521,626	
Furniture and Fixtures		4,729	
Site Development		304	
Other Equipment		9,777	
Other Capital Outlay		2,500	
Total Regular Capital Outlay			566,501

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	155,075	
Total Education			155,075

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	74,618	
Total Education			74,618

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	8,487	
Total Education			8,487

Total General Purpose School Fund \$ 6,906,230

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	228,247	
Educational Assistants		13,495	
Social Security		14,988	
State Retirement		21,459	
Medical Insurance		5,763	
Unemployment Compensation		288	
Employer Medicare		3,505	
Other Charges		229	
Regular Instruction Equipment		15,850	
Total Regular Instruction Program			\$ 303,824

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	1,920	
Educational Assistants		103,795	
Speech Pathologist		336	
Social Security		7,006	
State Retirement		9,971	
Unemployment Compensation		388	
Employer Medicare		1,666	
Instructional Supplies and Materials		12,045	
Other Supplies and Materials		1,971	
Total Special Education Program	\$		139,098

Vocational Education Program

Instructional Supplies and Materials	\$	500	
Other Supplies and Materials		500	
Vocational Instruction Equipment		7,072	
Total Vocational Education Program			8,072

Support Services

Other Student Support

Other Salaries and Wages	\$	52,076	
Travel		2,347	
Other Contracted Services		500	
Other Charges		500	
Total Other Student Support			55,423

Regular Instruction Program

Other Contracted Services	\$	20,000	
In Service/Staff Development		3,860	
Total Regular Instruction Program			23,860

Special Education Program

Psychological Personnel	\$	28,398	
Social Security		1,760	
State Retirement		2,522	
Employer Medicare		413	
Postal Charges		100	
Travel		2,872	
Other Contracted Services		10,556	
Other Supplies and Materials		2,942	
In Service/Staff Development		1,435	
Total Special Education Program			50,998

Vocational Education Program

Supervisor/Director	\$	601	
Total Vocational Education Program			601

Total School Federal Projects Fund \$ 581,876

(Continued)

Exhibit J-8

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

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	33,870	
Cafeteria Personnel		147,510	
Social Security		11,092	
State Retirement		15,410	
Unemployment Compensation		253	
Employer Medicare		2,614	
Communication		1,148	
Maintenance and Repair Services - Equipment		3,091	
Travel		332	
Other Contracted Services		3,830	
Food Preparation Supplies		13,556	
Food Supplies		222,780	
Office Supplies		448	
Uniforms		661	
USDA - Commodities		29,685	
Other Supplies and Materials		707	
In Service/Staff Development		20	
Other Charges		165	
Food Service Equipment		6,200	
Total Food Service			\$ 493,372

Total Central Cafeteria Fund \$ 493,372

Total Governmental Funds - Van Buren County School Department \$ 7,981,478

Exhibit J-9

Van Buren County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2014

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 132,653
Total Cash Receipts	<u>\$ 132,653</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 131,326
Trustee's Commission	<u>1,327</u>
Total Cash Disbursements	<u>\$ 132,653</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2013	<u>0</u>
 Cash Balance, June 30, 2014	 <u><u>\$ 0</u></u>

---

---

## **SINGLE AUDIT SECTION**

---

---



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

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

Independent Auditor's Report

Van Buren County Mayor and  
Board of County Commissioners  
Van Buren 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Buren County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Van Buren County's basic financial statements, and have issued our report thereon dated October 9, 2014. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Van Buren County Emergency Communications District as described in our report on Van Buren County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Van Buren 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 Van Buren County's internal control. Accordingly, we do not express an opinion on the effectiveness of Van Buren County's internal control.

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

accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 2014-001.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2014-004, 2014-005, and 2014-006.

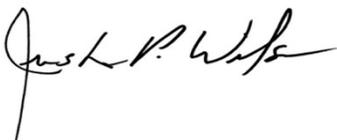
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Van Buren County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-002 and 2014-003.

### **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 results 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 Van Buren 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 9, 2014

JPW/sb



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

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

Independent Auditor's Report

Van Buren County Mayor and  
Board of County Commissioners  
Van Buren County, Tennessee

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Van Buren County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Van Buren County's major federal programs for the year ended June 30, 2014. Van Buren County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Van Buren County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and*

*Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Van Buren 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 Van Buren County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Van Buren County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

### **Report on Internal Control Over Compliance**

Management of Van Buren 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 Van Buren County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Van Buren County's internal control over compliance.

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

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

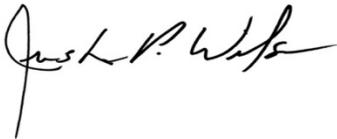
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Buren County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Van Buren County's basic financial statements. We issued our report thereon dated October 9, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 9, 2014

JPW/sb

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Community Facilities Loans and Grants	10.766	N/A	\$ 25,000
Environmental Quality Incentives Program	10.912	N/A	6,036
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	29,685 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	87,825
National School Lunch Program	10.555	N/A	200,884 (3)
Passed-through State Department of Human Services:			
Summer Food Service Program for Children	10.559	N/A	35,785
Total U.S. Department of Agriculture			<u>\$ 385,215</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	GG-12-38395-00	<u>\$ 230,756</u>
U.S. Department of Transportation:			
Passed-through the State Department of Transportation:			
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	Z-13-GHS374-00	<u>\$ 4,990</u>
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(2)	<u>\$ 1,400</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 1,545
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	250,219
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	200,650
Special Education - Preschool Grants	84.173	N/A	7,588
Career and Technical Education - Basic Grants to States	84.048	N/A	12,020
Rural Education	84.358	(2)	13,029
Improving Teacher Quality State Grants	84.367	N/A	44,436
State Fiscal Stabilization (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	72,076
Total U.S. Department of Education			<u>\$ 601,563</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	<u>\$ 20,214</u>
U.S. Department of Health and Human Services:			
Passed-through Upper Cumberland Development District:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	<u>\$ 14,747</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Hazard Mitigation Grant	97.039	(2)	<u>\$ 13,155</u>
Total Expenditures of Federal Awards			<u>\$ 1,272,040</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Adult Basic Education - State Department of Labor and Workforce Development	N/A	(2)	\$ 515
ConnectTenn - State Department of Education	N/A	(2)	2,124
Coordinated School Health - State Department of Education	N/A	(2)	90,000
Early Childhood Education - State Department of Education	N/A	(2)	195,903
Family Resource Centers - State Department of Education	N/A	(2)	29,612
Lottery Education Afterschool Programs - State Department of Education	N/A	(2)	131,964
Safe Schools - State Department of Education	N/A	(2)	5,600
Energy Efficient Schools Initiative Grant - Energy Efficient Schools Initiative	N/A	(2)	10,000
Litter Program - State Department of Transportation	N/A	(2)	28,069
ThreeStar Grant Program - State Department of Economic and Community Development	N/A	(2)	4,000
Rural Local Health Services - State Department of Health	N/A	GG-14-37437-00	9,799
Student Ticket Subsidy - Tennessee Arts Commission	N/A	(2)	4,700
Youth Services Program - State Commission on Children and Youth	N/A	(2)	<u>4,500</u>
Total State Grants			<u>\$ 516,786</u>

CFDA = Catalog of Federal Domestic Assistance  
 N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information was not available.
- (3) Total for CFDA No. 10.555 is \$230,569.

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

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report of Van Buren County, Tennessee, for the year ended June 30, 2013, which have not been corrected.

**OFFICE OF COUNTY MAYOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-001	147	Competitive bids were not solicited for food and custodial supplies for the jail

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

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-003	148	Multiple employees operated from the same cash drawer

**OFFICES OF COUNTY MAYOR, ROAD SUPERINTENDENT, TRUSTEE, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-006	150	Duties were not segregated adequately

---

---

**VAN BUREN COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2014**

---

---

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

1. Our report on the financial statements of Van Buren County is unmodified.
2. The audit of the financial statements of Van Buren County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Van Buren County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Van Buren County did not qualify as a low-risk auditee.

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response; however, management did not provide responses for inclusion in this report.

### OFFICE OF COUNTY MAYOR

#### FINDING 2014-001

#### **THE GENERAL DEBT SERVICE FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**

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

At June 30, 2014, certain general ledger account balances in the General Debt Service Fund were not materially correct, and audit adjustments totaling \$55,379 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Van Buren County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

#### RECOMMENDATION

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

---

#### FINDING 2014-002

#### **COMPETITIVE BIDS WERE NOT SOLICITED FOR FOOD AND CUSTODIAL SUPPLIES AT THE JAIL AND LIABILITY INSURANCE FOR THE VOLUNTEER FIRE DEPARTMENTS**

(Noncompliance Under *Government Auditing Standards*)

Competitive bids were not solicited for the purchase of food and custodial supplies at the jail (\$42,518) and for liability insurance for the volunteer fire departments (\$35,000). Chapter 36, Private Acts of 1973, and Chapter 111, Private Acts of 1986, require publicly advertised competitive bids to be solicited on all purchases exceeding \$2,500. This deficiency is the result of a lack of management oversight and management's failure to correct the finding noted in the prior-year audit report. The failure to solicit competitive bids could result in the department paying more than the most competitive price.

## RECOMMENDATION

Competitive bids should be solicited for all purchases exceeding \$2,500 as required by private act.

---

## OFFICE OF ROAD SUPERINTENDENT

### FINDING 2014-003

### **COMPETITIVE BIDS WERE NOT SOLICITED FOR ASPHALT PATCHWORK**

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 42 disbursements totaling \$452,576 from a population of 354 vendor checks totaling \$919,661. Our sample revealed that three out of ten applicable purchases were not bid. These three purchases were purchases the Highway Department made for asphalt patchwork services totaling \$20,000. Section 54-7-113, *Tennessee Code Annotated*, requires public advertisement and solicitation of competitive bids on purchases exceeding \$10,000. This deficiency is the result of a lack of management oversight. As a result, the best and lowest price may not have been obtained for the purchase of this service.

## RECOMMENDATION

Purchases exceeding \$10,000 should be competitively bid as required by state statute.

---

## OFFICE OF TRUSTEE

### FINDING 2014-004

### **THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS**

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

The software application used by the office generated a log that displayed changes made by users. This log provided the only audit trail of these changes and should be reviewed for inappropriate activity. Although the official was aware of the importance of this log, it was not reviewed.

## RECOMMENDATION

The trustee should review the audit log on a routine basis. Any unusual transactions should be investigated.

---

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

**FINDING 2014-005**

**MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**

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

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

**RECOMMENDATION**

The clerk should assign each employee their own cash drawer.

---

**OFFICES OF COUNTY MAYOR, ROAD SUPERINTENDENT, TRUSTEE, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF**

**FINDING 2014-006**

**DUTIES WERE NOT SEGREGATED ADEQUATELY**

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

Duties were not segregated adequately among officials and employees in the Offices of County Mayor, Road Superintendent, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register of Deeds, and Sheriff. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

**RECOMMENDATION**

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

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

There were no findings and questioned costs for federal awards.

## **BEST PRACTICE**

### **VAN BUREN COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Van Buren County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Van Buren County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

**VAN BUREN COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2014**

There were no audit findings relative to federal awards presented in the prior- or current-years' Schedules of Findings and Questioned Costs.