

ANNUAL FINANCIAL REPORT
VAN BUREN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2017



DIVISION OF LOCAL GOVERNMENT AUDIT



**ANNUAL FINANCIAL REPORT
VAN BUREN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2017**

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

***DIVISION OF LOCAL GOVERNMENT AUDIT
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Director***

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Audit Manager***

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State Auditors***

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

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, 2017

Scope

We have audited the basic financial statements of Van Buren County as of and for the year ended June 30, 2017.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The county's purchase of a solid waste disposal company had deficiencies.
- ◆ Amounts withheld from contractor payments were not deposited into an escrow account.

OFFICE OF SHERIFF

- ◆ Inmate funds totaling \$100 were missing from the Sheriff's Department.
- ◆ The sheriff did not report missing inmate funds to the Comptroller of the Treasury.

INTRODUCTORY SECTION

Van Buren County Officials

June 30, 2017

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
Zachary Fletcher
Hugh Hillis
William Maxwell, Jr.
Mickey Robinson
Sam Henry Seamons, Jr.
Brian Simmons
Robert Van Winkle

Board of Education

Ricky Walling, Chairman
Barry Austin
Tabitha Denney
Ronnie Hitchcock
Tim Hodges

Audit Committee

June Rogers, Chairman
Barry Austin
Walter Hillis
Don Hollandsworth
George Rogalle

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

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, 2017, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Buren County, Tennessee, as of June 30, 2017, and the respective changes in financial position and the respective budgetary comparison for the General, Solid Waste/Sanitation, 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.

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 (asset) and related ratios, schedule of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefits plans, on pages 84-91 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, 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Van Buren County School Department (a discretely presented component unit), miscellaneous schedules, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Van Buren County School Department (a discretely presented component unit), miscellaneous schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

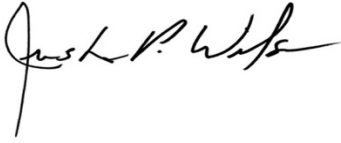
The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance

and the results of that testing, and not to provide an opinion on the effectiveness of Van Buren County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Van Buren County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent initial "J" and "W".

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 3, 2018

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Van Buren County, Tennessee
Statement of Net Position
June 30, 2017

	<u>Primary Governmental Activities</u>	<u>Component Unit Van Buren County School Department</u>
<u>ASSETS</u>		
Cash	\$ 1,395	\$ 0
Equity in Pooled Cash and Investments	3,824,450	4,230,287
Accounts Receivable	400,469	23
Allowance for Uncollectibles	(252,926)	0
Due from Other Governments	301,149	261,549
Due from Component Units	1,667,000	0
Note Proceeds Receivable	2,000,000	0
Property Taxes Receivable	2,202,853	878,013
Allowance for Uncollectible Property Taxes	(137,877)	(54,956)
Net Pension Asset - Teacher Retirement Plan	0	6,696
Capital Assets:		
Assets Not Depreciated:		
Land	615,731	296,847
Construction in Progress	6,382,504	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	1,031,965	5,080,613
Other Capital Assets	581,962	691,218
Infrastructure	3,179,229	2,573
Total Assets	<u>\$ 21,797,904</u>	<u>\$ 11,392,863</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 211,976	\$ 147,629
Pension Changes in Investment Earnings	159,293	724,143
Pension Other Deferrals	0	13,166
Pension Changes in Contributions after Measurement Date	195,225	443,715
Total Deferred Outflows of Resources	<u>\$ 566,494</u>	<u>\$ 1,328,653</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 1,396,268	\$ 517,300
Payroll Deductions Payable	1,089	0
Retainage Payable	288,681	0
Accrued Interest Payable	10,965	0
Due to Primary Government	0	1,667,000
Due to State of Tennessee	2,438	7,270
Due to Litigants, Heirs, and Others	12,400	0
Noncurrent Liabilities:		
Due Within One Year	253,616	1,792
Due in More Than One Year	4,165,218	2,337,161
Total Liabilities	<u>\$ 6,130,675</u>	<u>\$ 4,530,523</u>

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Van Buren County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Revenue - Current Property Taxes	\$ 1,963,968	\$ 782,797
Pension Changes in Experience	49,144	712,957
Pension Other Deferrals	0	11,229
Total Deferred Inflows of Resources	<u>\$ 2,013,112</u>	<u>\$ 1,506,983</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 9,791,391	\$ 6,071,251
Restricted for:		
General Government	93,937	0
Administration of Justice	39,923	0
Public Safety	61,108	0
Public Health and Welfare	263	0
Highway/Public Works	2,281,156	0
Education	0	193,304
Debt Service	697,346	0
Capital Projects	352,645	0
Pensions	0	6,696
Unrestricted	<u>902,842</u>	<u>412,759</u>
Total Net Position	<u>\$ 14,220,611</u>	<u>\$ 6,684,010</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, 2017

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 Governmental Total Governmental Activities	Component Unit Van Buren County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,042,131	\$ 57,163	\$ 15,164	\$ 218,013	\$ (751,791)	\$ 0
Finance	307,366	164,332	0	0	(143,034)	0
Administration of Justice	252,315	207,472	13,500	0	(31,343)	0
Public Safety	1,218,669	108,228	14,011	0	(1,096,430)	0
Public Health and Welfare	1,014,888	586,247	19,900	0	(408,741)	0
Social, Cultural, and Recreational Services	165,978	583	10,944	0	(154,451)	0
Agriculture and Natural Resources	91,523	0	7,018	0	(84,505)	0
Highways/Public Works	2,830,158	0	1,492,613	1,994,890	657,345	0
Interest on Long-term Debt	45,313	0	0	45,797	484	0
Total Governmental Activities	<u>\$ 6,968,341</u>	<u>\$ 1,124,025</u>	<u>\$ 1,573,150</u>	<u>\$ 2,258,700</u>	<u>\$ (2,012,466)</u>	<u>\$ 0</u>
Total Primary Government	<u>\$ 6,968,341</u>	<u>\$ 1,124,025</u>	<u>\$ 1,573,150</u>	<u>\$ 2,258,700</u>	<u>\$ (2,012,466)</u>	<u>\$ 0</u>
Component Unit:						
Van Buren County School Department	\$ 8,361,024	\$ 79,237	\$ 1,101,483	\$ 0	\$ 0	\$ (7,180,304)
Total Component Unit	<u>\$ 8,361,024</u>	<u>\$ 79,237</u>	<u>\$ 1,101,483</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (7,180,304)</u>

(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 Government Total Governmental Activities	Component Unit Van Buren County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 2,002,158	\$ 773,127
Property Taxes Levied for Debt Service					70,400	0
Local Option Sales Taxes					88,000	437,136
Hotel/Motel Tax					128,345	128,345
Litigation Taxes					57,005	0
Business Tax					13,628	0
Wholesale Beer Tax					28,203	0
Other Local Taxes					4,137	3,574
Grants and Contributions Not Restricted to Specific Programs					335,564	5,457,706
Unrestricted Investment Earnings					18,967	245
Miscellaneous					14,737	56,955
Sale of Land/Equipment					47,683	0
Total General Revenues					<u>\$ 2,808,827</u>	<u>\$ 6,857,088</u>
Change in Net Position					\$ 796,361	\$ (323,216)
Net Position, July 1, 2016					<u>13,424,250</u>	<u>7,007,226</u>
Net Position, June 30, 2017					<u>\$ 14,220,611</u>	<u>\$ 6,684,010</u>

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, 2017

	Major Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Capital Projects
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,000	\$ 0	\$ 0
Equity in Pooled Cash and Investments	835,065	9,896	228,645	2,047,019	0
Accounts Receivable	6,121	31,781	361,887	0	0
Allowance for Uncollectibles	0	0	(252,926)	0	0
Due from Other Governments	67,013	0	0	234,136	0
Due from Other Funds	576,565	0	0	0	0
Note Proceeds Receivable	0	0	0	0	2,000,000
Property Taxes Receivable	1,676,206	0	238,660	0	0
Allowance for Uncollectible Property Taxes	(104,915)	0	(14,938)	0	0
Total Assets	<u>\$ 3,056,055</u>	<u>\$ 41,677</u>	<u>\$ 562,328</u>	<u>\$ 2,281,155</u>	<u>\$ 2,000,000</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 12,818	\$ 17,710	\$ 2,223	\$ 0	\$ 1,363,517
Payroll Deductions Payable	862	40	146	0	0
Retainage Payable	0	0	0	0	288,681
Due to Other Funds	125,000	575,000	0	0	0
Due to State of Tennessee	1,282	967	176	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	0
Total Liabilities	<u>\$ 139,962</u>	<u>\$ 593,717</u>	<u>\$ 2,545</u>	<u>\$ 0</u>	<u>\$ 1,652,198</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 1,494,431	\$ 0	\$ 212,779	\$ 0	\$ 0
Deferred Delinquent Property Taxes	56,333	0	8,021	0	0

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Capital Projects
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Other Deferred/Unavailable Revenue	\$ 11,919	\$ 0	\$ 74,145	\$ 117,068	\$ 0
Total Deferred Inflows of Resources	\$ 1,562,683	\$ 0	\$ 294,945	\$ 117,068	\$ 0
<u>FUND BALANCES</u>					
Nonspendable:					
Long-term Notes Receivable	\$ 575,000	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:					
Restricted for General Government	38,583	0	0	0	0
Restricted for Administration of Justice	39,923	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	0	2,164,087	0
Restricted for Capital Outlay	4,843	0	0	0	0
Restricted for Debt Service	0	0	0	0	0
Restricted for Capital Projects	0	0	0	0	347,802
Committed:					
Committed for Public Health and Welfare	0	0	264,838	0	0
Unassigned	694,798	(552,040)	0	0	0
Total Fund Balances	\$ 1,353,410	\$ (552,040)	\$ 264,838	\$ 2,164,087	\$ 347,802
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,056,055	\$ 41,677	\$ 562,328	\$ 2,281,155	\$ 2,000,000

(Continued)

Exhibit C-1

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 395		\$ 1,395
Equity in Pooled Cash and Investments	703,825		3,824,450
Accounts Receivable	680		400,469
Allowance for Uncollectibles	0		(252,926)
Due from Other Governments	0		301,149
Due from Other Funds	125,000		701,565
Note Proceeds Receivable	0		2,000,000
Property Taxes Receivable	287,987		2,202,853
Allowance for Uncollectible Property Taxes	(18,024)		(137,877)
Total Assets	\$ 1,099,863		\$ 9,041,078
<u>LIABILITIES</u>			
Accounts Payable	\$ 0		\$ 1,396,268
Payroll Deductions Payable	41		1,089
Retainage Payable	0		288,681
Due to Other Funds	1,565		701,565
Due to State of Tennessee	13		2,438
Due to Litigants, Heirs, and Others	12,400		12,400
Total Liabilities	\$ 14,019		\$ 2,402,441
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 256,758		\$ 1,963,968
Deferred Delinquent Property Taxes	9,677		74,031

(Continued)

Exhibit C-1

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

<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>	<u>Nonmajor Funds</u>	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
Other Deferred/Unavailable Revenue	\$	0	\$ 203,132
Total Deferred Inflows of Resources	<u>\$</u>	<u>266,435</u>	<u>\$ 2,241,131</u>
 <u>FUND BALANCES</u> 			
Nonspendable:			
Long-term Notes Receivable	\$	0	\$ 575,000
Restricted:			
Restricted for General Government		55,354	93,937
Restricted for Administration of Justice		0	39,923
Restricted for Public Safety		55,744	55,744
Restricted for Public Health and Welfare		0	263
Restricted for Highways/Public Works		0	2,164,087
Restricted for Capital Outlay		0	4,843
Restricted for Debt Service		708,311	708,311
Restricted for Capital Projects		0	347,802
Committed:			
Committed for Public Health and Welfare		0	264,838
Unassigned		0	142,758
Total Fund Balances	<u>\$</u>	<u>819,409</u>	<u>\$ 4,397,506</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$</u>	<u>1,099,863</u>	<u>\$ 9,041,078</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, 2017

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)		\$ 4,397,506
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 615,731	
Add: construction in progress	6,382,504	
Add: infrastructure net of accumulated depreciation	3,179,229	
Add: buildings and improvements net of accumulated depreciation	1,031,965	
Add: other capital assets net of accumulated depreciation	<u>581,962</u>	11,791,391
(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	\$ (1,667,000)	
Less: notes payable	(2,000,000)	
Add: debt to be contributed by the School Department	1,667,000	
Less: accrued interest on bonds	(10,965)	
Less: landfill postclosure care costs	(241,666)	
Less: net pension liability - agent plan	(381,298)	
Less: compensated absences payable	<u>(128,870)</u>	(2,762,799)
(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	\$ 566,494	
Less: deferred inflows of resources related to pensions	<u>(49,144)</u>	517,350
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>277,163</u>
Net position of governmental activities (Exhibit A)		<u>\$ 14,220,611</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, 2017

	Major Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 1,728,431	\$ 4,645	\$ 221,938	\$ 2,728	\$ 0
Licenses and Permits	19,582	0	0	0	0
Fines, Forfeitures, and Penalties	50,074	0	0	0	0
Charges for Current Services	25,419	194,181	348,799	0	0
Other Local Revenues	77,196	44,379	0	1,732	3,509
Fees Received From County Officials	339,819	0	0	0	0
State of Tennessee	415,453	0	0	3,444,611	0
Federal Government	162,999	0	0	0	0
Other Governments and Citizens Groups	72,976	0	0	0	0
Total Revenues	\$ 2,891,949	\$ 243,205	\$ 570,737	\$ 3,449,071	\$ 3,509
<u>Expenditures</u>					
Current:					
General Government	\$ 567,680	\$ 0	\$ 0	\$ 0	\$ 0
Finance	312,196	0	0	0	0
Administration of Justice	255,623	0	0	0	0
Public Safety	1,037,304	0	0	0	0
Public Health and Welfare	45,492	877,071	576,852	0	0
Social, Cultural, and Recreational Services	166,961	0	0	0	0
Agriculture and Natural Resources	93,619	0	0	0	0
Other Operations	391,811	0	0	0	0
Highways	51,099	0	0	3,290,230	0
Debt Service:					
Principal on Debt	0	0	0	0	0
Interest on Debt	0	0	0	0	0
Other Debt Service	0	0	0	0	0

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Highway / Public Works	General Capital Projects
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,816,739
Total Expenditures	\$ 2,921,785	\$ 877,071	\$ 576,852	\$ 3,290,230	\$ 5,816,739
Excess (Deficiency) of Revenues Over Expenditures	\$ (29,836)	\$ (633,866)	\$ (6,115)	\$ 158,841	\$ (5,813,230)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,000,000
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	(145,861)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,854,139
Net Change in Fund Balances	\$ (29,836)	\$ (633,866)	\$ (6,115)	\$ 158,841	\$ (3,959,091)
Fund Balance, July 1, 2016	1,383,246	81,826	270,953	2,005,246	4,306,893
Fund Balance, June 30, 2017	\$ 1,353,410	\$ (552,040)	\$ 264,838	\$ 2,164,087	\$ 347,802

(Continued)

Exhibit C-3

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

	Nonmajor Funds		Other Govern- mental Funds	Total Governmental Funds
<hr/>				
<u>Revenues</u>				
Local Taxes	\$ 490,859	\$		2,448,601
Licenses and Permits	0			19,582
Fines, Forfeitures, and Penalties	18,437			68,511
Charges for Current Services	0			568,399
Other Local Revenues	399			127,215
Fees Received From County Officials	0			339,819
State of Tennessee	19,884			3,879,948
Federal Government	0			162,999
Other Governments and Citizens Groups	116,797			189,773
Total Revenues	<u>\$ 646,376</u>	\$		<u>7,804,847</u>
<u>Expenditures</u>				
Current:				
General Government	\$ 47,165	\$		614,845
Finance	0			312,196
Administration of Justice	0			255,623
Public Safety	186,280			1,223,584
Public Health and Welfare	0			1,499,415
Social, Cultural, and Recreational Services	0			166,961
Agriculture and Natural Resources	0			93,619
Other Operations	3,861			395,672
Highways	0			3,341,329
Debt Service:				
Principal on Debt	71,000			71,000
Interest on Debt	45,797			45,797
Other Debt Service	4,219			4,219

(Continued)

Exhibit C-3

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

	Nonmajor Funds Other Govern- mental Funds	Total Governmental Funds
<hr/>		
<u>Expenditures (Cont.)</u>		
Capital Projects	\$ 0	\$ 5,816,739
Total Expenditures	<u>\$ 358,322</u>	<u>\$ 13,840,999</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 288,054</u>	<u>\$ (6,036,152)</u>
<u>Other Financing Sources (Uses)</u>		
Notes Issued	\$ 0	\$ 2,000,000
Transfers In	145,861	145,861
Transfers Out	0	(145,861)
Total Other Financing Sources (Uses)	<u>\$ 145,861</u>	<u>\$ 2,000,000</u>
Net Change in Fund Balances	\$ 433,915	\$ (4,036,152)
Fund Balance, July 1, 2016	<u>385,494</u>	<u>8,433,658</u>
Fund Balance, June 30, 2017	<u>\$ 819,409</u>	<u>\$ 4,397,506</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, 2017

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)		\$ (4,036,152)
<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	\$ 7,078,062	
Less: current-year depreciation expense	<u>(335,686)</u>	6,742,376
<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, 2016	\$ (246,308)	
Add: deferred delinquent property taxes and other deferred June 30, 2017	<u>277,163</u>	30,855
<p>(3) 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:</p>		
Add: principal payments on bonds	\$ 71,000	
Less: note proceeds	(2,000,000)	
Less: contributions from the School Department for bonds	<u>(71,000)</u>	(2,000,000)
<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 accrued interest payable	\$ 484	
Change in compensated absences payable	(7,573)	
Change in landfill postclosure care costs	(725)	
Change in net pension liability/asset	(172,324)	
Change in deferred outflows related to pensions	174,811	
Change in deferred inflows related to pensions	<u>64,609</u>	<u>59,282</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 796,361</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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,728,431	\$ 2,048,391	\$ 2,048,391	\$ (319,960)
Licenses and Permits	19,582	22,250	22,250	(2,668)
Fines, Forfeitures, and Penalties	50,074	59,100	59,100	(9,026)
Charges for Current Services	25,419	29,100	29,100	(3,681)
Other Local Revenues	77,196	120,150	120,150	(42,954)
Fees Received From County Officials	339,819	385,700	385,700	(45,881)
State of Tennessee	415,453	665,369	723,302	(307,849)
Federal Government	162,999	46,000	46,000	116,999
Other Governments and Citizens Groups	72,976	22,000	31,411	41,565
Total Revenues	\$ 2,891,949	\$ 3,398,060	\$ 3,465,404	\$ (573,455)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 26,962	\$ 27,830	\$ 27,831	\$ 869
Board of Equalization	900	1,000	1,000	100
Beer Board	150	500	500	350
County Mayor/Executive	143,476	153,235	155,735	12,259
County Attorney	6,250	8,000	8,000	1,750
Election Commission	118,023	139,673	139,673	21,650
Register of Deeds	75,586	81,531	81,531	5,945
Planning	2,337	4,000	4,000	1,663
County Buildings	193,996	116,650	673,114	479,118
<u>Finance</u>				
Property Assessor's Office	99,514	104,816	104,816	5,302
County Trustee's Office	108,729	112,125	112,125	3,396
County Clerk's Office	103,953	106,675	107,655	3,702
<u>Administration of Justice</u>				
Circuit Court	114,561	123,193	124,772	10,211
General Sessions Court	38,927	38,719	38,932	5
Chancery Court	84,860	85,401	86,190	1,330
Juvenile Court	10,000	10,300	10,300	300
Judicial Commissioners	7,275	7,200	7,200	(75)
<u>Public Safety</u>				
Sheriff's Department	502,797	597,239	602,239	99,442
Jail	461,997	505,127	515,127	53,130
Fire Prevention and Control	1,000	1,000	1,000	0
Other Emergency Management	2,000	2,000	2,000	0
County Coroner/Medical Examiner	5,230	10,000	10,000	4,770
Other Public Safety	64,280	65,540	65,540	1,260
<u>Public Health and Welfare</u>				
Local Health Center	20,982	28,690	48,591	27,609
Appropriation to State	24,510	24,000	24,510	0
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	88,334	29,862	91,245	2,911
Senior Citizens Assistance	22,923	22,950	23,591	668
Libraries	33,666	33,175	35,324	1,658
Parks and Fair Boards	1,825	2,500	2,500	675
Other Social, Cultural, and Recreational	20,213	19,200	21,200	987

(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>Agriculture and Natural Resources</u>				
Agricultural Extension Service	\$ 42,992	\$ 45,541	\$ 43,541	\$ 549
Soil Conservation	50,627	51,543	51,543	916
<u>Other Operations</u>				
Veterans' Services	13,378	11,115	13,734	356
Other Charges	173,374	167,100	175,690	2,316
Employee Benefits	33,409	31,000	33,425	16
Miscellaneous	171,650	30,500	173,523	1,873
<u>Highways</u>				
Litter and Trash Collection	51,099	44,355	52,255	1,156
Total Expenditures	<u>\$ 2,921,785</u>	<u>\$ 2,843,285</u>	<u>\$ 3,669,952</u>	<u>\$ 748,167</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (29,836)</u>	<u>\$ 554,775</u>	<u>\$ (204,548)</u>	<u>\$ 174,712</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (400,000)	\$ (400,000)	\$ 400,000
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ (400,000)</u>	<u>\$ (400,000)</u>	<u>\$ 400,000</u>
Net Change in Fund Balance	\$ (29,836)	\$ 154,775	\$ (604,548)	\$ 574,712
Fund Balance, July 1, 2016	<u>1,383,246</u>	<u>1,400,500</u>	<u>1,400,500</u>	<u>(17,254)</u>
Fund Balance, June 30, 2017	<u>\$ 1,353,410</u>	<u>\$ 1,555,275</u>	<u>\$ 795,952</u>	<u>\$ 557,458</u>

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
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,645	\$ 14,100	\$ 14,100	\$ (9,455)
Charges for Current Services	194,181	182,150	182,150	12,031
Other Local Revenues	44,379	42,000	42,000	2,379
State of Tennessee	0	25,000	25,000	(25,000)
Total Revenues	\$ 243,205	\$ 263,250	\$ 263,250	\$ (20,045)
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 67,248	\$ 38,200	\$ 70,372	\$ 3,124
Convenience Centers	807,447	184,200	815,857	8,410
Landfill Operation and Maintenance	2,376	6,000	6,000	3,624
Total Expenditures	\$ 877,071	\$ 228,400	\$ 892,229	\$ 15,158
Excess (Deficiency) of Revenues Over Expenditures	\$ (633,866)	\$ 34,850	\$ (628,979)	\$ (4,887)
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 0	\$ 0	\$ 575,000	\$ (575,000)
Total Other Financing Sources	\$ 0	\$ 0	\$ 575,000	\$ (575,000)
Net Change in Fund Balance	\$ (633,866)	\$ 34,850	\$ (53,979)	\$ (579,887)
Fund Balance, July 1, 2016	81,826	84,588	84,588	(2,762)
Fund Balance, June 30, 2017	\$ (552,040)	\$ 119,438	\$ 30,609	\$ (582,649)

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
Ambulance Service Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 221,938	\$ 254,800	\$ 254,800	\$ (32,862)
Charges for Current Services	348,799	438,862	438,862	(90,063)
Total Revenues	<u>\$ 570,737</u>	<u>\$ 693,662</u>	<u>\$ 693,662</u>	<u>\$ (122,925)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 576,852	\$ 595,140	\$ 612,829	\$ 35,977
Total Expenditures	<u>\$ 576,852</u>	<u>\$ 595,140</u>	<u>\$ 612,829</u>	<u>\$ 35,977</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (6,115)</u>	<u>\$ 98,522</u>	<u>\$ 80,833</u>	<u>\$ (86,948)</u>
Net Change in Fund Balance	\$ (6,115)	\$ 98,522	\$ 80,833	\$ (86,948)
Fund Balance, July 1, 2016	<u>270,953</u>	<u>116,132</u>	<u>116,132</u>	<u>154,821</u>
Fund Balance, June 30, 2017	<u>\$ 264,838</u>	<u>\$ 214,654</u>	<u>\$ 196,965</u>	<u>\$ 67,873</u>

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

Exhibit C-8

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,728	\$ 875	\$ 875	\$ 1,853
Other Local Revenues	1,732	0	0	1,732
State of Tennessee	3,444,611	1,308,252	3,303,143	141,468
Total Revenues	\$ 3,449,071	\$ 1,309,127	\$ 3,304,018	\$ 145,053
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 150,187	\$ 173,448	\$ 173,448	\$ 23,261
Highway and Bridge Maintenance	544,827	767,445	767,445	222,618
Operation and Maintenance of Equipment	211,088	315,650	315,650	104,562
Quarry Operations	9,678	11,300	11,300	1,622
Other Charges	113,534	134,000	134,000	20,466
Employee Benefits	72,059	129,680	129,680	57,621
Capital Outlay	2,188,857	319,800	2,314,691	125,834
Total Expenditures	\$ 3,290,230	\$ 1,851,323	\$ 3,846,214	\$ 555,984
Excess (Deficiency) of Revenues Over Expenditures	\$ 158,841	\$ (542,196)	\$ (542,196)	\$ 701,037
Net Change in Fund Balance	\$ 158,841	\$ (542,196)	\$ (542,196)	\$ 701,037
Fund Balance, July 1, 2016	2,005,246	1,559,600	1,559,600	445,646
Fund Balance, June 30, 2017	\$ 2,164,087	\$ 1,017,404	\$ 1,017,404	\$ 1,146,683

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, 2017

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 305,548
Due from Other Governments	<u>21,245</u>
Total Assets	<u><u>\$ 326,793</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 21,245
Due to Litigants, Heirs, and Others	<u>305,548</u>
Total Liabilities	<u><u>\$ 326,793</u></u>

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

VAN BUREN COUNTY, TENNESSEE
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VAN BUREN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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 financial statements of the Van Buren County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission will not affect the independent auditors' opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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 capital assets of the Industrial Development Board of Van Buren County have been included on the primary government Statement of Net Position and Statement of Activities at June 30, 2017.

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 financial statements of the Van Buren County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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 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, 2017.

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.

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions relating to the disposal of Van Buren County’s solid waste. General service charges are the foundational revenues of this 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 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 types:

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

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 amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. 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 3.43 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.

Note proceeds receivable in the General Capital Projects Fund represents a \$2,000,000 capital outlay issued by the county on June 27, 2017; however, these note proceeds were not received until July 5, 2017.

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

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

3. 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 acquisition value at the date of donation.

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

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

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

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

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has 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 investment earnings, and 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. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, changes in proportionate share of contributions, 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 for county employees.

Ambulance Service employees earn vacation at a rate of one hour for every 12 hours worked. 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, landfill postclosure care costs, and pension liabilities 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, 2017, Van Buren County had \$1,667,000 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.

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 H-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 H-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds, except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted and the General Capital Project Fund which adopts project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, 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. Fund Deficit

The Solid Waste/Sanitation Fund had a negative unassigned fund balance of \$552,040 at June 30, 2017. This negative unassigned fund balance resulted from the recognition of a long-term liability of \$575,000. This negative unassigned fund balance is expected to be liquidated from an anticipated increase in solid waste disposal fees.

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, 2017.

B. Capital Assets

Capital assets activity for the year ended June 30, 2017, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-16	Increases	Balance 6-30-17
Capital Assets Not Depreciated:			
Land	\$ 488,963	\$ 126,768	\$ 615,731
Construction in Progress	565,765	5,816,739	6,382,504
Total Capital Assets Not Depreciated	<u>\$ 1,054,728</u>	<u>\$ 5,943,507</u>	<u>\$ 6,998,235</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 2,764,740	\$ 323,435	\$ 3,088,175
Roads and Bridges	6,494,120	515,790	7,009,910
Other Capital Assets	2,780,476	295,330	3,075,806
Total Capital Assets Depreciated	<u>\$ 12,039,336</u>	<u>\$ 1,134,555</u>	<u>\$ 13,173,891</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 1,989,746	\$ 66,464	\$ 2,056,210
Roads and Bridges	3,682,018	148,663	3,830,681
Other Capital Assets	2,373,285	120,559	2,493,844
Total Accumulated Depreciation	<u>\$ 8,045,049</u>	<u>\$ 335,686</u>	<u>\$ 8,380,735</u>
Total Capital Assets Depreciated, Net	<u>\$ 3,994,287</u>	<u>\$ 798,869</u>	<u>\$ 4,793,156</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,049,015</u>	<u>\$ 6,742,376</u>	<u>\$ 11,791,391</u>

There were no decreases in capital assets to report for the year ended June 30, 2017.

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

Governmental Activities:

General Government	\$ 63,776
Public Safety	34,821
Public Health and Welfare	50,961
Highways/Public Works	<u>186,128</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 335,686</u></u>

Discretely Presented Van Buren County School Department

Governmental Activities:

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 296,847	\$ 0	\$ 0	\$ 296,847
Total Capital Assets Not Depreciated	<u>\$ 296,847</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 296,847</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 9,264,018	\$ 215,000	\$ 0	\$ 9,479,018
Infrastructure	22,760	0	0	22,760
Other Capital Assets	1,213,925	190,022	(218,665)	1,185,282
Total Capital Assets Depreciated	<u>\$ 10,500,703</u>	<u>\$ 405,022</u>	<u>\$ (218,665)</u>	<u>\$ 10,687,060</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 4,163,642	\$ 234,763	\$ 0	\$ 4,398,405
Infrastructure	19,060	1,127	0	20,187
Other Capital Assets	638,292	71,937	(216,165)	494,064
Total Accumulated Depreciation	<u>\$ 4,820,994</u>	<u>\$ 307,827</u>	<u>\$ (216,165)</u>	<u>\$ 4,912,656</u>
Total Capital Assets Depreciated, Net	<u>\$ 5,679,709</u>	<u>\$ 97,195</u>	<u>\$ (2,500)</u>	<u>\$ 5,774,404</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 5,976,556</u></u>	<u><u>\$ 97,195</u></u>	<u><u>\$ (2,500)</u></u>	<u><u>\$ 6,071,251</u></u>

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

Governmental Activities:

Instruction	\$ 233,029
Support Services	<u>74,798</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 307,827</u>

C. Construction Commitments

At June 30, 2017, the county had uncompleted construction contracts of approximately \$5,457,761 for the construction of an administration building and jail. A portion of the funding for these future expenditures has been received from a \$2,000,000 capital outlay note issued June 20, 2017. The county expects to issue additional notes totaling \$4,000,000 to fund the remaining expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Solid Waste/Sanitation	\$ 575,000
"	Nonmajor governmental	1,565
Nonmajor governmental	General	125,000
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	18,055

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.

The \$125,000 due from the General Fund to the General Debt Service Fund (nonmajor governmental fund) resulted from an installment of the disbursement for the purchase of a solid waste disposal company. The county commission approved the payments to be made from the General Fund; however, the county made one of the payments from the General Debt Service Fund. A due to/due from was established in the governmental fund financial statements to report the disbursement as approved by the county commission.

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government	Component Unit: School Department	\$ 1,667,000

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, 2017, consisted of the following amount:

Primary Government

<u>Transfer Out</u>	<u>Transfer In</u> Nonmajor governmental funds	<u>Purpose</u>
General Capital Projects Fund	\$ 145,861	To retire debt

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 and Notes

Van Buren County issues general obligation bonds 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 and capital outlay notes are direct obligations and pledge the full faith and credit of the government. The general obligation bond and capital outlay notes outstanding were issued for original terms of 20 years for bonds and 12 for notes. Repayment terms are generally

structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The bonds and notes included in long-term debt as of June 30, 2017, will be retired from the General Debt Service Fund.

The general obligation bonds and capital outlay notes outstanding as of June 30, 2017, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-17
General Obligation Bonds - Refunding	2.69 %	10-1-34	\$ 1,804,445	\$ 1,667,000
Capital Outlay Notes	3.85	6-5-29	2,000,000	2,000,000

The annual requirements to amortize the general obligation bonds and capital outlay notes outstanding as of June 30, 2017, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2023-2027	442,000	143,324	585,324
2028-2032	504,000	79,759	583,759
2033-2035	336,000	13,719	349,719
Total	\$ 1,667,000	\$ 435,659	\$ 2,102,659

Year Ending June 30	Notes		
	Principal	Interest	Total
2018	\$ 138,141	\$ 70,317	\$ 208,458
2019	138,761	69,697	208,458
2020	144,004	64,453	208,457
2021	149,805	58,652	208,457
2022	155,656	52,801	208,457
2023-2027	874,247	168,040	1,042,287
2028-2029	399,386	17,530	416,916
Total	<u>\$ 2,000,000</u>	<u>\$ 501,490</u>	<u>\$ 2,501,490</u>

There is \$708,311 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$300, based on the 2010 federal census. Debt per capita, including the bonds and notes totaled \$661, 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 6-30-17
<u>Bond Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
School Refunding Bond, Series 2014	<u>\$ 1,667,000</u>
Total	<u>\$ 1,667,000</u>

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2017, was as follows:

	Bonds	Notes	Compensated Absences
Balance, July 1, 2016	\$ 1,738,000	\$ 0	\$ 121,297
Additions	0	2,000,000	91,503
Reductions	(71,000)	0	(83,930)
Balance, June 30, 2017	<u>\$ 1,667,000</u>	<u>\$ 2,000,000</u>	<u>\$ 128,870</u>
Balance Due Within One Year	<u>\$ 73,000</u>	<u>\$ 138,141</u>	<u>\$ 25,775</u>

	Landfill Postclosure Care Costs	Net Pension Liability - Agent Plan
Balance, July 1, 2016	\$ 240,941	\$ 208,974
Additions	3,101	488,977
Reductions	(2,376)	(316,653)
Balance, June 30, 2017	<u>\$ 241,666</u>	<u>\$ 381,298</u>
Balance Due Within One Year	<u>\$ 16,700</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 4,418,834
Less: Balance Due Within One Year	<u>(253,616)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,165,218</u>

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

Discretely Presented Van Buren County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Van Buren County School Department for the year ended June 30, 2017, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2016	\$ 8,707	\$ 1,425,327
Additions	4,515	179,785
Reductions	0	(65,684)
	<hr/>	<hr/>
Balance, June 30, 2017	\$ 13,222	\$ 1,539,428
	<hr/>	<hr/>
Balance Due Within One Year	\$ 1,792	\$ 0
	<hr/>	<hr/>

	Net Pension Liability - Agent Plan	Net Pension Liability - Cost-sharing
Balance, July 1, 2016	\$ 124,531	\$ 37,557
Additions	283,107	821,954
Reductions	(185,998)	(294,848)
	<hr/>	<hr/>
Balance, June 30, 2017	\$ 221,640	\$ 564,663
	<hr/>	<hr/>
Balance Due Within One Year	\$ 0	\$ 0
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 2,338,953
Less: Balance Due Within One Year	<u>(1,792)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,337,161</u>

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

F. On-Behalf Payments - Discretely Presented 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, 2017, were \$26,604 and \$9,000, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Internal Financing

In-lieu-of issuing debt with financial institutions, Van Buren County chose to internally finance a purchase with idle county funds.

Internally reported notes receivable from idle funds loaned from the General Fund that will subsequently be repaid from the Solid Waste/Sanitation Fund are reflected in the table below:

Receivable Fund/Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
General Fund:				
Purchase of Solid Waste Business	\$ 450,000	0 %	10-18-16	6-30-23
"	125,000	0	6-20-17	6-30-22
		Outstanding 6-30-16	Issued During Period	Outstanding 6-30-17
General Fund:				
Purchase of Solid Waste Business	\$	0 \$	450,000 \$	450,000
"		0	125,000	125,000
Total	\$	0 \$	575,000 \$	575,000

These loans were not approved by the state Comptroller’s Office as required by state statute. Details of these transactions are discussed in the Findings and Questioned Costs section of this report.

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 provides commercial 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. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; Statement No. 77, *Tax Abatement Disclosures*; Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; Statement No. 80, *Blending Requirements for Certain Component Units*; and Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*, became effective for the year ended June 30, 2017.

GASB Statement No. 74, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose external

financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 43 and No. 57. It also includes requirements for defined contribution OPEB plans that replace the requirements in Statements No. 25, No. 43, and No. 50. The scope of this statement includes OPEB plans, both defined benefit and defined contribution, administered through trusts meeting the necessary criteria as well as reporting assets accumulated through OPEB plans that are not administered through trusts that meet the specified criteria.

GASB Statement No. 77, establishes reporting requirements for tax abatements. This standard requires the disclosure of information about the nature and magnitude of tax abatement agreements entered into by state and local governments that reduce the government's tax revenues.

GASB Statement No. 78, amends Statement No. 68 to exclude certain pensions provided to employees of state or local governments through a cost-sharing multiple-employer pension plans that are not state or local plans and meet specific other criteria. This statement establishes recognition, measurement, and reporting requirements criteria for these plans.

GASB Statement No. 80, amends the blending requirements of paragraph 53 of Statement No. 14. This standard adds additional blending criterion, which requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

GASB Statement No. 82 amends Statements No. 67, No. 68, and No. 73. This standard establishes covered payroll as the payroll on which contributions to a pension plan are based in the Required Supplementary Information. In addition, this standard clarifies that employer paid member contributions should be considered plan member contributions for purposes of applying Statement No. 67, and employee contributions for the purposes of applying Statement No. 68. This standard further states that an employer's expense and expenditures for employer paid member contributions should be recognized in the period for which the contribution is assessed and classified in the same manner that the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

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. 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 \$241,666 reported as postclosure care liability at June 30, 2017, represents amounts based on what it would cost to perform all postclosure care in 2017. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. 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 comprised 63.24 percent, and the non-certified employees of the discretely presented School Department comprised 36.76 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/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, 2016, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	65
Inactive Employees Entitled to But Not Yet Receiving Benefits	128
Active Employees	120
Total	313

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 their 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, 2017, the employer contribution for Van Buren County was \$316,804 based on a rate of 9.26 percent of covered 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 contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Van Buren County's net pension liability (asset) was measured as of June 30, 2016, 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, 2016, 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, 2016, 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	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 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, 2015	\$ 7,605,786	\$ 7,272,281	\$ 333,505
Changes for the Year:			
Service Cost	\$ 241,271	\$ 0	\$ 241,271
Interest	574,186	0	574,186
Differences Between Expected and Actual Experience	80,522	0	80,522
Contributions-Employer	0	287,124	(287,124)
Contributions-Employees	0	155,036	(155,036)
Net Investment Income	0	193,514	(193,514)
Benefit Payments, Including Refunds of Employee Contributions	(382,484)	(382,484)	0
Administrative Expense	0	(9,127)	9,127
Other Changes	0	0	0
Net Changes	\$ 513,495	\$ 244,063	\$ 269,432
Balance, June 30, 2016	\$ 8,119,281	\$ 7,516,344	\$ 602,937

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	63.24%	\$ 5,134,633	\$ 4,753,336	\$ 381,297
School Department	36.76%	2,984,648	2,763,008	221,640
Total		\$ 8,119,281	\$ 7,516,344	\$ 602,937

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 was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

Van Buren County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 1,676,993	\$ 602,937	\$ (287,767)

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

Pension Expense. For the year ended June 30, 2017, Van Buren County recognized pension expense of \$200,760.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, Van Buren County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 335,193	\$ 77,710
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	251,887	0
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	316,804	N/A
Total	\$ 903,884	\$ 77,710

- The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” 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	\$ 566,495	\$ 49,144
School Department	<u>337,389</u>	<u>28,566</u>
Total	<u>\$ 903,884</u>	<u>\$ 77,710</u>

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

Year Ending June 30	Amount
2018	\$ 78,529
2019	78,529
2020	187,690
2021	151,204
2022	13,420
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 63.24 percent and the non-certified employees of the discretely presented School Department comprise 36.76 percent of the plan based on contribution 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 publicly available financial report that can be obtained at 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 with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus

any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2017, to the Teacher Retirement Plan were \$10,262, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2017, the Van Buren County School Department reported an asset of \$6,696 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, 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 asset was based on the Van Buren County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Van Buren County School Department's proportion was .064316 percent. The proportionate measured as of June 30, 2015 was .023662 percent.

Pension Expense. For the year ended June 30, 2017, the Van Buren County School Department recognized pension expense of \$5,511.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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
Difference Between Expected and Actual Experience	\$ 649	\$ 772
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,096	0
Changes in Proportion of Net Pension Liability (Asset)	0	1,140
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	<u>10,262</u>	<u>N/A</u>
Total	<u>\$ 12,007</u>	<u>\$ 1,912</u>

The Van Buren County School Department's employer contributions of \$10,262, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2018. 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
2018	\$ 176
2019	176
2020	176
2021	124
2022	(111)
Thereafter	(708)

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

Actuarial Assumptions. The total pension liability in the June 30, 2016, 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, 2015, 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 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 all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 3,162	\$ (6,696)	\$ (13,958)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the 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 publicly available financial report that can be obtained at 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. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Van Buren County School Department for the year ended June 30, 2017, to the Teacher Legacy Pension Plan were \$311,873, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2017, the Van Buren County School Department reported a liability of \$564,662 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Van Buren County School Department's proportion of the net pension liability (asset) was based on the Van Buren County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Van Buren County School Department's proportion

was .090354 percent. The proportion measured at June 30, 2015, was .091684 percent.

Pension Expense. For the year ended June 30, 2017, the Van Buren County School Department recognized pension expense of \$67,819.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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
Difference Between Expected and Actual Experience	\$ 23,763	\$ 683,619
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	630,453	0
Changes in Proportion of Net Pension Liability (Asset)	13,166	10,089
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	<u>311,873</u>	<u>N/A</u>
Total	<u>\$ 979,255</u>	<u>\$ 693,708</u>

The Van Buren County School Department's employer contributions of \$311,873 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, 2018. 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
2018	\$ (104,384)
2019	(104,384)
2020	198,044
2021	30,963
2022	(46,566)
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2016, 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 adjustments for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the 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 all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability \$ 3,100,656 \$ 564,662 \$ (1,536,041)

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

2. Deferred Compensation

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 \$12,737 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

F. 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 the 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/article/fa-accfin-cafr>.

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, 2017, the discretely presented Van Buren County School Department contributed \$65,684 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	<u>Local Education Group Plan</u>
ARC	\$ 180,000
Interest on the NOPEBO	53,450
Adjustment to the ARC	<u>(53,665)</u>
Annual OPEB cost	\$ 179,785
Amount of contribution	<u>(65,684)</u>
Increase/decrease in NOPEBO	\$ 114,101
Net OPEB obligation, 7-1-16	<u>1,425,327</u>
Net OPEB obligation, 6-30-17	<u><u>\$ 1,539,428</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-15	Local Education Group	\$ 137,269	43%	\$ 1,309,165
6-30-16	"	173,803	33	1,425,327
6-30-17	"	179,785	37	1,539,428

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

	Local Education Group Plan
Actuarial valuation date	7-1-15
Actuarial accrued liability (AAL)	\$ 1,729,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,729,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 4,180,206
UAAL as a % of covered payroll	41%

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, 2015, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of six percent in 2017. The trend rate will be reduced by decrements to an ultimate rate of 4.645 percent by fiscal year 2050. 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 35-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

G. 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.

H. Subsequent Events

On September 15, 2017, Van Buren County issued capital outlay notes totaling \$2,000,000 for construction of the Administration/Justice Center.

On December 21, 2017, Van Buren County issued \$2,000,000 more in capital outlay notes for construction of the Administration/Justice Center.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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
Last Fiscal Year Ending June 30

	2014	2015	2016
Total Pension Liability			
Service Cost	\$ 215,836	\$ 216,460	\$ 241,271
Interest	501,978	517,166	574,186
Differences Between Actual and Expected Experience	(155,422)	402,137	80,522
Benefit Payments, Including Refunds of Employee Contributions	(302,863)	(418,137)	(382,484)
Net Change in Total Pension Liability	\$ 259,529	\$ 717,626	\$ 513,495
Total Pension Liability, Beginning	6,628,631	6,888,160	7,605,786
Total Pension Liability, Ending (a)	\$ 6,888,160	\$ 7,605,786	\$ 8,119,281
Plan Fiduciary Net Position			
Contributions - Employer	\$ 246,515	\$ 274,646	\$ 287,124
Contributions - Employee	139,749	148,427	155,036
Net Investment Income	997,246	217,220	193,514
Benefit Payments, Including Refunds of Employee Contributions	(302,863)	(418,137)	(382,484)
Administrative Expense	(4,054)	(5,977)	(9,127)
Net Change in Plan Fiduciary Net Position	\$ 1,076,593	\$ 216,179	\$ 244,063
Plan Fiduciary Net Position, Beginning	5,979,509	7,056,102	7,272,281
Plan Fiduciary Net Position, Ending (b)	\$ 7,056,102	\$ 7,272,281	\$ 7,516,344
Net Pension Liability (Asset), Ending (a - b)	\$ (167,942)	\$ 333,505	\$ 602,937
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.44%	92.65%	92.57%
Covered Payroll	\$ 2,794,937	\$ 2,965,942	\$ 3,103,384
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(6.01)%	11.24%	19.43%

Note: ten-year information will be presented when available.

Note: data presented includes the primary government and the non-certified employees of the discretely presented 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
Last Fiscal Year Ending June 30

	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 246,515	\$ 274,646	\$ 287,124	\$ 316,804
Less Contributions in Relation to the Actuarially Determined Contribution	(246,515)	(274,646)	(287,124)	(316,804)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 2,794,937	\$ 2,965,942	\$ 3,103,384	\$ 3,422,889
Contributions as a Percentage of Covered Payroll	8.82%	9.26%	9.25%	9.26%

Note: ten-year information will be presented when available.

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

Exhibit E-3

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

	<u>2015</u>		<u>2016</u>		<u>2017</u>
Contractually Required Contribution	\$ 2,008	\$	11,320	\$	10,262
Less Contributions in Relation to the Contractually Required Contribution	<u>(2,008)</u>		<u>(11,320)</u>		<u>(10,262)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	\$	<u>0</u>	\$	<u>0</u>
Covered Payroll	\$ 50,200	\$	282,995	\$	256,545
Contributions as a Percentage of Covered Payroll	4.00%		4.00%		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

	2014	2015	2016	2017
Contractually Required Contribution	\$ 317,296	\$ 310,271	\$ 294,848	\$ 311,873
Less Contributions in Relation to the Contractually Required Contribution	(317,296)	(310,271)	(294,848)	(311,873)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 3,573,156	\$ 3,432,197	\$ 3,261,590	\$ 3,449,923
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%

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 Pension Plan of TCRS
Discretely Presented Van Buren County School Department
For the Fiscal Year Ended June 30 *

	<u>2016</u>	<u>2017</u>
School Department's Proportion of the Net Pension Liability/Asset	0.023662%	0.064316%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (972)	\$ (6,696)
Covered Payroll	\$ 50,200	\$ 282,995
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%

* 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 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 *

	2015	2016	2017
School Department's Proportion of the Net Pension Liability/Asset	0.091036%	0.091684%	0.090354%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (14,793)	\$ 37,557	\$ 564,662
Covered Payroll	\$ 3,573,156	\$ 3,432,197	\$ 3,261,590
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%

* 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-7

Van Buren County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Van Buren County School Department
June 30, 2017

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Plan 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	7-1-11	\$ 0	\$ 2,195	\$ 2,195	0 %	\$ 3,336	66 %
"	7-1-13	0	1,272	1,272	0	3,460	37
"	7-1-15	0	1,729	1,729	0	4,180	41

**VAN BUREN COUNTY, TENNESSEE
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 For the Year Ended June 30, 2017**

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2017 were calculated based on the July 1, 2015, 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	Varies by Year
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
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 Adjustments	2.5%

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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.

Debt Service Fund

The General Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Exhibit F-1

Van Buren County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 395	\$ 395
Equity in Pooled Cash and Investments	55,898	12,894	53,294	0	122,086
Accounts Receivable	26	0	0	654	680
Due from Other Funds	0	0	0	0	0
Property Taxes Receivable	0	159,638	0	0	159,638
Allowance for Uncollectible Property Taxes	0	(9,991)	0	0	(9,991)
Total Assets	\$ 55,924	\$ 162,541	\$ 53,294	\$ 1,049	\$ 272,808
<u>LIABILITIES</u>					
Payroll Deductions Payable	\$ 41	\$ 0	\$ 0	\$ 0	\$ 41
Due to Other Funds	516	0	0	1,049	1,565
Due to State of Tennessee	13	0	0	0	13
Due to Litigants, Heirs, and Others	0	0	12,400	0	12,400
Total Liabilities	\$ 570	\$ 0	\$ 12,400	\$ 1,049	\$ 14,019
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 142,327	\$ 0	\$ 0	\$ 142,327
Deferred Delinquent Property Taxes	0	5,364	0	0	5,364
Total Deferred Inflows of Resources	\$ 0	\$ 147,691	\$ 0	\$ 0	\$ 147,691

(Continued)

Exhibit F-1

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

	Special Revenue Funds				Total
	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 55,354	\$ 0	\$ 0	\$ 0	\$ 55,354
Restricted for Public Safety	0	14,850	40,894	0	55,744
Restricted for Debt Service	0	0	0	0	0
Total Fund Balances	<u>\$ 55,354</u>	<u>\$ 14,850</u>	<u>\$ 40,894</u>	<u>\$ 0</u>	<u>\$ 111,098</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 55,924</u>	<u>\$ 162,541</u>	<u>\$ 53,294</u>	<u>\$ 1,049</u>	<u>\$ 272,808</u>

(Continued)

Exhibit F-1

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

	<u>Debt Service</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	General Debt Service	Nonmajor Governmental Funds
<u>ASSETS</u>		
Cash	\$ 0	\$ 395
Equity in Pooled Cash and Investments	581,739	703,825
Accounts Receivable	0	680
Due from Other Funds	125,000	125,000
Property Taxes Receivable	128,349	287,987
Allowance for Uncollectible Property Taxes	(8,033)	(18,024)
	<u>\$ 827,055</u>	<u>\$ 1,099,863</u>
Total Assets		
<u>LIABILITIES</u>		
Payroll Deductions Payable	\$ 0	\$ 41
Due to Other Funds	0	1,565
Due to State of Tennessee	0	13
Due to Litigants, Heirs, and Others	0	12,400
Total Liabilities	<u>\$ 0</u>	<u>\$ 14,019</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 114,431	\$ 256,758
Deferred Delinquent Property Taxes	4,313	9,677
Total Deferred Inflows of Resources	<u>\$ 118,744</u>	<u>\$ 266,435</u>

(Continued)

Exhibit F-1

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

FUND BALANCES

Restricted:

 Restricted for General Government
 Restricted for Public Safety
 Restricted for Debt Service

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Debt Service</u> <u>Fund</u>	Total Nonmajor Governmental Funds
General Debt Service	
\$ 0	\$ 55,354
0	55,744
<u>708,311</u>	<u>708,311</u>
<u>\$ 708,311</u>	<u>\$ 819,409</u>
<u>\$ 827,055</u>	<u>\$ 1,099,863</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, 2017

	Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Total	General Debt Service	
<u>Revenues</u>						
Local Taxes	\$ 50,044	\$ 148,618	\$ 0	\$ 198,662	\$ 292,197	\$ 490,859
Fines, Forfeitures, and Penalties	0	0	18,437	18,437	0	18,437
Other Local Revenues	0	399	0	399	0	399
State of Tennessee	0	0	0	0	19,884	19,884
Other Governments and Citizens Groups	0	0	0	0	116,797	116,797
Total Revenues	<u>\$ 50,044</u>	<u>\$ 149,017</u>	<u>\$ 18,437</u>	<u>\$ 217,498</u>	<u>\$ 428,878</u>	<u>\$ 646,376</u>
<u>Expenditures</u>						
Current:						
General Government	\$ 47,165	\$ 0	\$ 0	\$ 47,165	\$ 0	\$ 47,165
Public Safety	214	152,688	4,338	157,240	29,040	186,280
Other Operations	504	2,896	409	3,809	52	3,861
Debt Service:						
Principal on Debt	0	0	0	0	71,000	71,000
Interest on Debt	0	0	0	0	45,797	45,797
Other Debt Service	0	0	0	0	4,219	4,219
Total Expenditures	<u>\$ 47,883</u>	<u>\$ 155,584</u>	<u>\$ 4,747</u>	<u>\$ 208,214</u>	<u>\$ 150,108</u>	<u>\$ 358,322</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,161</u>	<u>\$ (6,567)</u>	<u>\$ 13,690</u>	<u>\$ 9,284</u>	<u>\$ 278,770</u>	<u>\$ 288,054</u>
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 145,861	\$ 145,861
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 145,861</u>	<u>\$ 145,861</u>

(Continued)

Exhibit F-2

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

	Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Total	General Debt Service	
Net Change in Fund Balances	\$ 2,161	\$ (6,567)	\$ 13,690	\$ 9,284	\$ 424,631	\$ 433,915
Fund Balance, July 1, 2016	53,193	21,417	27,204	101,814	283,680	385,494
Fund Balance, June 30, 2017	\$ 55,354	\$ 14,850	\$ 40,894	\$ 111,098	\$ 708,311	\$ 819,409

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 50,044	\$ 53,500	\$ 53,500	\$ (3,456)
Total Revenues	\$ 50,044	\$ 53,500	\$ 53,500	\$ (3,456)
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 47,165	\$ 38,002	\$ 48,227	\$ 1,062
<u>Public Safety</u>				
Jail	214	4,000	4,000	3,786
<u>Other Operations</u>				
Other Charges	504	500	500	(4)
Total Expenditures	\$ 47,883	\$ 42,502	\$ 52,727	\$ 4,844
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,161	\$ 10,998	\$ 773	\$ 1,388
Net Change in Fund Balance	\$ 2,161	\$ 10,998	\$ 773	\$ 1,388
Fund Balance, July 1, 2016	53,193	49,929	49,929	3,264
Fund Balance, June 30, 2017	\$ 55,354	\$ 60,927	\$ 50,702	\$ 4,652

Exhibit F-4

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 148,618	\$ 173,892	\$ 173,892	\$ (25,274)
Other Local Revenues	399	800	800	(401)
Total Revenues	<u>\$ 149,017</u>	<u>\$ 174,692</u>	<u>\$ 174,692</u>	<u>\$ (25,675)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Fire Prevention and Control	\$ 152,688	\$ 153,000	\$ 173,000	\$ 20,312
<u>Other Operations</u>				
Other Charges	2,896	3,200	3,200	304
Total Expenditures	<u>\$ 155,584</u>	<u>\$ 156,200</u>	<u>\$ 176,200</u>	<u>\$ 20,616</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (6,567)</u>	<u>\$ 18,492</u>	<u>\$ (1,508)</u>	<u>\$ (5,059)</u>
Net Change in Fund Balance	\$ (6,567)	\$ 18,492	\$ (1,508)	\$ (5,059)
Fund Balance, July 1, 2016	<u>21,417</u>	<u>28,991</u>	<u>28,991</u>	<u>(7,574)</u>
Fund Balance, June 30, 2017	<u>\$ 14,850</u>	<u>\$ 47,483</u>	<u>\$ 27,483</u>	<u>\$ (12,633)</u>

Exhibit F-5

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 18,437	\$ 7,700	\$ 14,964	\$ 3,473
Total Revenues	\$ 18,437	\$ 7,700	\$ 14,964	\$ 3,473
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 4,338	\$ 0	\$ 6,166	\$ 1,828
<u>Other Operations</u>				
Other Charges	409	150	500	91
Total Expenditures	\$ 4,747	\$ 150	\$ 6,666	\$ 1,919
Excess (Deficiency) of Revenues Over Expenditures	\$ 13,690	\$ 7,550	\$ 8,298	\$ 5,392
Net Change in Fund Balance	\$ 13,690	\$ 7,550	\$ 8,298	\$ 5,392
Fund Balance, July 1, 2016	27,204	24,662	24,662	2,542
Fund Balance, June 30, 2017	\$ 40,894	\$ 32,212	\$ 32,960	\$ 7,934

Exhibit F-6

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 292,197	\$ 311,145	\$ 311,145	\$ (18,948)
Other Local Revenues	0	6,500	6,500	(6,500)
State of Tennessee	19,884	25,000	25,000	(5,116)
Other Governments and Citizens Groups	116,797	0	116,797	0
Total Revenues	<u>\$ 428,878</u>	<u>\$ 342,645</u>	<u>\$ 459,442</u>	<u>\$ (30,564)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 29,040	\$ 0	\$ 29,040	\$ 0
<u>Other Operations</u>				
Miscellaneous	52	31,500	127,460	127,408
<u>Principal on Debt</u>				
Education	71,000	0	71,000	0
<u>Interest on Debt</u>				
Education	45,797	0	45,797	0
<u>Other Debt Service</u>				
General Government	4,219	0	4,600	381
Total Expenditures	<u>\$ 150,108</u>	<u>\$ 31,500</u>	<u>\$ 277,897</u>	<u>\$ 127,789</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 278,770</u>	<u>\$ 311,145</u>	<u>\$ 181,545</u>	<u>\$ 97,225</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 145,861	\$ 400,000	\$ 400,000	\$ (254,139)
Total Other Financing Sources	<u>\$ 145,861</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ (254,139)</u>
Net Change in Fund Balance	\$ 424,631	\$ 711,145	\$ 581,545	\$ (156,914)
Fund Balance, July 1, 2016	<u>283,680</u>	<u>380,757</u>	<u>380,757</u>	<u>(97,077)</u>
Fund Balance, June 30, 2017	<u>\$ 708,311</u>	<u>\$ 1,091,902</u>	<u>\$ 962,302</u>	<u>\$ (253,991)</u>

Fiduciary Funds

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

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

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

Exhibit G-1

Van Buren County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2017

	<u>Agency Funds</u>		
	<u>Cities - Sales Tax</u>	<u>Constitu - tional Officers - Agency</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 305,548	\$ 305,548
Due from Other Governments	21,245	0	21,245
Total Assets	<u>\$ 21,245</u>	<u>\$ 305,548</u>	<u>\$ 326,793</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 21,245	\$ 0	\$ 21,245
Due to Litigants, Heirs, and Others	0	305,548	305,548
Total Liabilities	<u>\$ 21,245</u>	<u>\$ 305,548</u>	<u>\$ 326,793</u>

Exhibit G-2

Van Buren County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 114,428	\$ 114,428	\$ 0
Due from Other Governments	18,259	21,245	18,259	21,245
Total Assets	\$ 18,259	\$ 135,673	\$ 132,687	\$ 21,245
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 18,259	\$ 135,673	\$ 132,687	\$ 21,245
Total Liabilities	\$ 18,259	\$ 135,673	\$ 132,687	\$ 21,245
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 225,382	\$ 1,596,407	\$ 1,516,241	\$ 305,548
Total Assets	\$ 225,382	\$ 1,596,407	\$ 1,516,241	\$ 305,548
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 225,382	\$ 1,596,407	\$ 1,516,241	\$ 305,548
Total Liabilities	\$ 225,382	\$ 1,596,407	\$ 1,516,241	\$ 305,548
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 225,382	\$ 1,596,407	\$ 1,516,241	\$ 305,548
Equity in Pooled Cash and Investments	0	114,428	114,428	0
Due from Other Governments	18,259	21,245	18,259	21,245
Total Assets	\$ 243,641	\$ 1,732,080	\$ 1,648,928	\$ 326,793
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 18,259	\$ 135,673	\$ 132,687	\$ 21,245
Due to Litigants, Heirs, and Others	225,382	1,596,407	1,516,241	305,548
Total Liabilities	\$ 243,641	\$ 1,732,080	\$ 1,648,928	\$ 326,793

Van Buren County School Department

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

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

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

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

Exhibit H-1

Van Buren County, Tennessee
Statement of Activities
Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2017

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	\$ 4,073,190	\$ 0	\$ 431,837	\$ (3,641,353)
Support Services	3,385,578	11,869	127,251	(3,246,458)
Operation of Non-instructional Services	902,256	67,368	542,395	(292,493)
Total Governmental Activities	\$ 8,361,024	\$ 79,237	\$ 1,101,483	\$ (7,180,304)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 773,127
Local Option Sales Taxes				437,136
Hotel/Motel Taxes				128,345
Other Local Taxes				3,574
Grants and Contributions Not Restricted to Specific Programs				5,457,706
Unrestricted Investment Earnings				245
Miscellaneous				56,955
Total General Revenues				\$ 6,857,088
Change in Net Position				\$ (323,216)
Net Position, July 1, 2016				7,007,226
Net Position, June 30, 2017				\$ 6,684,010

Exhibit H-2

Van Buren County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Van Buren County School Department
June 30, 2017

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 3,949,363	\$ 280,924	\$ 4,230,287
Accounts Receivable	0	23	23
Due from Other Governments	231,774	29,775	261,549
Due from Other Funds	18,055	0	18,055
Property Taxes Receivable	878,013	0	878,013
Allowance for Uncollectible Property Taxes	(54,956)	0	(54,956)
Total Assets	<u>\$ 5,022,249</u>	<u>\$ 310,722</u>	<u>\$ 5,332,971</u>
<u>LIABILITIES</u>			
Contracts Payable	\$ 517,300	\$ 0	\$ 517,300
Due to Other Funds	0	18,055	18,055
Due to State of Tennessee	6,740	530	7,270
Total Liabilities	<u>\$ 524,040</u>	<u>\$ 18,585</u>	<u>\$ 542,625</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 782,797	\$ 0	\$ 782,797
Deferred Delinquent Property Taxes	40,260	0	40,260
Other Deferred/Unavailable Revenue	49,475	0	49,475
Total Deferred Inflows of Resources	<u>\$ 872,532</u>	<u>\$ 0</u>	<u>\$ 872,532</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 1,167	\$ 192,137	\$ 193,304
Committed:			
Committed for Education	1,918,425	100,000	2,018,425
Assigned:			
Assigned for Education	309,768	0	309,768
Unassigned	1,396,317	0	1,396,317
Total Fund Balances	<u>\$ 3,625,677</u>	<u>\$ 292,137</u>	<u>\$ 3,917,814</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,022,249</u>	<u>\$ 310,722</u>	<u>\$ 5,332,971</u>

Exhibit H-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, 2017

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)		\$ 3,917,814
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 296,847	
Add: buildings and improvements net of accumulated depreciation	5,080,613	
Add: infrastructure net of accumulated depreciation	691,218	
Add: other capital assets net of accumulated depreciation	<u>2,573</u>	6,071,251
(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	\$ (1,667,000)	
Less: compensated absences payable	(13,222)	
Less: net pension liability - agent plan	(221,640)	
Less: net pension liability - teacher legacy plan	(564,663)	
Less: other postemployment benefits liabilities	<u>(1,539,428)</u>	(4,005,953)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 1,328,653	
Less: deferred inflows of resources related to pensions	<u>(724,186)</u>	604,467
(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 - teacher retirement plan		6,696
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>89,735</u>
Net position of governmental activities (Exhibit A)		<u>\$ 6,684,010</u>

Exhibit H-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, 2017

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 1,379,536	\$ 0	\$ 1,379,536
Licenses and Permits	342	0	342
Charges for Current Services	11,847	67,368	79,215
Other Local Revenues	61,500	1,682	63,182
State of Tennessee	5,524,056	4,513	5,528,569
Federal Government	1,641	968,707	970,348
Total Revenues	<u>\$ 6,978,922</u>	<u>\$ 1,042,270</u>	<u>\$ 8,021,192</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 3,567,359	\$ 407,491	\$ 3,974,850
Support Services	2,854,484	125,048	2,979,532
Operation of Non-Instructional Services	371,506	530,750	902,256
Capital Outlay	736,181	0	736,181
Debt Service:			
Principal on Debt	71,000	0	71,000
Interest on Debt	45,797	0	45,797
Total Expenditures	<u>\$ 7,646,327</u>	<u>\$ 1,063,289</u>	<u>\$ 8,709,616</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (667,405)</u>	<u>\$ (21,019)</u>	<u>\$ (688,424)</u>
Net Change in Fund Balances	\$ (667,405)	\$ (21,019)	\$ (688,424)
Fund Balance, July 1, 2016	4,293,082	313,156	4,606,238
Fund Balance, June 30, 2017	<u><u>\$ 3,625,677</u></u>	<u><u>\$ 292,137</u></u>	<u><u>\$ 3,917,814</u></u>

Exhibit H-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, 2017

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)		\$ (688,424)
(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	\$ 405,022	
Less: current-year depreciation expense	<u>(307,827)</u>	97,195
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(2,500)
(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, 2016	\$ (69,159)	
Add: deferred delinquent property taxes and other deferred June 30, 2017	<u>89,735</u>	20,576
(4) The contributions of long-term debt (e.g., bonds, notes, other loans, leases) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on bonds to primary government		71,000
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ (4,515)	
Change in other postemployment benefits liabilities	(114,101)	
Change in net pension liability - agent plan	(97,109)	
Change in net pension liability - teacher legacy plan	(527,105)	
Change in net pension asset - teacher retirement plan	5,723	
Change in deferred outflows related to pensions	745,146	
Change in deferred inflows related to pensions	<u>170,898</u>	<u>178,937</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (323,216)</u>

Exhibit H-6

Van Buren County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Van Buren County School Department
June 30, 2017

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 100,000	\$ 180,924	\$ 280,924
Accounts Receivable	0	23	23
Due from Other Governments	18,055	11,720	29,775
Total Assets	<u>\$ 118,055</u>	<u>\$ 192,667</u>	<u>\$ 310,722</u>
<u>LIABILITIES</u>			
Due to Other Funds	\$ 18,055	\$ 0	\$ 18,055
Due to State of Tennessee	0	530	530
Total Liabilities	<u>\$ 18,055</u>	<u>\$ 530</u>	<u>\$ 18,585</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 192,137	\$ 192,137
Committed:			
Committed for Education	100,000	0	100,000
Total Fund Balances	<u>\$ 100,000</u>	<u>\$ 192,137</u>	<u>\$ 292,137</u>
Total Liabilities and Fund Balances	<u>\$ 118,055</u>	<u>\$ 192,667</u>	<u>\$ 310,722</u>

Exhibit H-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, 2017

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 67,368	\$ 67,368
Other Local Revenues	0	1,682	1,682
State of Tennessee	0	4,513	4,513
Federal Government	525,825	442,882	968,707
Total Revenues	<u>\$ 525,825</u>	<u>\$ 516,445</u>	<u>\$ 1,042,270</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 407,491	\$ 0	\$ 407,491
Support Services	125,048	0	125,048
Operation of Non-Instructional Services	0	530,750	530,750
Total Expenditures	<u>\$ 532,539</u>	<u>\$ 530,750</u>	<u>\$ 1,063,289</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (6,714)</u>	<u>\$ (14,305)</u>	<u>\$ (21,019)</u>
Net Change in Fund Balances	\$ (6,714)	\$ (14,305)	\$ (21,019)
Fund Balance, July 1, 2016	106,714	206,442	313,156
Fund Balance, June 30, 2017	<u>\$ 100,000</u>	<u>\$ 192,137</u>	<u>\$ 292,137</u>

Exhibit H-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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,379,536	\$ 1,242,500	\$ 1,242,500	\$ 137,036
Licenses and Permits	342	200	200	142
Charges for Current Services	11,847	25,000	25,000	(13,153)
Other Local Revenues	61,500	28,000	28,000	33,500
State of Tennessee	5,524,056	5,569,753	5,605,357	(81,301)
Federal Government	1,641	36,000	36,000	(34,359)
Total Revenues	<u>\$ 6,978,922</u>	<u>\$ 6,901,453</u>	<u>\$ 6,937,057</u>	<u>\$ 41,865</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,960,337	\$ 3,021,500	\$ 3,056,000	\$ 95,663
Special Education Program	426,442	497,400	497,400	70,958
Career and Technical Education Program	180,580	211,900	211,900	31,320
<u>Support Services</u>				
Attendance	72,030	79,700	79,700	7,670
Health Services	150,935	173,700	173,700	22,765
Other Student Support	143,413	229,000	229,000	85,587
Regular Instruction Program	248,440	307,700	307,700	59,260
Special Education Program	111,807	148,500	148,500	36,693
Career and Technical Education Program	1,692	6,080	6,080	4,388
Technology	288,517	307,500	307,500	18,983
Other Programs	35,604	0	35,604	0
Board of Education	139,469	171,800	171,800	32,331
Director of Schools	119,795	130,900	130,900	11,105
Office of the Principal	323,250	380,000	380,000	56,750
Fiscal Services	141,321	160,100	160,100	18,779
Operation of Plant	616,478	695,800	695,800	79,322
Maintenance of Plant	111,249	138,000	138,000	26,751
Transportation	350,484	460,000	425,500	75,016
<u>Operation of Non-Instructional Services</u>				
Community Services	158,839	317,400	317,400	158,561
Early Childhood Education	212,667	280,300	280,300	67,633
<u>Capital Outlay</u>				
Regular Capital Outlay	736,181	756,000	756,000	19,819
<u>Principal on Debt</u>				
Education	71,000	95,000	95,000	24,000
<u>Interest on Debt</u>				
Education	45,797	50,000	50,000	4,203
<u>Other Debt Service</u>				
Education	0	10,000	10,000	10,000
Total Expenditures	<u>\$ 7,646,327</u>	<u>\$ 8,628,280</u>	<u>\$ 8,663,884</u>	<u>\$ 1,017,557</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (667,405)</u>	<u>\$ (1,726,827)</u>	<u>\$ (1,726,827)</u>	<u>\$ 1,059,422</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 5,000	\$ 5,000	\$ (5,000)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ (5,000)</u>

(Continued)

Exhibit H-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Net Change in Fund Balance	\$ (667,405)	\$ (1,721,827)	\$ (1,721,827)	\$ 1,054,422
Fund Balance, July 1, 2016	4,293,082	4,293,968	4,293,968	(886)
Fund Balance, June 30, 2017	\$ 3,625,677	\$ 2,572,141	\$ 2,572,141	\$ 1,053,536

Exhibit H-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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 525,825	\$ 600,877	\$ 599,538	\$ (73,713)
Total Revenues	\$ 525,825	\$ 600,877	\$ 599,538	\$ (73,713)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 243,013	\$ 256,274	\$ 252,653	\$ 9,640
Special Education Program	153,137	202,497	202,780	49,643
Career and Technical Education Program	11,341	11,762	11,341	0
<u>Support Services</u>				
Other Student Support	57,130	57,219	57,639	509
Regular Instruction Program	5,709	4,200	6,200	491
Special Education Program	61,423	68,072	68,072	6,649
Career and Technical Education Program	752	752	752	0
Board of Education	34	101	101	67
Total Expenditures	\$ 532,539	\$ 600,877	\$ 599,538	\$ 66,999
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,714)	\$ 0	\$ 0	\$ (6,714)
Net Change in Fund Balance	\$ (6,714)	\$ 0	\$ 0	\$ (6,714)
Fund Balance, July 1, 2016	106,714	108,318	108,318	(1,604)
Fund Balance, June 30, 2017	\$ 100,000	\$ 108,318	\$ 108,318	\$ (8,318)

Exhibit H-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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 67,368	\$ 123,000	\$ 123,000	\$ (55,632)
Other Local Revenues	1,682	2,000	2,000	(318)
State of Tennessee	4,513	5,000	5,000	(487)
Federal Government	442,882	425,000	425,000	17,882
Total Revenues	<u>\$ 516,445</u>	<u>\$ 555,000</u>	<u>\$ 555,000</u>	<u>\$ (38,555)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 530,750	\$ 656,400	\$ 656,400	\$ 125,650
Total Expenditures	<u>\$ 530,750</u>	<u>\$ 656,400</u>	<u>\$ 656,400</u>	<u>\$ 125,650</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (14,305)</u>	<u>\$ (101,400)</u>	<u>\$ (101,400)</u>	<u>\$ 87,095</u>
Net Change in Fund Balance	\$ (14,305)	\$ (101,400)	\$ (101,400)	\$ 87,095
Fund Balance, July 1, 2016	206,442	202,341	202,341	4,101
Fund Balance, June 30, 2017	<u>\$ 192,137</u>	<u>\$ 100,941</u>	<u>\$ 100,941</u>	<u>\$ 91,196</u>

MISCELLANEOUS SCHEDULES

Exhibit I-1

Van Buren County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2017

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-16	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-17
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Administration/Justice Center, Series 2017	\$ 2,000,000	3.85 %	6-27-17	6-5-29	\$ 0	\$ 2,000,000	\$ 0	\$ 2,000,000
Total Notes Payable					\$ 0	\$ 2,000,000	\$ 0	\$ 2,000,000
<u>BONDS PAYABLE</u>								
<u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u>								
School Refunding Bond, Series 2014	1,804,445	2.69	12-12-14	10-1-34	\$ 1,738,000	\$ 0	\$ 71,000	\$ 1,667,000
Total Bonds Payable					\$ 1,738,000	\$ 0	\$ 71,000	\$ 1,667,000

Exhibit I-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2018	\$ 138,141	\$ 70,317	\$ 208,458
2019	138,761	69,697	208,458
2020	144,004	64,453	208,457
2021	149,805	58,652	208,457
2022	155,656	52,801	208,457
2023	161,736	46,721	208,457
2024	167,944	40,514	208,458
2025	174,613	33,844	208,457
2026	181,434	27,024	208,458
2027	188,520	19,937	208,457
2028	195,852	12,606	208,458
2029	203,534	4,924	208,458
Total	<u>\$ 2,000,000</u>	<u>\$ 501,490</u>	<u>\$ 2,501,490</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	<u>\$ 1,667,000</u>	<u>\$ 435,659</u>	<u>\$ 2,102,659</u>

Exhibit I-3

Van Buren County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2017

<u>Description</u>	<u>Debtor</u>	<u>Original Amount of Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance 6-30-17</u>
<u>Interfund Notes Receivable</u>						
<u>General Fund</u>						
Purchase of Solid Waste Business	Solid Waste/Sanitation Fund	\$ 450,000	10-18-16	6-30-23	0%	\$ 450,000
"	"	125,000	6-20-17	6-30-22	0	<u>125,000</u>
Total Notes Receivable						<u>\$ 575,000</u>

Exhibit I-4

Van Buren County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2017

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General Capital Projects	General Debt Service	To retire debt	<u>\$ 145,861</u>
Total Transfers			<u><u>\$ 145,861</u></u>

Exhibit I-5

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, 2017

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 68,977	\$ 100,000	RLI Insurance Company
Road Superintendent	Section 8-24-102, <i>TCA</i>	65,693	100,000	"
Director of Schools	State Board of Education and Van Buren County Board of Education	82,375 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	59,721	313,425	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	59,721	50,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	59,721	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	59,721	50,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	59,721 (2)	75,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	59,721	50,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	65,693 (3)	100,000	"
Public Employees Blanket Bond:				
Public Employees Dishonesty - County Employees			400,000	Local Government Insurance Pool
Public Employees Dishonesty - School Employees			400,000	Tennessee Risk Management Trust

(1) Does not include a \$400 bonus for certified employees.

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

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

Exhibit I-6

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2017

	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	\$ 1,305,705	\$ 0	\$ 0	\$ 185,906	\$ 124,353	\$ 0
Trustee's Collections - Prior Year	69,565	0	2,328	9,905	6,606	0
Circuit Clerk/Clerk and Master Collections - Prior Years	51,369	0	1,780	7,484	5,086	0
Interest and Penalty	31,112	0	476	4,359	3,019	0
Pickup Taxes	42	0	1	6	4	0
Payments in-Lieu-of Taxes - T.V.A.	4,365	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	100,277	0	60	14,278	9,550	0
Payments in-Lieu-of Taxes - Other	11,799	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	87,303	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0	0
Litigation Tax - General	6,961	0	0	0	0	0
Litigation Tax - Special Purpose	0	36,740	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	13,304	0	0	0	0
Business Tax	13,628	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	16,693	0	0	0	0	0
Wholesale Beer Tax	28,203	0	0	0	0	0
Beer Privilege Tax	1,080	0	0	0	0	0
Interstate Telecommunications Tax	329	0	0	0	0	0
Total Local Taxes	\$ 1,728,431	\$ 50,044	\$ 4,645	\$ 221,938	\$ 148,618	\$ 0

(Continued)

Exhibit I-6

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</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 19,344	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>						
Beer Permits	238	0	0	0	0	0
Total Licenses and Permits	\$ 19,582	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 7,758	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	1,900	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	5,587
Data Entry Fee - Circuit Court	626	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	4,409	0	0	0	0	0
Officers Costs	21,079	0	0	0	0	0
Drug Control Fines	6,311	0	0	0	0	5,344
Data Entry Fee - General Sessions Court	5,531	0	0	0	0	0
<u>Juvenile Court</u>						
Data Entry Fee - Juvenile Court	204	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	150	0	0	0	0	0
Data Entry Fee - Chancery Court	1,521	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Data Entry Fee - Other Courts	585	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	7,506
Total Fines, Forfeitures, and Penalties	\$ 50,074	\$ 0	\$ 0	\$ 0	\$ 0	18,437

(Continued)

Exhibit I-6

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</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 194,007	\$ 0	\$ 0	0
Surcharge - Waste Tire Disposal	0	0	174	0	0	0
Patient Charges	0	0	0	348,799	0	0
<u>Fees</u>						
Library Fees	533	0	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0	0
Telephone Commissions	13,050	0	0	0	0	0
Vending Machine Collections	8,098	0	0	0	0	0
Data Processing Fee - Register	2,638	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,050	0	0	0	0	0
Total Charges for Current Services	\$ 25,419	\$ 0	\$ 194,181	\$ 348,799	\$ 0	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 15,458	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	1,828	0	0	0	0	0
Sale of Recycled Materials	0	0	44,000	0	0	0
Miscellaneous Refunds	12,227	0	379	0	399	0
<u>Nonrecurring Items</u>						
Sale of Equipment	4,590	0	0	0	0	0
Sale of Property	43,093	0	0	0	0	0
Total Other Local Revenues	\$ 77,196	\$ 0	\$ 44,379	\$ 0	\$ 399	0

(Continued)

Exhibit I-6

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	\$ 58,553	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	26,117	0	0	0	0	0
General Sessions Court Clerk	71,633	0	0	0	0	0
Clerk and Master	41,137	0	0	0	0	0
Register	33,166	0	0	0	0	0
Sheriff	4,075	0	0	0	0	0
Trustee	105,138	0	0	0	0	0
Total Fees Received From County Officials	\$ 339,819	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 13,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other General Government Grants	26,762	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	4,800	0	0	0	0	0
Other Public Safety Grants	9,211	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	19,900	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0
Litter Program	38,724	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	11,114	0	0	0	0	0
Beer Tax	18,415	0	0	0	0	0

(Continued)

Exhibit I-6

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>						
Vehicle Certificate of Title Fees	\$ 5,806	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Alcoholic Beverage Tax	25,287	0	0	0	0	0
State Revenue Sharing - T.V.A.	139,191	0	0	0	0	0
Contracted Prisoner Boarding	81,955	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	5,624	0	0	0	0	0
Total State of Tennessee	\$ 415,453	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 137,254	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	7,783	0	0	0	0	0
Other Federal through State	10,944	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	7,018	0	0	0	0	0
Total Federal Government	\$ 162,999	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 11,411	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Citizens Groups</u>						
Donations	61,565	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 72,976	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 2,891,949	\$ 50,044	\$ 243,205	\$ 570,737	\$ 149,017	\$ 18,437

(Continued)

Exhibit I-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 99,984	\$ 0	\$ 1,715,948
Trustee's Collections - Prior Year	0	2,951	0	91,355
Circuit Clerk/Clerk and Master Collections - Prior Years	0	1,069	0	66,788
Interest and Penalty	0	1,604	0	40,570
Pickup Taxes	0	2	0	55
Payments in-Lieu-of Taxes - T.V.A.	0	624	0	4,989
Payments in-Lieu-of Taxes - Local Utilities	0	7,618	0	131,783
Payments in-Lieu-of Taxes - Other	0	50,000	0	61,799
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	0	0	87,303
Hotel/Motel Tax	0	128,345	0	128,345
Litigation Tax - General	0	0	0	6,961
Litigation Tax - Special Purpose	0	0	0	36,740
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	13,304
Business Tax	0	0	0	13,628
Mineral Severance Tax	2,728	0	0	2,728
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	0	0	16,693
Wholesale Beer Tax	0	0	0	28,203
Beer Privilege Tax	0	0	0	1,080
Interstate Telecommunications Tax	0	0	0	329
Total Local Taxes	<u>\$ 2,728</u>	<u>\$ 292,197</u>	<u>\$ 0</u>	<u>\$ 2,448,601</u>

(Continued)

Exhibit I-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 19,344
<u>Permits</u>				
Beer Permits	0	0	0	238
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19,582</u>
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$ 0	\$ 0	\$ 0	\$ 7,758
Officers Costs	0	0	0	1,900
Drug Control Fines	0	0	0	5,587
Data Entry Fee - Circuit Court	0	0	0	626
<u>General Sessions Court</u>				
Fines	0	0	0	4,409
Officers Costs	0	0	0	21,079
Drug Control Fines	0	0	0	11,655
Data Entry Fee - General Sessions Court	0	0	0	5,531
<u>Juvenile Court</u>				
Data Entry Fee - Juvenile Court	0	0	0	204
<u>Chancery Court</u>				
Officers Costs	0	0	0	150
Data Entry Fee - Chancery Court	0	0	0	1,521
<u>Judicial District Drug Program</u>				
Data Entry Fee - Other Courts	0	0	0	585
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	0	0	0	7,506
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 68,511</u>

(Continued)

Exhibit I-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 0	\$ 194,007
Surcharge - Waste Tire Disposal	0	0	0	174
Patient Charges	0	0	0	348,799
<u>Fees</u>				
Library Fees	0	0	0	533
Greenbelt Late Application Fee	0	0	0	50
Telephone Commissions	0	0	0	13,050
Vending Machine Collections	0	0	0	8,098
Data Processing Fee - Register	0	0	0	2,638
Sexual Offender Registration Fee - Sheriff	0	0	0	1,050
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 568,399
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 3,509	\$ 18,967
Lease/Rentals	0	0	0	1,828
Sale of Recycled Materials	0	0	0	44,000
Miscellaneous Refunds	1,732	0	0	14,737
<u>Nonrecurring Items</u>				
Sale of Equipment	0	0	0	4,590
Sale of Property	0	0	0	43,093
Total Other Local Revenues	\$ 1,732	\$ 0	\$ 3,509	\$ 127,215

(Continued)

Exhibit I-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$ 0	\$ 0	\$ 0	\$ 58,553
Circuit Court Clerk	0	0	0	26,117
General Sessions Court Clerk	0	0	0	71,633
Clerk and Master	0	0	0	41,137
Register	0	0	0	33,166
Sheriff	0	0	0	4,075
Trustee	0	0	0	105,138
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 339,819</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 13,500
Other General Government Grants	0	0	0	26,762
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0	0	0	4,800
Other Public Safety Grants	0	0	0	9,211
<u>Health and Welfare Grants</u>				
Other Health and Welfare Grants	0	0	0	19,900
<u>Public Works Grants</u>				
Bridge Program	470,563	0	0	470,563
State Aid Program	1,524,327	0	0	1,524,327
Litter Program	0	0	0	38,724
<u>Other State Revenues</u>				
Income Tax	0	0	0	11,114
Beer Tax	0	0	0	18,415

(Continued)

Exhibit I-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues (Cont.)</u>				
Vehicle Certificate of Title Fees	\$ 0	\$ 0	\$ 0	\$ 5,806
Alcoholic Beverage Tax	0	0	0	25,287
State Revenue Sharing - T.V.A.	0	19,884	0	159,075
Contracted Prisoner Boarding	0	0	0	81,955
Gasoline and Motor Fuel Tax	1,445,718	0	0	1,445,718
Petroleum Special Tax	4,003	0	0	4,003
Registrar's Salary Supplement	0	0	0	15,164
Other State Revenues	0	0	0	5,624
Total State of Tennessee	<u>\$ 3,444,611</u>	<u>\$ 19,884</u>	<u>\$ 0</u>	<u>\$ 3,879,948</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
Community Development	\$ 0	\$ 0	\$ 0	\$ 137,254
Disaster Relief	0	0	0	7,783
Other Federal through State	0	0	0	10,944
<u>Direct Federal Revenue</u>				
Other Direct Federal Revenue	0	0	0	7,018
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 162,999</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 0	\$ 116,797	\$ 0	\$ 128,208
<u>Citizens Groups</u>				
Donations	0	0	0	61,565
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 116,797</u>	<u>\$ 0</u>	<u>\$ 189,773</u>
Total	<u>\$ 3,449,071</u>	<u>\$ 428,878</u>	<u>\$ 3,509</u>	<u>\$ 7,804,847</u>

Exhibit I-7

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, 2017

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 673,184	\$ 0	\$ 0	\$ 673,184
Trustee's Collections - Prior Year	40,424	0	0	40,424
Circuit Clerk/Clerk and Master Collections - Prior Years	26,722	0	0	26,722
Interest and Penalty	15,656	0	0	15,656
Pickup Taxes	22	0	0	22
Payments in-Lieu-of Taxes - T.V.A.	5,404	0	0	5,404
Payments in-Lieu-of Taxes - Local Utilities	52,526	0	0	52,526
<u>County Local Option Taxes</u>				
Local Option Sales Tax	433,631	0	0	433,631
Hotel/Motel Tax	128,345	0	0	128,345
Mixed Drink Tax	3,160	0	0	3,160
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	462	0	0	462
Total Local Taxes	<u>\$ 1,379,536</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,379,536</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 342	\$ 0	\$ 0	\$ 342
Total Licenses and Permits	<u>\$ 342</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 342</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Adults	\$ 0	\$ 0	\$ 14,971	\$ 14,971
A la Carte Sales	0	0	52,397	52,397

(Continued)

Exhibit I-7

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

	<u>Special Revenue Funds</u>			Total
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
Receipts from Individual Schools	\$ 11,847	\$ 0	\$ 0	\$ 11,847
Total Charges for Current Services	<u>\$ 11,847</u>	<u>\$ 0</u>	<u>\$ 67,368</u>	<u>\$ 79,215</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 245	\$ 245
Miscellaneous Refunds	55,383	0	1,437	56,820
<u>Nonrecurring Items</u>				
Sale of Equipment	3,960	0	0	3,960
Sale of Property	135	0	0	135
Damages Recovered from Individuals	22	0	0	22
Contributions and Gifts	2,000	0	0	2,000
Total Other Local Revenues	<u>\$ 61,500</u>	<u>\$ 0</u>	<u>\$ 1,682</u>	<u>\$ 63,182</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 35,604	\$ 0	\$ 0	\$ 35,604
<u>State Education Funds</u>				
Basic Education Program	4,799,000	0	0	4,799,000
Early Childhood Education	195,903	0	0	195,903
School Food Service	0	0	4,513	4,513
Other State Education Funds	296,712	0	0	296,712
Career Ladder Program	24,505	0	0	24,505

(Continued)

Exhibit I-7

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	\$ 172,332	\$ 0	\$ 0	\$ 172,332
Total State of Tennessee	<u>\$ 5,524,056</u>	<u>\$ 0</u>	<u>\$ 4,513</u>	<u>\$ 5,528,569</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 265,031	\$ 265,031
USDA - Commodities	0	0	36,305	36,305
Breakfast	0	0	124,648	124,648
USDA - Other	0	0	16,898	16,898
Vocational Education - Basic Grants to States	0	15,067	0	15,067
Title I Grants to Local Education Agencies	0	230,199	0	230,199
Special Education - Grants to States	1,641	202,191	0	203,832
Special Education Preschool Grants	0	5,657	0	5,657
Rural Education	0	14,870	0	14,870
Eisenhower Professional Development State Grants	0	39,786	0	39,786
Other Federal through State	0	18,055	0	18,055
Total Federal Government	<u>\$ 1,641</u>	<u>\$ 525,825</u>	<u>\$ 442,882</u>	<u>\$ 970,348</u>
Total	<u>\$ 6,978,922</u>	<u>\$ 525,825</u>	<u>\$ 516,445</u>	<u>\$ 8,021,192</u>

Exhibit I-8

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2017

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	13,850	
Social Security		859	
Unemployment Compensation		6	
Employer Medicare		201	
Audit Services		1,997	
Consultants		2,864	
Contracts with Government Agencies		5,489	
Dues and Memberships		1,050	
Refunds		646	
Total County Commission			\$ 26,962

Board of Equalization

Board and Committee Members Fees	\$	900	
Total Board of Equalization			900

Beer Board

Board and Committee Members Fees	\$	150	
Total Beer Board			150

County Mayor/Executive

County Official/Administrative Officer	\$	68,977	
Accountants/Bookkeepers		31,018	
Part-time Personnel		5,694	
Board and Committee Members Fees		671	
Social Security		6,553	
Pensions		2,872	
Unemployment Compensation		288	
Employer Medicare		1,532	
Communication		3,658	
Data Processing Services		12,228	
Dues and Memberships		1,915	
Legal Notices, Recording, and Court Costs		566	
Printing, Stationery, and Forms		887	
Travel		2,364	
Office Supplies		1,652	
Premiums on Corporate Surety Bonds		887	
Other Charges		1,415	
Data Processing Equipment		299	
Total County Mayor/Executive			143,476

County Attorney

County Official/Administrative Officer	\$	6,250	
Total County Attorney			6,250

Election Commission

County Official/Administrative Officer	\$	53,749	
Election Commission		9,000	

(Continued)

Exhibit I-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Election Workers	\$	12,339	
Social Security		3,332	
Pensions		4,977	
Unemployment Compensation		176	
Employer Medicare		779	
Communication		875	
Data Processing Services		9,705	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		2,710	
Printing, Stationery, and Forms		417	
Travel		3,487	
Other Contracted Services		13,720	
Office Supplies		875	
Other Charges		1,732	
Total Election Commission			\$ 118,023

Register of Deeds

County Official/Administrative Officer	\$	59,721	
Social Security		3,315	
Pensions		5,530	
Employer Medicare		775	
Communication		1,329	
Data Processing Services		2,689	
Dues and Memberships		497	
Printing, Stationery, and Forms		778	
Office Supplies		854	
Premiums on Corporate Surety Bonds		98	
Total Register of Deeds			75,586

Planning

Board and Committee Members Fees	\$	900	
Contracts with Government Agencies		1,437	
Total Planning			2,337

County Buildings

Custodial Personnel	\$	13,704	
Part-time Personnel		22,500	
Social Security		2,245	
Unemployment Compensation		653	
Employer Medicare		525	
Communication		5,676	
Maintenance and Repair Services - Buildings		112,339	
Travel		110	
Custodial Supplies		2,477	
Electricity		20,544	
Natural Gas		5,007	
Water and Sewer		6,383	
Other Charges		1,833	
Total County Buildings			193,996

(Continued)

Exhibit I-8

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

General Fund (Cont.)

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	59,721	
Part-time Personnel		12,694	
Social Security		4,352	
Pensions		5,530	
Unemployment Compensation		203	
Employer Medicare		1,018	
Audit Services		1,200	
Communication		1,464	
Data Processing Services		8,947	
Dues and Memberships		1,050	
Legal Notices, Recording, and Court Costs		45	
Travel		1,512	
Office Supplies		1,663	
Premiums on Corporate Surety Bonds		115	
Total Property Assessor's Office			\$ 99,514

County Trustee's Office

County Official/Administrative Officer	\$	59,721	
Deputy(ies)		20,507	
Social Security		4,833	
Pensions		7,429	
Unemployment Compensation		209	
Employer Medicare		1,130	
Communication		1,902	
Data Processing Services		8,584	
Dues and Memberships		522	
Legal Notices, Recording, and Court Costs		400	
Printing, Stationery, and Forms		588	
Office Supplies		1,882	
Premiums on Corporate Surety Bonds		1,022	
Total County Trustee's Office			108,729

County Clerk's Office

County Official/Administrative Officer	\$	59,721	
Deputy(ies)		21,996	
Social Security		5,059	
Pensions		7,567	
Unemployment Compensation		176	
Employer Medicare		1,183	
Communication		1,835	
Data Processing Services		4,979	
Dues and Memberships		477	
Printing, Stationery, and Forms		14	
Office Supplies		790	
Premiums on Corporate Surety Bonds		98	
Other Charges		58	
Total County Clerk's Office			103,953

(Continued)

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	\$	59,721	
Secretary(ies)		21,996	
Jury and Witness Expense		4,355	
Social Security		4,869	
Pensions		7,567	
Unemployment Compensation		176	
Employer Medicare		1,139	
Communication		2,604	
Data Processing Services		5,568	
Dues and Memberships		402	
Printing, Stationery, and Forms		2,050	
Office Supplies		2,362	
Premiums on Corporate Surety Bonds		173	
Other Charges		1,579	
Total Circuit Court			\$ 114,561

General Sessions Court

Judge(s)	\$	27,105	
Secretary(ies)		6,155	
Other Fringe Benefits		4,570	
Communication		1,097	
Total General Sessions Court			38,927

Chancery Court

County Official/Administrative Officer	\$	59,721	
Social Security		3,703	
Pensions		5,530	
Employer Medicare		866	
Communication		1,556	
Data Processing Services		5,270	
Dues and Memberships		402	
Legal Notices, Recording, and Court Costs		4,000	
Printing, Stationery, and Forms		287	
Office Supplies		2,586	
Premiums on Corporate Surety Bonds		150	
Other Charges		789	
Total Chancery Court			84,860

Juvenile Court

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

Judicial Commissioners

County Official/Administrative Officer	\$	7,275	
Total Judicial Commissioners			7,275

(Continued)

Exhibit I-8

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	\$	65,693	
Deputy(ies)		258,730	
Accountants/Bookkeepers		31,668	
Salary Supplements		4,800	
Overtime Pay		5,281	
In-service Training		4,168	
Social Security		22,231	
Pensions		33,060	
Unemployment Compensation		2,004	
Employer Medicare		5,199	
Communication		10,688	
Dues and Memberships		1,133	
Legal Notices, Recording, and Court Costs		18	
Maintenance and Repair Services - Vehicles		14,105	
Printing, Stationery, and Forms		653	
Travel		1,549	
Gasoline		26,187	
Office Supplies		2,289	
Uniforms		4,586	
Premiums on Corporate Surety Bonds		281	
Other Charges		8,474	
Total Sheriff's Department			\$ 502,797

Jail

Laborers	\$	19,240	
Guards		202,024	
Overtime Pay		1,730	
Social Security		13,374	
Pensions		20,525	
Unemployment Compensation		1,963	
Employer Medicare		3,175	
Maintenance and Repair Services - Buildings		2,520	
Medical and Dental Services		95,479	
Custodial Supplies		12,068	
Electricity		10,877	
Food Supplies		55,470	
Natural Gas		2,095	
Water and Sewer		15,795	
Other Charges		5,662	
Total Jail			461,997

Fire Prevention and Control

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

Other Emergency Management

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

(Continued)

Exhibit I-8

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Other Charges	\$ 5,230	
Total County Coroner/Medical Examiner		\$ 5,230

Other Public Safety

Communication	\$ 2,240	
Contributions	62,040	
Total Other Public Safety		64,280

Public Health and Welfare

Local Health Center

Clerical Personnel	\$ 1,368	
Social Security	85	
Unemployment Compensation	30	
Employer Medicare	20	
Communication	1,995	
Travel	58	
Custodial Supplies	830	
Drugs and Medical Supplies	662	
Electricity	6,149	
Natural Gas	913	
Office Supplies	247	
Water and Sewer	429	
Other Supplies and Materials	6,492	
Other Charges	1,704	
Total Local Health Center		20,982

Appropriation to State

Contracts with Government Agencies	\$ 24,510	
Total Appropriation to State		24,510

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$ 19,240	
Part-time Personnel	503	
Social Security	1,224	
Pensions	1,782	
Unemployment Compensation	187	
Employer Medicare	286	
Communication	1,571	
Electricity	1,756	
Natural Gas	1,109	
Water and Sewer	329	
Other Charges	60,347	
Total Adult Activities		88,334

Senior Citizens Assistance

Part-time Personnel	\$ 13,260	
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(Continued)

Exhibit I-8

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 (Cont.)

Social Security	\$	822	
Unemployment Compensation		277	
Employer Medicare		192	
Communication		723	
Medical and Dental Services		450	
Printing, Stationery, and Forms		558	
Office Supplies		1,141	
Other Charges		5,500	
Total Senior Citizens Assistance			\$ 22,923

Libraries

County Official/Administrative Officer	\$	22,996	
Part-time Personnel		3,013	
Social Security		1,613	
Unemployment Compensation		242	
Employer Medicare		377	
Communication		1,952	
Data Processing Services		995	
Library Books/Media		1,293	
Office Supplies		1,185	
Total Libraries			33,666

Parks and Fair Boards

Contributions	\$	1,825	
Total Parks and Fair Boards			1,825

Other Social, Cultural, and Recreational

Contributions	\$	20,213	
Total Other Social, Cultural, and Recreational			20,213

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	21,991	
Secretary(ies)		8,770	
Social Security		1,834	
Pensions		4,624	
Employer Medicare		429	
Communication		2,583	
Travel		1,000	
Other Equipment		1,761	
Total Agricultural Extension Service			42,992

Soil Conservation

Supervisor/Director	\$	42,432	
Social Security		2,608	
Pensions		3,929	
Unemployment Compensation		176	

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Employer Medicare	\$	610	
Communication		872	
Total Soil Conservation			\$ 50,627

Other Operations

Veterans' Services

Part-time Personnel	\$	8,918	
Social Security		553	
Unemployment Compensation		178	
Employer Medicare		129	
Travel		3,471	
Office Supplies		129	
Total Veterans' Services			13,378

Other Charges

Liability Insurance	\$	69,571	
Trustee's Commission		37,714	
Workers' Compensation Insurance		66,089	
Total Other Charges			173,374

Employee Benefits

Medical Insurance	\$	33,409	
Total Employee Benefits			33,409

Miscellaneous

Postal Charges	\$	19,704	
Duplicating Supplies		12,663	
Other Charges		139,283	
Total Miscellaneous			171,650

Highways

Litter and Trash Collection

Laborers	\$	25,416	
Social Security		1,565	
Pensions		2,585	
Unemployment Compensation		189	
Employer Medicare		366	
Accounting Services		2,498	
Other Supplies and Materials		4,496	
Other Charges		13,984	
Total Litter and Trash Collection			51,099

Total General Fund			\$ 2,921,785
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(Continued)

Exhibit I-8

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

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Laborers	\$	19,600	
Maintenance Personnel		16,065	
Social Security		2,082	
Pensions		3,303	
Unemployment Compensation		256	
Employer Medicare		487	
Gasoline		4,639	
Building Improvements		733	
Total County Buildings			\$ 47,165

Public Safety

Jail

Maintenance and Repair Services - Buildings	\$	214	
Total Jail			214

Other Operations

Other Charges

Trustee's Commission	\$	504	
Total Other Charges			504

Total Courthouse and Jail Maintenance Fund \$ 47,883

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Truck Drivers	\$	46,071	
Social Security		2,718	
Pensions		4,266	
Unemployment Compensation		451	
Employer Medicare		636	
Maintenance and Repair Services - Equipment		8,100	
Diesel Fuel		5,006	
Total Waste Pickup			\$ 67,248

Convenience Centers

Laborers	\$	133,430	
Social Security		8,177	
Pensions		2,202	
Unemployment Compensation		2,091	
Employer Medicare		1,922	
Communication		2,802	
Other Contracted Services		58,421	
Electricity		7,584	
Water and Sewer		980	
Other Supplies and Materials		291	
Trustee's Commission		2,271	
Other Charges		6,037	

(Continued)

Exhibit I-8

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.)

Maintenance Equipment	\$	6,239	
Other Capital Outlay		<u>575,000</u>	
Total Convenience Centers	\$		807,447

Landfill Operation and Maintenance

Other Charges	\$	<u>2,376</u>	
Total Landfill Operation and Maintenance			<u>2,376</u>

Total Solid Waste/Sanitation Fund \$ 877,071

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$	39,087	
Medical Personnel		249,341	
Overtime Pay		104,152	
In-service Training		75	
Social Security		24,174	
Pensions		33,918	
Unemployment Compensation		2,567	
Employer Medicare		5,598	
Communication		5,543	
Dues and Memberships		580	
Licenses		1,500	
Maintenance and Repair Services - Buildings		1,337	
Maintenance and Repair Services - Equipment		285	
Maintenance and Repair Services - Vehicles		19,801	
Printing, Stationery, and Forms		30	
Other Contracted Services		16,669	
Custodial Supplies		474	
Diesel Fuel		28,366	
Drugs and Medical Supplies		20,708	
Electricity		3,866	
Natural Gas		722	
Office Supplies		1,090	
Uniforms		1,073	
Water and Sewer		939	
Other Supplies and Materials		1,865	
Premiums on Corporate Surety Bonds		75	
Trustee's Commission		7,720	
Other Charges		3,369	
Other Equipment		<u>1,928</u>	
Total Ambulance/Emergency Medical Services	\$		<u>576,852</u>

Total Ambulance Service Fund 576,852

(Continued)

Exhibit I-8

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	42,688	
Total Fire Prevention and Control		\$ 152,688

Other Operations

Other Charges

Trustee's Commission	\$ 2,896	
Total Other Charges		2,896

Total Local Purpose Tax Fund \$ 155,584

Drug Control Fund

Public Safety

Drug Enforcement

Other Supplies and Materials	\$ 166	
Law Enforcement Equipment	4,172	
Total Drug Enforcement		\$ 4,338

Other Operations

Other Charges

Trustee's Commission	\$ 409	
Total Other Charges		409

Total Drug Control Fund 4,747

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 65,693	
Assistant(s)	36,000	
Accountants/Bookkeepers	30,000	
Social Security	7,797	
Employer Medicare	1,824	
Communication	2,391	
Dues and Memberships	2,063	
Maintenance and Repair Services - Office Equipment	401	
Postal Charges	148	
Printing, Stationery, and Forms	281	
Travel	970	
Electricity	1,166	
Office Supplies	627	
Other Charges	826	
Total Administration		\$ 150,187

Highway and Bridge Maintenance

Equipment Operators	\$ 82,235
Truck Drivers	27,710

(Continued)

Exhibit I-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Laborers	\$	134,859	
Overtime Pay		2,172	
Other Salaries and Wages		14,449	
Social Security		15,794	
Employer Medicare		3,694	
Other Contracted Services		186,062	
Asphalt - Cold Mix		9,082	
Crushed Stone		57,722	
Lubricants		1,326	
Pipe - Metal		2,829	
Road Signs		1,949	
Salt		4,344	
Structural Steel		136	
Other Supplies and Materials		464	
Total Highway and Bridge Maintenance			\$ 544,827

Operation and Maintenance of Equipment

Mechanic(s)	\$	54,637	
Nightwatchmen		42,217	
Overtime Pay		283	
Other Salaries and Wages		4,758	
Social Security		6,041	
Employer Medicare		1,413	
Maintenance and Repair Services - Equipment		1,070	
Diesel Fuel		26,540	
Equipment and Machinery Parts		37,487	
Garage Supplies		1,892	
Gasoline		10,855	
Lubricants		5,133	
Propane Gas		692	
Small Tools		108	
Tires and Tubes		16,471	
Water and Sewer		451	
Other Supplies and Materials		36	
Other Charges		1,004	
Total Operation and Maintenance of Equipment			211,088

Quarry Operations

Communication	\$	2,486	
Operating Lease Payments		4,800	
Electricity		2,392	
Total Quarry Operations			9,678

Other Charges

Contributions	\$	1,208	
Liability Insurance		20,149	
Trustee's Commission		14,483	
Workers' Compensation Insurance		77,694	
Total Other Charges			113,534

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Pensions	\$	42,660	
Employee and Dependent Insurance		12,217	
Medical Insurance		13,373	
Unemployment Compensation		3,809	
Total Employee Benefits			\$ 72,059

Capital Outlay

Bridge Construction	\$	470,205	
Highway Equipment		69,780	
Motor Vehicles		166,590	
State Aid Projects		1,482,282	
Total Capital Outlay			2,188,857

Total Highway/Public Works Fund \$ 3,290,230

General Debt Service Fund

Public Safety

Sheriff's Department

Motor Vehicles	\$	29,040	
Total Sheriff's Department			\$ 29,040

Other Operations

Miscellaneous

Other Charges	\$	52	
Total Miscellaneous			52

Principal on Debt

Education

Principal on Bonds	\$	71,000	
Total Education			71,000

Interest on Debt

Education

Interest on Bonds	\$	45,797	
Total Education			45,797

Other Debt Service

General Government

Trustee's Commission	\$	4,219	
Total General Government			4,219

Total General Debt Service Fund 150,108

General Capital Projects Fund

Capital Projects

Other General Government Projects

Building Construction	\$	5,816,739	
Total Other General Government Projects			\$ 5,816,739

Total General Capital Projects Fund 5,816,739

Total Governmental Funds - Primary Government \$ 13,840,999

Exhibit I-9

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, 2017

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 2,069,843	
Career Ladder Program	8,000	
Homebound Teachers	3,855	
Educational Assistants	189,775	
Certified Substitute Teachers	6,620	
Non-certified Substitute Teachers	53,789	
Social Security	133,596	
Pensions	200,554	
Medical Insurance	106,642	
Unemployment Compensation	2,947	
Employer Medicare	31,939	
Other Contracted Services	11,600	
Instructional Supplies and Materials	23,498	
Textbooks - Bound	5,543	
Other Charges	1	
Regular Instruction Equipment	112,135	
Total Regular Instruction Program		\$ 2,960,337

Special Education Program

Teachers	\$ 230,688	
Career Ladder Program	1,000	
Educational Assistants	32,532	
Speech Pathologist	53,940	
Certified Substitute Teachers	450	
Non-certified Substitute Teachers	1,240	
Social Security	16,679	
Pensions	27,977	
Medical Insurance	56,284	
Unemployment Compensation	132	
Employer Medicare	3,900	
Maintenance and Repair Services - Equipment	258	
Other Supplies and Materials	50	
Other Charges	464	
Special Education Equipment	848	
Total Special Education Program		426,442

Career and Technical Education Program

Teachers	\$ 147,843	
Career Ladder Program	1,000	
Social Security	8,889	
Pensions	13,746	
Medical Insurance	5,433	
Unemployment Compensation	159	
Employer Medicare	2,079	
Other Charges	432	
Vocational Instruction Equipment	999	
Total Career and Technical Education Program		180,580

(Continued)

Exhibit I-9

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

General Purpose School Fund (Cont.)

Support Services

Attendance

Supervisor/Director	\$	60,214	
Career Ladder Program		1,000	
Social Security		3,741	
Pensions		5,534	
Unemployment Compensation		45	
Employer Medicare		875	
Travel		126	
In Service/Staff Development		495	
Total Attendance			\$ 72,030

Health Services

Supervisor/Director	\$	46,704	
Medical Personnel		45,177	
Other Salaries and Wages		20,003	
Social Security		6,603	
Pensions		10,342	
Medical Insurance		4,220	
Unemployment Compensation		136	
Employer Medicare		1,544	
Travel		1,298	
Drugs and Medical Supplies		2,027	
Other Supplies and Materials		9,465	
In Service/Staff Development		2,515	
Other Charges		901	
Total Health Services			150,935

Other Student Support

Guidance Personnel	\$	59,467	
Other Salaries and Wages		52,958	
Social Security		6,319	
Pensions		10,194	
Medical Insurance		8,844	
Unemployment Compensation		125	
Employer Medicare		1,478	
Contracts with Government Agencies		1,300	
Evaluation and Testing		1,856	
Travel		244	
Other Supplies and Materials		478	
In Service/Staff Development		150	
Total Other Student Support			143,413

Regular Instruction Program

Supervisor/Director	\$	71,588
Career Ladder Program		3,000
Librarians		99,220
Other Salaries and Wages		24,677

(Continued)

Exhibit I-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

In-service Training	\$	90	
Social Security		9,920	
Pensions		15,712	
Medical Insurance		12,404	
Unemployment Compensation		184	
Employer Medicare		2,678	
Travel		151	
Library Books/Media		2,531	
Other Supplies and Materials		218	
In Service/Staff Development		4,266	
Other Charges		1,568	
Other Equipment		233	
Total Regular Instruction Program			\$ 248,440

Special Education Program

Supervisor/Director	\$	60,814	
Career Ladder Program		1,000	
Psychological Personnel		24,755	
Other Salaries and Wages		4,833	
Social Security		5,425	
Pensions		8,273	
Medical Insurance		3,481	
Unemployment Compensation		56	
Employer Medicare		1,269	
Travel		1,901	
Total Special Education Program			111,807

Career and Technical Education Program

Supervisor/Director	\$	1,692	
Total Career and Technical Education Program			1,692

Technology

Career Ladder Program	\$	2,000	
Instructional Computer Personnel		114,652	
Social Security		6,946	
Pensions		10,653	
Medical Insurance		3,525	
Unemployment Compensation		92	
Employer Medicare		1,624	
Internet Connectivity		4,860	
Software		36,318	
Other Supplies and Materials		1,523	
Regular Instruction Equipment		86,572	
Other Equipment		19,752	
Total Technology			288,517

(Continued)

Exhibit I-9

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.)

Other Programs

On-behalf Payments to OPEB	\$ 35,604	
Total Other Programs		\$ 35,604

Board of Education

Board and Committee Members Fees	\$ 13,900	
Social Security	862	
Medical Insurance	34,831	
Employer Medicare	202	
Audit Services	4,250	
Dues and Memberships	3,391	
Travel	39	
Other Contracted Services	5,495	
Trustee's Commission	33,778	
Workers' Compensation Insurance	42,721	
Total Board of Education		139,469

Director of Schools

County Official/Administrative Officer	\$ 82,375	
Social Security	4,385	
Pensions	7,447	
Medical Insurance	8,930	
Unemployment Compensation	46	
Employer Medicare	1,025	
Communication	10,218	
Dues and Memberships	1,560	
Postal Charges	556	
Travel	1,335	
Office Supplies	1,472	
Other Supplies and Materials	270	
Other Charges	176	
Total Director of Schools		119,795

Office of the Principal

Principals	\$ 124,404	
Career Ladder Program	1,000	
Assistant Principals	102,103	
Secretary(ies)	42,990	
Social Security	16,425	
Pensions	24,548	
Medical Insurance	3,322	
Unemployment Compensation	267	
Employer Medicare	3,841	
Communication	1,265	
Maintenance and Repair Services - Equipment	19	
Other Charges	420	
Administration Equipment	2,646	
Total Office of the Principal		323,250

(Continued)

Exhibit I-9

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

Accountants/Bookkeepers	\$	40,176	
Secretary(ies)		33,984	
Other Salaries and Wages		30,912	
Social Security		6,361	
Pensions		9,730	
Medical Insurance		3,850	
Unemployment Compensation		138	
Employer Medicare		1,488	
Data Processing Services		9,953	
Other Contracted Services		1,395	
Data Processing Supplies		532	
Office Supplies		1,744	
Other Supplies and Materials		50	
Other Charges		173	
Administration Equipment		835	
Total Fiscal Services			\$ 141,321

Operation of Plant

Custodial Personnel	\$	174,260	
Social Security		10,342	
Pensions		15,639	
Medical Insurance		24,750	
Unemployment Compensation		509	
Employer Medicare		2,419	
Disposal Fees		14,137	
Other Contracted Services		13,135	
Custodial Supplies		20,670	
Electricity		184,338	
Natural Gas		25,854	
Water and Sewer		38,367	
Other Supplies and Materials		435	
Building and Contents Insurance		86,355	
Other Charges		828	
Plant Operation Equipment		4,440	
Total Operation of Plant			616,478

Maintenance of Plant

Supervisor/Director	\$	35,835	
Other Salaries and Wages		860	
Social Security		2,201	
Pensions		3,396	
Medical Insurance		3,850	
Unemployment Compensation		50	
Employer Medicare		515	
Communication		629	
Maintenance and Repair Services - Buildings		15,960	

(Continued)

Exhibit I-9

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.)

Maintenance of Plant (Cont.)

Maintenance and Repair Services - Equipment	\$	29,070	
Maintenance and Repair Services - Vehicles		401	
Other Contracted Services		14,917	
Other Supplies and Materials		3,565	
Total Maintenance of Plant			\$ 111,249

Transportation

Mechanic(s)	\$	35,535	
Bus Drivers		105,318	
Other Salaries and Wages		18,583	
Social Security		9,388	
Pensions		14,262	
Medical Insurance		11,767	
Unemployment Compensation		414	
Employer Medicare		2,272	
Communication		1,223	
Gasoline		35,713	
Tires and Tubes		6,240	
Vehicle Parts		13,361	
Other Supplies and Materials		4,055	
Other Charges		3,188	
Transportation Equipment		89,165	
Total Transportation			350,484

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	17,688	
Teachers		71,300	
Career Ladder Program		1,000	
Educational Assistants		9,205	
Cafeteria Personnel		2,241	
Other Salaries and Wages		12,960	
Social Security		6,858	
Pensions		10,397	
Medical Insurance		3,097	
Unemployment Compensation		62	
Employer Medicare		1,604	
Travel		62	
Other Contracted Services		54	
Instructional Supplies and Materials		736	
Other Supplies and Materials		2,812	
In Service/Staff Development		2,189	
Other Charges		1,574	
Other Equipment		15,000	
Total Community Services			158,839

(Continued)

Exhibit I-9

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

Supervisor/Director	\$	30,512	
Teachers		99,070	
Educational Assistants		35,504	
Social Security		9,445	
Pensions		14,960	
Medical Insurance		12,776	
Unemployment Compensation		225	
Employer Medicare		2,209	
Communication		454	
Instructional Supplies and Materials		632	
Other Supplies and Materials		4,098	
In Service/Staff Development		1,551	
Other Charges		1,231	
Total Early Childhood Education			\$ 212,667

Capital Outlay

Regular Capital Outlay

Architects	\$	40,200	
Legal Services		1,445	
Building Construction		6,874	
Building Improvements		525,800	
Furniture and Fixtures		27,471	
Site Development		113,153	
Other Equipment		11,738	
Other Capital Outlay		9,500	
Total Regular Capital Outlay			736,181

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	71,000	
Total Education			71,000

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	45,797	
Total Education			45,797

Total General Purpose School Fund \$ 7,646,327

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	185,871	
Social Security		11,503	
Pensions		16,759	
Medical Insurance		9,977	

(Continued)

Exhibit I-9

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.)

Regular Instruction Program (Cont.)

Unemployment Compensation	\$	232	
Employer Medicare		2,690	
Instructional Supplies and Materials		7,422	
Other Charges		2,337	
Regular Instruction Equipment		6,222	
Total Regular Instruction Program			\$ 243,013

Special Education Program

Educational Assistants	\$	125,311	
Speech Pathologist		755	
Social Security		8,233	
Pensions		12,137	
Unemployment Compensation		611	
Employer Medicare		1,926	
Instructional Supplies and Materials		2,780	
Other Supplies and Materials		1,384	
Total Special Education Program			153,137

Career and Technical Education Program

Other Supplies and Materials	\$	1,591	
Vocational Instruction Equipment		9,750	
Total Career and Technical Education Program			11,341

Support Services

Other Student Support

Guidance Personnel	\$	46,360	
Social Security		2,874	
Pensions		4,191	
Unemployment Compensation		59	
Employer Medicare		672	
Travel		1,800	
In Service/Staff Development		1,174	
Total Other Student Support			57,130

Regular Instruction Program

Food Supplies	\$	199	
In Service/Staff Development		5,510	
Total Regular Instruction Program			5,709

Special Education Program

Psychological Personnel	\$	24,755	
Social Security		1,535	
Pensions		2,238	
Unemployment Compensation		60	
Employer Medicare		359	
Postal Charges		100	

(Continued)

Exhibit I-9

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.)

Support Services (Cont.)

Special Education Program (Cont.)

Travel	\$	364	
Other Contracted Services		12,911	
Other Supplies and Materials		4,920	
In Service/Staff Development		7,467	
Other Charges		6,714	
Total Special Education Program			\$ 61,423

Career and Technical Education Program

Supervisor/Director	\$	752	
Total Career and Technical Education Program			752

Board of Education

Criminal Investigation of Applicants - TBI	\$	34	
Total Board of Education			34

Total School Federal Projects Fund \$ 532,539

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	35,020	
Cafeteria Personnel		154,810	
Social Security		11,448	
Pensions		17,072	
Medical Insurance		12,375	
Unemployment Compensation		530	
Employer Medicare		2,695	
Communication		1,219	
Maintenance and Repair Services - Equipment		4,647	
Travel		210	
Other Contracted Services		4,536	
Food Preparation Supplies		11,326	
Food Supplies		231,510	
Office Supplies		1,062	
Uniforms		743	
USDA - Commodities		36,389	
Other Supplies and Materials		165	
In Service/Staff Development		282	
Other Charges		268	
Food Service Equipment		4,443	
Total Food Service			\$ 530,750

Total Central Cafeteria Fund 530,750

Total Governmental Funds - Van Buren County School Department \$ 8,709,616

Exhibit I-10

Van Buren County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2017

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 114,428
Total Cash Receipts	<u>\$ 114,428</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 113,284
Trustee's Commission	1,144
Total Cash Disbursements	<u>\$ 114,428</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2016	<u>0</u>
 Cash Balance, June 30, 2017	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

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

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, 2017, 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 January 3, 2018.

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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2017-001(A) and 2017-003.

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: 2017-001(B,C), 2017-002, and 2017-004.

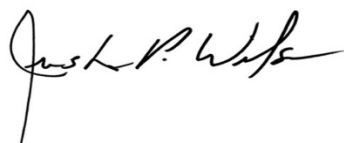
Van Buren County's Responses to Findings

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

Purpose of this Report

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

January 3, 2018

JPW/kp



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2017. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2017.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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.

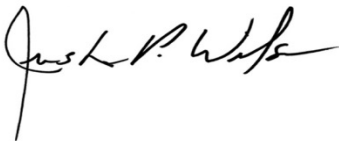
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

We have audited the financial statements of the governmental activities, the 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, 2017, and the related notes to the financial statements, which collectively comprise Van Buren County's basic financial statements. We issued our report thereon dated January 3, 2018, 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 the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 3, 2018

JPW/kp

Van Buren County, Tennessee, and the Van Buren County School Department
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2017

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	\$ 7,018
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	124,648
National School Lunch Program	10.555	N/A	270,209 (5)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	36,305 (5)
Passed-through State Department of Human Services:			
Child Nutrition Cluster: (4)			
Summer Food Service Program for Children	10.559	N/A	11,720
Total U.S. Department of Agriculture			<u>\$ 449,900</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	(3)	<u>\$ 137,254</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 230,199
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	210,546
Special Education - Preschool Grants	84.173	N/A	5,657
Career and Technical Education - Basic Grants to States	84.048	N/A	15,067
Rural Education	84.358	(3)	14,870
Improving Teacher Quality State Grants	84.367	N/A	39,786
Total U.S. Department of Education			<u>\$ 516,125</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	(3)	\$ 10,944
Passed-through State Department of Human Services:			
Child Care and Development Block Grant	93.575	(3)	<u>18,055</u>
Total U.S. Department of Health and Human Services			<u>\$ 28,999</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance	97.036	(3)	<u>\$ 7,783</u>
Total Expenditures of Federal Awards			<u>\$ 1,140,061</u>

(Continued)

Van Buren County, Tennessee, and the Van Buren County School Department
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	(3)	\$ 1,940
Coordinated School Health - State Department of Education	N/A	(3)	90,000
Early Childhood Education - State Department of Education	N/A	(3)	195,903
Family Resource Centers - State Department of Education	N/A	(3)	30,241
Lottery Education Afterschool Programs - State Department of Education	N/A	(3)	95,000
Safe Schools - State Department of Education	N/A	(3)	5,070
Read to Be Ready Coaching Network - State Department of Education	N/A	(3)	5,000
Litter Program - State Department of Transportation	N/A	(3)	38,724
Highway Safety Grant - State Department of Safety and Homeland Security	N/A	(3)	9,211
ThreeStar Grant Program - State Department of Economic and Community Development	N/A	(3)	26,762
Rural Local Health Services - State Department of Health	N/A	(3)	19,900
Student Ticket Subsidy - Tennessee Arts Commission	N/A	(3)	0
Youth Services Program - State Commission on Children and Youth	N/A	(3)	<u>13,500</u>
Total State Grants			<u>\$ 531,251</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) Van Buren County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information was not available.
- (4) Child Nutrition Cluster total \$442,882; Special Education Cluster total \$216,203.
- (5) Total for CFDA No. 10.555 is \$306,514.

Van Buren County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2017

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or uncorrected. Presented below are financial statement findings along with their current status from the Annual Financial Report for Van Buren County, Tennessee, for the year ended June 30, 2017.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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**OFFICE OF COUNTY MAYOR, CIRCUIT AND GENERAL SESSIONS COURTS CLERK,
REGISTER OF DEEDS, AND SHERIFF**

2016	168	2016-001	Duties were not Segregated Adequately	N/A	Corrected
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Prior-year Federal Awards Findings

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

VAN BUREN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Van Buren County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Numbers: 10.553, 10.555, and 10.559 Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children
 - * CFDA Numbers: 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 2017-001

THE COUNTY'S PURCHASE OF A SOLID WASTE DISPOSAL COMPANY HAD DEFICIENCIES

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

During the year, the county entered into a lease-purchase agreement with an individual to purchase a local solid waste company for \$575,000. The agreement required the county to make four payments for the purchase. Three payments of \$150,000 were made November 2016, January 2017, and March 2017, and the final payment of \$125,000 was made June 2017. The county commission approved these payments from the General Fund to be reimbursed by the Solid Waste/Sanitation Fund. The Solid Waste/Sanitation Fund is scheduled to repay the General Fund \$100,000 per year for five years and \$75,000 in the sixth year. The following deficiencies were noted relating to this transaction and all were the result of a lack of management oversight:

- A. The Solid Waste/Sanitation Fund had a deficit in unassigned fund balance of \$552,040 at June 30, 2017. This deficit resulted from the recognition of the long-term liability of \$575,000 due to the General Fund. Audit adjustments were posted to reflect the liability in the Solid Waste/Sanitation Fund and the receivable in the General Fund on the fund financial statements at June 30, 2017. Funding to liquidate the liability in the Solid Waste/Sanitation Fund is expected to be received from an anticipated increase solid waste disposal fees.
- B. The office did not file a Report on Debt Obligation with the state Comptroller's Office for the lease-purchase agreement. Section 9-21-151, *Tennessee Code Annotated (TCA)*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance.
- C. The purchase made by the General Fund on behalf of the Solid Waste/Sanitation Fund with the expectation of repayment was in effect an interfund loan. This loan was not approved by the state Comptroller's Office as required by Section 9-21-408, *TCA*. Furthermore, the office did not file a Report

on Debt Obligation with the state Comptroller's Office for the interfund loan as required by Section 9-21-151, TCA.

RECOMMENDATION

Officials should ensure all financial activity is recorded in the financial statements, and should liquidate the deficit in unassigned fund balance in the Solid Waste/Sanitation Fund. County officials should file a Report on Debt Obligation with the state Comptroller's Office for all debt issuances. All interfund loans should be approved by the state Comptroller's Office as required by state statute.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding.

FINDING 2017-002

**AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS
WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT**
(Noncompliance Under *Government Auditing Standards*)

The office did not deposit amounts withheld from contractor payments into an escrow account related to a \$11,274,000 construction contract for the administration building and jail. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account with a third-party for contracts of \$500,000 or more. This deficiency is the result of a lack of management oversight and could result in the loss of interest earnings for the contractor.

RECOMMENDATION

Amounts withheld from contractor payments on contracts of \$500,000 or more should be deposited into an escrow account in compliance with state statute.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding.

OFFICE OF SHERIFF

FINDING 2017-003

**INMATE FUNDS TOTALING \$100 WERE MISSING FROM
THE SHERIFF'S DEPARTMENT**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

On December 16, 2016, an employee of the Sheriff's Office discovered that cash totaling \$100 was missing from an inmate's personal property. The inmate was booked into the county jail

on November 1, 2016, and the cash in his possession (\$205) was placed in a property bag along with other personal items. From his \$205, the inmate later deposited \$100 into the jail commissary and released \$5 to a friend, which left a balance of \$100 with his personal property. However, when the inmate was eventually released, the remaining \$100 was missing from the inmate's personal property. The Sheriff's Department conducted an internal investigation; however, no suspect was ever identified. Also, the Sheriff's Department did not have any records on file to support the investigation. Inmate funds are held in two locations at the jail – a closet in the lobby of the jail and in a maintenance building located in front of the jail. Both locations are accessible to numerous employees because they are used for multiple purposes. This deficiency is due to management's failure to properly secure inmate property. The \$100 was reimbursed to the inmate on January 24, 2017, from the county's General Fund.

RECOMMENDATION

Management should continually monitor internal control procedures related to inmates' personal property and ensure that adequate controls are in place to safeguard assets in the custody of the Sheriff's Office. All investigations should be properly documented.

MANAGEMENT'S RESPONSE – SHERIFF

I concur with this finding.

FINDING 2017-004

THE SHERIFF DID NOT REPORT MISSING INMATE FUNDS TO THE COMPTROLLER OF THE TREASURY (Noncompliance Under *Government Auditing Standards*)

The sheriff was made aware of the missing inmate funds noted in Finding 2017-003 on December 16, 2016, and ordered an internal investigation. However, the Comptroller's Office was not informed of this potential unlawful conduct until January 27, 2017. Sections 8-4-501 through 8-4-505, *Tennessee Code Annotated*, require a person elected or appointed to any office of a public entity to notify the Comptroller of the Treasury, within a reasonable amount of time under the particular circumstances, but shall not under any circumstances exceed five working days, of any unlawful conduct including theft, forgery, credit card fraud, or any other act of unlawful taking, waste, or abuse of, or official misconduct, involving public money, property, or services.

RECOMMENDATION

The Office of the Comptroller of the Treasury should be informed of any suspected unlawful taking of public money, property, or services within five days of becoming aware of the unlawful conduct.

MANAGEMENT'S RESPONSE – SHERIFF

I concur with this finding.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2017.

Van Buren County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2017

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
<u>OFFICE OF COUNTY MAYOR</u>		
2017-001	The County's Purchase of a Solid Waste Disposal Company had Deficiencies	176
2017-002	Amounts Withheld from Contractor Payments were not Deposited into an Escrow Account	176-177
<u>OFFICE OF SHERIFF</u>		
2017-003	Inmate Funds Totaling \$100 were Missing from the Sheriff's Department	178
2017-004	The Sheriff did not Report Missing Inmate Funds to the Comptroller of the Treasury	178-179



Greg B. Wilson Van Buren County Mayor
P.O. Box 217
Spencer, TN 38585

Phone (931)-946-2314

e-mail: mayorgwilson@outlook.com

Corrective Action Plan

FINDING: THE COUNTY'S PURCHASE OF A SOLID WASTE DISPOSAL
COMPANY HAD DEFICIENCIES

Response and Corrective Action Plan Prepared by:
Greg Wilson, County Mayor

Person Responsible for Implementing the Corrective Action:
Greg Wilson, Mayor

Anticipated Completion Date of Corrective Action:
January, 2017

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
January Commission meeting the Mayor will ask the commission to forgive the debt. We are now aware that anything over \$500,000.00 has to be approved by the comptrollers office.

FINDING: AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS
WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT

Response and Corrective Action Plan Prepared by:
Greg Wilson, County Mayor

Person Responsible for Implementing the Corrective Action:
Greg Wilson, Mayor

Anticipated Completion Date of Corrective Action:
December, 2017

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
County Commission approved in the November meeting to open an account for the retainage money to be deposited into.

Signature:





Van Buren County Sheriff's Department

Eddie Carter, Sheriff
931-946-2118

Corrective Action Plan

FINDING: INMATE FUNDS TOTALING \$100 WERE MISSING FROM THE SHERIFF'S DEPARTMENT

Response and Corrective Action Plan Prepared by:
Eddie Carter, Sheriff

Person Responsible for Implementing the Corrective Action:
Jail Administrator

Anticipated Completion Date of Corrective Action:
Effective Immediately

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
Upon booking any person with \$50.00 or more will have their money placed on commissary. All other valuables will be secured in a bag with a tamper seal and stored for their stay. No person will be allowed to break the seal until the person is released.

FINDING: THE SHERIFF DID NOT REPORT INMATE FUNDS TO THE COMPTROLLER OF THE TREASURY

Response and Corrective Action Plan Prepared by:
Eddie Carter, Sheriff

Person Responsible for Implementing the Corrective Action:
Jarrod Campbell Jail Administrator

Anticipated Completion Date of Corrective Action:
Effective Immediately

17 Veteran's Square • P. O. Box 87
Spencer, Tennessee 38585



Van Buren County Sheriff's Department

Eddie Carter, Sheriff
931-946-2118

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
The Sheriff Dept. did complete the online submission form later.

Signature:

Eddie D. Carter

17 Veteran's Square • P. O. Box 87
Spencer, Tennessee 38585

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.