

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



**DIVISION OF LOCAL GOVERNMENT AUDIT**



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

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

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

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*JENI PALADENI, CISA*  
*State Auditors*

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

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## VAN BUREN COUNTY, TENNESSEE

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# ***Summary of Audit Findings***

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

## ***Scope***

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

## ***Results***

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

Our audit resulted in five 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 Ambulance Service Fund required material audit adjustments for proper financial statement presentation.
- ◆ Competitive bids were not solicited for food and custodial supplies at the jail.

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### **OFFICE OF SHERIFF**

- ◆ Discrepancies in two receipts issued by the Sheriff's Department are currently being investigated.
- ◆ The office had deficiencies in receipting and depositing funds.

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

- ◆ Duties were not segregated adequately.

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# INTRODUCTORY SECTION

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# Van Buren County Officials

## June 30, 2015

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### **Officials**

Greg Wilson, County Mayor  
Randy Oakes, Road Superintendent  
Cheryl Cole, Director of Schools  
Tammie Clendenon, Trustee  
Darlene Hale, Assessor of Property  
Lisa Rigsby, County Clerk  
B.J. Baker, Circuit and General Sessions Courts Clerk  
Tina Shockley, Clerk and Master  
April Shockley, Register of Deeds  
Eddie Carter, Sheriff

### **Board of County Commissioners**

Joey Grissom, Chairman  
Lesa Bouldin  
David Chandler  
Hugh Hillis  
William Maxwell, Jr.  
Mickey Robinson  
Sam Henry Seamons, Jr.  
Brian Simmons  
Rip Van Winkle  
Robert Van Winkle

### **Board of Education**

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

### **Audit Committee**

June Rogers, Chairman  
Walter Hillis  
Joshua Keener  
Wayne Measles  
George Rogalle

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**FINANCIAL SECTION**

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

Independent Auditor's Report

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, 2015, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Van Buren County Emergency Communications District, which represent six percent, 10.1 percent, and 4.4 percent, respectively, of the assets, net position, and revenues 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 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, 2015, 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. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to these matters.

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

We draw attention to Note I.D.8. to the financial statements, which describes prior-period adjustments to the beginning Governmental Activities net position. These adjustments were necessary to recognize an increase of \$533,241 for the capital assets and a decrease of \$159,00 for the related long-term debt of the Industrial Development Board of Van Buren County. We also draw attention to Note I.D.9. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position by \$189,708

and the discretely presented Van Buren County School Department net position by \$1,380,385 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to these matters.

### ***Other Matters***

#### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedule of county contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress – other postemployment benefits plan on pages 88 - 94 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

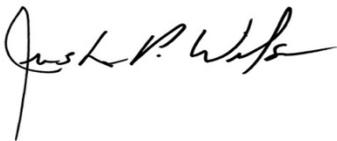
(a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures 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 28, 2015, 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 28, 2015

JPW/sb

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# **BASIC FINANCIAL STATEMENTS**

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Exhibit A

Van Buren County, Tennessee  
Statement of Net Position  
June 30, 2015

	Primary Government Governmental Activities	Component Units	
		Van Buren County School Department	Emergency Communications District
<b>ASSETS</b>			
Cash	\$ 39,195	\$ 0	\$ 101,438
Equity in Pooled Cash and Investments	4,932,364	4,689,692	0
Accounts Receivable	295,860	52	20,050
Allowance for Uncollectibles	(215,213)	0	0
Due from Other Governments	286,578	196,766	0
Due from Component Units	1,804,445	0	0
Property Taxes Receivable	2,331,883	930,642	0
Allowance for Uncollectible Property Taxes	(486,632)	(194,937)	0
Prepaid Items	0	0	7,827
Net Pension Asset - Agent Plan	79,134	88,808	0
Net Pension Asset - Cost-sharing Plan	0	14,793	0
Capital Assets:			
Assets Not Depreciated:			
Land	488,963	269,347	60,000
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	836,506	5,332,065	292,100
Other Capital Assets	454,601	641,434	283,173
Infrastructure	2,959,689	4,827	0
Total Assets	<u>\$ 13,807,373</u>	<u>\$ 11,973,489</u>	<u>\$ 764,588</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Changes in Experience	\$ 0	\$ 35,913	\$ 14,927
Pension Other Deferrals	0	11,433	0
Pension Changes in Contributions after Measurement Date	172,573	415,135	7,390
Total Deferred Outflows of Resources	<u>\$ 172,573</u>	<u>\$ 462,481</u>	<u>\$ 22,317</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 465	\$ 170,885	\$ 804
Accrued Payroll	534	0	0
Payroll Deductions Payable	4,767	141,844	422
Accrued Interest Payable	11,912	0	0
Due to Primary Government	0	1,804,445	0
Due to State of Tennessee	3,742	925	0
Due to Litigants, Heirs, and Others	242	0	0
Noncurrent Liabilities:			
Due Within One Year	102,820	1,792	0
Due in More Than One Year	2,048,683	1,311,673	18,968
Total Liabilities	<u>\$ 2,173,165</u>	<u>\$ 3,431,564</u>	<u>\$ 20,194</u>

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units	
		Van Buren County School Department	Emergency Communications District
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Revenue - Current Property Taxes	\$ 1,789,187	\$ 713,134	\$ 0
Pension Changes in Experience	61,029	68,490	0
Pension Changes in Investment Earnings	205,747	1,449,742	5,477
Total Deferred Inflows of Resources	<u>\$ 2,055,963</u>	<u>\$ 2,231,366</u>	<u>\$ 5,477</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 4,739,759	\$ 6,247,673	\$ 635,273
Restricted for:			
General Government	63,054	0	0
Administration of Justice	19,612	0	0
Public Safety	71,589	0	0
Public Health and Welfare	263	0	0
Highway/Public Works	1,639,698	0	0
Education	0	235,633	0
Debt Service	234,834	0	0
Capital Projects	4,843	0	0
Unrestricted	<u>2,977,166</u>	<u>289,734</u>	<u>125,961</u>
Total Net Position	<u>\$ 9,750,818</u>	<u>\$ 6,773,040</u>	<u>\$ 761,234</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, 2015

Functions/Programs	Net (Expense) Revenue and Changes in Net Position								
	Expenses	Program Revenues			Primary Government Total Governmental Activities	Component Units			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Van Buren County School Department	Emergency Communications District		
Primary Government:									
Governmental Activities:									
General Government	\$ 1,105,934	\$ 50,577	\$ 15,164	\$ 6,000	\$ (1,034,193)	\$ 0	\$ 0	\$ 0	\$ 0
Finance	365,850	147,748	0	0	(218,102)	0	0	0	0
Administration of Justice	246,935	170,056	4,500	0	(72,379)	0	0	0	0
Public Safety	1,244,044	146,527	19,132	0	(1,078,385)	0	0	0	0
Public Health and Welfare	743,260	453,426	20,390	17,968	(251,476)	0	0	0	0
Social, Cultural, and Recreational Services	81,475	517	13,700	700	(66,558)	0	0	0	0
Agriculture and Natural Resources	87,947	0	12,019	0	(75,928)	0	0	0	0
Highways/Public Works	1,067,784	0	1,365,523	0	297,739	0	0	0	0
Education	6,314	0	0	6,314	0	0	0	0	0
Interest on Long-term Debt	63,109	0	0	61,425	(1,684)	0	0	0	0
Total Governmental Activities	\$ 5,012,652	\$ 968,851	\$ 1,450,428	\$ 92,407	\$ (2,500,966)	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 5,012,652	\$ 968,851	\$ 1,450,428	\$ 92,407	\$ (2,500,966)	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:									
Van Buren County School Department	\$ 7,094,312	\$ 95,136	\$ 1,074,307	\$ 0	\$ 0	\$ (5,924,869)	\$ 0	\$ 0	\$ 0
Emergency Communications District	452,541	24,378	183,167	0	0	0	0	(244,996)	(244,996)
Total Component Units	\$ 7,546,853	\$ 119,514	\$ 1,257,474	\$ 0	\$ 0	\$ (5,924,869)	\$ 0	\$ (244,996)	\$ (244,996)

(Continued)

Exhibit B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units	
					Government Total Governmental Activities	Van Buren County School Department	Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 1,857,260	\$ 710,126	\$ 0
Property Taxes Levied for Debt Service					28,320	0	0
Local Option Sales Taxes					72,144	373,111	0
Hotel/Motel Tax					70,003	103,209	0
Litigation Taxes					58,158	0	0
Business Tax					14,036	0	0
Wholesale Beer Tax					29,617	0	0
Other Local Taxes					2,273	542	0
Grants and Contributions Not Restricted to Specific Programs					285,907	5,237,873	142,549
Unrestricted Investment Earnings					14,148	302	241
Miscellaneous					22,632	65,688	889
Pension Income					2,066	13,100	0
<b>Total General Revenues</b>					<b>\$ 2,456,564</b>	<b>\$ 6,503,951</b>	<b>\$ 143,679</b>
Insurance Recovery					\$ 355,000	\$ 0	\$ 3,792
Extraordinary Item (see Note IV.C)					1,937,756	0	0
Change in Net Position					\$ 2,248,354	\$ 579,082	\$ (97,525)
Net Position, July 1, 2014					7,317,931	7,574,343	863,808
Prior-period Adjustment - Industrial Development Board Capital Assets (see Note I.D.8)					533,241	0	0
Prior-period Adjustment - Industrial Development Board Debt (see Note I.D.8)					(159,000)	0	0
Restatement - Pension Liability (see Note I.D.9 for primary government and Note VI.I for the Discretely Presented Van Buren County Emergency Communications District)					(189,708)	(1,380,385)	(5,049)
<b>Net Position, June 30, 2015</b>					<b>\$ 9,750,818</b>	<b>\$ 6,773,040</b>	<b>\$ 761,234</b>

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, 2015

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects
<u>ASSETS</u>					
Cash	\$ 0	\$ 38,875	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	770,824	133,009	1,426,134	245,835	2,151,733
Accounts Receivable	4,892	286,569	320	0	0
Allowance for Uncollectibles	0	(215,213)	0	0	0
Due from Other Governments	55,314	0	213,244	52	0
Due from Other Funds	347	0	0	0	0
Property Taxes Receivable	1,778,270	245,690	0	71,481	0
Allowance for Uncollectible Property Taxes	(373,443)	(51,668)	0	(11,756)	0
Total Assets	\$ 2,236,204	\$ 437,262	\$ 1,639,698	\$ 305,612	\$ 2,151,733
<u>LIABILITIES</u>					
Accounts Payable	\$ 417	\$ 11	\$ 0	\$ 0	\$ 0
Accrued Payroll	534	0	0	0	0
Payroll Deductions Payable	3,815	557	0	0	0
Due to Other Funds	0	0	0	0	0
Due to State of Tennessee	2,679	252	0	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	0
Total Liabilities	\$ 7,445	\$ 820	\$ 0	\$ 0	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 1,361,437	\$ 188,008	\$ 0	\$ 58,866	\$ 0
Deferred Delinquent Property Taxes	37,871	5,249	0	750	0
Other Deferred/Unavailable Revenue	9,172	31,664	106,622	0	0
Total Deferred Inflows of Resources	\$ 1,408,480	\$ 224,921	\$ 106,622	\$ 59,616	\$ 0

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 13,191	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Administration of Justice	19,612	0	0	0	0
Restricted for Public Safety	0	0	0	0	0
Restricted for Public Health and Welfare	263	0	0	0	0
Restricted for Highways/Public Works	0	0	1,533,076	0	0
Restricted for Capital Outlay	4,843	0	0	0	0
Restricted for Debt Service	0	0	0	245,996	0
Committed:					
Committed for Public Health and Welfare	0	211,521	0	0	0
Committed for Capital Projects	0	0	0	0	2,151,733
Unassigned	782,370	0	0	0	0
Total Fund Balances	<u>\$ 820,279</u>	<u>\$ 211,521</u>	<u>\$ 1,533,076</u>	<u>\$ 245,996</u>	<u>\$ 2,151,733</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,236,204</u>	<u>\$ 437,262</u>	<u>\$ 1,639,698</u>	<u>\$ 305,612</u>	<u>\$ 2,151,733</u>

(Continued)

Exhibit C-1

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

	<u>Nonmajor Funds</u>		<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 320	\$		39,195
Equity in Pooled Cash and Investments	204,829			4,932,364
Accounts Receivable	4,079			295,860
Allowance for Uncollectibles	0			(215,213)
Due from Other Governments	17,968			286,578
Due from Other Funds	0			347
Property Taxes Receivable	236,442			2,331,883
Allowance for Uncollectible Property Taxes	(49,765)			(486,632)
	<hr/>			
Total Assets	\$ 413,873	\$		<u>7,184,382</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 37	\$		465
Accrued Payroll	0			534
Payroll Deductions Payable	395			4,767
Due to Other Funds	347			347
Due to State of Tennessee	811			3,742
Due to Litigants, Heirs, and Others	242			242
	<hr/>			
Total Liabilities	\$ 1,832	\$		<u>10,097</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 180,876	\$		1,789,187
Deferred Delinquent Property Taxes	5,064			48,934
Other Deferred/Unavailable Revenue	0			147,458
	<hr/>			
Total Deferred Inflows of Resources	\$ 185,940	\$		<u>1,985,579</u>

(Continued)

Exhibit C-1

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

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other	Govern- mental Funds	Governmental Funds
<u>FUND BALANCES</u>			
Restricted:			
Restricted for General Government	\$ 49,863		\$ 63,054
Restricted for Administration of Justice	0		19,612
Restricted for Public Safety	67,838		67,838
Restricted for Public Health and Welfare	0		263
Restricted for Highways/Public Works	0		1,533,076
Restricted for Capital Outlay	0		4,843
Restricted for Debt Service	0		245,996
Committed:			
Committed for Public Health and Welfare	108,400		319,921
Committed for Capital Projects	0		2,151,733
Unassigned	0		782,370
Total Fund Balances	<u>\$ 226,101</u>		<u>\$ 5,188,706</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 413,873</u>		<u>\$ 7,184,382</u>

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, 2015

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 5,188,706
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 488,963	
Add: infrastructure net of accumulated depreciation	2,959,689	
Add: buildings and improvements net of accumulated depreciation	836,506	
Add: other capital assets net of accumulated depreciation	<u>454,601</u>	4,739,759
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (1,804,445)	
Add: debt to be contributed by the School Department	1,804,445	
Less: accrued interest on bonds	(11,912)	
Less: landfill postclosure care costs	(245,228)	
Less: compensated absences payable	<u>(101,830)</u>	(358,970)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 172,573	
Less: deferred inflows of resources related to pensions	<u>(266,776)</u>	(94,203)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		79,134
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>196,392</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 9,750,818</u></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, 2015

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 1,693,248	\$ 206,016	\$ 1,342	\$ 90,331	\$ 0
Licenses and Permits	18,676	0	0	0	0
Fines, Forfeitures, and Penalties	37,118	0	0	0	0
Charges for Current Services	14,880	368,655	0	0	0
Other Local Revenues	240,845	0	7,442	6,124	71
Fees Received from County Officials	304,699	0	0	0	0
State of Tennessee	409,439	0	1,334,286	20,211	0
Federal Government	30,419	0	0	0	0
Other Governments and Citizens Groups	26,532	0	0	519,739	0
<b>Total Revenues</b>	<b>\$ 2,775,856</b>	<b>\$ 574,671</b>	<b>\$ 1,343,070</b>	<b>\$ 636,405</b>	<b>\$ 71</b>
<u>Expenditures</u>					
Current:					
General Government	\$ 830,532	\$ 0	\$ 0	\$ 0	\$ 0
Finance	364,340	0	0	0	0
Administration of Justice	244,293	0	0	0	0
Public Safety	1,003,772	0	0	77,002	0
Public Health and Welfare	47,127	521,612	0	0	0
Social, Cultural, and Recreational Services	81,475	0	0	0	0
Agriculture and Natural Resources	87,947	0	0	0	0
Other Operations	229,712	0	0	0	0
Highways	36,276	0	946,201	0	0
Debt Service:					
Principal on Debt	0	0	0	722,299	0
Interest on Debt	0	0	0	64,491	0
Other Debt Service	0	0	0	18,455	0
<b>Total Expenditures</b>	<b>\$ 2,925,474</b>	<b>\$ 521,612</b>	<b>\$ 946,201</b>	<b>\$ 882,247</b>	<b>\$ 0</b>

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects
Excess (Deficiency) of Revenues Over Expenditures	\$ (149,618)	\$ 53,059	\$ 396,869	\$ (245,842)	\$ 71
<u>Other Financing Sources (Uses)</u>					
Refunding Debt Issued	\$ 0	\$ 0	\$ 0	\$ 1,804,445	\$ 0
Insurance Recovery	297,100	0	0	0	2,151,662
Payments to Refunded Debt Escrow Agent	0	0	0	(1,793,682)	0
Total Other Financing Sources (Uses)	\$ 297,100	\$ 0	\$ 0	\$ 10,763	\$ 2,151,662
Net Change in Fund Balances	\$ 147,482	\$ 53,059	\$ 396,869	\$ (235,079)	\$ 2,151,733
Fund Balance, July 1, 2014	672,797	158,462	1,136,207	481,075	0
Fund Balance, June 30, 2015	\$ 820,279	\$ 211,521	\$ 1,533,076	\$ 245,996	\$ 2,151,733

(Continued)

Exhibit C-3

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

	Nonmajor Funds		Total Governmental Funds
	Other	Govern- mental Funds	
<hr/>			
<u>Revenues</u>			
Local Taxes	\$ 251,504	\$	2,242,441
Licenses and Permits	0		18,676
Fines, Forfeitures, and Penalties	7,590		44,708
Charges for Current Services	52,266		435,801
Other Local Revenues	22,559		277,041
Fees Received from County Officials	0		304,699
State of Tennessee	17,968		1,781,904
Federal Government	0		30,419
Other Governments and Citizens Groups	0		546,271
Total Revenues	<u>\$ 351,887</u>	<u>\$</u>	<u>5,681,960</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 79,131	\$	909,663
Finance	238		364,578
Administration of Justice	1,491		245,784
Public Safety	149,681		1,230,455
Public Health and Welfare	161,569		730,308
Social, Cultural, and Recreational Services	0		81,475
Agriculture and Natural Resources	0		87,947
Other Operations	3,479		233,191
Highways	0		982,477
Debt Service:			
Principal on Debt	0		722,299
Interest on Debt	0		64,491
Other Debt Service	0		18,455
Total Expenditures	<u>\$ 395,589</u>	<u>\$</u>	<u>5,671,123</u>

(Continued)

Exhibit C-3

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

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other	Govern- mental	
	Funds	Funds	Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ (43,702)	\$	10,837
<u>Other Financing Sources (Uses)</u>			
Refunding Debt Issued	\$ 0	\$	1,804,445
Insurance Recovery	57,900		2,506,662
Payments to Refunded Debt Escrow Agent	0		(1,793,682)
Total Other Financing Sources (Uses)	<u>\$ 57,900</u>	<u>\$</u>	<u>2,517,425</u>
Net Change in Fund Balances	\$ 14,198	\$	2,528,262
Fund Balance, July 1, 2014	211,903		2,660,444
Fund Balance, June 30, 2015	<u>\$ 226,101</u>	<u>\$</u>	<u>5,188,706</u>

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, 2015

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 2,528,262
(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	\$ 86,198	
Less: current-year depreciation expense	<u>(324,657)</u>	(238,459)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Less: book value of capital assets disposed		(402,306)
(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, 2014	\$ (243,880)	
Add: deferred delinquent property taxes and other deferred June 30, 2015	<u>196,392</u>	(47,488)
(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	\$ 270,299	
Add: principal payments on other loans	452,000	
Less: refunding debt proceeds	(1,804,445)	
Add: payment to refunding agent	1,793,682	
Add: refunding costs	10,763	
Less: contributions from School Department for bonds and other loans	<u>(452,000)</u>	270,299
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 1,382	
Change in compensated absences payable	(41,378)	
Change in landfill postclosure care costs	3,403	
Change in net pension liability/asset	268,842	
Change in deferred outflows related to pensions	172,573	
Change in deferred inflows related to pensions	<u>(266,776)</u>	138,046
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,248,354</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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,693,248	\$ 1,573,406	\$ 1,573,406	\$ 119,842
Licenses and Permits	18,676	9,400	9,400	9,276
Fines, Forfeitures, and Penalties	37,118	43,350	43,350	(6,232)
Charges for Current Services	14,880	8,500	8,500	6,380
Other Local Revenues	240,845	39,900	45,180	195,665
Fees Received from County Officials	304,699	262,000	262,000	42,699
State of Tennessee	409,439	427,306	417,803	(8,364)
Federal Government	30,419	46,056	46,756	(16,337)
Other Governments and Citizens Groups	26,532	51,500	60,500	(33,968)
<b>Total Revenues</b>	<b>\$ 2,775,856</b>	<b>\$ 2,461,418</b>	<b>\$ 2,466,895</b>	<b>\$ 308,961</b>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 78,716	\$ 70,139	\$ 80,348	\$ 1,632
Board of Equalization	1,250	2,000	3,250	2,000
Beer Board	400	1,000	1,000	600
County Mayor/Executive	224,900	159,600	229,587	4,687
County Attorney	6,600	7,700	7,700	1,100
Election Commission	128,301	115,859	129,826	1,525
Register of Deeds	99,510	79,793	99,628	118
Planning	625	4,700	4,700	4,075
County Buildings	290,033	114,000	294,664	4,631
Other General Administration	197	0	197	0
Preservation of Records	0	500	500	500
<u>Finance</u>				
Property Assessor's Office	110,145	117,675	119,425	9,280
County Trustee's Office	120,500	103,682	125,865	5,365
County Clerk's Office	133,695	99,891	133,816	121
<u>Administration of Justice</u>				
Circuit Court	111,096	117,926	117,926	6,830
General Sessions Court	37,388	37,800	37,800	412
Chancery Court	80,819	83,418	83,418	2,599
Juvenile Court	10,115	10,500	10,500	385
Judicial Commissioners	4,875	5,300	5,300	425
<u>Public Safety</u>				
Sheriff's Department	514,326	618,278	618,278	103,952
Jail	405,547	492,360	501,895	96,348
Fire Prevention and Control	1,000	1,000	1,000	0
Rescue Squad	3,919	4,000	4,000	81
Other Emergency Management	2,000	2,000	2,000	0
County Coroner/Medical Examiner	6,920	6,300	7,220	300
Other Public Safety	70,060	57,000	72,000	1,940
<u>Public Health and Welfare</u>				
Local Health Center	28,377	32,156	32,156	3,779
Regional Mental Health Center	0	2,423	2,423	2,423
Appropriation to State	18,750	25,000	25,000	6,250
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	20,528	20,994	20,994	466
Senior Citizens Assistance	22,507	17,657	23,022	515

(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>Social, Cultural, and Recreational Services (Cont.)</u>				
Libraries	\$ 29,240	\$ 29,837	\$ 30,597	\$ 1,357
Parks and Fair Boards	1,200	1,200	1,200	0
Other Social, Cultural, and Recreational	8,000	8,000	8,000	0
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	37,317	39,896	40,649	3,332
Soil Conservation	50,630	43,450	50,990	360
<u>Other Operations</u>				
Industrial Development	10,290	90,400	90,400	80,110
Veterans' Services	9,150	10,000	10,000	850
Other Charges	139,590	155,750	155,750	16,160
Employee Benefits	13,776	50,000	50,000	36,224
Miscellaneous	56,906	29,500	58,500	1,594
<u>Highways</u>				
Litter and Trash Collection	36,276	33,700	36,750	474
Total Expenditures	\$ 2,925,474	\$ 2,902,384	\$ 3,328,274	\$ 402,800
Excess (Deficiency) of Revenues Over Expenditures	\$ (149,618)	\$ (440,966)	\$ (861,379)	\$ 711,761
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 297,100	\$ 0	\$ 297,100	\$ 0
Total Other Financing Sources	\$ 297,100	\$ 0	\$ 297,100	\$ 0
Net Change in Fund Balance	\$ 147,482	\$ (440,966)	\$ (564,279)	\$ 711,761
Fund Balance, July 1, 2014	672,797	704,556	704,556	(31,759)
Fund Balance, June 30, 2015	\$ 820,279	\$ 263,590	\$ 140,277	\$ 680,002

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 206,016	\$ 185,119	\$ 185,119	\$ 20,897
Charges for Current Services	368,655	300,000	300,000	68,655
Other Local Revenues	0	2,000	2,000	(2,000)
Total Revenues	<u>\$ 574,671</u>	<u>\$ 487,119</u>	<u>\$ 487,119</u>	<u>\$ 87,552</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 521,612	\$ 543,550	\$ 550,940	\$ 29,328
Total Expenditures	<u>\$ 521,612</u>	<u>\$ 543,550</u>	<u>\$ 550,940</u>	<u>\$ 29,328</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 53,059</u>	<u>\$ (56,431)</u>	<u>\$ (63,821)</u>	<u>\$ 116,880</u>
Net Change in Fund Balance	\$ 53,059	\$ (56,431)	\$ (63,821)	\$ 116,880
Fund Balance, July 1, 2014	<u>158,462</u>	<u>125,122</u>	<u>125,122</u>	<u>33,340</u>
Fund Balance, June 30, 2015	<u>\$ 211,521</u>	<u>\$ 68,691</u>	<u>\$ 61,301</u>	<u>\$ 150,220</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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,342	\$ 411	\$ 411	\$ 931
Other Local Revenues	7,442	0	0	7,442
State of Tennessee	1,334,286	1,293,925	1,293,925	40,361
Total Revenues	<u>\$ 1,343,070</u>	<u>\$ 1,294,336</u>	<u>\$ 1,294,336</u>	<u>\$ 48,734</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 144,427	\$ 176,263	\$ 176,263	\$ 31,836
Highway and Bridge Maintenance	338,483	713,445	713,445	374,962
Operation and Maintenance of Equipment	210,153	349,150	349,150	138,997
Quarry Operations	9,933	11,300	11,300	1,367
Other Charges	104,371	134,000	134,000	29,629
Employee Benefits	57,272	91,850	91,850	34,578
Capital Outlay	81,562	159,800	159,800	78,238
Total Expenditures	<u>\$ 946,201</u>	<u>\$ 1,635,808</u>	<u>\$ 1,635,808</u>	<u>\$ 689,607</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 396,869</u>	<u>\$ (341,472)</u>	<u>\$ (341,472)</u>	<u>\$ 738,341</u>
Net Change in Fund Balance	\$ 396,869	\$ (341,472)	\$ (341,472)	\$ 738,341
Fund Balance, July 1, 2014	<u>1,136,207</u>	<u>1,007,276</u>	<u>1,007,276</u>	<u>128,931</u>
Fund Balance, June 30, 2015	<u>\$ 1,533,076</u>	<u>\$ 665,804</u>	<u>\$ 665,804</u>	<u>\$ 867,272</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, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 419,401
Due from Other Governments	20,864
Cash Shortage	<u>3,000</u>
Total Assets	<u>\$ 443,265</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 20,864
Due to Litigants, Heirs, and Others	<u>422,401</u>
Total Liabilities	<u>\$ 443,265</u>

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

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

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

**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.

**Blended Component Unit** – The Industrial Development Board of Van Buren County was created to provide assistance in industrial recruitment in Van Buren County. In prior years, this entity was reported as a discretely presented component unit of the county because the Van Buren County Commission appointed its board of directors. However, the Van Buren County Commission is currently acting as the board of directors. The long-term debt and capital assets of the Industrial Development Board of Van Buren County have been included on the primary government Statement of Activities as prior-period adjustments, and the capital assets of the board are included in the primary government Statement of Net Position at June 30, 2015.

**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 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. 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

**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, 2015.

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.

**General Capital Projects Fund** – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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 12.02 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.

**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

<u>Assets</u>	<u>Years</u>
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. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for pension changes in experience, changes in proportionate share of contributions, as well as employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, changes in investment earnings, 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. County employees can accrue up to 240 hours of vacation, and Ambulance Service employees can accrue 1,000 hours. 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, 2015, Van Buren County had \$1,804,445 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.

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 Adjustments**

On August 19, 2014, the County Commission approved a motion to repay the outstanding debt of the Industrial Development Board of Van Buren County. A prior-period adjustment of \$159,000 was recognized on the Statement of Activities to include this debt on the county's financial statements.

Capital assets were restated \$533,241 from the prior year to include the assets of the Industrial Development Board of Van Buren County. The Industrial Development Board ceased to have any active members, and the County Commission is acting as its governing body; therefore, the operations of the board were included in the county's financial statements as a blended component unit.

**9. Restatements**

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore, a restatement decreasing Van Buren County's and the Van Buren County School Department's beginning net position has been recognized on the Statement of Activities totaling \$189,708 and \$1,380,385; respectively.

**E. Pension Plans**

**Primary Government**

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

**Discretely Presented Van Buren County School Department**

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

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

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

**Primary Government**

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

**Discretely Presented 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 Shortages – Prior and Subsequent Years**

During the 2013 fiscal year, the Sheriff's Department had a cash shortage of \$3,000 from their 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. The defendant entered a plea agreement on February 23, 2015. No payments were received during the year to liquidate this shortage; therefore, a cash shortage of \$3,000 is reflected in the county's financial statements at June 30, 2015.

Subsequent to June 30, 2015, the Sheriff's Department discovered that a former jail administrator had receipted two cash bonds totaling \$1,500 on July 24, 2015; however, these collections had not been deposited to the office's bank account. These funds were recovered from the former jail administrator on September 15, 2015. The Tennessee Bureau of Investigation is investigating this discrepancy.

**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, 2015.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2015, was as follows:

**Primary Government**

**Governmental Activities:**

	* Restated			
	Balance			Balance
	7-1-14	Increases	Decreases	6-30-15
Capital Assets Not Depreciated:				
Land	\$ 677,363	\$ 0	\$ (188,400)	\$ 488,963
Total Capital Assets Not Depreciated	<u>\$ 677,363</u>	<u>\$ 0</u>	<u>\$ (188,400)</u>	<u>\$ 488,963</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 3,111,897	\$ 0	\$ (347,157)	\$ 2,764,740
Roads and Bridges	6,494,120	0	0	6,494,120
Other Capital Assets	2,681,104	86,198	0	2,767,302
Total Capital Assets Depreciated	<u>\$ 12,287,121</u>	<u>\$ 86,198</u>	<u>\$ (347,157)</u>	<u>\$ 12,026,162</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,995,011	\$ 66,474	\$ (133,251)	\$ 1,928,234
Roads and Bridges	3,386,844	147,587	0	3,534,431
Other Capital Assets	2,202,105	110,596	0	2,312,701
Total Accumulated Depreciation	<u>\$ 7,583,960</u>	<u>\$ 324,657</u>	<u>\$ (133,251)</u>	<u>\$ 7,775,366</u>
Total Capital Assets Depreciated, Net	<u>\$ 4,703,161</u>	<u>\$ (238,459)</u>	<u>\$ (213,906)</u>	<u>\$ 4,250,796</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,380,524</u>	<u>\$ (238,459)</u>	<u>\$ (402,306)</u>	<u>\$ 4,739,759</u>

\* See footnote I.D.8. for prior-period adjustment.

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

**Governmental Activities:**

General Government	\$ 66,945
Public Safety	20,293
Public Health and Welfare	48,086
Highways/Public Works	<u>189,333</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 324,657</u>

**Discretely Presented Van Buren County School Department**

**Governmental Activities:**

	Balance 7-1-14	Increases	Balance 6-30-15
Capital Assets Not Depreciated:			
Land	\$ 269,347	\$ 0	\$ 269,347
Total Capital Assets Not Depreciated	<u>\$ 269,347</u>	<u>\$ 0</u>	<u>\$ 269,347</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 9,264,018	\$ 0	\$ 9,264,018
Infrastructure	22,760	0	22,760
Other Capital Assets	1,130,820	120,652	1,251,472
Total Capital Assets Depreciated	<u>\$ 10,417,598</u>	<u>\$ 120,652</u>	<u>\$ 10,538,250</u>
Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 3,700,264	\$ 231,689	\$ 3,931,953
Infrastructure	16,806	1,127	17,933
Other Capital Assets	544,240	65,798	610,038
Total Accumulated Depreciation	<u>\$ 4,261,310</u>	<u>\$ 298,614</u>	<u>\$ 4,559,924</u>
Total Capital Assets Depreciated, Net	<u>\$ 6,156,288</u>	<u>\$ (177,962)</u>	<u>\$ 5,978,326</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,425,635</u>	<u>\$ (177,962)</u>	<u>\$ 6,247,673</u>

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

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

**Governmental Activities:**

Instruction	\$ 233,721
Support Services	<u>64,893</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 298,614</u>

**C. Insurance Recoveries**

On January 7, 2015, the county administration building was destroyed by fire. The county received insurance proceeds for the building of \$2,151,662 into the General Capital Projects Fund to construct a new administration building. The carrying amount of the destroyed building (\$213,906) was netted against the insurance proceeds and the gain was reported as an extraordinary item of \$1,937,756 on the Statement of Activities. The county also received insurance proceeds of \$297,100 in the General Fund and \$57,900 in the Courthouse and Jail Maintenance for replacement of furniture, equipment, and supplies and for relocation expenses.

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

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

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 347
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	5,593
Nonmajor governmental	General Purpose School	9,659

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:**

Receivable Fund	Payable Fund	Amount
	Component Unit:	
Primary Government	School Department	\$ 1,804,445

The Due to Primary Government is the balance of the bond issued by the county for the School Department. The School Department has agreed to contribute the funds annually to retire this bond. This long-term obligation is reflected in governmental activities on the Statement of Net Position.

**Interfund Transfers:**

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

**Discretely Presented Van Buren County School Department**

Transfer Out	<u>Transfer In</u> General Purpose School Fund
Nonmajor governmental funds	\$ 3,830

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.

**E. 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. In addition, general obligation bonds have been issued to refund other general obligation bonds. 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. The general obligation bond outstanding was issued for an original term of

20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The bond included in long-term debt as of June 30, 2015, will be retired from the General Debt Service Fund.

The general obligation bond outstanding as of June 30, 2015, for governmental activities is as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation Bond - Refunding	2.69 %	10-1-34	\$ 1,804,445	\$ 1,804,445

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

Year Ending June 30	Bond		
	Principal	Interest	Total
2016	\$ 66,445	\$ 47,646	\$ 114,091
2017	71,000	45,797	116,797
2018	73,000	43,860	116,860
2019	75,000	41,870	116,870
2020	77,000	39,825	116,825
2021-2025	418,000	166,457	584,457
2026-2030	479,000	106,189	585,189
2031-2035	545,000	37,458	582,458
Total	\$ 1,804,445	\$ 529,102	\$ 2,333,547

There is \$245,996 available in the General Debt Service Fund to service long-term debt. Debt per capita, including the bonds, notes, and other loans totaled \$325, 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 6-30-15
<u>Bond Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
School Refunding Bond, Series 2014	\$ 1,804,445
Total	<u>\$ 1,804,445</u>

Changes in Long-term Obligations

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

Governmental Activities:

	Bonds	* Restated Notes	Other Loans
Balance, July 1, 2014	\$ 1,793,682	\$ 270,299	\$ 452,000
Additions	1,804,445	0	0
Reductions	(1,793,682)	(270,299)	(452,000)
Balance, June 30, 2015	<u>\$ 1,804,445</u>	<u>\$ 0</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 66,445</u>	<u>\$ 0</u>	<u>\$ 0</u>

\* See Note I.D.8. for prior-period adjustment.

	Compensated Absences	Landfill Postclosure Care Costs
Balance, July 1, 2014	\$ 60,452	\$ 248,631
Additions	126,842	3,624
Reductions	(85,464)	(7,027)
Balance, June 30, 2015	<u>\$ 101,830</u>	<u>\$ 245,228</u>
Balance Due Within One Year	<u>\$ 20,365</u>	<u>\$ 16,010</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 2,151,503
Less: Balance Due Within One Year	<u>(102,820)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,048,683</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.

Advance or Current Refunding

On December 12, 2014, Van Buren County advance refunded a general obligation bond with a separate general obligation bond issue. The county issued \$1,804,445 of general obligation refunding bonds to provide resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next 20 years will be reduced by \$348,632 and an economic gain (difference between the net present value of the debt service payments of the refunded and refunding bonds) of \$337,870 was obtained.

**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, 2015, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2014	\$ 0	\$ 1,230,457
Additions	4,300	137,269
Reductions	0	(58,561)
Balance, June 30, 2015	<u>\$ 4,300</u>	<u>\$ 1,309,165</u>
Balance Due Within One Year	<u>\$ 1,792</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 1,313,465
Less: Balance Due Within One Year	<u>(1,792)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,311,673</u>

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

**F. On-Behalf Payments**

**Primary Government**

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Van Buren County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the State's Comprehensive Annual Financial Report. Payments by the State to the Medicare Supplement Plan for the year ended June 30, 2015, were \$197. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

**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, 2015, were \$19,731 and \$9,000, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. Risk Management**

**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 (LWCF),

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. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for

pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

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

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

**C. Contingent Liabilities**

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

**D. Changes in Administration**

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

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.

**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 \$245,228 reported as postclosure care liability at June 30, 2015,

represents amounts based on what it would cost to perform all postclosure care in 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Retirement Commitments**

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

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Van Buren County and non-certified employees of the discretely presented Van Buren County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 47.12 percent and the non-certified employees of the discretely present School Department comprise 52.88 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

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

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous

year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	57
Inactive Employees Entitled to But Not Yet Receiving Benefits	108
Active Employees	<u>104</u>
Total	<u><u>269</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Van Buren County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2014, employer contributions for Van Buren County were \$275,429 based on a rate of 9.25 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Van Buren County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Net Pension Liability (Asset)**

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

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

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

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

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

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

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

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

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

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 6,628,631	\$ 5,979,509	\$ 649,122
Changes for the Year:			
Service Cost	\$ 215,836	\$ 0	\$ 215,836
Interest	501,978	0	501,978
Differences Between Expected and Actual Experience	(155,422)	0	(155,422)
Contributions-Employer	0	246,515	(246,515)
Contributions-Employees	0	139,749	(139,749)
Net Investment Income	0	997,246	(997,246)
Benefit Payments, Including Refunds of Employee Contributions	(302,863)	(302,863)	0
Administrative Expense	0	(4,054)	4,054
Other Changes	0	0	0
Net Changes	\$ 259,529	\$ 1,076,593	\$ (817,064)
Balance, June 30, 2014	\$ 6,888,160	\$ 7,056,102	\$ (167,942)

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government 47.12%	\$ 3,245,701	\$ 3,324,835	\$ (79,134)
School Department 52.88%	3,642,459	3,731,267	(88,808)
Total	\$ 6,888,160	\$ 7,056,102	\$ (167,942)

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

Van Buren County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
------------------	------------------------	-------------------------------------	------------------------

Net Pension Liability      \$ 766,578    \$ (167,942)    \$ (945,437)

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

*Pension Income.* For the year ended June 30, 2015, Van Buren County recognized pension income of \$4,385.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 0	\$ 129,518
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	436,646
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>275,429</u>	<u>N/A</u>
Total	<u>\$ 275,429</u>	<u>\$ 566,164</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 172,573	\$ 266,776
School Department	102,856	299,388
Total	<u>\$ 275,429</u>	<u>\$ 566,164</u>

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

Year Ending June 30	Amount
2016	\$ (135,065)
2017	(135,065)
2018	(135,065)
2019	(135,065)
2020	(25,904)
Thereafter	0

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

**Discretely Presented Van Buren County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Van Buren County and non-certified employees of the discretely presented Van Buren County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 47.12 percent and the non-certified employees of the discretely present School Department comprise 52.88 percent of the plan based on census data.

## **Certified Employees**

### **Teacher Retirement Plan**

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

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

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

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were \$2,008, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 2,008	N/A

The Van Buren County School Department's employer contributions of \$2,008 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ending June 30, 2016.

### **Teacher Legacy Pension Plan**

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

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

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

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Van Buren County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$310,271, which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Assets.* At June 30, 2015, the Van Buren County School Department reported an asset of \$14,793 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Van Buren County School Department's proportion of the net pension liability was based on Van Buren County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, Van Buren County School Department's proportion was .091036 percent. The proportion measured as of June 30, 2013, was .090226 percent.

*Pension Income.* For the year ended June 30, 2015, the Van Buren County School Department recognized a pension income of \$10,781.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 35,913	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,218,843
Changes in proportion of Net Pension Liability (Asset)	11,433	0
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	310,271	N/A
Total	<u>\$ 357,617</u>	<u>\$ 1,218,843</u>

The Van Buren County School Department's employer contributions of \$310,271 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (296,820)
2017	(296,820)
2018	(296,820)
2019	(296,820)
2020	7,891
Thereafter	7,891

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

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

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

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

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

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

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

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

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

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

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

Net Pension Liability    \$   2,494,995    \$    (14,793)    \$   (2,092,625)

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

**Payable to the Pension Plan**

At June 30, 2014, the Van Buren County School Department reported a payable of \$139,765 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

**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.

Teachers hired after July 1, 2014, by the discretely presented Van Buren County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the Van Buren County School Department has assumed a portion of the costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Van Buren County School Department contributed \$2,393 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

**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 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, 2015, the discretely presented Van Buren County School Department contributed \$58,561 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	<u>Local Education Group Plan</u>
ARC	\$ 136,000
Interest on the NOPEBO	49,219
Adjustment to the ARC	<u>(47,950)</u>
Annual OPEB cost	\$ 137,269
Amount of contribution	<u>(58,561)</u>
Increase/decrease in NOPEBO	\$ 78,708
Net OPEB obligation, 7-1-14	<u>1,230,457</u>
Net OPEB obligation, 6-30-15	<u><u>\$ 1,309,165</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Education Group	\$ 250,680	18%	\$ 1,148,044
6-30-14	"	132,183	38	1,230,457
6-30-15	"	137,269	43	1,309,165

#### 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 seven percent for fiscal year 2015. The trend rate will decrease to 6.5 percent in fiscal year 2016 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	2015 Depreciation
Buildings and Improvements	S/L	40 years	\$ 12,073
Furniture and Fixtures	S/L	10 years	2,249
Office Equipment	S/L	5-10 years	550
Communications Equipment	S/L	5-10 years	88,564
Vehicles	S/L	5-10 years	4,672
Total			<u>\$ 108,108</u>

**2. Pensions**

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

**3. 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.

**4. 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**

*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).

The following is a schedule of bank accounts at June 30, 2015:

Operating Checking - Citizens Bank	\$ 26,145
Savings - Citizens Bank	<u>75,293</u>
Total Deposits	<u>\$ 101,438</u>

At June 30, 2015, the carrying amount of the Van Buren County Emergency Communications District's cash deposits was \$101,438. 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, 2015. 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, 2015:

<u>Assets</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Non-Depreciable:			
Land	\$ 60,000	\$ 0	\$ 60,000
Depreciable:			
Buildings and Improvements	\$ 380,177	\$ 88,077	\$ 292,100
Furniture and Fixtures	22,494	15,729	6,765
Office Equipment	2,750	2,750	0
Communications Equipment	524,517	268,919	255,598
Vehicles	25,481	4,671	20,810
Total Depreciable	<u>\$ 955,419</u>	<u>\$ 380,146</u>	<u>\$ 575,273</u>
Total Assets	<u>\$ 1,015,419</u>	<u>\$ 380,146</u>	<u>\$ 635,273</u>

<u>Assets</u>	<u>Balance 7-1-14</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6-30-15</u>
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	524,517	0	0	524,517
Vehicles	0	25,481	0	25,481
Total Depreciable	<u>\$ 929,938</u>	<u>\$ 25,481</u>	<u>\$ 0</u>	<u>\$ 955,419</u>
Total Assets	<u>\$ 989,938</u>	<u>\$ 25,481</u>	<u>\$ 0</u>	<u>\$ 1,015,419</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. Compensated Absences**

There were no compensated absences for June 30, 2015.

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

Net Book Value	\$ 635,273
Current and Non-current Debt	<u>0</u>
Investment in Capital Assets	<u>\$ 635,273</u>

**H. 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.

**I. Prior-period Adjustment**

A prior-period adjustment of \$5,049 was made to account for pension liabilities for a prior period.

**J. Pension Plan**

*Plan Description.* Employees of Van Buren County Emergency Communications District are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the property operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

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

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	2
Active Employees	<u>3</u>
Total	<u><u>5</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Van Buren County Emergency Communications District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Van Buren County Emergency Communications District were \$7,390 based on a rate of 5.51 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Van Buren County Emergency Communications District's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Net Pension Liability (Asset)**

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

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

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

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

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

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

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

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

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 83,262	\$ 72,178	\$ 11,084
Changes for the Year:			
Service Cost	\$ 7,241	\$ 0	\$ 7,241
Interest	6,788	0	6,788
Differences Between Expected and Actual Experience	17,912	0	17,912
Contributions-Employer	0	6,035	(6,035)
Contributions-Employees	0	5,458	(5,458)
Net Investment Income	0	12,686	(12,686)
Administrative Expense	0	(122)	122
Net Changes	<u>\$ 31,941</u>	<u>\$ 24,057</u>	<u>\$ 7,884</u>
Balance, June 30, 2014	<u>\$ 115,203</u>	<u>\$ 96,235</u>	<u>\$ 18,968</u>

*Sensitivity of the net pension liability (asset) to changes in the discount rate.* The following presents the net pension liability (asset) of Van Buren County Emergency Communications District calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.5 percent) or one percentage point higher (8.5 percent) than the current rate:

Van Buren County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 38,881	\$ 18,968	\$ 2,657

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

*Pension income.* For the year ended June 30, 2015, Van Buren County Emergency Communications District recognized pension income of \$4,469.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2015, Van Buren County Emergency Communications District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 14,927	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	5,477
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	7,390	N/A
Total	\$ 22,317	\$ 5,477

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

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

Year Ending June 30	Amount
2016	\$ (1,616)
2017	(1,616)
2018	(1,616)
2019	(1,616)
2020	(2,985)
Thereafter	0

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

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

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

	<u>2014</u>
<b>Total Pension Liability (Asset)</b>	
Service Cost	\$ 215,836
Interest	501,978
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(155,422)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(302,863)</u>
Net Change in Total Pension Liability (Asset)	\$ 259,529
Total Pension Liability (Asset), Beginning	<u>6,628,631</u>
Total Pension Liability, Ending (a)	<u>\$ 6,888,160</u>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 246,515
Contributions - Employee	139,749
Net Investment Income	997,246
Benefit Payments, Including Refunds of Employee Contributions	(302,863)
Administrative Expense	<u>(4,054)</u>
Net Change in Plan Fiduciary Net Position	\$ 1,076,593
Plan Fiduciary Net Position, Beginning	<u>5,979,509</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 7,056,102</u>
Net Pension Liability (Asset), Ending (a - b)	<u>\$ (167,942)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.44%
Covered Employee Payroll	\$ 2,794,937
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	6.01%

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

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

Exhibit E-2

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 246,515	\$ 275,429
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(246,515)</u>	<u>(275,429)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 2,794,937	\$ 2,976,965
Contributions as a Percentage of Covered Employee Payroll	8.82%	9.25%

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

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

Exhibit E-3

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 1,255
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(2,008)</u>
Contribution Deficiency (Excess)	<u>\$ (753)</u>
Covered Employee Payroll	\$ 50,200
Contributions as a Percentage of Covered Employee Payroll	4.00%

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

Exhibit E-4

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 317,296	\$ 310,271
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(317,296)</u>	<u>(310,271)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 3,573,156	\$ 3,459,844
Contributions as a Percentage of Covered Employee Payroll	8.88%	8.97%

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

Exhibit E-5

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

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.091036%
School Department's Proportionate Share of the Net Pension Asset	\$ 14,793
Covered Employee Payroll	\$ 3,573,156
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

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

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

Exhibit E-6

Van Buren County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plan  
Discretely Presented Van Buren County School Department  
June 30, 2015

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) 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, 2015**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

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

Methods and assumptions used to determine contribution rates:

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

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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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, 2015

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Nonmajor Governmental Funds
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 320	\$ 320
Equity in Pooled Cash and Investments	50,490	86,805	44,076	23,458	0	204,829
Accounts Receivable	0	4,052	0	0	27	4,079
Due from Other Governments	0	17,968	0	0	0	17,968
Property Taxes Receivable	0	59,580	176,862	0	0	236,442
Allowance for Uncollectible Property Taxes	0	(12,695)	(37,070)	0	0	(49,765)
<b>Total Assets</b>	<b>\$ 50,490</b>	<b>\$ 155,710</b>	<b>\$ 183,868</b>	<b>\$ 23,458</b>	<b>\$ 347</b>	<b>\$ 413,873</b>
<u>LIABILITIES</u>						
Accounts Payable	\$ 37	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37
Payroll Deductions Payable	395	0	0	0	0	395
Due to Other Funds	0	0	0	0	347	347
Due to State of Tennessee	195	616	0	0	0	811
Due to Litigants, Heirs, and Others	0	0	0	242	0	242
<b>Total Liabilities</b>	<b>\$ 627</b>	<b>\$ 616</b>	<b>\$ 0</b>	<b>\$ 242</b>	<b>\$ 347</b>	<b>\$ 1,832</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 45,381	\$ 135,495	\$ 0	\$ 0	\$ 180,876
Deferred Delinquent Property Taxes	0	1,313	3,751	0	0	5,064
<b>Total Deferred Inflows of Resources</b>	<b>\$ 0</b>	<b>\$ 46,694</b>	<b>\$ 139,246</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 185,940</b>

(Continued)

Exhibit F-1

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

	<u>Special Revenue Funds</u>					Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Nonmajor Governmental Funds
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 49,863	\$ 0	\$ 0	\$ 0	\$ 0	\$ 49,863
Restricted for Public Safety	0	0	44,622	23,216	0	67,838
Committed:						
Committed for Public Health and Welfare	0	108,400	0	0	0	108,400
Total Fund Balances	<u>\$ 49,863</u>	<u>\$ 108,400</u>	<u>\$ 44,622</u>	<u>\$ 23,216</u>	<u>\$ 0</u>	<u>\$ 226,101</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 50,490</u>	<u>\$ 155,710</u>	<u>\$ 183,868</u>	<u>\$ 23,458</u>	<u>\$ 347</u>	<u>\$ 413,873</u>

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, 2015

	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	\$ 50,873	\$ 52,017	\$ 148,614	\$ 0	\$ 0	\$ 251,504
Fines, Forfeitures, and Penalties	0	0	0	7,590	0	7,590
Charges for Current Services	0	50,537	0	0	1,729	52,266
Other Local Revenues	0	22,559	0	0	0	22,559
State of Tennessee	0	17,968	0	0	0	17,968
Total Revenues	<u>\$ 50,873</u>	<u>\$ 143,081</u>	<u>\$ 148,614</u>	<u>\$ 7,590</u>	<u>\$ 1,729</u>	<u>\$ 351,887</u>
<u>Expenditures</u>						
Current:						
General Government	\$ 79,131	\$ 0	\$ 0	\$ 0	\$ 0	\$ 79,131
Finance	0	0	0	0	238	238
Administration of Justice	0	0	0	0	1,491	1,491
Public Safety	207	0	148,891	583	0	149,681
Public Health and Welfare	0	161,569	0	0	0	161,569
Other Operations	474	0	2,926	79	0	3,479
Total Expenditures	<u>\$ 79,812</u>	<u>\$ 161,569</u>	<u>\$ 151,817</u>	<u>\$ 662</u>	<u>\$ 1,729</u>	<u>\$ 395,589</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (28,939)</u>	<u>\$ (18,488)</u>	<u>\$ (3,203)</u>	<u>\$ 6,928</u>	<u>\$ 0</u>	<u>\$ (43,702)</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 57,900	\$ 0	\$ 0	\$ 0	\$ 0	\$ 57,900
Total Other Financing Sources (Uses)	<u>\$ 57,900</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 57,900</u>
Net Change in Fund Balances	\$ 28,961	\$ (18,488)	\$ (3,203)	\$ 6,928	\$ 0	\$ 14,198
Fund Balance, July 1, 2014	20,902	126,888	47,825	16,288	0	211,903
Fund Balance, June 30, 2015	<u>\$ 49,863</u>	<u>\$ 108,400</u>	<u>\$ 44,622</u>	<u>\$ 23,216</u>	<u>\$ 0</u>	<u>\$ 226,101</u>

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 50,873	\$ 50,000	\$ 50,000	\$ 873
Total Revenues	\$ 50,873	\$ 50,000	\$ 50,000	\$ 873
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 79,131	\$ 42,044	\$ 101,444	\$ 22,313
<u>Public Safety</u>				
Jail	207	5,000	5,000	4,793
<u>Other Operations</u>				
Other Charges	474	450	475	1
Total Expenditures	\$ 79,812	\$ 47,494	\$ 106,919	\$ 27,107
Excess (Deficiency) of Revenues Over Expenditures	\$ (28,939)	\$ 2,506	\$ (56,919)	\$ 27,980
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 57,900	\$ 0	\$ 57,900	\$ 0
Total Other Financing Sources	\$ 57,900	\$ 0	\$ 57,900	\$ 0
Net Change in Fund Balance	\$ 28,961	\$ 2,506	\$ 981	\$ 27,980
Fund Balance, July 1, 2014	20,902	18,863	18,863	2,039
Fund Balance, June 30, 2015	\$ 49,863	\$ 21,369	\$ 19,844	\$ 30,019

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 52,017	\$ 51,796	\$ 51,796	\$ 221
Charges for Current Services	50,537	48,000	48,000	2,537
Other Local Revenues	22,559	15,000	15,000	7,559
State of Tennessee	17,968	0	0	17,968
Total Revenues	<u>\$ 143,081</u>	<u>\$ 114,796</u>	<u>\$ 114,796</u>	<u>\$ 28,285</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 25,878	\$ 21,320	\$ 27,280	\$ 1,402
Convenience Centers	128,664	111,925	129,149	485
Landfill Operation and Maintenance	7,027	9,000	9,000	1,973
Total Expenditures	<u>\$ 161,569</u>	<u>\$ 142,245</u>	<u>\$ 165,429</u>	<u>\$ 3,860</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (18,488)</u>	<u>\$ (27,449)</u>	<u>\$ (50,633)</u>	<u>\$ 32,145</u>
Net Change in Fund Balance	\$ (18,488)	\$ (27,449)	\$ (50,633)	\$ 32,145
Fund Balance, July 1, 2014	<u>126,888</u>	<u>122,497</u>	<u>122,497</u>	<u>4,391</u>
Fund Balance, June 30, 2015	<u>\$ 108,400</u>	<u>\$ 95,048</u>	<u>\$ 71,864</u>	<u>\$ 36,536</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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 148,614	\$ 140,630	\$ 140,630	\$ 7,984
Other Local Revenues	0	500	500	(500)
Total Revenues	<u>\$ 148,614</u>	<u>\$ 141,130</u>	<u>\$ 141,130</u>	<u>\$ 7,484</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Fire Prevention and Control	\$ 148,891	\$ 150,000	\$ 150,000	\$ 1,109
<u>Other Operations</u>				
Other Charges	2,926	3,200	3,200	274
Total Expenditures	<u>\$ 151,817</u>	<u>\$ 153,200</u>	<u>\$ 153,200</u>	<u>\$ 1,383</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,203)</u>	<u>\$ (12,070)</u>	<u>\$ (12,070)</u>	<u>\$ 8,867</u>
Net Change in Fund Balance	\$ (3,203)	\$ (12,070)	\$ (12,070)	\$ 8,867
Fund Balance, July 1, 2014	<u>47,825</u>	<u>43,794</u>	<u>43,794</u>	<u>4,031</u>
Fund Balance, June 30, 2015	<u>\$ 44,622</u>	<u>\$ 31,724</u>	<u>\$ 31,724</u>	<u>\$ 12,898</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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 7,590	\$ 7,500	\$ 7,500	\$ 90
Total Revenues	\$ 7,590	\$ 7,500	\$ 7,500	\$ 90
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 583	\$ 7,300	\$ 7,300	\$ 6,717
<u>Other Operations</u>				
Other Charges	79	125	125	46
Total Expenditures	\$ 662	\$ 7,425	\$ 7,425	\$ 6,763
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,928	\$ 75	\$ 75	\$ 6,853
Net Change in Fund Balance	\$ 6,928	\$ 75	\$ 75	\$ 6,853
Fund Balance, July 1, 2014	16,288	14,303	14,303	1,985
Fund Balance, June 30, 2015	\$ 23,216	\$ 14,378	\$ 14,378	\$ 8,838

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit 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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 90,331	\$ 92,512	\$ 92,512	\$ (2,181)
Other Local Revenues	6,124	0	6,124	0
State of Tennessee	20,211	18,908	18,908	1,303
Other Governments and Citizens Groups	519,739	0	519,739	0
Total Revenues	<u>\$ 636,405</u>	<u>\$ 111,420</u>	<u>\$ 637,283</u>	<u>\$ (878)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Other Emergency Management	\$ 77,002	\$ 0	\$ 77,002	\$ 0
<u>Principal on Debt</u>				
General Government	270,299	137,661	270,299	0
Education	452,000	0	452,000	0
<u>Interest on Debt</u>				
General Government	3,066	0	3,066	0
Education	61,425	0	61,425	0
<u>Other Debt Service</u>				
General Government	1,378	1,400	1,400	22
Education	17,077	0	17,077	0
Total Expenditures	<u>\$ 882,247</u>	<u>\$ 139,061</u>	<u>\$ 882,269</u>	<u>\$ 22</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (245,842)</u>	<u>\$ (27,641)</u>	<u>\$ (244,986)</u>	<u>\$ (856)</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 1,804,445	\$ 0	\$ 1,804,445	\$ 0
Payments to Refunded Debt Escrow Agent	(1,793,682)	0	(1,793,682)	0
Total Other Financing Sources	<u>\$ 10,763</u>	<u>\$ 0</u>	<u>\$ 10,763</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (235,079)	\$ (27,641)	\$ (234,223)	\$ (856)
Fund Balance, July 1, 2014	<u>481,075</u>	<u>484,260</u>	<u>484,260</u>	<u>(3,185)</u>
Fund Balance, June 30, 2015	<u>\$ 245,996</u>	<u>\$ 456,619</u>	<u>\$ 250,037</u>	<u>\$ (4,041)</u>

# Fiduciary Funds

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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.

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

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

Exhibit H-1

Van Buren County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2015

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 419,401	\$ 419,401
Due from Other Governments	20,864	0	20,864
Cash Shortage	0	3,000	3,000
Total Assets	<u>\$ 20,864</u>	<u>\$ 422,401</u>	<u>\$ 443,265</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 20,864	\$ 0	\$ 20,864
Due to Litigants, Heirs, and Others	0	422,401	422,401
Total Liabilities	<u>\$ 20,864</u>	<u>\$ 422,401</u>	<u>\$ 443,265</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, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 123,656	\$ 123,656	\$ 0
Due from Other Governments	24,183	20,864	24,183	20,864
Total Assets	\$ 24,183	\$ 144,520	\$ 147,839	\$ 20,864
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 24,183	\$ 144,520	\$ 147,839	\$ 20,864
Total Liabilities	\$ 24,183	\$ 144,520	\$ 147,839	\$ 20,864
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 414,597	\$ 4,685,783	\$ 4,680,979	\$ 419,401
Cash Shortage	3,000	0	0	3,000
Total Assets	\$ 417,597	\$ 4,685,783	\$ 4,680,979	\$ 422,401
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 417,597	\$ 4,685,783	\$ 4,680,979	\$ 422,401
Total Liabilities	\$ 417,597	\$ 4,685,783	\$ 4,680,979	\$ 422,401
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 414,597	\$ 4,685,783	\$ 4,680,979	\$ 419,401
Equity in Pooled Cash and Investments	0	123,656	123,656	0
Due from Other Governments	24,183	20,864	24,183	20,864
Cash Shortage	3,000	0	0	3,000
Total Assets	\$ 441,780	\$ 4,830,303	\$ 4,828,818	\$ 443,265
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 24,183	\$ 144,520	\$ 147,839	\$ 20,864
Due to Litigants, Heirs, and Others	417,597	4,685,783	4,680,979	422,401
Total Liabilities	\$ 441,780	\$ 4,830,303	\$ 4,828,818	\$ 443,265

# Van Buren County School Department

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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.

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

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

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

Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 3,608,149	\$ 0	\$ 388,683	\$ (3,219,466)
Support Services	2,521,270	13,769	127,070	(2,380,431)
Operation of Non-instructional Services	903,468	81,367	558,554	(263,547)
Interest on Long-term Debt	61,425	0	0	(61,425)
<b>Total Governmental Activities</b>	<b>\$ 7,094,312</b>	<b>\$ 95,136</b>	<b>\$ 1,074,307</b>	<b>\$ (5,924,869)</b>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 710,126
Local Option Sales Taxes				373,111
Hotel/Motel Taxes				103,209
Other Local Taxes				542
Grants and Contributions Not Restricted to Specific Programs				5,237,873
Unrestricted Investment Earnings				302
Miscellaneous				65,688
Pension Income				13,100
<b>Total General Revenues</b>				<b>\$ 6,503,951</b>
Change in Net Position				\$ 579,082
Net Position, July 1, 2014				7,574,343
Restatement - Pension Liability (see Note I.D.9)				(1,380,385)
<b>Net Position, June 30, 2015</b>				<b>\$ 6,773,040</b>

Exhibit I-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 4,381,350	\$ 308,342	\$ 4,689,692
Accounts Receivable	28	24	52
Due from Other Governments	173,162	23,604	196,766
Due from Other Funds	5,593	9,659	15,252
Property Taxes Receivable	930,642	0	930,642
Allowance for Uncollectible Property Taxes	(194,937)	0	(194,937)
Total Assets	<u>\$ 5,295,838</u>	<u>\$ 341,629</u>	<u>\$ 5,637,467</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 170,885	\$ 0	\$ 170,885
Payroll Deductions Payable	139,765	2,079	141,844
Due to Other Funds	9,659	5,593	15,252
Due to State of Tennessee	817	108	925
Total Liabilities	<u>\$ 321,126</u>	<u>\$ 7,780</u>	<u>\$ 328,906</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 713,134	\$ 0	\$ 713,134
Deferred Delinquent Property Taxes	22,571	0	22,571
Other Deferred/Unavailable Revenue	40,919	0	40,919
Total Deferred Inflows of Resources	<u>\$ 776,624</u>	<u>\$ 0</u>	<u>\$ 776,624</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 1,784	\$ 233,849	\$ 235,633
Committed:			
Committed for Education	2,947,859	100,000	3,047,859
Assigned:			
Assigned for Education	300,000	0	300,000
Unassigned	948,445	0	948,445
Total Fund Balances	<u>\$ 4,198,088</u>	<u>\$ 333,849</u>	<u>\$ 4,531,937</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,295,838</u>	<u>\$ 341,629</u>	<u>\$ 5,637,467</u>

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, 2015

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 4,531,937
(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	5,332,065	
Add: infrastructure net of accumulated depreciation	4,827	
Add: other capital assets net of accumulated depreciation	<u>641,434</u>	6,247,673
(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	\$ (1,804,445)	
Less: compensated absences payable	(4,300)	
Less: other postemployment benefits liabilities	<u>(1,309,165)</u>	(3,117,910)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 462,481	
Less: deferred inflows of resources related to pensions	<u>(1,518,232)</u>	(1,055,751)
(4) Net pension assets of the pension plans are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 88,808	
Add: net pension asset - cost-sharing plan	<u>14,793</u>	103,601
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>63,490</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 6,773,040</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, 2015

	Major Fund	Nonmajor Funds	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 1,252,067	\$ 0	\$ 1,252,067
Licenses and Permits	304	0	304
Charges for Current Services	12,953	81,367	94,320
Other Local Revenues	67,379	1,255	68,634
State of Tennessee	5,282,560	4,148	5,286,708
Federal Government	8,878	963,652	972,530
Total Revenues	<u>\$ 6,624,141</u>	<u>\$ 1,050,422</u>	<u>\$ 7,674,563</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 3,225,304	\$ 382,696	\$ 3,608,000
Support Services	2,494,366	110,995	2,605,361
Operation of Non-instructional Services	370,901	532,567	903,468
Capital Outlay	53,146	0	53,146
Debt Service:			
Principal on Debt	452,000	0	452,000
Interest on Debt	61,425	0	61,425
Other Debt Service	6,314	0	6,314
Total Expenditures	<u>\$ 6,663,456</u>	<u>\$ 1,026,258</u>	<u>\$ 7,689,714</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (39,315)</u>	<u>\$ 24,164</u>	<u>\$ (15,151)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 3,830	\$ 0	\$ 3,830
Transfers Out	0	(3,830)	(3,830)
Total Other Financing Sources (Uses)	<u>\$ 3,830</u>	<u>\$ (3,830)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (35,485)	\$ 20,334	\$ (15,151)
Fund Balance, July 1, 2014	<u>4,233,573</u>	<u>313,515</u>	<u>4,547,088</u>
Fund Balance, June 30, 2015	<u>\$ 4,198,088</u>	<u>\$ 333,849</u>	<u>\$ 4,531,937</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, 2015

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ (15,151)
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 120,652	
Less: current-year depreciation expense	<u>(298,614)</u>	(177,962)
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.</p>		
Less: deferred delinquent property taxes and other deferred June 30, 2014	\$ (77,759)	
Add: deferred delinquent property taxes and other deferred June 30, 2015	<u>63,490</u>	(14,269)
<p>(3) 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.</p>		
Add: principal contributions on bonds to primary government	\$ 452,000	
Less: difference in refunding debt issued and retired	<u>(10,763)</u>	441,237
<p>(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in compensated absences payable	\$ (4,300)	
Change in other postemployment benefits liabilities	(78,708)	
Change in net pension liability/asset	1,483,986	
Change in deferred outflows related to pensions	462,481	
Change in deferred inflows related to pensions	<u>(1,518,232)</u>	<u>345,227</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 579,082</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 112,863	\$ 195,479	\$ 308,342
Accounts Receivable	0	24	24
Due from Other Governments	0	23,604	23,604
Due from Other Funds	9,659	0	9,659
Total Assets	<u>\$ 122,522</u>	<u>\$ 219,107</u>	<u>\$ 341,629</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 0	\$ 2,079	\$ 2,079
Due to Other Funds	5,593	0	5,593
Due to State of Tennessee	0	108	108
Total Liabilities	<u>\$ 5,593</u>	<u>\$ 2,187</u>	<u>\$ 7,780</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 16,929	\$ 216,920	\$ 233,849
Committed:			
Committed for Education	100,000	0	100,000
Total Fund Balances	<u>\$ 116,929</u>	<u>\$ 216,920</u>	<u>\$ 333,849</u>
Total Liabilities and Fund Balances	<u>\$ 122,522</u>	<u>\$ 219,107</u>	<u>\$ 341,629</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, 2015

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 81,367	\$ 81,367
Other Local Revenues	0	1,255	1,255
State of Tennessee	0	4,148	4,148
Federal Government	508,762	454,890	963,652
Total Revenues	<u>\$ 508,762</u>	<u>\$ 541,660</u>	<u>\$ 1,050,422</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 382,696	\$ 0	\$ 382,696
Support Services	110,995	0	110,995
Operation of Non-instructional Services	0	532,567	532,567
Total Expenditures	<u>\$ 493,691</u>	<u>\$ 532,567</u>	<u>\$ 1,026,258</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ 15,071</u>	<u>\$ 9,093</u>	<u>\$ 24,164</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (3,830)	\$ 0	\$ (3,830)
Total Other Financing Sources (Uses)	<u>\$ (3,830)</u>	<u>\$ 0</u>	<u>\$ (3,830)</u>
Net Change in Fund Balances	\$ 11,241	\$ 9,093	\$ 20,334
Fund Balance, July 1, 2014	105,688	207,827	313,515
Fund Balance, June 30, 2015	<u>\$ 116,929</u>	<u>\$ 216,920</u>	<u>\$ 333,849</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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,252,067	\$ 1,160,900	\$ 1,160,900	\$ 91,167
Licenses and Permits	304	200	200	104
Charges for Current Services	12,953	14,000	14,000	(1,047)
Other Local Revenues	67,379	35,000	35,000	32,379
State of Tennessee	5,282,560	5,332,045	5,360,776	(78,216)
Federal Government	8,878	26,500	26,500	(17,622)
Total Revenues	<u>\$ 6,624,141</u>	<u>\$ 6,568,645</u>	<u>\$ 6,597,376</u>	<u>\$ 26,765</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,682,914	\$ 3,152,500	\$ 3,152,500	\$ 469,586
Special Education Program	372,091	497,900	497,900	125,809
Vocational Education Program	170,299	197,000	197,000	26,701
<u>Support Services</u>				
Attendance	69,027	79,200	79,200	10,173
Health Services	144,975	170,600	170,600	25,625
Other Student Support	116,203	235,750	235,750	119,547
Regular Instruction Program	301,884	367,500	367,500	65,616
Special Education Program	105,904	150,800	150,800	44,896
Vocational Education Program	5,509	5,720	5,720	211
Other Programs	28,731	0	28,731	0
Board of Education	140,931	173,200	173,200	32,269
Director of Schools	113,795	128,300	128,300	14,505
Office of the Principal	301,681	375,800	375,800	74,119
Fiscal Services	128,984	151,100	151,100	22,116
Operation of Plant	565,612	659,650	659,650	94,038
Maintenance of Plant	92,051	143,050	143,050	50,999
Transportation	379,079	451,000	451,000	71,921
<u>Operation of Non-instructional Services</u>				
Community Services	158,732	315,300	315,300	156,568
Early Childhood Education	212,169	264,000	264,000	51,831
<u>Capital Outlay</u>				
Regular Capital Outlay	53,146	797,000	797,000	743,854
<u>Principal on Debt</u>				
Education	452,000	473,000	526,317	74,317
<u>Interest on Debt</u>				
Education	61,425	100,000	100,000	38,575
<u>Other Debt Service</u>				
Education	6,314	10,000	10,000	3,686
Total Expenditures	<u>\$ 6,663,456</u>	<u>\$ 8,898,370</u>	<u>\$ 8,980,418</u>	<u>\$ 2,316,962</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (39,315)</u>	<u>\$ (2,329,725)</u>	<u>\$ (2,383,042)</u>	<u>\$ 2,343,727</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 3,830	\$ 10,000	\$ 10,000	\$ (6,170)
Total Other Financing Sources	<u>\$ 3,830</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ (6,170)</u>
Net Change in Fund Balance	\$ (35,485)	(2,319,725)	(2,373,042)	2,337,557
Fund Balance, July 1, 2014	4,233,573	4,196,580	4,196,580	36,993
Fund Balance, June 30, 2015	<u>\$ 4,198,088</u>	<u>\$ 1,876,855</u>	<u>\$ 1,823,538</u>	<u>\$ 2,374,550</u>

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 508,762	\$ 584,608	\$ 585,628	\$ (76,866)
Total Revenues	\$ 508,762	\$ 584,608	\$ 585,628	\$ (76,866)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 241,044	\$ 241,814	\$ 241,814	\$ 770
Special Education Program	131,712	187,165	188,190	56,478
Vocational Education Program	9,940	9,416	9,940	0
<u>Support Services</u>				
Other Student Support	54,046	55,064	54,535	489
Regular Instruction Program	8,000	8,300	8,300	300
Special Education Program	48,287	75,994	75,994	27,707
Vocational Education Program	662	662	662	0
Total Expenditures	\$ 493,691	\$ 578,415	\$ 579,435	\$ 85,744
Excess (Deficiency) of Revenues Over Expenditures	\$ 15,071	\$ 6,193	\$ 6,193	\$ 8,878
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (3,830)	\$ (6,193)	\$ (6,193)	\$ 2,363
Total Other Financing Sources	\$ (3,830)	\$ (6,193)	\$ (6,193)	\$ 2,363
Net Change in Fund Balance	\$ 11,241	\$ 0	\$ 0	\$ 11,241
Fund Balance, July 1, 2014	105,688	108,317	108,317	(2,629)
Fund Balance, June 30, 2015	\$ 116,929	\$ 108,317	\$ 108,317	\$ 8,612

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 81,367	\$ 123,000	\$ 123,000	\$ (41,633)
Other Local Revenues	1,255	2,000	2,000	(745)
State of Tennessee	4,148	5,000	5,000	(852)
Federal Government	454,890	425,000	425,000	29,890
Total Revenues	<u>\$ 541,660</u>	<u>\$ 555,000</u>	<u>\$ 555,000</u>	<u>\$ (13,340)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 532,567	\$ 656,150	\$ 656,150	\$ 123,583
Total Expenditures	<u>\$ 532,567</u>	<u>\$ 656,150</u>	<u>\$ 656,150</u>	<u>\$ 123,583</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 9,093</u>	<u>\$ (101,150)</u>	<u>\$ (101,150)</u>	<u>\$ 110,243</u>
Net Change in Fund Balance	\$ 9,093	\$ (101,150)	\$ (101,150)	\$ 110,243
Fund Balance, July 1, 2014	207,827	208,026	208,026	(199)
Fund Balance, June 30, 2015	<u>\$ 216,920</u>	<u>\$ 106,876</u>	<u>\$ 106,876</u>	<u>\$ 110,044</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Van Buren County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, and Bonds  
For the Year Ended June 30, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Restated (1) Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-15
<u>NOTES PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
Land	\$ 165,000	2.4 %	12-3-12	10-24-14	\$ 111,299	\$ 0	\$ 111,299	\$ 0	\$ 0
Industrial Development Board (2)	159,000	1.0	8-19-14	10-24-14	159,000	0	159,000	0	0
Total Notes Payable					\$ 270,299	\$ 0	\$ 270,299	\$ 0	\$ 0
<u>OTHER LOANS PAYABLE</u>									
<u>Public Building Authority Loan Agreement</u>									
<u>Contributions Due by School Department from General Purpose</u>									
<u>School Fund to the General Debt Service Fund</u>									
School	2,000,000	Variable	6-30-1997	5-31-15	\$ 452,000	\$ 0	\$ 452,000	\$ 0	\$ 0
<u>BONDS PAYABLE</u>									
<u>Contributions Due by School Department from General Purpose</u>									
<u>School Fund to the General Debt Service Fund</u>									
General Obligation Bonds	1,833,060	4	4-25-12	12-12-14	\$ 1,793,682	\$ 0	\$ 0	\$ 1,793,682	\$ 0
School Refunding Bond, Series 2014	1,804,445	2.69	12-12-14	10-1-34	0	1,804,445	0	0	1,804,445
Total Bonds Payable					\$ 1,793,682	\$ 1,804,445	\$ 0	\$ 1,793,682	\$ 1,804,445

(1) On August 19, 2014, the County Commission approved a motion to repay the outstanding debt of the Industrial Development Board of Van Buren County; therefore, the board's outstanding debt at July 1, 2014, has been reflected in the county's outstanding balance as of that date.

(2) The amount reflected as original amount of issue is the outstanding balance that the County Commission approved to repay.

Exhibit J-2

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

Year Ending June 30	Bond		Total
	Principal	Interest	
2016	\$ 66,445	\$ 47,646	\$ 114,091
2017	71,000	45,797	116,797
2018	73,000	43,860	116,860
2019	75,000	41,870	116,870
2020	77,000	39,825	116,825
2021	79,000	37,727	116,727
2022	81,000	35,575	116,575
2023	84,000	33,356	117,356
2024	86,000	31,070	117,070
2025	88,000	28,729	116,729
2026	91,000	26,322	117,322
2027	93,000	23,847	116,847
2028	96,000	21,305	117,305
2029	98,000	18,696	116,696
2030	101,000	16,019	117,019
2031	103,000	13,275	116,275
2032	106,000	10,464	116,464
2033	109,000	7,572	116,572
2034	112,000	4,600	116,600
2035	115,000	1,547	116,547
Total	\$ 1,804,445	\$ 529,102	\$ 2,333,547

Exhibit J-3

Van Buren County, Tennessee  
Schedule of Transfers  
Discretely Presented Van Buren County School Department  
For the Year Ended June 30, 2015

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 3,830</u>
Total Transfers Discretely Presented Van Buren County School Department			<u><u>\$ 3,830</u></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, 2015

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Herbert Davis (7-1-14 through 8-31-14)	Section 8-24-102, TCA	\$ 11,663	\$ 25,000	Western Surety Company
Greg Wilson (9-1-14 through 6-30-15)	Section 8-24-102, TCA	55,723	100,000	RLI Insurance Company
Road Superintendent:				
Danny Hodge (7-1-14 through 8-31-14)	Section 8-24-102, TCA	10,696	100,000	Western Surety Company
Randy Oakes (9-1-14 through 6-30-15)	Section 8-24-102, TCA	53,482	100,000	RLI Insurance Company
Director of Schools				
	State Board of Education and Van Buren County Board of Education	80,875 (1)	(2)	
Trustee	Section 8-24-102, TCA	58,343	313,425	RLI Insurance Company
Assessor of Property	Section 8-24-102, TCA	58,343	50,000	Western Surety Company
County Clerk:				
Linda Pettit (7-1-14 through 8-31-14)	Section 8-24-102, TCA	10,098	25,000	"
Lisa Rigsby (9-1-14 through 6-30-15)	Section 8-24-102, TCA	48,245	50,000	RLI Insurance Company
Circuit and General Sessions Courts Clerk:				
Teresa Simmons Delong (7-1-14 through 8-31-14)	Section 8-24-102, TCA	10,098	30,000	Western Surety Company
B.J. Baker (9-1-14 through 6-30-15)	Section 8-24-102, TCA	48,245	50,000	RLI Insurance Company
Clerk and Master				
	Section 8-24-102, TCA and Chancery Court Judge	58,343 (3)	50,000	"
Register of Deeds	Section 8-24-102, TCA	58,343	50,000	"
Sheriff	Section 8-24-102, TCA	64,178 (4)	100,000	"
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. Does not include a \$400 bonus for certified employees.

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

(3) Does not include special commissioner fees of \$450.

(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, 2015

	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	\$ 1,332,855	\$ 0	\$ 46,190	\$ 184,753	\$ 131,966	\$ 0
Trustee's Collections - Prior Year	79,857	0	2,782	11,126	7,948	0
Circuit/Clerk and Master Collections - Prior Years	48,871	0	1,790	5,773	5,113	0
Interest and Penalty	34,918	0	1,255	4,364	3,587	0
Payments in-Lieu-of Taxes - T.V.A.	4,365	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	46,524	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	70,080	0	0	0	0	0
Hotel/Motel Tax	9,388	0	0	0	0	0
Litigation Tax - General	7,285	0	0	0	0	0
Litigation Tax - Special Purpose	0	37,399	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	13,474	0	0	0	0
Business Tax	14,036	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	14,518	0	0	0	0	0
Wholesale Beer Tax	29,617	0	0	0	0	0
Beer Privilege Tax	543	0	0	0	0	0
Interstate Telecommunications Tax	391	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 1,693,248</b>	<b>\$ 50,873</b>	<b>\$ 52,017</b>	<b>\$ 206,016</b>	<b>\$ 148,614</b>	<b>\$ 0</b>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 18,201	\$ 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>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 475	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 18,676	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 6,404	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	706	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	5,310
Data Entry Fee - Circuit Court	376	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	5,066	0	0	0	0	0
Officers Costs	13,756	0	0	0	0	0
Drug Control Fines	2,134	0	0	0	0	2,280
Data Entry Fee - General Sessions Court	5,997	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	1,134	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Data Entry Fee - Other Courts	507	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Other Fines, Forfeitures, and Penalties	1,038	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 37,118	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,590
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 50,418	\$ 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>General Service Charges (Cont.)</u>						
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 119	\$ 0	\$ 0	0
Patient Charges	0	0	0	368,655	0	0
<u>Fees</u>						
Library Fees	324	0	0	0	0	0
Telephone Commissions	6,501	0	0	0	0	0
Vending Machine Collections	5,245	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	2,360	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	450	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 14,880</b>	<b>\$ 0</b>	<b>\$ 50,537</b>	<b>\$ 368,655</b>	<b>\$ 0</b>	<b>0</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 14,077	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	1,588	0	0	0	0	0
Sale of Recycled Materials	98	0	22,094	0	0	0
Miscellaneous Refunds	4,213	0	465	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	4,388	0	0	0	0	0
Sale of Property	216,288	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	193	0	0	0	0	0
<b>Total Other Local Revenues</b>	<b>\$ 240,845</b>	<b>\$ 0</b>	<b>\$ 22,559</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>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 50,951	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	17,356	0	0	0	0	0
General Sessions Court Clerk	80,399	0	0	0	0	0
Clerk and Master	26,002	0	0	0	0	0
Register	27,926	0	0	0	0	0
Sheriff	4,720	0	0	0	0	0
Trustee	97,345	0	0	0	0	0
Total Fees Received from County Officials	\$ 304,699	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	0	17,968	0	0	0
On-behalf Contributions for OPEB	197	0	0	0	0	0
Other General Government Grants	3,519	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	3,600	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	10,584	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	36,560	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	5,279	0	0	0	0	0
Beer Tax	18,055	0	0	0	0	0
Vehicle Certificate of Title Fees	7,977	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 (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Alcoholic Beverage Tax	\$ 22,164	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Revenue Sharing - T.V.A.	141,476	0	0	0	0	0
Contracted Prisoner Boarding	129,611	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Revenues	10,753	0	0	0	0	0
Total State of Tennessee	<u>\$ 409,439</u>	<u>\$ 0</u>	<u>\$ 17,968</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 4,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	14,400	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	12,019	0	0	0	0	0
Total Federal Government	<u>\$ 30,419</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 11,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	15,532	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 26,532</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 2,775,856</u>	<u>\$ 50,873</u>	<u>\$ 143,081</u>	<u>\$ 574,671</u>	<u>\$ 148,614</u>	<u>\$ 7,590</u>

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Debt Service</u>	<u>Capital</u>	<u>Total</u>
	<u>Constitu- tional Officers - Fees</u>	<u>Highway / Public Works</u>	<u>Fund General Debt Service</u>	<u>Projects Fund General Capital Projects</u>	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 0	\$ 26,393	\$ 0	\$ 1,722,157
Trustee's Collections - Prior Year	0	0	1,590	0	103,303
Circuit/Clerk and Master Collections - Prior Years	0	0	561	0	62,108
Interest and Penalty	0	0	497	0	44,621
Payments in-Lieu-of Taxes - T.V.A.	0	0	675	0	5,040
Payments in-Lieu-of Taxes - Other	0	0	0	0	46,524
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	70,080
Hotel/Motel Tax	0	0	60,615	0	70,003
Litigation Tax - General	0	0	0	0	7,285
Litigation Tax - Special Purpose	0	0	0	0	37,399
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	13,474
Business Tax	0	0	0	0	14,036
Mineral Severance Tax	0	1,342	0	0	1,342
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	14,518
Wholesale Beer Tax	0	0	0	0	29,617
Beer Privilege Tax	0	0	0	0	543
Interstate Telecommunications Tax	0	0	0	0	391
<b>Total Local Taxes</b>	<b>\$ 0</b>	<b>\$ 1,342</b>	<b>\$ 90,331</b>	<b>\$ 0</b>	<b>\$ 2,242,441</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,201

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Debt Service</u>	<u>Capital</u>	<u>Total</u>
	<u>Constitu- tional Officers - Fees</u>	<u>Highway / Public Works</u>	<u>Fund General Debt Service</u>	<u>Projects Fund General Capital Projects</u>	
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	475
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	18,676
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	6,404
Officers Costs	0	0	0	0	706
Drug Control Fines	0	0	0	0	5,310
Data Entry Fee - Circuit Court	0	0	0	0	376
<u>General Sessions Court</u>					
Fines	0	0	0	0	5,066
Officers Costs	0	0	0	0	13,756
Drug Control Fines	0	0	0	0	4,414
Data Entry Fee - General Sessions Court	0	0	0	0	5,997
<u>Chancery Court</u>					
Data Entry Fee - Chancery Court	0	0	0	0	1,134
<u>Judicial District Drug Program</u>					
Data Entry Fee - Other Courts	0	0	0	0	507
<u>Other Fines, Forfeitures, and Penalties</u>					
Other Fines, Forfeitures, and Penalties	0	0	0	0	1,038
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	44,708
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	50,418

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Debt Service</u>	<u>Capital</u>	<u>Total</u>
	<u>Constitu- tional Officers - Fees</u>	<u>Highway / Public Works</u>	<u>Fund General Debt Service</u>	<u>Projects Fund General Capital Projects</u>	
<u>Charges for Current Services (Cont.)</u>					
<u>General Service Charges (Cont.)</u>					
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 0	\$ 0	119
Patient Charges	0	0	0	0	368,655
<u>Fees</u>					
Library Fees	0	0	0	0	324
Telephone Commissions	0	0	0	0	6,501
Vending Machine Collections	0	0	0	0	5,245
Constitutional Officers' Fees and Commissions	1,279	0	0	0	1,279
Special Commissioner Fees/Special Master Fees	450	0	0	0	450
Data Processing Fee - Register	0	0	0	0	2,360
Sexual Offender Registration Fee - Sheriff	0	0	0	0	450
<b>Total Charges for Current Services</b>	<b>\$ 1,729</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>435,801</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	71 \$	14,148
Lease/Rentals	0	0	0	0	1,588
Sale of Recycled Materials	0	0	0	0	22,192
Miscellaneous Refunds	0	7,442	6,124	0	18,244
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	4,388
Sale of Property	0	0	0	0	216,288
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	193
<b>Total Other Local Revenues</b>	<b>\$ 0</b>	<b>\$ 7,442</b>	<b>\$ 6,124</b>	<b>\$ 71</b>	<b>277,041</b>

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Debt Service</u>	<u>Capital</u>	<u>Total</u>
	<u>Constitu- tional Officers - Fees</u>	<u>Highway / Public Works</u>	<u>Fund General Debt Service</u>	<u>Projects Fund General Capital Projects</u>	
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	50,951
Circuit Court Clerk	0	0	0	0	17,356
General Sessions Court Clerk	0	0	0	0	80,399
Clerk and Master	0	0	0	0	26,002
Register	0	0	0	0	27,926
Sheriff	0	0	0	0	4,720
Trustee	0	0	0	0	97,345
<b>Total Fees Received from County Officials</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>304,699</b>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	4,500
Solid Waste Grants	0	0	0	0	17,968
On-behalf Contributions for OPEB	0	0	0	0	197
Other General Government Grants	0	0	0	0	3,519
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	3,600
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	10,584
<u>Public Works Grants</u>					
Litter Program	0	0	0	0	36,560
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	5,279
Beer Tax	0	0	0	0	18,055
Vehicle Certificate of Title Fees	0	0	0	0	7,977

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Debt Service</u>	<u>Capital</u>	<u>Total</u>
	<u>Constitu-</u> <u>tional</u> <u>Officers -</u> <u>Fees</u>	<u>Highway /</u> <u>Public</u> <u>Works</u>	<u>Fund</u>  <u>General</u> <u>Debt</u> <u>Service</u>	<u>Projects Fund</u>  <u>General</u> <u>Capital</u> <u>Projects</u>	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Alcoholic Beverage Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,164
State Revenue Sharing - T.V.A.	0	0	20,211	0	161,687
Contracted Prisoner Boarding	0	0	0	0	129,611
Gasoline and Motor Fuel Tax	0	1,330,283	0	0	1,330,283
Petroleum Special Tax	0	4,003	0	0	4,003
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Revenues	0	0	0	0	10,753
<b>Total State of Tennessee</b>	<b>\$ 0</b>	<b>\$ 1,334,286</b>	<b>\$ 20,211</b>	<b>\$ 0</b>	<b>\$ 1,781,904</b>
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,000
Other Federal through State	0	0	0	0	14,400
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	0	0	0	12,019
<b>Total Federal Government</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 30,419</b>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 519,739	\$ 0	\$ 530,739
Contracted Services	0	0	0	0	15,532
<b>Total Other Governments and Citizens Groups</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 519,739</b>	<b>\$ 0</b>	<b>\$ 546,271</b>
<b>Total</b>	<b>\$ 1,729</b>	<b>\$ 1,343,070</b>	<b>\$ 636,405</b>	<b>\$ 71</b>	<b>\$ 5,681,960</b>

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, 2015

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 645,072	\$ 0	\$ 0	\$ 645,072
Trustee's Collections - Prior Year	41,542	0	0	41,542
Circuit/Clerk and Master Collections - Prior Years	22,987	0	0	22,987
Interest and Penalty	16,371	0	0	16,371
Payments in-Lieu-of Taxes - T.V.A.	5,404	0	0	5,404
Payments in-Lieu-of Taxes - Local Utilities	45,406	0	0	45,406
<u>County Local Option Taxes</u>				
Local Option Sales Tax	371,526	0	0	371,526
Hotel/Motel Tax	103,209	0	0	103,209
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	550	0	0	550
Total Local Taxes	\$ 1,252,067	\$ 0	\$ 0	\$ 1,252,067
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 304	\$ 0	\$ 0	\$ 304
Total Licenses and Permits	\$ 304	\$ 0	\$ 0	\$ 304
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Adults	\$ 0	\$ 0	\$ 13,499	\$ 13,499
A la carte Sales	0	0	67,868	67,868
Receipts from Individual Schools	12,953	0	0	12,953
Total Charges for Current Services	\$ 12,953	\$ 0	\$ 81,367	\$ 94,320
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 302	\$ 302
Sale of Materials and Supplies	444	0	0	444
Miscellaneous Refunds	64,735	0	953	65,688
<u>Nonrecurring Items</u>				
Damages Recovered from Individuals	372	0	0	372
Contributions and Gifts	1,828	0	0	1,828
Total Other Local Revenues	\$ 67,379	\$ 0	\$ 1,255	\$ 68,634

(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	\$ 28,731	\$ 0	\$ 0	\$ 28,731
<u>State Education Funds</u>				
Basic Education Program	4,578,000	0	0	4,578,000
Early Childhood Education	195,903	0	0	195,903
School Food Service	0	0	4,148	4,148
Other State Education Funds	268,923	0	0	268,923
Career Ladder Program	26,602	0	0	26,602
Career Ladder - Extended Contract	8,770	0	0	8,770
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	175,161	0	0	175,161
Other State Grants	470	0	0	470
Total State of Tennessee	\$ 5,282,560	\$ 0	\$ 4,148	\$ 5,286,708
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 260,957	\$ 260,957
USDA - Commodities	0	0	24,537	24,537
Breakfast	0	0	118,123	118,123
USDA - Other	0	0	51,273	51,273
Vocational Education - Basic Grants to States	0	13,579	0	13,579
Title I Grants to Local Education Agencies	0	235,867	0	235,867
Special Education - Grants to States	8,878	185,718	0	194,596
Special Education Preschool Grants	0	9,629	0	9,629
Rural Education	0	22,691	0	22,691
Eisenhower Professional Development State Grants	0	41,278	0	41,278
Total Federal Government	\$ 8,878	\$ 508,762	\$ 454,890	\$ 972,530
Total	\$ 6,624,141	\$ 508,762	\$ 541,660	\$ 7,674,563

Exhibit J-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	18,050	
Social Security		1,119	
Unemployment Compensation		370	
Employer Medicare		262	
Audit Services		1,664	
Consultants		455	
Contracts with Government Agencies		4,689	
Dues and Memberships		1,200	
Refunds		50,907	
Total County Commission			\$ 78,716

Board of Equalization

Board and Committee Members Fees	\$	1,250	
Total Board of Equalization			1,250

Beer Board

Board and Committee Members Fees	\$	400	
Total Beer Board			400

County Mayor/Executive

County Official/Administrative Officer	\$	67,386	
Accountants/Bookkeepers		41,088	
Part-time Personnel		17,964	
Overtime Pay		2,869	
Social Security		8,017	
Pensions		5,150	
Unemployment Compensation		1,159	
Employer Medicare		1,875	
Communication		8,666	
Data Processing Services		18,546	
Dues and Memberships		2,015	
Legal Notices, Recording, and Court Costs		2,446	
Printing, Stationery, and Forms		1,232	
Travel		2,080	
Office Supplies		33,719	
Premiums on Corporate Surety Bonds		829	
Other Charges		4,514	
Data Processing Equipment		5,345	
Total County Mayor/Executive			224,900

County Attorney

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

Election Commission

County Official/Administrative Officer	\$	52,509	
Election Commission		9,495	

(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.)

Election Workers	\$	10,090	
Social Security		3,256	
Pensions		4,862	
Unemployment Compensation		198	
Employer Medicare		761	
Communication		925	
Data Processing Services		12,725	
Legal Notices, Recording, and Court Costs		10,476	
Printing, Stationery, and Forms		900	
Travel		3,480	
Other Contracted Services		10,990	
Office Supplies		6,245	
Other Charges		1,389	
Total Election Commission			\$ 128,301

Register of Deeds

County Official/Administrative Officer	\$	58,343	
Social Security		3,465	
Pensions		5,403	
Employer Medicare		810	
Communication		718	
Data Processing Services		11,427	
Dues and Memberships		432	
Printing, Stationery, and Forms		5,328	
Office Supplies		13,469	
Premiums on Corporate Surety Bonds		115	
Total Register of Deeds			99,510

Planning

Board and Committee Members Fees	\$	625	
Total Planning			625

County Buildings

Custodial Personnel	\$	18,347	
Social Security		1,138	
Pensions		521	
Unemployment Compensation		309	
Employer Medicare		266	
Communication		1,825	
Maintenance and Repair Services - Buildings		218,583	
Travel		433	
Custodial Supplies		5,258	
Electricity		23,904	
Natural Gas		10,342	
Water and Sewer		9,090	
Other Charges		17	
Total County Buildings			290,033

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration

On-behalf Payments to OPEB	\$ 197	
Total Other General Administration		\$ 197

Finance

Property Assessor's Office

County Official/Administrative Officer	\$ 58,343	
Part-time Personnel	12,090	
Social Security	4,367	
Pensions	5,403	
Unemployment Compensation	189	
Employer Medicare	1,021	
Audit Services	1,000	
Communication	1,195	
Data Processing Services	8,949	
Dues and Memberships	1,050	
Legal Notices, Recording, and Court Costs	59	
Travel	1,767	
Office Supplies	14,712	
Total Property Assessor's Office		110,145

County Trustee's Office

County Official/Administrative Officer	\$ 58,343	
Deputy(ies)	14,226	
Social Security	4,448	
Pensions	6,042	
Unemployment Compensation	313	
Employer Medicare	1,040	
Communication	1,541	
Data Processing Services	20,401	
Dues and Memberships	457	
Legal Notices, Recording, and Court Costs	466	
Office Supplies	12,184	
Premiums on Corporate Surety Bonds	1,039	
Total County Trustee's Office		120,500

County Clerk's Office

County Official/Administrative Officer	\$ 58,343	
Deputy(ies)	20,968	
Social Security	4,921	
Pensions	7,344	
Unemployment Compensation	739	
Employer Medicare	1,151	
Communication	1,900	
Data Processing Services	22,455	
Dues and Memberships	412	
Printing, Stationery, and Forms	1,311	
Office Supplies	14,036	
Premiums on Corporate Surety Bonds	115	
Total County Clerk's Office		133,695

(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	\$	58,343	
Secretary(ies)		20,238	
Jury and Witness Expense		5,436	
Social Security		4,821	
Pensions		6,868	
Unemployment Compensation		790	
Employer Medicare		1,127	
Communication		2,776	
Data Processing Services		6,405	
Dues and Memberships		337	
Printing, Stationery, and Forms		1,500	
Office Supplies		2,231	
Premiums on Corporate Surety Bonds		224	
Total Circuit Court			\$ 111,096

General Sessions Court

Judge(s)	\$	26,652	
Secretary(ies)		5,975	
Other Fringe Benefits		4,401	
Communication		360	
Total General Sessions Court			37,388

Chancery Court

County Official/Administrative Officer	\$	58,343	
Social Security		3,617	
Pensions		5,403	
Employer Medicare		846	
Communication		1,634	
Data Processing Services		6,176	
Dues and Memberships		832	
Legal Notices, Recording, and Court Costs		2,400	
Printing, Stationery, and Forms		447	
Office Supplies		954	
Premiums on Corporate Surety Bonds		167	
Total Chancery Court			80,819

Juvenile Court

Contracts with Government Agencies	\$	10,000	
Other Charges		115	
Total Juvenile Court			10,115

Judicial Commissioners

County Official/Administrative Officer	\$	4,875	
Total Judicial Commissioners			4,875

(Continued)

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	\$	64,178	
Deputy(ies)		201,971	
Accountants/Bookkeepers		31,020	
School Resource Officer		18,826	
Overtime Pay		27,564	
In-service Training		9,976	
Social Security		21,459	
Pensions		28,760	
Unemployment Compensation		2,586	
Employer Medicare		5,019	
Communication		11,289	
Dues and Memberships		1,175	
Maintenance and Repair Services - Vehicles		20,891	
Printing, Stationery, and Forms		2,372	
Travel		1,174	
Gasoline		25,167	
Office Supplies		2,474	
Uniforms		4,427	
Premiums on Corporate Surety Bonds		298	
Other Charges		33,700	
Total Sheriff's Department			\$ 514,326

Jail

Laborers	\$	19,012	
Guards		186,515	
Overtime Pay		14,093	
Social Security		13,472	
Pensions		19,919	
Unemployment Compensation		2,672	
Employer Medicare		3,151	
Maintenance and Repair Services - Buildings		4,253	
Medical and Dental Services		63,553	
Custodial Supplies		7,534	
Electricity		9,684	
Food Supplies		43,059	
Natural Gas		2,723	
Water and Sewer		11,652	
Other Charges		4,255	
Total Jail			405,547

Fire Prevention and Control

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

Rescue Squad

Contributions	\$	3,919	
Total Rescue Squad			3,919

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

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

County Coroner/Medical Examiner

Other Charges	\$ 6,920	
Total County Coroner/Medical Examiner		6,920

Other Public Safety

Communication	\$ 3,360	
Contributions	66,700	
Total Other Public Safety		70,060

Public Health and Welfare

Local Health Center

Clerical Personnel	\$ 2,098	
Social Security	130	
Unemployment Compensation	46	
Employer Medicare	30	
Communication	2,039	
Travel	429	
Custodial Supplies	320	
Drugs and Medical Supplies	123	
Electricity	5,973	
Natural Gas	1,775	
Office Supplies	154	
Water and Sewer	342	
Other Supplies and Materials	8,547	
Other Charges	6,371	
Total Local Health Center		28,377

Appropriation to State

Contracts with Government Agencies	\$ 18,750	
Total Appropriation to State		18,750

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$ 12,764	
Social Security	791	
Unemployment Compensation	205	
Employer Medicare	185	
Communication	1,523	
Electricity	2,000	
Natural Gas	1,663	
Water and Sewer	560	
Other Charges	837	
Total Adult Activities		20,528

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance

Part-time Personnel	\$	13,005	
Social Security		806	
Unemployment Compensation		286	
Employer Medicare		189	
Communication		684	
Contributions		5,280	
Medical and Dental Services		850	
Printing, Stationery, and Forms		558	
Office Supplies		849	
Total Senior Citizens Assistance	\$		22,507

Libraries

County Official/Administrative Officer	\$	20,221	
Part-time Personnel		760	
Social Security		1,274	
Unemployment Compensation		205	
Employer Medicare		298	
Communication		1,902	
Data Processing Services		2,573	
Postal Charges		34	
Library Books/Media		793	
Office Supplies		1,180	
Total Libraries			29,240

Parks and Fair Boards

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

Other Social, Cultural, and Recreational

Contributions	\$	8,000	
Total Other Social, Cultural, and Recreational			8,000

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	15,771	
Secretary(ies)		8,429	
Social Security		1,388	
Pensions		3,411	
Employer Medicare		325	
Communication		3,013	
Travel		3,000	
Other Equipment		1,980	
Total Agricultural Extension Service			37,317

Soil Conservation

Supervisor/Director	\$	42,432	
Social Security		2,631	

(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.)

Soil Conservation (Cont.)

Pensions	\$	3,929	
Unemployment Compensation		208	
Employer Medicare		615	
Communication		815	
Total Soil Conservation			\$ 50,630

Other Operations

Industrial Development

Other Charges	\$	10,290	
Total Industrial Development			10,290

Veterans' Services

Part-time Personnel	\$	6,003	
Social Security		372	
Unemployment Compensation		132	
Employer Medicare		87	
Communication		511	
Travel		1,275	
Office Supplies		770	
Total Veterans' Services			9,150

Other Charges

Liability Insurance	\$	50,234	
Trustee's Commission		36,287	
Workers' Compensation Insurance		53,069	
Total Other Charges			139,590

Employee Benefits

Medical Insurance	\$	13,776	
Total Employee Benefits			13,776

Miscellaneous

Postal Charges	\$	27,241	
Duplicating Supplies		29,506	
Other Charges		159	
Total Miscellaneous			56,906

Highways

Litter and Trash Collection

Laborers	\$	18,973	
Social Security		1,325	
Pensions		674	
Unemployment Compensation		238	
Employer Medicare		310	
Accounting Services		2,497	
Other Supplies and Materials		4,649	
Other Charges		7,610	
Total Litter and Trash Collection			36,276

Total General Fund \$ 2,925,474

(Continued)

Exhibit J-7

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

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Maintenance Personnel	\$	53,796	
Overtime Pay		2,674	
Social Security		3,386	
Pensions		5,077	
Unemployment Compensation		767	
Employer Medicare		792	
Gasoline		4,630	
Other Charges		297	
Building Improvements		<u>7,712</u>	
Total County Buildings	\$		79,131

Public Safety

Jail

Maintenance and Repair Services - Buildings	\$	<u>207</u>	
Total Jail			207

Other Operations

Other Charges

Trustee's Commission	\$	<u>474</u>	
Total Other Charges			<u>474</u>

Total Courthouse and Jail Maintenance Fund \$ 79,812

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Truck Drivers	\$	18,629	
Social Security		1,109	
Pensions		1,646	
Unemployment Compensation		320	
Employer Medicare		259	
Maintenance and Repair Services - Equipment		3,898	
Diesel Fuel		<u>17</u>	
Total Waste Pickup	\$		25,878

Convenience Centers

Laborers	\$	67,090	
Overtime Pay		57	
Social Security		4,163	
Pensions		436	
Unemployment Compensation		1,440	
Employer Medicare		974	
Communication		852	
Other Contracted Services		16,685	
Electricity		7,291	
Water and Sewer		788	
Other Supplies and Materials		745	

(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.)

Convenience Centers (Cont.)

Trustee's Commission	\$	1,726	
Other Charges		5,009	
Building Improvements		462	
Maintenance Equipment		20,946	
Total Convenience Centers			\$ 128,664

Landfill Operation and Maintenance

Other Charges	\$	7,027	
Total Landfill Operation and Maintenance			<u>7,027</u>

Total Solid Waste/Sanitation Fund \$ 161,569

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Medical Personnel	\$	243,450	
Part-time Personnel		7,066	
Overtime Pay		80,359	
In-service Training		905	
Social Security		20,437	
Pensions		24,350	
Unemployment Compensation		3,147	
Employer Medicare		4,780	
Communication		4,655	
Dues and Memberships		200	
Licenses		1,500	
Maintenance and Repair Services - Buildings		2,470	
Maintenance and Repair Services - Equipment		288	
Maintenance and Repair Services - Vehicles		11,020	
Printing, Stationery, and Forms		14	
Other Contracted Services		19,910	
Custodial Supplies		685	
Data Processing Supplies		18	
Diesel Fuel		24,524	
Drugs and Medical Supplies		24,445	
Electricity		5,119	
Natural Gas		1,003	
Office Supplies		1,343	
Uniforms		1,346	
Water and Sewer		793	
Other Supplies and Materials		1,065	
Premiums on Corporate Surety Bonds		92	
Trustee's Commission		7,439	
Vehicle and Equipment Insurance		10,000	
Workers' Compensation Insurance		2,250	
Other Charges		3,939	
Other Equipment		13,000	
Total Ambulance/Emergency Medical Services			<u>\$ 521,612</u>

Total Ambulance Service Fund 521,612

(Continued)

Exhibit J-7

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

Local Purpose Tax Fund

Public Safety

Fire Prevention and Control

Contributions	\$	110,000	
Building and Contents Insurance		<u>38,891</u>	
Total Fire Prevention and Control	\$		148,891

Other Operations

Other Charges

Trustee's Commission	\$	<u>2,926</u>	
Total Other Charges			<u>2,926</u>

Total Local Purpose Tax Fund \$ 151,817

Drug Control Fund

Public Safety

Drug Enforcement

Other Supplies and Materials	\$	<u>583</u>	
Total Drug Enforcement	\$		583

Other Operations

Other Charges

Trustee's Commission	\$	<u>79</u>	
Total Other Charges			<u>79</u>

Total Drug Control Fund 662

Constitutional Officers - Fees Fund

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	<u>238</u>	
Total County Clerk's Office	\$		238

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$	<u>228</u>	
Total Circuit Court			228

General Sessions Court

Constitutional Officers' Operating Expenses	\$	<u>813</u>	
Total General Sessions Court			813

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	<u>450</u>	
Total Chancery Court			<u>450</u>

Total Constitutional Officers - Fees Fund 1,729

(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	\$	64,178	
Assistant(s)		29,438	
Accountants/Bookkeepers		30,916	
Overtime Pay		1,941	
Other Salaries and Wages		819	
Social Security		7,832	
Unemployment Compensation		191	
Employer Medicare		1,832	
Communication		2,497	
Dues and Memberships		2,493	
Maintenance and Repair Services - Office Equipment		18	
Postal Charges		161	
Printing, Stationery, and Forms		215	
Travel		98	
Electricity		1,146	
Office Supplies		365	
Other Charges		287	
Total Administration			\$ 144,427

Highway and Bridge Maintenance

Equipment Operators	\$	80,910	
Truck Drivers		28,184	
Laborers		134,615	
Overtime Pay		3,799	
Other Salaries and Wages		10,538	
Social Security		15,902	
Employee and Dependent Insurance		9,382	
Unemployment Compensation		6	
Employer Medicare		3,719	
Other Contracted Services		11,328	
Asphalt - Cold Mix		6,536	
Lubricants		175	
Pipe - Metal		6,696	
Road Signs		2,482	
Salt		23,954	
Structural Steel		34	
Other Supplies and Materials		223	
Total Highway and Bridge Maintenance			338,483

Operation and Maintenance of Equipment

Mechanic(s)	\$	54,434	
Laborers		5,468	
Nightwatchmen		46,582	
Overtime Pay		3,357	
Other Salaries and Wages		6,697	
Social Security		7,139	
Employer Medicare		1,670	

(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	\$	319	
Maintenance and Repair Services - Equipment		177	
Other Contracted Services		50	
Diesel Fuel		33,287	
Equipment and Machinery Parts		22,137	
Garage Supplies		1,380	
Gasoline		14,409	
Lubricants		5,697	
Propane Gas		1,042	
Small Tools		50	
Tires and Tubes		4,969	
Water and Sewer		352	
Other Supplies and Materials		495	
Other Charges		442	
Total Operation and Maintenance of Equipment			\$ 210,153

Quarry Operations

Communication	\$	2,025	
Operating Lease Payments		4,800	
Electricity		3,108	
Total Quarry Operations			9,933

Other Charges

Liability Insurance	\$	20,685	
Trustee's Commission		13,513	
Workers' Compensation Insurance		70,173	
Total Other Charges			104,371

Employee Benefits

Pensions	\$	39,922	
Employee and Dependent Insurance		11,341	
Unemployment Compensation		6,009	
Total Employee Benefits			57,272

Capital Outlay

Bridge Construction	\$	18,037	
Communication Equipment		327	
Highway Equipment		63,198	
Total Capital Outlay			81,562

Total Highway/Public Works Fund \$ 946,201

General Debt Service Fund

Public Safety

Other Emergency Management

Contributions	\$	77,002	
Total Other Emergency Management			\$ 77,002

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Principal on Debt

General Government

Principal on Notes	\$ 270,299	
Total General Government		\$ 270,299

Education

Principal on Other Loans	\$ 452,000	
Total Education		452,000

Interest on Debt

General Government

Interest on Notes	\$ 3,066	
Total General Government		3,066

Education

Interest on Bonds	\$ 60,063	
Interest on Other Loans	1,362	
Total Education		61,425

Other Debt Service

General Government

Trustee's Commission	\$ 1,378	
Total General Government		1,378

Education

Other Debt Issuance Charges	\$ 10,763	
Other Debt Service	6,314	
Total Education		17,077

Total General Debt Service Fund		\$ 882,247
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Total Governmental Funds - Primary Government		\$ 5,671,123
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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, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	1,925,810	
Career Ladder Program		9,985	
Career Ladder Extended Contracts		6,000	
Homebound Teachers		2,470	
Educational Assistants		99,573	
Certified Substitute Teachers		5,745	
Non-certified Substitute Teachers		46,140	
Social Security		121,388	
Pensions		184,241	
Medical Insurance		96,428	
Unemployment Compensation		248	
Employer Medicare		28,389	
Contracts with Other School Systems		4,364	
Other Contracted Services		200	
Instructional Supplies and Materials		12,720	
Textbooks		35,433	
Other Supplies and Materials		4,487	
Fee Waivers		900	
Other Charges		2,950	
Regular Instruction Equipment		95,443	
Total Regular Instruction Program			\$ 2,682,914

Special Education Program

Teachers	\$	213,466	
Career Ladder Program		1,485	
Homebound Teachers		700	
Educational Assistants		13,814	
Speech Pathologist		50,730	
Non-certified Substitute Teachers		360	
Social Security		14,223	
Pensions		25,131	
Medical Insurance		45,605	
Employer Medicare		3,326	
Maintenance and Repair Services - Equipment		154	
Other Supplies and Materials		60	
Fee Waivers		78	
Other Charges		474	
Special Education Equipment		2,485	
Total Special Education Program			372,091

Vocational Education Program

Teachers	\$	141,897	
Career Ladder Program		1,000	
Social Security		8,600	
Pensions		12,974	
Medical Insurance		2,409	

(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.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Unemployment Compensation	\$	31	
Employer Medicare		2,009	
Other Supplies and Materials		391	
Vocational Instruction Equipment		988	
Total Vocational Education Program			\$ 170,299

Support Services

Attendance

Supervisor/Director	\$	57,574	
Career Ladder Program		1,000	
Social Security		3,565	
Pensions		5,295	
Unemployment Compensation		9	
Employer Medicare		834	
Travel		173	
Other Supplies and Materials		248	
In Service/Staff Development		329	
Total Attendance			69,027

Health Services

Supervisor/Director	\$	41,850	
Medical Personnel		40,644	
Other Salaries and Wages		23,867	
Social Security		6,101	
Pensions		9,825	
Medical Insurance		5,896	
Unemployment Compensation		29	
Employer Medicare		1,427	
Drugs and Medical Supplies		1,393	
Other Supplies and Materials		11,124	
In Service/Staff Development		2,133	
Other Charges		686	
Total Health Services			144,975

Other Student Support

Guidance Personnel	\$	56,346	
Other Salaries and Wages		19,110	
Social Security		4,024	
Pensions		6,863	
Medical Insurance		7,859	
Employer Medicare		941	
Contracts with Government Agencies		15,532	
Evaluation and Testing		3,171	
Travel		691	
Other Contracted Services		1,666	
Total Other Student Support			116,203

(Continued)

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

Supervisor/Director	\$	63,808	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		2,000	
Librarians		94,895	
Instructional Computer Personnel		46,836	
Other Salaries and Wages		27,647	
In-service Training		600	
Social Security		11,907	
Pensions		19,190	
Medical Insurance		13,884	
Unemployment Compensation		42	
Employer Medicare		3,186	
Travel		499	
Library Books/Media		4,223	
Other Supplies and Materials		393	
In Service/Staff Development		8,161	
Other Charges		225	
Other Equipment		1,388	
Total Regular Instruction Program			\$ 301,884

Special Education Program

Supervisor/Director	\$	58,174	
Career Ladder Program		1,000	
Psychological Personnel		22,257	
Other Salaries and Wages		5,336	
Social Security		5,133	
Pensions		7,855	
Medical Insurance		3,055	
Employer Medicare		1,200	
Travel		1,744	
Other Supplies and Materials		150	
Total Special Education Program			105,904

Vocational Education Program

Supervisor/Director	\$	4,600	
Social Security		290	
Pensions		420	
Employer Medicare		70	
Travel		129	
Total Vocational Education Program			5,509

Other Programs

On-behalf Payments to OPEB	\$	28,731	
Total Other Programs			28,731

(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	\$	14,600	
Social Security		905	
Medical Insurance		41,042	
Employer Medicare		212	
Audit Services		3,875	
Dues and Memberships		3,195	
Other Contracted Services		3,795	
Trustee's Commission		32,287	
Workers' Compensation Insurance		41,020	
Total Board of Education			\$ 140,931

Director of Schools

County Official/Administrative Officer	\$	79,875	
Career Ladder Program		1,000	
Social Security		4,358	
Pensions		7,311	
Medical Insurance		6,551	
Unemployment Compensation		9	
Employer Medicare		1,019	
Communication		9,578	
Dues and Memberships		1,358	
Postal Charges		974	
Travel		835	
Office Supplies		304	
Other Supplies and Materials		503	
Other Charges		120	
Total Director of Schools			113,795

Office of the Principal

Principals	\$	131,512	
Career Ladder Program		2,000	
Assistant Principals		78,630	
Secretary(ies)		40,668	
Social Security		14,923	
Pensions		22,944	
Medical Insurance		5,797	
Unemployment Compensation		58	
Employer Medicare		3,490	
Communication		1,284	
Other Charges		375	
Total Office of the Principal			301,681

Fiscal Services

Accountants/Bookkeepers	\$	35,525	
Secretary(ies)		32,988	
Other Salaries and Wages		30,000	

(Continued)

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.)

Social Security	\$	5,981	
Pensions		9,122	
Medical Insurance		1,838	
Unemployment Compensation		25	
Employer Medicare		1,399	
Data Processing Services		7,968	
Other Contracted Services		1,220	
Data Processing Supplies		604	
Office Supplies		1,661	
Other Supplies and Materials		653	
Total Fiscal Services	\$		128,984

Operation of Plant

Custodial Personnel	\$	166,248	
Social Security		10,083	
Pensions		14,457	
Medical Insurance		7,088	
Unemployment Compensation		104	
Employer Medicare		2,358	
Disposal Fees		12,700	
Other Contracted Services		7,555	
Custodial Supplies		15,989	
Electricity		166,077	
Natural Gas		52,130	
Water and Sewer		24,431	
Other Supplies and Materials		1,231	
Building and Contents Insurance		84,904	
Other Charges		257	
Total Operation of Plant			565,612

Maintenance of Plant

Supervisor/Director	\$	34,500	
Other Salaries and Wages		380	
Social Security		2,114	
Pensions		3,229	
Medical Insurance		1,838	
Unemployment Compensation		8	
Employer Medicare		495	
Communication		606	
Maintenance and Repair Services - Buildings		10,125	
Maintenance and Repair Services - Equipment		25,497	
Maintenance and Repair Services - Vehicles		750	
Other Contracted Services		9,837	
Other Supplies and Materials		2,672	
Total Maintenance of Plant			92,051

(Continued)

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)	\$	33,329	
Bus Drivers		106,867	
Other Salaries and Wages		8,860	
Social Security		9,001	
Pensions		13,727	
Medical Insurance		6,563	
Unemployment Compensation		76	
Employer Medicare		2,143	
Communication		596	
Travel		129	
Gasoline		49,347	
Lubricants		1,189	
Tires and Tubes		7,662	
Vehicle Parts		14,424	
Other Supplies and Materials		1,686	
Other Charges		2,828	
Transportation Equipment		120,652	
Total Transportation			\$ 379,079

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	33,683	
Teachers		65,055	
Career Ladder Program		1,000	
Educational Assistants		10,180	
Cafeteria Personnel		1,953	
Other Salaries and Wages		6,540	
Social Security		6,962	
Pensions		10,743	
Medical Insurance		3,599	
Unemployment Compensation		16	
Employer Medicare		1,628	
Instructional Supplies and Materials		1,767	
Other Supplies and Materials		11,194	
In Service/Staff Development		1,273	
Other Equipment		3,139	
Total Community Services			158,732

Early Childhood Education

Supervisor/Director	\$	33,683	
Teachers		91,908	
Educational Assistants		39,182	
Social Security		9,287	
Pensions		14,941	
Medical Insurance		11,777	
Unemployment Compensation		50	

(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.)

Employer Medicare	\$	2,172	
Communication		535	
Travel		66	
Food Supplies		49	
Instructional Supplies and Materials		730	
Other Supplies and Materials		4,384	
In Service/Staff Development		1,654	
Other Charges		1,052	
Other Equipment		699	
Total Early Childhood Education	\$		212,169

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	39,421	
Furniture and Fixtures		3,037	
Site Development		10,688	
Total Regular Capital Outlay			53,146

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	452,000	
Total Education			452,000

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	61,425	
Total Education			61,425

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	6,314	
Total Education			6,314

Total General Purpose School Fund \$ 6,663,456

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	178,293	
Educational Assistants		13,697	
Social Security		11,903	
Pensions		17,386	
Medical Insurance		5,282	
Unemployment Compensation		300	
Employer Medicare		2,784	
Regular Instruction Equipment		11,399	
Total Regular Instruction Program	\$		241,044

(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	\$	660	
Educational Assistants		102,275	
Speech Pathologist		423	
Social Security		6,409	
Pensions		9,569	
Unemployment Compensation		393	
Employer Medicare		1,499	
Tuition		2,058	
Instructional Supplies and Materials		3,228	
Other Supplies and Materials		2,005	
Special Education Equipment		3,193	
Total Special Education Program			\$ 131,712

Vocational Education Program

Instructional Supplies and Materials	\$	400	
Vocational Instruction Equipment		9,540	
Total Vocational Education Program			9,940

Support Services

Other Student Support

Guidance Personnel	\$	43,709	
Social Security		2,710	
Pensions		3,951	
Unemployment Compensation		60	
Employer Medicare		634	
Travel		2,478	
Other Charges		504	
Total Other Student Support			54,046

Regular Instruction Program

Other Contracted Services	\$	8,000	
Total Regular Instruction Program			8,000

Special Education Program

Psychological Personnel	\$	22,257	
Social Security		1,380	
Pensions		2,013	
Unemployment Compensation		45	
Employer Medicare		323	
Travel		2,564	
Other Contracted Services		12,756	
Other Supplies and Materials		4,688	
In Service/Staff Development		2,261	
Total Special Education Program			48,287

(Continued)

Exhibit J-8

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

<u>School Federal Projects Fund (Cont.)</u>		
<u>Support Services (Cont.)</u>		
<u>Vocational Education Program</u>		
Supervisor/Director	\$ 662	
Total Vocational Education Program		<u>\$ 662</u>
Total School Federal Projects Fund		\$ 493,691
 <u>Central Cafeteria Fund</u>		
<u>Operation of Non-instructional Services</u>		
<u>Food Service</u>		
Supervisor/Director	\$ 33,488	
Cafeteria Personnel	152,068	
Social Security	11,406	
Pensions	16,341	
Unemployment Compensation	108	
Employer Medicare	2,681	
Communication	1,067	
Maintenance and Repair Services - Equipment	2,166	
Travel	275	
Other Contracted Services	3,540	
Food Preparation Supplies	15,690	
Food Supplies	261,047	
Office Supplies	532	
Uniforms	1,288	
USDA - Commodities	24,537	
Other Supplies and Materials	528	
In Service/Staff Development	406	
Other Charges	166	
Food Service Equipment	<u>5,233</u>	
Total Food Service		<u>\$ 532,567</u>
Total Central Cafeteria Fund		<u>532,567</u>
Total Governmental Funds - Van Buren County School Department		<u>\$ 7,689,714</u>

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, 2015

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 123,656
Total Cash Receipts	<u>\$ 123,656</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 122,419
Trustee's Commission	1,237
Total Cash Disbursements	<u>\$ 123,656</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2014	<u>0</u>
 Cash Balance, June 30, 2015	 <u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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

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

Independent Auditor's Report

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, 2015, 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 28, 2015. 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: 2015-001.

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: 2015-003, 2015-004(B,C), and 2015-005.

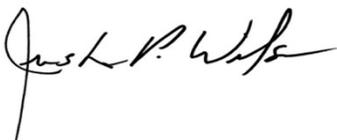
### **Compliance and Other Matters**

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 2015-002 and 2015-004(A).

### **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 28, 2015

JPW/sb



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

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

Independent Auditor's Report

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 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, 2015. 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, 2015.

### **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.

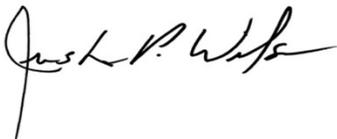
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2015, 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 28, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 28, 2015

JPW/sb

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Environmental Quality Incentives Program	10.912	N/A	\$ 12,019
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	24,537 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	118,123
National School Lunch Program	10.555	N/A	267,175 (3)
Passed-through State Department of Human Services:			
Summer Food Service Program for Children	10.559	N/A	45,055
Total U.S. Department of Agriculture			<u>\$ 466,909</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	(2)	<u>\$ 4,000</u>
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(2)	<u>\$ 700</u>
U.S. Department of Education:			
Direct Program:			
Rural Education	84.358	N/A	\$ 19,399
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	235,870
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	183,079
Special Education - Preschool Grants	84.173	N/A	9,629
Career and Technical Education - Basic Grants to States	84.048	N/A	13,583
Rural Education	84.358	(2)	3,561
Improving Teacher Quality State Grants	84.367	N/A	41,278
Total U.S. Department of Education			<u>\$ 506,399</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>\$ 13,700</u>
Total Expenditures of Federal Awards			<u>\$ 991,708</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>			
ConnectTenn - State Department of Education	N/A	(2)	\$ 2,080
Coordinated School Health - State Department of Education	N/A	(2)	89,998
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)	99,516
Safe Schools - State Department of Education	N/A	(2)	5,380
Litter Program - State Department of Transportation	N/A	(2)	36,560
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	(2)	17,968
ThreeStar Grant Program - State Department of Economic and Community Development	N/A	(2)	3,519
Rural Local Health Services - State Department of Health	N/A	(2)	10,584
Student Ticket Subsidy - Tennessee Arts Commission	N/A	(2)	470
Law Enforcement Training Program - State Department of Safety	N/A	(2)	3,600
Youth Services Program - State Commission on Children and Youth	N/A	(2)	<u>4,500</u>
 Total State Grants			 <u>\$ 499,690</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 \$291,712.

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

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

**OFFICE OF COUNTY MAYOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-002	151	Competitive bids were not solicited for food and custodial supplies for the jail

**OFFICES OF COUNTY MAYOR, 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>
2014-006	153	Duties were not segregated adequately

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**VAN BUREN COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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

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

1. Our report on the financial statements of 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 reported 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, National School Lunch Program, and the Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559) 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 2015-001

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

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

At June 30, 2015, certain general ledger account balances in the Ambulance Service Fund were not materially correct, and audit adjustments totaling \$39,692 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.

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#### FINDING 2015-002

#### **COMPETITIVE BIDS WERE NOT SOLICITED FOR FOOD AND CUSTODIAL SUPPLIES AT THE JAIL**

(Noncompliance Under *Government Auditing Standards*)

Competitive bids were not solicited for the purchase of food and custodial supplies at the jail (\$50,593). 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 acts.

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## OFFICE OF SHERIFF

### FINDING 2015-003

### **DISCREPANCIES IN TWO RECEIPTS ISSUED BY THE SHERIFF'S DEPARTMENT ARE CURRENTLY BEING INVESTIGATED**

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

Subsequent to June 30, 2015, the Sheriff's Department discovered that a former jail administrator had receipted two cash bonds totaling \$1,500 on July 24, 2015; however, these collections had not been deposited to the office's bank account. Section 5-8-207, *Tennessee Code Annotated*, requires that all collections should be deposited to the official bank account within three days of collection. These funds were recovered from the former jail administrator on September 15, 2015. The Tennessee Bureau of Investigation is investigating this discrepancy. Findings, if any, resulting from the investigation will be included in a subsequent report.

## RECOMMENDATION

The sheriff should implement controls to ensure that all collections are deposited in the office's bank account within three days of collection as required by state statute.

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### FINDING 2015-004

### **THE OFFICE HAD DEFICIENCIES IN RECEIPTING AND DEPOSITING FUNDS**

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

As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated (TCA)*, we judgmentally selected 132 of 183 receipts issued to trace to deposits from the months of December 2014 through June 2015. Our examination revealed the following deficiencies in receipting and depositing funds:

- A. In 14 of 132 receipts tested, the office did not deposit the funds to the office bank account within three days of collection as required by Section 5-8-207, *TCA*.

- B. We noted one instance where the office did not deposit collections intact; i.e., funds collected during a specific period of time were not deposited together. A \$500 cash receipt dated March 5, 2015, was not deposited to the office's bank account until March 31, 2015. The two receipts preceding this receipt and one subsequent receipt dated March 5 through March 9 were deposited on March 11, 2015. Sound business practices dictate that collections be deposited intact to enhance internal controls.
- C. During our examination of receipts to deposits, we noted seven receipts marked as void on the cash journal. Five of the seven voided receipts were missing from the receipt book; therefore, we could not determine the disposition of these receipts.

These deficiencies are the result of a lack of management oversight. The delay in depositing funds, not depositing funds intact, and not voiding receipts properly weakens internal controls over collections and increases the risks of fraud and misappropriation.

#### RECOMMENDATION

All funds should be deposited intact within three days of collection as required by state statute. Voided receipts should have all copies of the receipt included in the receipt book.

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

#### FINDING 2015-005

#### **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, 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**

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Van Buren County.

### **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, 2015**

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