

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

**FOR THE YEAR ENDED JUNE 30, 2018**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT**  
**VAN BUREN COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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

*DIVISION OF LOCAL GOVERNMENT AUDIT*  
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*Director*

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*JENI PALADENI, CISA*  
*State Auditors*

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

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# ***Summary of Audit Findings***

Annual Financial Report  
Van Buren County, Tennessee  
For the Year Ended June 30, 2018

## ***Scope***

We have audited the basic financial statements of Van Buren County as of and for the year ended June 30, 2018.

## ***Results***

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

Our audit resulted in seven 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 General Debt Service Fund required material audit adjustments for proper financial statement presentation.
- ◆ The office failed to make scheduled principal and interest payments on capital outlay notes.
- ◆ The office had deficiencies in budget operations.
- ◆ The Solid Waste/Sanitation Fund had a deficit in unassigned fund balance.
- ◆ Interfund loans were not issued and repaid properly.
- ◆ Expenditures for the purchase of an ambulance were misclassified.
- ◆ Amounts withheld from contractor payments were not deposited into an escrow account.

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# INTRODUCTORY SECTION

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# Van Buren County Officials

## June 30, 2018

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### **Officials**

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

### **Board of County Commissioners**

Joey Grissom, Chairman  
Lesa Bouldin  
David Chandler  
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



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## FINANCIAL SECTION

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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, 2018, 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, 2018, and the respective changes in financial position and the respective budgetary comparison for the General, Solid Waste/Sanitation, and Highway Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As described in Note V.B., Van Buren County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

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

We draw attention to Note I.D.8. to the financial statements, which describes a restatement increasing the beginning Governmental Activities net position of the discretely presented Van Buren County School Department by \$211,999 on the Government-wide Statement of Activities. This restatement was necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

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

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

Accounting principles generally accepted in the United States of America require that the 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 82-89 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 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 the other information such as the introductory section and management's corrective action plan are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

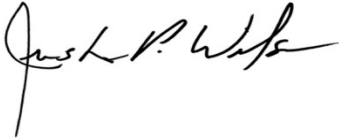
governmental funds, combining and individual fund financial statements of the Van Buren County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 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,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 30, 2018

JPW/kp

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Van Buren County, Tennessee  
Statement of Net Position  
June 30, 2018

	<u>Primary Governmental Activities</u>	<u>Component Unit Van Buren County School Department</u>
<u>ASSETS</u>		
Cash	\$ 3,088	\$ 0
Equity in Pooled Cash and Investments	5,091,071	3,311,206
Accounts Receivable	341,002	2,062
Allowance for Uncollectibles	(273,509)	0
Due from Other Governments	349,077	335,406
Due from Component Units	1,594,000	0
Property Taxes Receivable	2,190,128	868,999
Allowance for Uncollectible Property Taxes	(117,590)	(46,409)
Net Pension Asset - Teacher Retirement Plan	0	10,312
Net Pension Asset - Teacher Legacy Plan	0	31,930
Capital Assets:		
Assets Not Depreciated:		
Land	615,731	296,847
Construction in Progress	11,068,620	155,500
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	1,080,058	4,920,949
Other Capital Assets	713,768	717,549
Infrastructure	3,010,152	1,446
Total Assets	<u>\$ 25,665,596</u>	<u>\$ 10,605,797</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 156,977	\$ 117,384
Pension Changes in Investment Earnings	0	4,847
Pension Changes in Assumptions	0	339,177
Pension Other Deferrals	108,903	50,753
Pension Changes in Contributions after Measurement Date	217,139	468,412
OPEB Changes in Contributions after Measurement Date	0	74,894
Total Deferred Outflows of Resources	<u>\$ 483,019</u>	<u>\$ 1,055,467</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 498,514	\$ 13,615
Payroll Deductions Payable	19,993	0
Contracts Payable	0	155,500
Retainage Payable	308,912	0
Accrued Interest Payable	115,605	0
Due to Primary Government	0	1,594,000
Due to State of Tennessee	2,006	6,798
Due to Litigants, Heirs, and Others	12,400	0
Capital Outlay Notes Payable	108,360	0
Noncurrent Liabilities:		
Due Within One Year	633,113	1,792
Due in More Than One Year	8,613,679	1,420,445
Total Liabilities	<u>\$ 10,312,582</u>	<u>\$ 3,192,150</u>

(Continued)

Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Unit Van Buren County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Revenue - Current Property Taxes	\$ 1,973,545	\$ 786,896
Pension Changes in Experience	75,371	706,953
Pension Changes in Investment Earnings	2,512	2,119
Pension Other Deferrals	0	9,117
OPEB Changes in Assumptions	0	51,093
Total Deferred Inflows of Resources	<u>\$ 2,051,428</u>	<u>\$ 1,556,178</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 9,272,362	\$ 6,092,291
Restricted for:		
General Government	70,682	0
Administration of Justice	44,872	0
Public Safety	51,597	0
Public Health and Welfare	263	0
Highway/Public Works	2,719,466	0
Education	0	186,591
Debt Service	344,754	0
Capital Projects	412,381	0
Pensions	575,000	42,242
Unrestricted	<u>293,228</u>	<u>591,812</u>
Total Net Position	<u>\$ 13,784,605</u>	<u>\$ 6,912,936</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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Governmental Total Governmental Activities	Van Buren County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 2,059,505	\$ 50,713	\$ 15,164	\$ 11,225	\$ (1,982,403)	\$ 0
Finance	357,347	155,646	0	0	(201,701)	0
Administration of Justice	262,980	199,830	4,500	0	(58,650)	0
Public Safety	1,264,536	112,371	9,995	23,247	(1,118,923)	0
Public Health and Welfare	943,189	511,876	0	0	(431,313)	0
Social, Cultural, and Recreational Services	84,125	335	11,789	36,000	(36,001)	0
Agriculture and Natural Resources	90,357	0	61,423	0	(28,934)	0
Highways/Public Works	2,289,288	0	1,772,345	811,778	294,835	0
Interest on Long-term Debt	233,369	0	0	41,870	(191,499)	0
Total Governmental Activities	<u>\$ 7,584,696</u>	<u>\$ 1,030,771</u>	<u>\$ 1,875,216</u>	<u>\$ 924,120</u>	<u>\$ (3,754,589)</u>	<u>\$ 0</u>
Total Primary Government	<u>\$ 7,584,696</u>	<u>\$ 1,030,771</u>	<u>\$ 1,875,216</u>	<u>\$ 924,120</u>	<u>\$ (3,754,589)</u>	<u>\$ 0</u>
Component Unit:						
Van Buren County School Department	<u>\$ 8,114,748</u>	<u>\$ 83,740</u>	<u>\$ 1,113,899</u>	<u>\$ 45,000</u>	<u>\$ 0</u>	<u>\$ (6,872,109)</u>
Total Component Unit	<u>\$ 8,114,748</u>	<u>\$ 83,740</u>	<u>\$ 1,113,899</u>	<u>\$ 45,000</u>	<u>\$ 0</u>	<u>\$ (6,872,109)</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					\$ 1,942,956	\$ 757,044
Property Taxes Levied for Debt Service					67,529	0
Local Option Sales Taxes					93,661	452,759
Hotel/Motel Tax					120,261	120,262
Litigation Taxes					52,714	0
Business Tax					19,464	0
Wholesale Beer Tax					25,436	0
Other Local Taxes					12,257	2,371
Grants and Contributions Not Restricted to Specific Programs					448,094	5,537,529
Unrestricted Investment Earnings					24,828	473
Miscellaneous					53,725	18,598
Sale of Land/Equipment					414,040	0
Total General Revenues					<u>\$ 3,274,965</u>	<u>\$ 6,889,036</u>
Insurance Recovery					<u>\$ 43,618</u>	<u>\$ 0</u>
Change in Net Position					\$ (436,006)	\$ 16,927
Net Position, July 1, 2017					14,220,611	6,684,010
Restatement - See Note I.D.8.					<u>0</u>	<u>211,999</u>
Net Position, June 30, 2018					<u>\$ 13,784,605</u>	<u>\$ 6,912,936</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, 2018

	Major Funds				Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	3,088	\$ 3,088
Equity in Pooled Cash and Investments	848,561	5,522	2,440,912	1,152,784	643,292	5,091,071
Accounts Receivable	4,069	15,130	0	0	321,803	341,002
Allowance for Uncollectibles	0	0	0	0	(273,509)	(273,509)
Due from Other Governments	70,524	0	278,553	0	0	349,077
Notes Receivable - Internal Financing	575,000	0	0	0	0	575,000
Due from Other Funds	10,670	0	0	0	125,000	135,670
Property Taxes Receivable	1,665,924	0	0	0	524,204	2,190,128
Allowance for Uncollectible Property Taxes	(88,599)	0	0	0	(28,991)	(117,590)
<b>Total Assets</b>	<b>\$ 3,086,149</b>	<b>\$ 20,652</b>	<b>\$ 2,719,465</b>	<b>\$ 1,152,784</b>	<b>\$ 1,314,887</b>	<b>\$ 8,293,937</b>
<u>LIABILITIES</u>						
Accounts Payable	\$ 40,242	\$ 19,499	\$ 0	\$ 434,138	\$ 4,635	\$ 498,514
Payroll Deductions Payable	14,433	832	0	0	4,728	19,993
Retainage Payable	0	0	0	308,912	0	308,912
Notes Payable - Internal Financing	0	575,000	0	0	0	575,000
Due to Other Funds	125,000	8,248	0	0	2,422	135,670
Due to State of Tennessee	1,003	788	0	0	215	2,006
Due to Litigants, Heirs, and Others	0	0	0	0	12,400	12,400
Accrued Interest Payable	0	0	0	0	87,712	87,712
Capital Outlay Notes Payable	0	0	0	0	108,360	108,360
<b>Total Liabilities</b>	<b>\$ 180,678</b>	<b>\$ 604,367</b>	<b>\$ 0</b>	<b>\$ 743,050</b>	<b>\$ 220,472</b>	<b>\$ 1,748,567</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 1,502,256	\$ 0	\$ 0	\$ 0	\$ 471,289	\$ 1,973,545

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Deferred Delinquent Property Taxes	\$ 54,542	\$ 0	\$ 0	\$ 0	\$ 17,564	\$ 72,106
Other Deferred/Unavailable Revenue	13,371	0	139,276	0	24,010	176,657
Total Deferred Inflows of Resources	\$ 1,570,169	\$ 0	\$ 139,276	\$ 0	\$ 512,863	\$ 2,222,308
<u>FUND BALANCES</u>						
Nonspendable:						
Long-term Notes Receivable	\$ 575,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 575,000
Restricted:						
Restricted for General Government	41,108	0	0	0	29,574	70,682
Restricted for Administration of Justice	44,872	0	0	0	0	44,872
Restricted for Public Safety	0	0	0	0	45,873	45,873
Restricted for Public Health and Welfare	263	0	0	0	0	263
Restricted for Highways/Public Works	0	0	2,580,189	0	0	2,580,189
Restricted for Capital Outlay	4,841	0	0	0	0	4,841
Restricted for Debt Service	0	0	0	0	372,647	372,647
Restricted for Capital Projects	0	0	0	407,540	0	407,540
Committed:						
Committed for Public Health and Welfare	0	0	0	0	133,458	133,458
Committed for Capital Projects	0	0	0	2,194	0	2,194
Unassigned	669,218	(583,715)	0	0	0	85,503
Total Fund Balances	\$ 1,335,302	\$ (583,715)	\$ 2,580,189	\$ 409,734	\$ 581,552	\$ 4,323,062
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,086,149	\$ 20,652	\$ 2,719,465	\$ 1,152,784	\$ 1,314,887	\$ 8,293,937

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, 2018

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)		\$ 4,323,062
(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	11,068,620	
Add: buildings and improvements net of accumulated depreciation	1,080,058	
Add: other capital assets net of accumulated depreciation	713,768	
Add: infrastructure net of accumulated depreciation	<u>3,010,152</u>	16,488,329
(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	\$ (1,594,000)	
Less: notes payable	(7,215,967)	
Add: debt to be contributed by the School Department	1,594,000	
Less: accrued interest on bonds	(27,893)	
Less: accrued interest on notes	(87,712)	
Add: accrued interest recognized at in governmental funds	87,712	
Less: landfill postclosure care costs	(137,775)	
Less: net pension liability - agent plan	(162,107)	
Less: compensated absences payable	<u>(136,943)</u>	(7,680,685)
(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	\$ 483,019	
Less: deferred inflows of resources related to pensions	<u>(77,883)</u>	405,136
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>248,763</u>
Net position of governmental activities (Exhibit A)		<u>\$ 13,784,605</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, 2018

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 1,710,096	\$ 733	\$ 3,237	\$ 0	\$ 699,977	\$ 2,414,043
Licenses and Permits	19,745	0	0	0	0	19,745
Fines, Forfeitures, and Penalties	42,955	0	0	0	18,889	61,844
Charges for Current Services	24,427	261,703	0	0	269,133	555,263
Other Local Revenues	479,988	31,501	10,498	2,194	940	525,121
Fees Received From County Officials	326,313	0	0	0	0	326,313
State of Tennessee	527,658	12,375	2,521,522	0	20,034	3,081,589
Federal Government	73,212	0	0	0	0	73,212
Other Governments and Citizens Groups	32,482	0	0	0	116,860	149,342
<b>Total Revenues</b>	<b>\$ 3,236,876</b>	<b>\$ 306,312</b>	<b>\$ 2,535,257</b>	<b>\$ 2,194</b>	<b>\$ 1,125,833</b>	<b>\$ 7,206,472</b>
<u>Expenditures</u>						
Current:						
General Government	\$ 1,074,415	\$ 0	\$ 0	\$ 0	\$ 19,563	\$ 1,093,978
Finance	365,999	0	0	0	0	365,999
Administration of Justice	268,176	0	0	0	0	268,176
Public Safety	1,095,513	0	0	0	152,566	1,248,079
Public Health and Welfare	38,335	357,200	0	0	627,482	1,023,017
Social, Cultural, and Recreational Services	85,865	0	0	0	0	85,865
Agriculture and Natural Resources	93,302	0	0	0	0	93,302
Other Operations	282,181	0	0	0	3,453	285,634
Highways	40,850	0	2,119,155	0	0	2,160,005
Debt Service:						
Principal on Debt	0	0	0	0	357,033	357,033
Interest on Debt	0	0	0	0	398,940	398,940
Other Debt Service	0	0	0	0	4,244	4,244

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Capital Projects	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 5,440,262	\$ 0	\$ 5,440,262
Total Expenditures	\$ 3,344,636	\$ 357,200	\$ 2,119,155	\$ 5,440,262	\$ 1,563,281	\$ 12,824,534
Excess (Deficiency) of Revenues Over Expenditures	\$ (107,760)	\$ (50,888)	\$ 416,102	\$ (5,438,068)	\$ (437,448)	\$ (5,618,062)
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 5,500,000	\$ 0	\$ 5,500,000
Insurance Recovery	43,618	0	0	0	0	43,618
Transfers In	72,000	19,213	0	0	6,753	97,966
Transfers Out	(25,966)	0	0	0	(72,000)	(97,966)
Total Other Financing Sources (Uses)	\$ 89,652	\$ 19,213	\$ 0	\$ 5,500,000	\$ (65,247)	\$ 5,543,618
Net Change in Fund Balances	\$ (18,108)	\$ (31,675)	\$ 416,102	\$ 61,932	\$ (502,695)	\$ (74,444)
Fund Balance, July 1, 2017	1,353,410	(552,040)	2,164,087	347,802	1,084,247	4,397,506
Fund Balance, June 30, 2018	\$ 1,335,302	\$ (583,715)	\$ 2,580,189	\$ 409,734	\$ 581,552	\$ 4,323,062

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, 2018

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)		\$ (74,444)
<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	\$ 5,064,500	
Less: current-year depreciation expense	<u>(367,562)</u>	4,696,938
<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, 2017	\$ (277,163)	
Add: deferred delinquent property taxes and other deferred June 30, 2018	<u>248,763</u>	(28,400)
<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	\$ 73,000	
Add: principal payments on notes	284,033	
Less: note proceeds	(5,500,000)	
Less: contributions from the School Department for bonds	<u>(73,000)</u>	(5,215,967)
<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	\$ (16,928)	
Change in compensated absences payable	(8,073)	
Change in landfill postclosure care costs	103,891	
Change in net pension liability/asset	219,189	
Change in deferred outflows related to pensions	(83,474)	
Change in deferred inflows related to pensions	<u>(28,738)</u>	185,867
Change in net position of governmental activities (Exhibit B)		<u><u>\$ (436,006)</u></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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,710,096	\$ 1,975,641	\$ 1,975,641	\$ (265,545)
Licenses and Permits	19,745	22,250	22,250	(2,505)
Fines, Forfeitures, and Penalties	42,955	59,475	59,475	(16,520)
Charges for Current Services	24,427	29,500	29,500	(5,073)
Other Local Revenues	479,988	340,200	340,200	139,788
Fees Received From County Officials	326,313	385,700	385,700	(59,387)
State of Tennessee	527,658	1,052,931	1,045,696	(518,038)
Federal Government	73,212	46,000	46,000	27,212
Other Governments and Citizens Groups	32,482	22,000	29,235	3,247
<b>Total Revenues</b>	<b>\$ 3,236,876</b>	<b>\$ 3,933,697</b>	<b>\$ 3,933,697</b>	<b>\$ (696,821)</b>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 312,620	\$ 411,550	\$ 320,915	\$ 8,295
Board of Equalization	1,100	1,000	1,000	(100)
Beer Board	0	300	300	300
County Mayor/Executive	165,527	166,716	165,716	189
County Attorney	6,600	8,000	8,000	1,400
Election Commission	105,550	137,886	137,886	32,336
Register of Deeds	167,938	86,140	176,940	9,002
Planning	2,113	4,000	4,000	1,887
County Buildings	312,967	258,990	316,029	3,062
<u>Finance</u>				
Property Assessor's Office	112,831	119,062	119,062	6,231
County Trustee's Office	116,909	115,965	116,980	71
County Clerk's Office	136,259	117,285	140,985	4,726
<u>Administration of Justice</u>				
Circuit Court	119,207	123,974	126,394	7,187
General Sessions Court	38,385	41,750	41,750	3,365
Chancery Court	93,309	94,096	94,906	1,597
Juvenile Court	10,000	10,000	10,000	0
Judicial Commissioners	7,275	7,350	7,350	75
<u>Public Safety</u>				
Sheriff's Department	516,318	603,799	645,405	129,087
Jail	487,740	513,438	519,138	31,398
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	11,015	7,000	13,500	2,485
Other Public Safety	77,440	62,040	77,440	0
<u>Public Health and Welfare</u>				
Local Health Center	18,925	44,390	44,390	25,465
Appropriation to State	19,410	24,510	24,510	5,100
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	25,578	24,540	26,458	880
Senior Citizens Assistance	20,470	22,150	22,150	1,680
Libraries	30,186	34,945	34,945	4,759
Parks and Fair Boards	1,000	2,200	2,200	1,200
Other Social, Cultural, and Recreational	8,631	9,700	9,700	1,069

(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	\$ 42,741	\$ 42,741	\$ 42,741	\$ 0
Soil Conservation	50,561	51,032	51,032	471
<u>Other Operations</u>				
Veterans' Services	10,000	10,615	10,615	615
Other Charges	196,781	155,900	210,115	13,334
Employee Benefits	43,497	43,500	43,500	3
Miscellaneous	31,903	71,000	61,034	29,131
<u>Highways</u>				
Litter and Trash Collection	40,850	45,177	45,177	4,327
Total Expenditures	<u>\$ 3,344,636</u>	<u>\$ 3,475,741</u>	<u>\$ 3,675,263</u>	<u>\$ 330,627</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (107,760)	\$ 457,956	\$ 258,434	\$ (366,194)
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 43,618	\$ 7,385	\$ 7,385	\$ 36,233
Transfers In	72,000	52,000	72,000	0
Transfers Out	(25,966)	0	(25,966)	0
Total Other Financing Sources	<u>\$ 89,652</u>	<u>\$ 59,385</u>	<u>\$ 53,419</u>	<u>\$ 36,233</u>
Net Change in Fund Balance	\$ (18,108)	\$ 517,341	\$ 311,853	\$ (329,961)
Fund Balance, July 1, 2017	<u>1,353,410</u>	<u>985,000</u>	<u>985,000</u>	<u>368,410</u>
Fund Balance, June 30, 2018	<u>\$ 1,335,302</u>	<u>\$ 1,502,341</u>	<u>\$ 1,296,853</u>	<u>\$ 38,449</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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 733	\$ 5,800	\$ 5,800	\$ (5,067)
Charges for Current Services	261,703	227,150	227,150	34,553
Other Local Revenues	31,501	45,035	45,035	(13,534)
State of Tennessee	12,375	150,000	150,000	(137,625)
Total Revenues	\$ 306,312	\$ 427,985	\$ 427,985	\$ (121,673)
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 89,628	\$ 76,550	\$ 111,303	\$ 21,675
Convenience Centers	266,572	243,500	274,492	7,920
Landfill Operation and Maintenance	1,000	33,000	5,000	4,000
Total Expenditures	\$ 357,200	\$ 353,050	\$ 390,795	\$ 33,595
Excess (Deficiency) of Revenues Over Expenditures	\$ (50,888)	\$ 74,935	\$ 37,190	\$ (88,078)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 19,213	\$ 0	\$ 19,213	\$ 0
Total Other Financing Sources	\$ 19,213	\$ 0	\$ 19,213	\$ 0
Net Change in Fund Balance	\$ (31,675)	\$ 74,935	\$ 56,403	\$ (88,078)
Fund Balance, July 1, 2017	(552,040)	12,220	12,220	(564,260)
Fund Balance, June 30, 2018	\$ (583,715)	\$ 87,155	\$ 68,623	\$ (652,338)

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

Exhibit C-7

Van Buren County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,237	\$ 2,000	\$ 2,000	\$ 1,237
Other Local Revenues	10,498	0	0	10,498
State of Tennessee	2,521,522	1,691,024	2,498,339	23,183
Total Revenues	<u>\$ 2,535,257</u>	<u>\$ 1,693,024</u>	<u>\$ 2,500,339</u>	<u>\$ 34,918</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 154,341	\$ 179,775	\$ 179,775	\$ 25,434
Highway and Bridge Maintenance	672,986	943,695	943,695	270,709
Operation and Maintenance of Equipment	224,494	324,300	324,300	99,806
Quarry Operations	10,335	11,300	11,300	965
Other Charges	103,308	134,000	134,000	30,692
Employee Benefits	83,238	135,790	135,790	52,552
Capital Outlay	870,453	159,800	967,115	96,662
Total Expenditures	<u>\$ 2,119,155</u>	<u>\$ 1,888,660</u>	<u>\$ 2,695,975</u>	<u>\$ 576,820</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 416,102</u>	<u>\$ (195,636)</u>	<u>\$ (195,636)</u>	<u>\$ 611,738</u>
Net Change in Fund Balance	\$ 416,102	\$ (195,636)	\$ (195,636)	\$ 611,738
Fund Balance, July 1, 2017	<u>2,164,087</u>	<u>1,984,764</u>	<u>1,984,764</u>	<u>179,323</u>
Fund Balance, June 30, 2018	<u><u>\$ 2,580,189</u></u>	<u><u>\$ 1,789,128</u></u>	<u><u>\$ 1,789,128</u></u>	<u><u>\$ 791,061</u></u>

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

Exhibit D

Van Buren County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2018

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 504,859
Due from Other Governments	<u>23,875</u>
Total Assets	<u>\$ 528,734</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 23,875
Due to Litigants, Heirs, and Others	<u>504,859</u>
Total Liabilities	<u>\$ 528,734</u>

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

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

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**VAN BUREN COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**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 did 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. Prior to July 1, 2014, 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, 2018.

**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, 2018.

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.

**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 2.92 percent of total taxes levied.

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable

that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

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

Retainage payable in the 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, changes in assumptions, changes in proportionate share of contributions, employer contributions made to the pension plan after the measurement date, and OPEB changes in assumptions.

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 investment earnings, changes in proportionate share of contributions, OPEB changes in assumptions, 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 are amortized over the life of the new

debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources 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, 2018, Van Buren County had \$1,594,000 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.

**8. Restatement**

In prior years, the government was required to recognize a liability for its other postemployment benefits plans under Governmental Accounting Standards Board (GASB) Statement No. 45. As of July 1, 2017, Van Buren County has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. A restatement increasing the beginning net position of the Governmental Activities of the Discretely Presented Van Buren County School Department totaling \$211,999 has been recognized to account for the transitional requirements.

**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 \$583,715 at June 30, 2018. This negative unassigned fund balance resulted primarily from the recognition of a \$583,248 liability due to the General Fund for interfund loans of \$575,000 and grant proceeds posted to the wrong fund of \$8,248. The County Commission forgave the repayment of \$25,000 of the loans owed to the General Fund on August 21, 2018. The remaining negative unassigned fund balance is expected to be liquidated from an additional solid waste tax to be collected by the local electric utilities on their monthly billings.

**C. Expenditures Exceeded Appropriations**

Expenditures exceeded total appropriations in the General Debt Service Fund by \$194,899. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

**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, 2018.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2018, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-17	Increases	Balance 6-30-18
Capital Assets Not Depreciated:			
Land	\$ 615,731	\$ 0	\$ 615,731
Construction in Progress	6,382,504	4,686,116	11,068,620
Total Capital Assets Not Depreciated	<u>\$ 6,998,235</u>	<u>\$ 4,686,116</u>	<u>\$ 11,684,351</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 3,088,175	\$ 118,000	\$ 3,206,175
Roads and Bridges	7,009,910	0	7,009,910
Other Capital Assets	3,075,806	260,384	3,336,190
Total Capital Assets Depreciated	<u>\$ 13,173,891</u>	<u>\$ 378,384</u>	<u>\$ 13,552,275</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 2,056,210	\$ 69,906	\$ 2,126,116
Roads and Bridges	3,830,681	169,078	3,999,759
Other Capital Assets	2,493,844	128,578	2,622,422
Total Accumulated Depreciation	<u>\$ 8,380,735</u>	<u>\$ 367,562</u>	<u>\$ 8,748,297</u>
Total Capital Assets Depreciated, Net	<u>\$ 4,793,156</u>	<u>\$ 10,822</u>	<u>\$ 4,803,978</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,791,391</u>	<u>\$ 4,696,938</u>	<u>\$ 16,488,329</u>

There were no decreases in capital assets to report for the year ended June 30, 2018.

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

**Governmental Activities:**

General Government	\$ 54,466
Public Safety	36,757
Public Health and Welfare	60,559
Highways/Public Works	<u>215,780</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 367,562</u></u>

**Discretely Presented Van Buren County School Department****Governmental Activities:**

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 296,847	\$ 0	\$ 0	\$ 296,847
Construction in Progress	0	155,500	0	155,500
Total Capital Assets Not Depreciated	<u>\$ 296,847</u>	<u>\$ 155,500</u>	<u>\$ 0</u>	<u>\$ 452,347</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 9,479,018	\$ 77,143	\$ 0	\$ 9,556,161
Infrastructure	22,760	0	0	22,760
Other Capital Assets	1,185,282	100,596	(57,000)	1,228,878
Total Capital Assets Depreciated	<u>\$ 10,687,060</u>	<u>\$ 177,739</u>	<u>\$ (57,000)</u>	<u>\$ 10,807,799</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 4,398,405	\$ 236,807	\$ 0	\$ 4,635,212
Infrastructure	20,187	1,127	0	21,314
Other Capital Assets	494,064	73,695	(56,430)	511,329
Total Accumulated Depreciation	<u>\$ 4,912,656</u>	<u>\$ 311,629</u>	<u>\$ (56,430)</u>	<u>\$ 5,167,855</u>
Total Capital Assets Depreciated, Net	<u>\$ 5,774,404</u>	<u>\$ (133,890)</u>	<u>\$ (570)</u>	<u>\$ 5,639,944</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 6,071,251</u></u>	<u><u>\$ 21,610</u></u>	<u><u>\$ (570)</u></u>	<u><u>\$ 6,092,291</u></u>

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

**Governmental Activities:**

Instruction	\$ 232,271
Support Services	<u>79,358</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 311,629</u>

**C. Construction Commitments**

At June 30, 2018, the county had uncompleted construction contracts of approximately \$41,098 for the construction of an administration building and jail. Funding has been received for these future expenditures.

At June 30, 2018, the discretely presented School Department had uncompleted construction contracts of approximately \$155,500 for the construction of new dugouts at the baseball field. The funding for these future expenditures will be paid from the General Purpose School Fund's fund balance.

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

The composition of interfund balances as of June 30, 2018, was as follows:

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Solid Waste/Sanitation	\$ 8,248
"	Nonmajor governmental	2,422
Nonmajor governmental	General	125,000
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	25,813
Nonmajor governmental	General Purpose School	255

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:**

Receivable Fund	Payable Fund	Amount
	Component Unit:	
Primary Government	School Department	\$ 1,594,000

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, 2018, consisted of the following amount:

**Primary Government**

Transfers Out	Transfers In			Purpose
	General Fund	Solid Waste/ Sanitation Fund	Nonmajor governmental funds	
General Fund	\$ 0	\$ 0	\$ 6,753	Employee bonuses
"	0	3,213	0	"
"	0	16,000	0	Operations
Nonmajor governmental funds	52,000	0	0	Salaries
"	20,000	0	0	Capital outlay
<b>Total</b>	<b>\$ 72,000</b>	<b>\$ 19,213</b>	<b>\$ 6,753</b>	

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

**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, 2018, will be retired from the General Debt Service Fund.

The general obligation bonds and capital outlay notes outstanding as of June 30, 2018, for governmental activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-18</u>
General Obligation Bonds - Refunding	2.69 %	10-1-34	\$ 1,804,445	\$ 1,594,000
Capital Outlay Notes	3.85	3-27-30	7,500,000	7,215,967

The annual requirements to amortize the general obligation bonds and capital outlay notes outstanding as of June 30, 2018, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2024-2028	454,000	131,273	585,273
2029-2033	517,000	66,026	583,026
2034-2036	227,000	6,147	233,147
Total	<u>\$ 1,594,000</u>	<u>\$ 391,799</u>	<u>\$ 1,985,799</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2019	\$ 513,808	\$ 270,468	\$ 784,276
2020	533,191	251,082	784,273
2021	554,702	229,573	784,275
2022	576,367	207,905	784,272
2023	598,880	185,393	784,273
2024-2028	3,363,438	557,929	3,921,367
2029-2030	1,075,581	36,352	1,111,933
Total	<u>\$ 7,215,967</u>	<u>\$ 1,738,702</u>	<u>\$ 8,954,669</u>

There is \$372,647 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$287, based on the 2010 federal census. Debt per capita, including the bonds and notes totaled \$1,588, 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 6-30-18
<u>Bond Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
School Refunding Bond, Series 2014	\$ 1,594,000
Total	<u>\$ 1,594,000</u>

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2018, was as follows:

	Bonds	Notes	Compensated Absences
Balance, July 1, 2017	\$ 1,667,000	\$ 2,000,000	\$ 128,870
Additions	0	5,500,000	107,545
Reductions	(73,000)	(284,033)	(99,472)
Balance, June 30, 2018	<u>\$ 1,594,000</u>	<u>\$ 7,215,967</u>	<u>\$ 136,943</u>
Balance Due Within One Year	<u>\$ 75,000</u>	<u>\$ 513,808</u>	<u>\$ 27,388</u>

	Landfill Postclosure Care Costs	Net Pension Liability - Agent Plan
Balance, July 1, 2017	\$ 241,666	\$ 381,298
Additions	4,332	111,668
Reductions	(108,223)	(330,859)
Balance, June 30, 2018	<u>\$ 137,775</u>	<u>\$ 162,107</u>
Balance Due Within One Year	<u>\$ 16,917</u>	<u>\$ 0</u>

Reductions to long-term notes include \$108,360 for note principal, which was due during the year but was not paid until after June 30, 2018. That delinquent principal requirement is reflected as a current liability of the General Debt Service Fund at June 30, 2018.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 9,246,792
Less: Balance Due Within One Year	<u>(633,113)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 8,613,679</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, 2018, was as follows:

	Compensated Absences	Other Postemployment Benefits*
Balance, July 1, 2017	\$ 13,222	\$ 1,327,429
Additions	5,097	96,913
Reductions	0	(121,394)
Balance, June 30, 2018	<u>\$ 18,319</u>	<u>\$ 1,302,948</u>
Balance Due Within One Year	<u>\$ 1,792</u>	<u>\$ 0</u>

	Net Pension Liability - Agent Plan
Balance, July 1, 2017	\$ 221,640
Additions	79,320
Reductions	(199,990)
Balance, June 30, 2018	<u>\$ 100,970</u>
Balance Due Within One Year	<u>\$ 0</u>

\* Restated Beginning Balance – See Note I.D.8.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 1,422,237
Less: Balance Due Within One Year	<u>(1,792)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,420,445</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 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, 2018, 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
			Issued	
	Outstanding		During	Outstanding
	6-30-17		Period	6-30-18
General Fund:				
Purchase of Solid Waste Business	\$ 450,000	\$ 0	\$ 450,000	
"	125,000	0	125,000	
Total	\$ 575,000	\$ 0	\$ 575,000	

These loans were not approved by the state Comptroller’s Office as required by state statute. Furthermore, the Solid Waste/Sanitation Fund did not make the payment of \$100,000 to the General Fund that was scheduled during the year. 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 (LGWCF), which are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The county pays annual premiums to these pools for their general liability, property, casualty, and workers’ compensation insurance coverage. The creation of these pools provides for them to be self-sustaining through member premiums. The LGPCF and LGWCF reinsure through commercial insurance companies for claims exceeding \$100,000 for each insured event.

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

Van Buren County 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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; Statement No. 81, *Irrevocable Split-Interest Agreements*; Statement No. 85, *Omnibus 2017*; and Statement No. 86, *Certain Debt Extinguishment Issues* became effective for the year ended June 30, 2018.

GASB Statement No. 75, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 45 and No. 57. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB Statement No. 81, establishes accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary.

GASB Statement No. 85, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending



component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

GASB Statement No. 86, establishes guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also provides guidance for accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

**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 \$137,775 reported as postclosure care liability at June 30, 2018, represents amounts based on what it would cost to perform all postclosure care in 2018. 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 comprise 61.62 percent, the non-certified employees of the discretely presented School Department comprise 38.38 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](http://www.treasury.tn.gov/tcrs).

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

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

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

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2017, 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	126
Active Employees	131
Total	322

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Van Buren County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2018, the employer contribution for Van Buren County was \$341,192 based on a rate of 9.68 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, 2017, 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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income Real Estate	5.79	20
	2.01	20
	4.32	10
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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 (Asset) (a)-(b)
Balance, July 1, 2016	\$ 8,119,281	\$ 7,516,344	\$ 602,937
Changes for the Year:			
Service Cost	\$ 253,260	\$ 0	\$ 253,260
Interest	613,673	0	613,673
Differences Between Expected and Actual Experience	(84,612)	0	(84,612)
Changes in Assumptions	212,081	0	212,081
Contributions-Employer	0	316,801	(316,801)
Contributions-Employees	0	171,061	(171,061)
Net Investment Income	0	857,310	(857,310)
Benefit Payments, Including Refunds of Employee Contributions	(380,471)	(380,471)	0
Administrative Expense	0	(11,296)	11,296
Other Changes	0	385	(385)
Net Changes	<u>\$ 613,931</u>	<u>\$ 953,790</u>	<u>\$ (339,859)</u>
Balance, June 30, 2017	<u>\$ 8,733,212</u>	<u>\$ 8,470,134</u>	<u>\$ 263,078</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	61.62%	\$ 5,381,405	\$ 5,219,298	\$ 162,108
School Department	38.38%	<u>3,351,807</u>	<u>3,250,836</u>	<u>100,970</u>
Total		<u>\$ 8,733,212</u>	<u>\$ 8,470,134</u>	<u>\$ 263,078</u>

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Van Buren County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point

lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Van Buren County	6.25%	7.25%	8.25%
Net Pension Liability	\$ 1,459,372	\$ 263,078	\$ (725,117)

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

*Pension Expense or Negative Pension Expense.* For the year ended June 30, 2018, Van Buren County recognized pension expense of \$181,220.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, 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	\$ 254,750	\$ 122,316
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	4,076
Changes in Assumptions	176,734	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	341,192	N/A
Total	\$ 772,676	\$ 126,392

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2017,” 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	\$ 483,019	\$ 77,883
School Department	289,657	48,509
Total	<u>\$ 772,676</u>	<u>\$ 126,392</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
2019	\$ 41,781
2020	150,942
2021	114,456
2022	(23,328)
2023	21,245
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 61.62 percent and the non-certified employees of the discretely presented School Department comprise 38.38 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](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire 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, 2018, to the Teacher Retirement Plan were \$13,716, 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, 2018, the School Department reported a liability (asset) of (\$10,312) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2017, the School Department's proportion was .039088 percent. The proportion as of June 30, 2016, was .064316 percent.

*Pension Expense.* For the year ended June 30, 2018, the School Department recognized pension expense of \$4,793.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the School Department reported

deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 361	\$ 776
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	555
Changes in Assumptions	906	0
Changes in Proportion of Net Pension Liability (Asset)	2,793	1,045
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	13,716	N/A
Total	<u>\$ 17,776</u>	<u>\$ 2,376</u>

The School Department's employer contributions of \$13,716, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2019. 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
2019	\$ 66
2020	66
2021	34
2022	(109)
2023	153
Thereafter	1,476

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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	5.69	%	31	%
Developed Market				
International Equity	5.29		14	
Emerging Market				
International Equity	6.36		4	
Private Equity and				
Strategic Lending	5.79		20	
U.S. Fixed Income	2.01		20	
Real Estate	4.32		10	
Short-term Securities	0.00		1	
			100	%
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 2,057	\$ (10,312)	\$ (19,386)

*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](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are

determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. 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, 2018, to the Teacher Legacy Pension Plan were \$330,643, which is 9.08 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, 2018, the School Department reported a liability (asset) of (\$31,930) for its proportionate share of

the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2017, the School Department's proportion was .097595 percent. The proportion measured at June 30, 2016, was .090354 percent.

*Pension Expense.* For the year ended June 30, 2018, the School Department recognized pension expense of \$13,760.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 19,250	\$ 659,232
Changes in Assumptions	270,440	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,847	0
Changes in Proportion of Net Pension Liability (Asset)	47,960	8,072
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017	<u>330,643</u>	N/A
Total	<u>\$ 673,140</u>	<u>\$ 667,304</u>

The School Department's employer contributions of \$330,643 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2019. 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
2019	\$ (215,095)
2020	111,569
2021	(68,901)
2022	(152,379)
2023	0
Thereafter	0

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

*Actuarial Assumptions.* The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the

TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied

to all periods of projected benefit payments to determine the total pension liability.

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 2,865,153	\$ (31,930)	\$ (2,426,562)

*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 School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the School Department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year the School Department contributed \$16,955 and teachers contributed \$6,954 to this deferred compensation pension plan.

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

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

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

*Benefits Provided.* The Van Buren County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with *TCA 8-27-301* establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Van Buren County does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

#### **Employees Covered by Benefit Terms**

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	8
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	125
Total	<u><u>133</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the School Department paid \$74,894 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Van Buren County School Department 67.60%</u>	<u>State of TN 32.40%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2017	\$ 1,327,429	\$ 636,275	\$ 1,963,704
Changes for the Year:			
Service Cost	\$ 57,421	\$ 27,524	\$ 84,945
Interest	39,492	18,929	58,421
Changes in Benefit Terms	0	0	0
Difference between Expected and Actuarial Experience	0	0	0
Changes in Assumption and Other Inputs	(56,587)	(27,124)	(83,711)
Benefit Payments	(64,807)	(31,064)	(95,871)
Net Changes	<u>\$ (24,481)</u>	<u>\$ (11,735)</u>	<u>\$ (36,216)</u>
Balance June 30, 2018	<u>\$ 1,302,948</u>	<u>\$ 624,540</u>	<u>\$ 1,927,488</u>

The Van Buren County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Van Buren County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department recognized \$43,820 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department retirees.

During the year, the Van Buren County School Department's proportionate share of the collective OPEB Liability was 67.60% and the State of Tennessee's Share was 32.40%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the School Department recognized OPEB expense of \$74,894, including the state's share of the expense. At June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	51,093
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	0	0
Benefits Paid After the Measurement Date	<u>74,894</u>	<u>0</u>
Total	<u>\$ 74,894</u>	<u>\$ 51,093</u>

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

<u>Year Ending June 30</u>	<u>School Department</u>
2019	\$ (5,493)
2020	(5,493)
2021	(5,493)
2022	(5,493)
2023	(5,493)
Thereafter	(23,628)

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.56%	3.56%	4.56%

Proportionate Share of the Collective Total OPEB Liability	\$ 1,391,953	\$ 1,302,948	\$ 1,217,717
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*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rate	1% Increase
	6.5 to 2.71%	7.5 to 3.71%	8.5 to 4.71%

Proportionate Share of the Collective Total OPEB Liability	\$ 1,170,933	\$ 1,302,948	\$ 1,456,912
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**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 July 27, 2018, the county renegotiated the payment terms and interest rate on the four Administration/Justice Center capital outlay notes and lowered the interest rate from 3.85 percent to 3 percent.

On August 21, 2018, the County Commission approved a \$7 per month residential solid waste fee and a \$17 per month commercial solid waste fee to be collected by the local electric utilities on their monthly billings.



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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

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

	2014	2015	2016	2017
<b>Total Pension Liability</b>				
Service Cost	\$ 215,836	\$ 216,460	\$ 241,271	\$ 253,260
Interest	501,978	517,166	574,186	613,673
Differences Between Actual and Expected Experience	(155,422)	402,137	80,522	(84,612)
Changes in Assumptions	0	0	0	212,081
Benefit Payments, Including Refunds of Employee Contributions	(302,863)	(418,137)	(382,484)	(380,471)
Net Change in Total Pension Liability	\$ 259,529	\$ 717,626	\$ 513,495	\$ 613,931
Total Pension Liability, Beginning	6,628,631	6,888,160	7,605,786	8,119,281
Total Pension Liability, Ending (a)	\$ 6,888,160	\$ 7,605,786	\$ 8,119,281	\$ 8,733,212
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 246,515	\$ 274,646	\$ 287,124	\$ 316,801
Contributions - Employee	139,749	148,427	155,036	171,061
Net Investment Income	997,246	217,220	193,514	857,310
Benefit Payments, Including Refunds of Employee Contributions	(302,863)	(418,137)	(382,484)	(380,471)
Administrative Expense	(4,054)	(5,977)	(9,127)	(11,296)
Other	0	0	0	385
Net Change in Plan Fiduciary Net Position	\$ 1,076,593	\$ 216,179	\$ 244,063	\$ 953,790
Plan Fiduciary Net Position, Beginning	5,979,509	7,056,102	7,272,281	7,516,344
Plan Fiduciary Net Position, Ending (b)	\$ 7,056,102	\$ 7,272,281	\$ 7,516,344	\$ 8,470,134
Net Pension Liability (Asset), Ending (a - b)	\$ (167,942)	\$ 333,505	\$ 602,937	\$ 263,078
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.44%	92.65%	92.57%	96.99%
Covered Payroll	\$ 2,794,937	\$ 2,965,942	\$ 3,103,384	\$ 3,421,181
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(6.01)%	11.24%	19.43%	7.69%

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	2018
Actuarially Determined Contribution	\$ 246,515	\$ 274,646	\$ 287,124	\$ 316,801	\$ 341,192
Less Contributions in Relation to the Actuarially Determined Contribution	(246,515)	(274,646)	(287,124)	(316,801)	(341,192)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 2,794,937	\$ 2,965,942	\$ 3,103,384	\$ 3,421,181	\$ 3,556,012
Contributions as a Percentage of Covered Payroll	8.82%	9.26%	9.25%	9.26%	9.68%

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

	2015		2016		2017		2018
Contractually Required Contribution	\$ 2,008	\$	11,320	\$	10,262	\$	13,716
Less Contributions in Relation to the Contractually Required Contribution	(2,008)		(11,320)		(10,262)		(13,716)
Contribution Deficiency (Excess)	\$ 0	\$	0	\$	0	\$	0
Covered Payroll	\$ 50,200	\$	282,995	\$	256,545	\$	342,895
Contributions as a Percentage of Covered Payroll	4.00%		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	2018
Contractually Required Contribution	\$ 317,296	\$ 310,271	\$ 294,848	\$ 311,873	\$ 330,643
Less Contributions in Relation to the Contractually Required Contribution	(317,296)	(310,271)	(294,848)	(311,873)	(330,643)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 3,573,156	\$ 3,432,197	\$ 3,261,590	\$ 3,449,923	\$ 3,641,444
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%

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 \*

	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.023662%	0.064316%	0.039088%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (972)	\$ (6,696)	\$ (10,312)
Covered Payroll	\$ 50,200	\$ 282,995	\$ 256,545
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%

\* 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	2018
School Department's Proportion of the Net Pension Liability/Asset	0.091036%	0.091684%	0.090354%	0.097595%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (14,793)	\$ 37,557	\$ 564,662	\$ (31,930)
Covered Payroll	\$ 3,573,156	\$ 3,432,197	\$ 3,261,590	\$ 3,449,923
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%

\* 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 Changes in the Total OPEB Liability and Related Ratios - Local Education Plan  
Discretely Presented Van Buren County School Department  
For the Fiscal Year Ended June 30 \*

<b>Total OPEB Liability</b>	<u>2018</u>
Service Cost	\$ 84,945
Interest	58,421
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(83,711)
Benefit Payments	<u>(95,871)</u>
Net Change in Total OPEB Liability	\$ (36,216)
Total OPEB Liability, Beginning	<u>1,963,704</u>
 Total OPEB Liability, Ending	 <u><u>\$ 1,927,488</u></u>
 Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	 \$ 624,540
Employer Proportionate Share of the Total OPEB Liability	1,302,948
 Covered Employee Payroll	 \$ 5,297,169
Net OPEB Liability as a Percentage of Covered Employee Payroll	36.29%

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

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

2016	2.92%
2017	3.56%



**VAN BUREN COUNTY, TENNESSEE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2018**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for fiscal 2017 were calculated based on the June 30, 2016, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Early Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% 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%

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

Ambulance Service Fund – The Ambulance Service Fund is used to account for the transactions of the county’s Ambulance Service.

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

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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.

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Exhibit F-1

Van Buren County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2018

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Ambulance Service	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	
<u>ASSETS</u>						
Cash	\$ 0	\$ 1,000	\$ 0	\$ 0	\$ 2,088	\$ 3,088
Equity in Pooled Cash and Investments	29,871	114,957	4,268	52,049	0	201,145
Accounts Receivable	52	321,417	0	0	334	321,803
Allowance for Uncollectibles	0	(273,509)	0	0	0	(273,509)
Due from Other Funds	0	0	0	0	0	0
Property Taxes Receivable	0	237,003	159,639	0	0	396,642
Allowance for Uncollectible Property Taxes	0	(12,615)	(9,592)	0	0	(22,207)
Total Assets	\$ 29,923	\$ 388,253	\$ 154,315	\$ 52,049	\$ 2,422	\$ 626,962
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 4,635	\$ 0	\$ 0	\$ 0	\$ 4,635
Payroll Deductions Payable	349	4,379	0	0	0	4,728
Due to Other Funds	0	0	0	0	2,422	2,422
Due to State of Tennessee	0	215	0	0	0	215
Due to Litigants, Heirs, and Others	0	0	0	12,400	0	12,400
Accrued Interest Payable	0	0	0	0	0	0
Capital Outlay Notes Payable	0	0	0	0	0	0
Total Liabilities	\$ 349	\$ 9,229	\$ 0	\$ 12,400	\$ 2,422	\$ 24,400
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 213,893	\$ 142,366	\$ 0	\$ 0	\$ 356,259

(Continued)

Exhibit F-1

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

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Ambulance Service	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Deferred Delinquent Property Taxes	\$ 0	\$ 7,663	\$ 5,725	\$ 0	\$ 0	\$ 13,388
Other Deferred/Unavailable Revenue	0	24,010	0	0	0	24,010
Total Deferred Inflows of Resources	\$ 0	\$ 245,566	\$ 148,091	\$ 0	\$ 0	\$ 393,657
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 29,574	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,574
Restricted for Public Safety	0	0	6,224	39,649	0	45,873
Restricted for Debt Service	0	0	0	0	0	0
Committed:						
Committed for Public Health and Welfare	0	133,458	0	0	0	133,458
Total Fund Balances	\$ 29,574	\$ 133,458	\$ 6,224	\$ 39,649	\$ 0	\$ 208,905
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 29,923	\$ 388,253	\$ 154,315	\$ 52,049	\$ 2,422	\$ 626,962

(Continued)

Exhibit F-1

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

	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	General Debt Service	Total Nonmajor Governmental Funds
<u>ASSETS</u>		
Cash	\$ 0	\$ 3,088
Equity in Pooled Cash and Investments	442,147	643,292
Accounts Receivable	0	321,803
Allowance for Uncollectibles	0	(273,509)
Due from Other Funds	125,000	125,000
Property Taxes Receivable	127,562	524,204
Allowance for Uncollectible Property Taxes	(6,784)	(28,991)
	<hr/>	<hr/>
Total Assets	\$ 687,925	\$ 1,314,887
	<hr/>	<hr/>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 4,635
Payroll Deductions Payable	0	4,728
Due to Other Funds	0	2,422
Due to State of Tennessee	0	215
Due to Litigants, Heirs, and Others	0	12,400
Accrued Interest Payable	87,712	87,712
Capital Outlay Notes Payable	108,360	108,360
Total Liabilities	<hr/>	<hr/>
	\$ 196,072	\$ 220,472
	<hr/>	<hr/>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 115,030	\$ 471,289

(Continued)

Exhibit F-1

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

	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>		
Deferred Delinquent Property Taxes	\$ 4,176	\$ 17,564
Other Deferred/Unavailable Revenue	0	24,010
Total Deferred Inflows of Resources	<u>\$ 119,206</u>	<u>\$ 512,863</u>
<u>FUND BALANCES</u>		
Restricted:		
Restricted for General Government	\$ 0	\$ 29,574
Restricted for Public Safety	0	45,873
Restricted for Debt Service	372,647	372,647
Committed:		
Committed for Public Health and Welfare	0	133,458
Total Fund Balances	<u>\$ 372,647</u>	<u>\$ 581,552</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 687,925</u>	<u>\$ 1,314,887</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, 2018

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Ambulance Service	Local Purpose Tax	Drug Control	Total
<u>Revenues</u>					
Local Taxes	\$ 46,233	\$ 219,276	\$ 146,809	\$ 0	\$ 412,318
Fines, Forfeitures, and Penalties	0	0	0	18,889	18,889
Charges for Current Services	0	269,133	0	0	269,133
Other Local Revenues	0	940	0	0	940
State of Tennessee	0	0	0	0	0
Other Governments and Citizens Groups	0	0	0	0	0
Total Revenues	<u>\$ 46,233</u>	<u>\$ 489,349</u>	<u>\$ 146,809</u>	<u>\$ 18,889</u>	<u>\$ 701,280</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 19,563	\$ 0	\$ 0	\$ 0	\$ 19,563
Public Safety	0	0	152,566	0	152,566
Public Health and Welfare	0	627,482	0	0	627,482
Other Operations	450	0	2,869	134	3,453
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
Total Expenditures	<u>\$ 20,013</u>	<u>\$ 627,482</u>	<u>\$ 155,435</u>	<u>\$ 134</u>	<u>\$ 803,064</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 26,220</u>	<u>\$ (138,133)</u>	<u>\$ (8,626)</u>	<u>\$ 18,755</u>	<u>\$ (101,784)</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				
	Courthouse and Jail Maintenance	Ambulance Service	Local Purpose Tax	Drug Control	Total
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 6,753	\$ 0	\$ 0	\$ 6,753
Transfers Out	(52,000)	0	0	(20,000)	(72,000)
Total Other Financing Sources (Uses)	<u>\$ (52,000)</u>	<u>\$ 6,753</u>	<u>\$ 0</u>	<u>\$ (20,000)</u>	<u>\$ (65,247)</u>
Net Change in Fund Balances	\$ (25,780)	\$ (131,380)	\$ (8,626)	\$ (1,245)	\$ (167,031)
Fund Balance, July 1, 2017	<u>55,354</u>	<u>264,838</u>	<u>14,850</u>	<u>40,894</u>	<u>375,936</u>
Fund Balance, June 30, 2018	<u>\$ 29,574</u>	<u>\$ 133,458</u>	<u>\$ 6,224</u>	<u>\$ 39,649</u>	<u>\$ 208,905</u>

(Continued)

Exhibit F-2

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

	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmenta Funds</u>
	General Debt Service	
<hr/>		
<u>Revenues</u>		
Local Taxes	\$ 287,659	\$ 699,977
Fines, Forfeitures, and Penalties	0	18,889
Charges for Current Services	0	269,133
Other Local Revenues	0	940
State of Tennessee	20,034	20,034
Other Governments and Citizens Groups	116,860	116,860
Total Revenues	<u>\$ 424,553</u>	<u>\$ 1,125,833</u>
 <u>Expenditures</u>		
Current:		
General Government	\$ 0	\$ 19,563
Public Safety	0	152,566
Public Health and Welfare	0	627,482
Other Operations	0	3,453
Debt Service:		
Principal on Debt	357,033	357,033
Interest on Debt	398,940	398,940
Other Debt Service	4,244	4,244
Total Expenditures	<u>\$ 760,217</u>	<u>\$ 1,563,281</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (335,664)</u>	<u>\$ (437,448)</u>

(Continued)

Exhibit F-2

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

	<u>Debt Service Fund</u>	Total Nonmajor Governmenta Funds
	General Debt Service	
<hr/>		
<u>Other Financing Sources (Uses)</u>		
Transfers In	\$ 0	\$ 6,753
Transfers Out	0	(72,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (65,247)</u>
Net Change in Fund Balances	\$ (335,664)	\$ (502,695)
Fund Balance, July 1, 2017	<u>708,311</u>	<u>1,084,247</u>
Fund Balance, June 30, 2018	<u>\$ 372,647</u>	<u>\$ 581,552</u>

Exhibit F-3

Van Buren County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Courthouse and Jail Maintenance Fund  
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 46,233	\$ 53,500	\$ 53,500	\$ (7,267)
Total Revenues	\$ 46,233	\$ 53,500	\$ 53,500	\$ (7,267)
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 19,563	\$ 0	\$ 19,705	\$ 142
<u>Other Operations</u>				
Other Charges	450	500	500	50
Total Expenditures	\$ 20,013	\$ 500	\$ 20,205	\$ 192
Excess (Deficiency) of Revenues Over Expenditures	\$ 26,220	\$ 53,000	\$ 33,295	\$ (7,075)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (52,000)	\$ 0	\$ (52,000)	\$ 0
Total Other Financing Sources	\$ (52,000)	\$ 0	\$ (52,000)	\$ 0
Net Change in Fund Balance	\$ (25,780)	\$ 53,000	\$ (18,705)	\$ (7,075)
Fund Balance, July 1, 2017	55,354	59,760	59,760	(4,406)
Fund Balance, June 30, 2018	\$ 29,574	\$ 112,760	\$ 41,055	\$ (11,481)

Exhibit F-4

Van Buren County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Ambulance Service Fund  
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 219,276	\$ 251,393	\$ 251,393	\$ (32,117)
Charges for Current Services	269,133	338,862	338,862	(69,729)
Other Local Revenues	940	0	32,000	(31,060)
Total Revenues	<u>\$ 489,349</u>	<u>\$ 590,255</u>	<u>\$ 622,255</u>	<u>\$ (132,906)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 627,482	\$ 585,055	\$ 672,538	\$ 45,056
Total Expenditures	<u>\$ 627,482</u>	<u>\$ 585,055</u>	<u>\$ 672,538</u>	<u>\$ 45,056</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (138,133)</u>	<u>\$ 5,200</u>	<u>\$ (50,283)</u>	<u>\$ (87,850)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 0	\$ 2,777	\$ (2,777)
Transfers In	6,753	0	6,753	0
Total Other Financing Sources	<u>\$ 6,753</u>	<u>\$ 0</u>	<u>\$ 9,530</u>	<u>\$ (2,777)</u>
Net Change in Fund Balance	\$ (131,380)	\$ 5,200	\$ (40,753)	\$ (90,627)
Fund Balance, July 1, 2017	<u>264,838</u>	<u>254,517</u>	<u>254,517</u>	<u>10,321</u>
Fund Balance, June 30, 2018	<u>\$ 133,458</u>	<u>\$ 259,717</u>	<u>\$ 213,764</u>	<u>\$ (80,306)</u>

Exhibit F-5

Van Buren County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Local Purpose Tax Fund  
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 146,809	\$ 175,994	\$ 175,994	\$ (29,185)
Other Local Revenues	0	800	800	(800)
Total Revenues	<u>\$ 146,809</u>	<u>\$ 176,794</u>	<u>\$ 176,794</u>	<u>\$ (29,985)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Fire Prevention and Control	\$ 152,566	\$ 173,000	\$ 173,000	\$ 20,434
<u>Other Operations</u>				
Other Charges	2,869	3,200	3,200	331
Total Expenditures	<u>\$ 155,435</u>	<u>\$ 176,200</u>	<u>\$ 176,200</u>	<u>\$ 20,765</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (8,626)</u>	<u>\$ 594</u>	<u>\$ 594</u>	<u>\$ (9,220)</u>
Net Change in Fund Balance	\$ (8,626)	\$ 594	\$ 594	\$ (9,220)
Fund Balance, July 1, 2017	<u>14,850</u>	<u>28,991</u>	<u>28,991</u>	<u>(14,141)</u>
Fund Balance, June 30, 2018	<u>\$ 6,224</u>	<u>\$ 29,585</u>	<u>\$ 29,585</u>	<u>\$ (23,361)</u>

Exhibit F-6

Van Buren County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Drug Control Fund  
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 18,889	\$ 7,700	\$ 7,700	\$ 11,189
Total Revenues	\$ 18,889	\$ 7,700	\$ 7,700	\$ 11,189
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 134	\$ 150	\$ 150	\$ 16
Total Expenditures	\$ 134	\$ 150	\$ 150	\$ 16
Excess (Deficiency) of Revenues Over Expenditures	\$ 18,755	\$ 7,550	\$ 7,550	\$ 11,205
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (20,000)	\$ 0	\$ (20,000)	\$ 0
Total Other Financing Sources	\$ (20,000)	\$ 0	\$ (20,000)	\$ 0
Net Change in Fund Balance	\$ (1,245)	\$ 7,550	\$ (12,450)	\$ 11,205
Fund Balance, July 1, 2017	40,894	51,625	51,625	(10,731)
Fund Balance, June 30, 2018	\$ 39,649	\$ 59,175	\$ 39,175	\$ 474

Exhibit F-7

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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 287,659	\$ 308,774	\$ 308,774	\$ (21,115)
State of Tennessee	20,034	25,000	25,000	(4,966)
Other Governments and Citizens Groups	116,860	0	116,860	0
Total Revenues	<u>\$ 424,553</u>	<u>\$ 333,774</u>	<u>\$ 450,634</u>	<u>\$ (26,081)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 284,033	0	\$ 175,673	\$ (108,360)
Education	73,000	0	73,000	0
<u>Interest on Debt</u>				
General Government	355,080	208,458	267,785	(87,295)
Education	43,860	0	43,860	0
<u>Other Debt Service</u>				
General Government	4,244	186,000	5,000	756
Total Expenditures	<u>\$ 760,217</u>	<u>\$ 394,458</u>	<u>\$ 565,318</u>	<u>\$ (194,899)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (335,664)</u>	<u>\$ (60,684)</u>	<u>\$ (114,684)</u>	<u>\$ (220,980)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 25,000	\$ 25,000	\$ (25,000)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ (25,000)</u>
Net Change in Fund Balance	\$ (335,664)	\$ (35,684)	\$ (89,684)	\$ (245,980)
Fund Balance, July 1, 2017	708,311	570,469	570,469	137,842
Fund Balance, June 30, 2018	<u>\$ 372,647</u>	<u>\$ 534,785</u>	<u>\$ 480,785</u>	<u>\$ (108,138)</u>



# Fiduciary Funds

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

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

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

Exhibit G-1

Van Buren County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2018

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 504,859	\$ 504,859
Due from Other Governments	23,875	0	23,875
Total Assets	<u>\$ 23,875</u>	<u>\$ 504,859</u>	<u>\$ 528,734</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 23,875	\$ 0	\$ 23,875
Due to Litigants, Heirs, and Others	0	504,859	504,859
Total Liabilities	<u>\$ 23,875</u>	<u>\$ 504,859</u>	<u>\$ 528,734</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, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 136,595	\$ 136,595	\$ 0
Due from Other Governments	21,245	23,875	21,245	23,875
Total Assets	\$ 21,245	\$ 160,470	\$ 157,840	\$ 23,875
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 21,245	\$ 160,470	\$ 157,840	\$ 23,875
Total Liabilities	\$ 21,245	\$ 160,470	\$ 157,840	\$ 23,875
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 305,548	\$ 1,773,373	\$ 1,574,062	\$ 504,859
Total Assets	\$ 305,548	\$ 1,773,373	\$ 1,574,062	\$ 504,859
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 305,548	\$ 1,773,373	\$ 1,574,062	\$ 504,859
Total Liabilities	\$ 305,548	\$ 1,773,373	\$ 1,574,062	\$ 504,859
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 305,548	\$ 1,773,373	\$ 1,574,062	\$ 504,859
Equity in Pooled Cash and Investments	0	136,595	136,595	0
Due from Other Governments	21,245	23,875	21,245	23,875
Total Assets	\$ 326,793	\$ 1,933,843	\$ 1,731,902	\$ 528,734
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 21,245	\$ 160,470	\$ 157,840	\$ 23,875
Due to Litigants, Heirs, and Others	305,548	1,773,373	1,574,062	504,859
Total Liabilities	\$ 326,793	\$ 1,933,843	\$ 1,731,902	\$ 528,734

# Van Buren County School Department

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

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

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

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

Exhibit H-1

Van Buren County, Tennessee  
Statement of Activities  
Discretely Presented Van Buren County School Department  
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 4,120,568	\$ 4,200	\$ 461,288	\$ 15,000	\$ (3,640,080)
Support Services	3,097,146	13,394	127,056	30,000	(2,926,696)
Operation of Non-instructional Services	897,034	66,146	525,555	0	(305,333)
<b>Total Governmental Activities</b>	<b>\$ 8,114,748</b>	<b>\$ 83,740</b>	<b>\$ 1,113,899</b>	<b>\$ 45,000</b>	<b>\$ (6,872,109)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 757,044
Local Option Sales Taxes					452,759
Hotel/Motel Taxes					120,262
Other Local Taxes					2,371
Grants and Contributions Not Restricted to Specific Programs					5,537,529
Unrestricted Investment Earnings					473
Miscellaneous					18,598
<b>Total General Revenues</b>					<b>\$ 6,889,036</b>
Change in Net Position					\$ 16,927
Net Position, July 1, 2017					6,684,010
Restatement - See Note I.D.8.					211,999
<b>Net Position, June 30, 2018</b>					<b>\$ 6,912,936</b>

Exhibit H-2

Van Buren County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Van Buren County School Department  
June 30, 2018

	<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	\$ 3,052,193	\$ 259,013	\$ 3,311,206
Accounts Receivable	2,000	62	2,062
Due from Other Governments	282,126	53,280	335,406
Due from Other Funds	25,813	255	26,068
Property Taxes Receivable	868,999	0	868,999
Allowance for Uncollectible Property Taxes	(46,409)	0	(46,409)
Total Assets	<u>\$ 4,184,722</u>	<u>\$ 312,610</u>	<u>\$ 4,497,332</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 13,615	\$ 0	\$ 13,615
Contracts Payable	155,500	0	155,500
Due to Other Funds	255	25,813	26,068
Due to State of Tennessee	6,592	206	6,798
Total Liabilities	<u>\$ 175,962</u>	<u>\$ 26,019</u>	<u>\$ 201,981</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 786,896	\$ 0	\$ 786,896
Deferred Delinquent Property Taxes	35,694	0	35,694
Other Deferred/Unavailable Revenue	52,794	0	52,794
Total Deferred Inflows of Resources	<u>\$ 875,384</u>	<u>\$ 0</u>	<u>\$ 875,384</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 186,591	\$ 186,591
Committed:			
Committed for Education	1,954,859	100,000	2,054,859
Assigned:			
Assigned for Education	309,768	0	309,768
Unassigned	868,749	0	868,749
Total Fund Balances	<u>\$ 3,133,376</u>	<u>\$ 286,591</u>	<u>\$ 3,419,967</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,184,722</u>	<u>\$ 312,610</u>	<u>\$ 4,497,332</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, 2018

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)		\$ 3,419,967	
(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: construction in progress		155,500	
Add: buildings and improvements net of accumulated depreciation		4,920,949	
Add: infrastructure net of accumulated depreciation		1,446	
Add: other capital assets net of accumulated depreciation		<u>717,549</u>	6,092,291
(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	\$	(1,594,000)	
Less: compensated absences payable		(18,319)	
Less: net pension liability - agent plan		(100,970)	
Less: net OPEB liabilities		<u>(1,302,948)</u>	(3,016,237)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	\$	980,573	
Less: deferred inflows of resources related to pensions		(718,189)	
Add: deferred outflows of resources related to OPEB		74,894	
Less: deferred inflows of resources related to OPEB		<u>(51,093)</u>	286,185
(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	\$	10,312	
Add: net pension asset - teacher legacy plan		<u>31,930</u>	42,242
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>88,488</u>
Net position of governmental activities (Exhibit A)			<u>\$ 6,912,936</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, 2018

	<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	\$ 1,384,326	\$ 0	\$ 1,384,326
Licenses and Permits	314	0	314
Charges for Current Services	16,946	66,146	83,092
Other Local Revenues	19,826	1,893	21,719
State of Tennessee	5,657,784	4,413	5,662,197
Federal Government	4,416	978,858	983,274
Total Revenues	<u>\$ 7,083,612</u>	<u>\$ 1,051,310</u>	<u>\$ 8,134,922</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 3,739,007	\$ 501,166	\$ 4,240,173
Support Services	2,962,474	35,606	2,998,080
Operation of Non-Instructional Services	380,813	520,084	900,897
Capital Outlay	376,759	0	376,759
Debt Service:			
Principal on Debt	73,000	0	73,000
Interest on Debt	43,860	0	43,860
Total Expenditures	<u>\$ 7,575,913</u>	<u>\$ 1,056,856</u>	<u>\$ 8,632,769</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (492,301)</u>	<u>\$ (5,546)</u>	<u>\$ (497,847)</u>
Net Change in Fund Balances	\$ (492,301)	\$ (5,546)	\$ (497,847)
Fund Balance, July 1, 2017	<u>3,625,677</u>	<u>292,137</u>	<u>3,917,814</u>
Fund Balance, June 30, 2018	<u>\$ 3,133,376</u>	<u>\$ 286,591</u>	<u>\$ 3,419,967</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, 2018

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)		\$ (497,847)
<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	\$ 333,239	
Less: current-year depreciation expense	<u>(311,629)</u>	21,610
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.</p>		
Less: book value of capital assets disposed		(570)
<p>(3) 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, 2017	\$ (89,735)	
Add: deferred delinquent property taxes and other deferred June 30, 2018	<u>88,488</u>	(1,247)
<p>(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.</p>		
Add: principal contributions on bonds to primary government		73,000
<p>(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.</p>		
Change in compensated absences payable	\$ (5,097)	
Change in other postemployment benefits liabilities (net of restatement)	24,481	
Change in deferred outflows related to OPEB	74,894	
Change in deferred inflows related to OPEB	(51,093)	
Change in net pension liability - agent plan	120,670	
Change in net pension asset - teacher retirement plan	3,616	
Change in net pension asset - teacher legacy plan	596,593	
Change in deferred outflows related to pensions	(348,080)	
Change in deferred inflows related to pensions	<u>5,997</u>	<u>421,981</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 16,927</u>

Exhibit H-6

Van Buren County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Van Buren County School Department  
June 30, 2018

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 90,958	\$ 168,055	\$ 259,013
Accounts Receivable	0	62	62
Due from Other Governments	34,848	18,432	53,280
Due from Other Funds	255	0	255
Total Assets	<u>\$ 126,061</u>	<u>\$ 186,549</u>	<u>\$ 312,610</u>
<u>LIABILITIES</u>			
Due to Other Funds	\$ 25,813	\$ 0	\$ 25,813
Due to State of Tennessee	0	206	206
Total Liabilities	<u>\$ 25,813</u>	<u>\$ 206</u>	<u>\$ 26,019</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 248	\$ 186,343	\$ 186,591
Committed:			
Committed for Education	100,000	0	100,000
Total Fund Balances	<u>\$ 100,248</u>	<u>\$ 186,343</u>	<u>\$ 286,591</u>
Total Liabilities and Fund Balances	<u>\$ 126,061</u>	<u>\$ 186,549</u>	<u>\$ 312,610</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, 2018

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 66,146	\$ 66,146
Other Local Revenues	0	1,893	1,893
State of Tennessee	0	4,413	4,413
Federal Government	537,020	441,838	978,858
Total Revenues	<u>\$ 537,020</u>	<u>\$ 514,290</u>	<u>\$ 1,051,310</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 501,166	\$ 0	\$ 501,166
Support Services	35,606	0	35,606
Operation of Non-Instructional Services	0	520,084	520,084
Total Expenditures	<u>\$ 536,772</u>	<u>\$ 520,084</u>	<u>\$ 1,056,856</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 248</u>	<u>\$ (5,794)</u>	<u>\$ (5,546)</u>
Net Change in Fund Balances	\$ 248	\$ (5,794)	\$ (5,546)
Fund Balance, July 1, 2017	100,000	192,137	292,137
Fund Balance, June 30, 2018	<u>\$ 100,248</u>	<u>\$ 186,343</u>	<u>\$ 286,591</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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,384,326	\$ 1,267,319	\$ 1,267,319	\$ 117,007
Licenses and Permits	314	200	200	114
Charges for Current Services	16,946	25,000	25,000	(8,054)
Other Local Revenues	19,826	28,000	28,000	(8,174)
State of Tennessee	5,657,784	5,669,753	5,705,357	(47,573)
Federal Government	4,416	36,000	36,000	(31,584)
<b>Total Revenues</b>	<b>\$ 7,083,612</b>	<b>\$ 7,026,272</b>	<b>\$ 7,061,876</b>	<b>\$ 21,736</b>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,058,766	\$ 3,294,000	\$ 3,279,000	\$ 220,234
Special Education Program	463,857	519,800	519,800	55,943
Career and Technical Education Program	216,384	238,300	253,300	36,916
<u>Support Services</u>				
Attendance	78,212	82,500	82,500	4,288
Health Services	156,885	181,200	181,200	24,315
Other Student Support	237,585	241,000	241,000	3,415
Regular Instruction Program	199,118	322,200	322,200	123,082
Special Education Program	149,396	157,000	157,000	7,604
Career and Technical Education Program	4,288	6,080	6,080	1,792
Technology	207,874	313,500	313,500	105,626
Other Programs	35,604	0	35,604	0
Board of Education	135,506	174,000	174,000	38,494
Director of Schools	123,800	142,500	142,500	18,700
Office of the Principal	366,172	394,500	394,500	28,328
Fiscal Services	146,722	170,200	170,200	23,478
Operation of Plant	624,891	716,300	716,300	91,409
Maintenance of Plant	109,468	141,900	141,900	32,432
Transportation	386,953	445,500	445,500	58,547
<u>Operation of Non-Instructional Services</u>				
Community Services	145,396	325,500	325,500	180,104
Early Childhood Education	235,417	292,300	292,300	56,883
<u>Capital Outlay</u>				
Regular Capital Outlay	376,759	756,000	756,000	379,241
<u>Principal on Debt</u>				
Education	73,000	95,000	95,000	22,000
<u>Interest on Debt</u>				
Education	43,860	50,000	50,000	6,140
<u>Other Debt Service</u>				
Education	0	10,000	10,000	10,000
<b>Total Expenditures</b>	<b>\$ 7,575,913</b>	<b>\$ 9,069,280</b>	<b>\$ 9,104,884</b>	<b>\$ 1,528,971</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (492,301)	\$ (2,043,008)	\$ (2,043,008)	\$ 1,550,707
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 5,000	\$ 5,000	\$ (5,000)
<b>Total Other Financing Sources</b>	<b>\$ 0</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ (5,000)</b>

(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	\$ (492,301)	\$ (2,038,008)	\$ (2,038,008)	\$ 1,545,707
Fund Balance, July 1, 2017	3,625,677	3,183,164	3,183,164	442,513
Fund Balance, June 30, 2018	\$ 3,133,376	\$ 1,145,156	\$ 1,145,156	\$ 1,988,220

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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 537,020	\$ 640,593	\$ 639,582	\$ (102,562)
Total Revenues	\$ 537,020	\$ 640,593	\$ 639,582	\$ (102,562)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 285,563	\$ 318,507	\$ 316,264	\$ 30,701
Special Education Program	177,058	211,482	212,168	35,110
Career and Technical Education Program	38,545	39,134	40,925	2,380
<u>Support Services</u>				
Other Student Support	3,485	5,833	6,684	3,199
Regular Instruction Program	4,917	10,531	8,435	3,518
Special Education Program	22,070	48,964	48,964	26,894
Career and Technical Education Program	696	696	696	0
Board of Education	202	202	202	0
Transportation	4,236	5,245	5,245	1,009
Total Expenditures	\$ 536,772	\$ 640,594	\$ 639,583	\$ 102,811
Excess (Deficiency) of Revenues Over Expenditures	\$ 248	\$ (1)	\$ (1)	\$ 249
Net Change in Fund Balance	\$ 248	\$ (1)	\$ (1)	\$ 249
Fund Balance, July 1, 2017	100,000	108,318	108,318	(8,318)
Fund Balance, June 30, 2018	\$ 100,248	\$ 108,317	\$ 108,317	\$ (8,069)

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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 66,146	\$ 123,000	\$ 123,000	\$ (56,854)
Other Local Revenues	1,893	2,000	2,000	(107)
State of Tennessee	4,413	5,000	5,000	(587)
Federal Government	441,838	425,000	425,000	16,838
Total Revenues	<u>\$ 514,290</u>	<u>\$ 555,000</u>	<u>\$ 555,000</u>	<u>\$ (40,710)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 520,084	\$ 687,100	\$ 687,100	\$ 167,016
Total Expenditures	<u>\$ 520,084</u>	<u>\$ 687,100</u>	<u>\$ 687,100</u>	<u>\$ 167,016</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (5,794)</u>	<u>\$ (132,100)</u>	<u>\$ (132,100)</u>	<u>\$ 126,306</u>
Net Change in Fund Balance	\$ (5,794)	\$ (132,100)	\$ (132,100)	\$ 126,306
Fund Balance, July 1, 2017	<u>192,137</u>	<u>187,525</u>	<u>187,525</u>	<u>4,612</u>
Fund Balance, June 30, 2018	<u>\$ 186,343</u>	<u>\$ 55,425</u>	<u>\$ 55,425</u>	<u>\$ 130,918</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit I-1

Van Buren County, Tennessee  
Schedule of Changes in Long-term Bonds and Notes  
For the Year Ended June 30, 2018

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-17	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-18
<b><u>BONDS PAYABLE</u></b>									
<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	\$ 1,667,000	\$ 0	\$ 73,000	\$ 1,594,000
Total Bonds Payable						\$ 1,667,000	\$ 0	\$ 73,000	\$ 1,594,000
<b><u>NOTES PAYABLE</u></b>									
<u>Payable through General Debt Service Fund</u>									
Administration/Justice Center, Series 2017	2,000,000	3.85		6-27-17	6-5-29	\$ 2,000,000	\$ 0	\$ 138,142	\$ 1,861,858
Administration/Justice Center, Series 2017	2,000,000	3.85		9-29-17	9-5-29	0	2,000,000	104,825	1,895,175
Administration/Justice Center, Series 2017	2,000,000	3.85		12-13-17	3-5-30	0	2,000,000	15,980	1,984,020
Administration/Justice Center, Series 2018	1,500,000	3.85		3-30-18	3-27-30	0	1,500,000	25,086	1,474,914
Total Notes Payable						\$ 2,000,000	\$ 5,500,000	\$ 284,033	\$ 7,215,967

Exhibit I-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
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>\$ 1,594,000</u>	<u>\$ 391,799</u>	<u>\$ 1,985,799</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2019	\$ 513,808	\$ 270,468	\$ 784,276
2020	533,191	251,082	784,273
2021	554,702	229,573	784,275
2022	576,367	207,905	784,272
2023	598,880	185,393	784,273
2024	621,833	162,439	784,272
2025	646,562	137,711	784,273
2026	671,819	112,457	784,276
2027	698,057	86,216	784,273
2028	725,167	59,106	784,273
2029	753,644	30,626	784,270
2030	321,937	5,726	327,663
Total	<u>\$ 7,215,967</u>	<u>\$ 1,738,702</u>	<u>\$ 8,954,669</u>

Exhibit I-3

Van Buren County, Tennessee  
Schedule of Notes Receivable  
For the Year Ended June 30, 2018

<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 6-30-18</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, 2018

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Ambulance Service	Employee bonuses	\$ 6,753
"	Solid Waste/Sanitation	"	3,213
"	"	Operations	16,000
Courthouse and Jail Maintenance	General	Maintenance salaries	52,000
Drug Control	"	Capital outlay	<u>20,000</u>
Total Transfers			<u>\$ 97,966</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, 2018

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 72,974	\$ 100,000	RLI Insurance Company
Road Superintendent	Section 8-24-102, <i>TCA</i>	69,500	100,000	"
Director of Schools	State Board of Education and Van Buren County Board of Education	85,085 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	63,182	313,425	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	63,182	50,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	63,182	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	63,182	50,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	63,182	75,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	63,182	50,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	69,500 (2)	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 \$500 bonus for certified employees or a career ladder supplement of \$1,000.

(2) 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, 2018

	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	\$ 1,285,448	\$ 0	\$ 0	\$ 183,022	\$ 122,423	\$ 0
Trustee's Collections - Prior Year	75,275	0	5	10,715	7,170	0
Circuit Clerk/Clerk and Master Collections - Prior Years	50,552	0	724	8,798	6,016	0
Interest and Penalty	30,369	0	4	4,322	2,893	0
Payments in-Lieu-of Taxes - T.V.A.	4,365	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	87,225	0	0	12,419	8,307	0
Payments in-Lieu-of Taxes - Other	14,171	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	93,582	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0	0
Litigation Tax - General	6,481	0	0	0	0	0
Litigation Tax - Special Purpose	0	34,000	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	12,233	0	0	0	0
Business Tax	19,464	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	16,728	0	0	0	0	0
Wholesale Beer Tax	25,436	0	0	0	0	0
Beer Privilege Tax	1,000	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 1,710,096</b>	<b>\$ 46,233</b>	<b>\$ 733</b>	<b>\$ 219,276</b>	<b>\$ 146,809</b>	<b>\$ 0</b>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 19,745	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Licenses and Permits</b>	<b>\$ 19,745</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

(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>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 4,111	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	899	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	2,259
<u>General Sessions Court</u>						
Fines	5,951	0	0	0	0	0
Officers Costs	18,204	0	0	0	0	0
Drug Control Fines	10,696	0	0	0	0	10,376
Data Entry Fee - General Sessions Court	1,611	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	805	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	6,254
Data Entry Fee - Other Courts	678	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 42,955	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,889
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 261,663	\$ 0	\$ 0	\$ 0
Surcharge - Waste Tire Disposal	0	0	40	0	0	0
Patient Charges	0	0	0	269,133	0	0
<u>Fees</u>						
Copy Fees	5	0	0	0	0	0
Library Fees	330	0	0	0	0	0
Telephone Commissions	14,055	0	0	0	0	0
Vending Machine Collections	8,687	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>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Sexual Offender Registration Fee - Sheriff	\$ 1,350	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	\$ 24,427	\$ 0	\$ 261,703	\$ 269,133	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 22,634	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	1,250	0	0	0	0	0
Sale of Recycled Materials	0	0	31,178	0	0	0
Miscellaneous Refunds	23,992	0	323	940	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	611	0	0	0	0	0
Sale of Property	413,429	0	0	0	0	0
Contributions and Gifts	100	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	17,972	0	0	0	0	0
Total Other Local Revenues	\$ 479,988	\$ 0	\$ 31,501	\$ 940	\$ 0	\$ 0
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 60,170	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	22,141	0	0	0	0	0
General Sessions Court Clerk	75,382	0	0	0	0	0
Clerk and Master	38,769	0	0	0	0	0
Register	29,729	0	0	0	0	0
Sheriff	4,339	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>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary (Cont.)</u>						
Trustee	\$ 95,783	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Fees Received From County Officials	\$ 326,313	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	12,375	0	0	0
Other General Government Grants	70,165	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	5,400	0	0	0	0	0
Other Public Safety Grants	4,595	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	40,393	0	0	0	0	0
Other Public Works Grants	36,000	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	8,956	0	0	0	0	0
Beer Tax	17,839	0	0	0	0	0
Vehicle Certificate of Title Fees	5,830	0	0	0	0	0
Alcoholic Beverage Tax	25,738	0	0	0	0	0
State Revenue Sharing - T.V.A.	140,233	0	0	0	0	0
State Revenue Sharing - Telecommunications	17,706	0	0	0	0	0
Contracted Prisoner Boarding	83,940	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

(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>						
Registrar's Salary Supplement	\$ 15,164	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other State Grants	43,179	0	0	0	0	0
Other State Revenues	8,020	0	0	0	0	0
Total State of Tennessee	<u>\$ 527,658</u>	<u>\$ 0</u>	<u>\$ 12,375</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
Other Federal through State	\$ 11,789	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	61,423	0	0	0	0	0
Total Federal Government	<u>\$ 73,212</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 9,235	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	23,247	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 32,482</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 3,236,876</u>	<u>\$ 46,233</u>	<u>\$ 306,312</u>	<u>\$ 489,349</u>	<u>\$ 146,809</u>	<u>\$ 18,889</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>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 98,433	\$ 0	\$ 1,689,326
Trustee's Collections - Prior Year	0	5,756	0	98,921
Circuit Clerk/Clerk and Master Collections - Prior Years	0	3,588	0	69,678
Interest and Penalty	0	2,319	0	39,907
Payments in-Lieu-of Taxes - T.V.A.	0	675	0	5,040
Payments in-Lieu-of Taxes - Local Utilities	0	6,627	0	114,578
Payments in-Lieu-of Taxes - Other	0	50,000	0	64,171
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	0	0	93,582
Hotel/Motel Tax	0	120,261	0	120,261
Litigation Tax - General	0	0	0	6,481
Litigation Tax - Special Purpose	0	0	0	34,000
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	12,233
Business Tax	0	0	0	19,464
Mineral Severance Tax	3,237	0	0	3,237
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	0	0	16,728
Wholesale Beer Tax	0	0	0	25,436
Beer Privilege Tax	0	0	0	1,000
Total Local Taxes	\$ 3,237	\$ 287,659	\$ 0	\$ 2,414,043
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 19,745
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 19,745

(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>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$ 0	\$ 0	\$ 0	4,111
Officers Costs	0	0	0	899
Drug Control Fines	0	0	0	2,259
<u>General Sessions Court</u>				
Fines	0	0	0	5,951
Officers Costs	0	0	0	18,204
Drug Control Fines	0	0	0	21,072
Data Entry Fee - General Sessions Court	0	0	0	1,611
<u>Chancery Court</u>				
Data Entry Fee - Chancery Court	0	0	0	805
<u>Judicial District Drug Program</u>				
Drug Task Force Forfeitures and Seizures	0	0	0	6,254
Data Entry Fee - Other Courts	0	0	0	678
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 61,844</u>
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 0	261,663
Surcharge - Waste Tire Disposal	0	0	0	40
Patient Charges	0	0	0	269,133
<u>Fees</u>				
Copy Fees	0	0	0	5
Library Fees	0	0	0	330
Telephone Commissions	0	0	0	14,055
Vending Machine Collections	0	0	0	8,687

(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 (Cont.)</u>				
<u>Fees (Cont.)</u>				
Sexual Offender Registration Fee - Sheriff	\$ 0	\$ 0	\$ 0	\$ 1,350
<b>Total Charges for Current Services</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 555,263</b>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 2,194	\$ 24,828
Lease/Rentals	0	0	0	1,250
Sale of Recycled Materials	0	0	0	31,178
Miscellaneous Refunds	10,498	0	0	35,753
<u>Nonrecurring Items</u>				
Sale of Equipment	0	0	0	611
Sale of Property	0	0	0	413,429
Contributions and Gifts	0	0	0	100
<u>Other Local Revenues</u>				
Other Local Revenues	0	0	0	17,972
<b>Total Other Local Revenues</b>	<b>\$ 10,498</b>	<b>\$ 0</b>	<b>\$ 2,194</b>	<b>\$ 525,121</b>
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$ 0	\$ 0	\$ 0	\$ 60,170
Circuit Court Clerk	0	0	0	22,141
General Sessions Court Clerk	0	0	0	75,382
Clerk and Master	0	0	0	38,769
Register	0	0	0	29,729
Sheriff	0	0	0	4,339

(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 (Cont.)</u>				
<u>Fees In-Lieu-of Salary (Cont.)</u>				
Trustee	\$ 0	\$ 0	\$ 0	\$ 95,783
<b>Total Fees Received From County Officials</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 326,313</b>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 4,500
Solid Waste Grants	0	0	0	12,375
Other General Government Grants	0	0	0	70,165
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0	0	0	5,400
Other Public Safety Grants	0	0	0	4,595
<u>Public Works Grants</u>				
State Aid Program	811,778	0	0	811,778
Litter Program	0	0	0	40,393
Other Public Works Grants	0	0	0	36,000
<u>Other State Revenues</u>				
Income Tax	0	0	0	8,956
Beer Tax	0	0	0	17,839
Vehicle Certificate of Title Fees	0	0	0	5,830
Alcoholic Beverage Tax	0	0	0	25,738
State Revenue Sharing - T.V.A.	0	20,034	0	160,267
State Revenue Sharing - Telecommunications	0	0	0	17,706
Contracted Prisoner Boarding	0	0	0	83,940
Gasoline and Motor Fuel Tax	1,705,741	0	0	1,705,741
Petroleum Special Tax	4,003	0	0	4,003

(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>				
Registrar's Salary Supplement	\$ 0	\$ 0	\$ 0	\$ 15,164
Other State Grants	0	0	0	43,179
Other State Revenues	0	0	0	8,020
Total State of Tennessee	<u>\$ 2,521,522</u>	<u>\$ 20,034</u>	<u>\$ 0</u>	<u>\$ 3,081,589</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
Other Federal through State	\$ 0	\$ 0	\$ 0	11,789
<u>Direct Federal Revenue</u>				
Other Direct Federal Revenue	0	0	0	61,423
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 73,212</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 0	\$ 116,860	\$ 0	\$ 126,095
Contracted Services	0	0	0	23,247
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 116,860</u>	<u>\$ 0</u>	<u>\$ 149,342</u>
Total	<u>\$ 2,535,257</u>	<u>\$ 424,553</u>	<u>\$ 2,194</u>	<u>\$ 7,206,472</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, 2018

	<u>Special Revenue Funds</u>			Total
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 673,324	\$ 0	\$ 0	\$ 673,324
Trustee's Collections - Prior Year	39,426	0	0	39,426
Circuit Clerk/Clerk and Master Collections - Prior Years	32,599	0	0	32,599
Interest and Penalty	16,261	0	0	16,261
Payments in-Lieu-of Taxes - T.V.A.	4,954	0	0	4,954
Payments in-Lieu-of Taxes - Local Utilities	45,689	0	0	45,689
<u>County Local Option Taxes</u>				
Local Option Sales Tax	449,440	0	0	449,440
Hotel/Motel Tax	120,262	0	0	120,262
Mixed Drink Tax	2,371	0	0	2,371
Total Local Taxes	<u>\$ 1,384,326</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,384,326</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 314	\$ 0	\$ 0	\$ 314
Total Licenses and Permits	<u>\$ 314</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 314</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Regular Day Students	\$ 4,200	\$ 0	\$ 0	\$ 4,200
Lunch Payments - Adults	0	0	13,525	13,525
A la Carte Sales	0	0	52,621	52,621
Receipts from Individual Schools	12,746	0	0	12,746
Total Charges for Current Services	<u>\$ 16,946</u>	<u>\$ 0</u>	<u>\$ 66,146</u>	<u>\$ 83,092</u>

(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>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 473	\$ 473
Miscellaneous Refunds	17,178	0	1,320	18,498
<u>Nonrecurring Items</u>				
Sale of Equipment	2,000	0	0	2,000
Sale of Property	0	0	100	100
Damages Recovered from Individuals	148	0	0	148
Contributions and Gifts	500	0	0	500
Total Other Local Revenues	<u>\$ 19,826</u>	<u>\$ 0</u>	<u>\$ 1,893</u>	<u>\$ 21,719</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 35,604	\$ 0	\$ 0	\$ 35,604
<u>Health and Welfare Grants</u>				
Other Health and Welfare Grants	30,000	0	0	30,000
<u>State Education Funds</u>				
Basic Education Program	4,901,000	0	0	4,901,000
Early Childhood Education	195,903	0	0	195,903
School Food Service	0	0	4,413	4,413
Other State Education Funds	285,877	0	0	285,877
Career Ladder Program	20,778	0	0	20,778
Vocational Equipment	15,000	0	0	15,000
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	173,622	0	0	173,622
Total State of Tennessee	<u>\$ 5,657,784</u>	<u>\$ 0</u>	<u>\$ 4,413</u>	<u>\$ 5,662,197</u>

(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>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 258,401	\$ 258,401
USDA - Commodities	0	0	38,374	38,374
Breakfast	0	0	120,950	120,950
USDA - Other	0	0	24,113	24,113
Vocational Education - Basic Grants to States	0	42,605	0	42,605
Title I Grants to Local Education Agencies	0	216,047	0	216,047
Special Education - Grants to States	4,416	193,880	0	198,296
Special Education Preschool Grants	0	5,499	0	5,499
Rural Education	0	6,774	0	6,774
Eisenhower Professional Development State Grants	0	30,863	0	30,863
Other Federal through State	0	41,352	0	41,352
Total Federal Government	<u>\$ 4,416</u>	<u>\$ 537,020</u>	<u>\$ 441,838</u>	<u>\$ 983,274</u>
Total	<u>\$ 7,083,612</u>	<u>\$ 537,020</u>	<u>\$ 514,290</u>	<u>\$ 8,134,922</u>

Exhibit I-8

Van Buren County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2018

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	14,725	
Social Security		913	
Employer Medicare		214	
Audit Services		2,053	
Consultants		15,641	
Contracts with Government Agencies		271,905	
Dues and Memberships		1,050	
Refunds		6,119	
Total County Commission			\$ 312,620

Board of Equalization

Board and Committee Members Fees	\$	1,100	
Total Board of Equalization			1,100

County Mayor/Executive

County Official/Administrative Officer	\$	72,974	
Accountants/Bookkeepers		31,582	
Part-time Personnel		19,494	
Board and Committee Members Fees		575	
Social Security		7,692	
Pensions		4,847	
Unemployment Compensation		461	
Employer Medicare		1,799	
Data Processing Services		15,077	
Dues and Memberships		1,155	
Legal Notices, Recording, and Court Costs		1,597	
Printing, Stationery, and Forms		2,571	
Travel		1,723	
Office Supplies		2,188	
Premiums on Corporate Surety Bonds		887	
Other Charges		905	
Total County Mayor/Executive			165,527

County Attorney

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

Election Commission

County Official/Administrative Officer	\$	56,436	
Election Commission		5,310	
Election Workers		6,098	
Social Security		3,499	
Pensions		5,463	
Unemployment Compensation		160	
Employer Medicare		818	
Data Processing Services		339	
Dues and Memberships		225	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Legal Notices, Recording, and Court Costs	\$	2,119	
Printing, Stationery, and Forms		335	
Travel		3,188	
Other Contracted Services		15,660	
Office Supplies		1,342	
Other Supplies and Materials		2	
Other Charges		4,556	
Total Election Commission			\$ 105,550

Register of Deeds

County Official/Administrative Officer	\$	63,182	
Social Security		3,475	
Pensions		6,116	
Employer Medicare		813	
Data Processing Services		92,722	
Dues and Memberships		532	
Printing, Stationery, and Forms		563	
Office Supplies		437	
Premiums on Corporate Surety Bonds		98	
Total Register of Deeds			167,938

Planning

Board and Committee Members Fees	\$	675	
Contracts with Government Agencies		1,438	
Total Planning			2,113

County Buildings

Laborers	\$	55,130	
Custodial Personnel		12,715	
Part-time Personnel		26,565	
Social Security		5,588	
Pensions		5,336	
Unemployment Compensation		654	
Employer Medicare		1,307	
Communication		54,180	
Maintenance and Repair Services - Buildings		33,252	
Maintenance and Repair Services - Vehicles		3,689	
Travel		125	
Custodial Supplies		15,454	
Electricity		50,684	
Gasoline		5,815	
Natural Gas		14,071	
Water and Sewer		28,402	
Total County Buildings			312,967

(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	\$	63,182	
Part-time Personnel		23,335	
Social Security		5,209	
Pensions		6,116	
Unemployment Compensation		441	
Employer Medicare		1,218	
Audit Services		1,841	
Data Processing Services		8,767	
Dues and Memberships		1,050	
Legal Notices, Recording, and Court Costs		128	
Travel		417	
Office Supplies		1,029	
Premiums on Corporate Surety Bonds		98	
Total Property Assessor's Office			\$ 112,831

County Trustee's Office

County Official/Administrative Officer	\$	63,182	
Deputy(ies)		22,561	
Social Security		5,161	
Pensions		8,300	
Unemployment Compensation		241	
Employer Medicare		1,207	
Data Processing Services		10,598	
Dues and Memberships		632	
Legal Notices, Recording, and Court Costs		600	
Printing, Stationery, and Forms		111	
Office Supplies		3,294	
Premiums on Corporate Surety Bonds		1,022	
Total County Trustee's Office			116,909

County Clerk's Office

County Official/Administrative Officer	\$	63,182	
Deputy(ies)		22,561	
Social Security		5,296	
Pensions		8,300	
Unemployment Compensation		140	
Employer Medicare		1,238	
Data Processing Services		28,434	
Dues and Memberships		512	
Office Supplies		596	
Premiums on Corporate Surety Bonds		98	
Other Charges		5,902	
Total County Clerk's Office			136,259

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,182	
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(Continued)

Exhibit I-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Secretary(ies)	\$	22,561	
Jury and Witness Expense		6,717	
Social Security		5,005	
Pensions		8,300	
Unemployment Compensation		140	
Employer Medicare		1,170	
Data Processing Services		6,307	
Dues and Memberships		437	
Printing, Stationery, and Forms		1,367	
Office Supplies		3,848	
Premiums on Corporate Surety Bonds		173	
Total Circuit Court			\$ 119,207

General Sessions Court

Judge(s)	\$	27,457	
Secretary(ies)		6,217	
Other Fringe Benefits		4,711	
Total General Sessions Court			38,385

Chancery Court

County Official/Administrative Officer	\$	63,182	
Social Security		3,917	
Pensions		6,116	
Employer Medicare		916	
Data Processing Services		5,704	
Dues and Memberships		497	
Legal Notices, Recording, and Court Costs		11,007	
Printing, Stationery, and Forms		39	
Office Supplies		1,781	
Premiums on Corporate Surety Bonds		150	
Total Chancery Court			93,309

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

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	69,500	
Deputy(ies)		235,398	
Accountants/Bookkeepers		32,233	
Salary Supplements		5,400	
School Resource Officer		22,347	

(Continued)

Exhibit I-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Overtime Pay	\$	1,007	
In-service Training		4,683	
Social Security		22,238	
Pensions		34,809	
Unemployment Compensation		1,279	
Employer Medicare		5,201	
Dues and Memberships		1,060	
Maintenance and Repair Services - Vehicles		26,069	
Printing, Stationery, and Forms		632	
Travel		444	
Gasoline		31,675	
Office Supplies		6,551	
Uniforms		3,173	
Premiums on Corporate Surety Bonds		281	
Other Charges		1,994	
Communication Equipment		10,111	
Motor Vehicles		233	
Total Sheriff's Department			\$ 516,318

Jail

Laborers	\$	19,805	
Guards		218,586	
Overtime Pay		1,935	
Social Security		14,711	
Pensions		22,646	
Unemployment Compensation		1,552	
Employer Medicare		3,441	
Data Processing Services		12,779	
Maintenance and Repair Services - Buildings		2,428	
Medical and Dental Services		108,162	
Custodial Supplies		244	
Food Supplies		69,908	
Other Charges		11,543	
Total Jail			487,740

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

County Coroner/Medical Examiner

Other Charges	\$	11,015	
Total County Coroner/Medical Examiner			11,015

(Continued)

Exhibit I-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety

Contributions	\$ 77,440	
Total Other Public Safety		\$ 77,440

Public Health and Welfare

Local Health Center

Clerical Personnel	\$ 611	
Social Security	38	
Unemployment Compensation	13	
Employer Medicare	9	
Drugs and Medical Supplies	100	
Office Supplies	153	
Other Supplies and Materials	13,207	
Other Charges	4,794	
Total Local Health Center		18,925

Appropriation to State

Contracts with Government Agencies	\$ 19,410	
Total Appropriation to State		19,410

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$ 19,805	
Part-time Personnel	96	
Social Security	1,234	
Pensions	1,917	
Unemployment Compensation	142	
Employer Medicare	288	
Other Charges	2,096	
Total Adult Activities		25,578

Senior Citizens Assistance

Part-time Personnel	\$ 13,366	
Social Security	829	
Unemployment Compensation	176	
Employer Medicare	194	
Medical and Dental Services	300	
Office Supplies	105	
Other Charges	5,500	
Total Senior Citizens Assistance		20,470

Libraries

County Official/Administrative Officer	\$ 22,732	
Part-time Personnel	675	
Social Security	1,310	
Pensions	1,761	
Unemployment Compensation	356	
Employer Medicare	306	

(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.)

Libraries (Cont.)

Data Processing Services	\$	995	
Library Books/Media		890	
Office Supplies		1,161	
Total Libraries			\$ 30,186

Parks and Fair Boards

Contributions	\$	1,000	
Total Parks and Fair Boards			1,000

Other Social, Cultural, and Recreational

Contributions	\$	8,631	
Total Other Social, Cultural, and Recreational			8,631

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	21,992	
Secretary(ies)		8,770	
Social Security		1,908	
Pensions		4,624	
Employer Medicare		447	
Travel		3,000	
Other Equipment		2,000	
Total Agricultural Extension Service			42,741

Soil Conservation

Supervisor/Director	\$	42,997	
Social Security		2,643	
Pensions		4,163	
Unemployment Compensation		140	
Employer Medicare		618	
Total Soil Conservation			50,561

Other Operations

Veterans' Services

Part-time Personnel	\$	8,064	
Social Security		500	
Unemployment Compensation		169	
Employer Medicare		117	
Travel		1,130	
Office Supplies		20	
Total Veterans' Services			10,000

Other Charges

Liability Insurance	\$	82,248	
Trustee's Commission		26,820	
Workers' Compensation Insurance		87,713	
Total Other Charges			196,781

(Continued)

Exhibit I-8

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits

Medical Insurance	\$	37,827	
Other Fringe Benefits		<u>5,670</u>	
Total Employee Benefits			\$ 43,497

Miscellaneous

Postal Charges	\$	17,256	
Duplicating Supplies		14,457	
Other Charges		<u>190</u>	
Total Miscellaneous			31,903

Highways

Litter and Trash Collection

Laborers	\$	20,325	
Social Security		1,461	
Pensions		2,308	
Unemployment Compensation		154	
Employer Medicare		342	
Accounting Services		3,511	
Other Supplies and Materials		8,625	
Other Charges		<u>4,124</u>	
Total Litter and Trash Collection			<u>40,850</u>

Total General Fund \$ 3,344,636

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Maintenance Personnel	\$	16,531	
Social Security		1,025	
Pensions		1,600	
Unemployment Compensation		167	
Employer Medicare		<u>240</u>	
Total County Buildings			\$ 19,563

Other Operations

Other Charges

Trustee's Commission	\$	<u>450</u>	
Total Other Charges			<u>450</u>

Total Courthouse and Jail Maintenance Fund 20,013

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Truck Drivers	\$	57,626	
Social Security		3,417	
Pensions		5,112	

(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.)

Waste Pickup (Cont.)

Unemployment Compensation	\$	280	
Employer Medicare		799	
Maintenance and Repair Services - Equipment		19,749	
Diesel Fuel		2,645	
Total Waste Pickup			\$ 89,628

Convenience Centers

Laborers	\$	128,969	
Social Security		7,990	
Unemployment Compensation		2,010	
Employer Medicare		1,869	
Other Contracted Services		118,332	
Other Supplies and Materials		167	
Trustee's Commission		3,006	
Other Charges		1,451	
Building Improvements		300	
Maintenance Equipment		2,478	
Total Convenience Centers			266,572

Landfill Operation and Maintenance

Other Charges	\$	1,000	
Total Landfill Operation and Maintenance			1,000

Total Solid Waste/Sanitation Fund \$ 357,200

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$	38,720	
Medical Personnel		277,050	
Overtime Pay		111,559	
In-service Training		330	
Social Security		25,994	
Pensions		37,937	
Unemployment Compensation		2,220	
Employer Medicare		6,079	
Dues and Memberships		300	
Licenses		1,500	
Maintenance and Repair Services - Buildings		2,798	
Maintenance and Repair Services - Equipment		1,295	
Maintenance and Repair Services - Vehicles		16,123	
Other Contracted Services		22,960	
Diesel Fuel		28,219	
Drugs and Medical Supplies		23,000	
Office Supplies		1,583	
Uniforms		2,072	
Other Supplies and Materials		275	

(Continued)

Exhibit I-8

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Premiums on Corporate Surety Bonds	\$	75	
Trustee's Commission		7,095	
Other Charges		3,136	
Health Equipment		1,995	
Other Equipment		15,167	
Total Ambulance/Emergency Medical Services			\$ 627,482

Total Ambulance Service Fund \$ 627,482

Local Purpose Tax Fund

Public Safety

Fire Prevention and Control

Contributions	\$	110,000	
Building and Contents Insurance		42,566	
Total Fire Prevention and Control			\$ 152,566

Other Operations

Other Charges

Trustee's Commission	\$	2,869	
Total Other Charges			2,869

Total Local Purpose Tax Fund 155,435

Drug Control Fund

Other Operations

Other Charges

Trustee's Commission	\$	134	
Total Other Charges			\$ 134

Total Drug Control Fund 134

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	69,500	
Assistant(s)		36,000	
Accountants/Bookkeepers		30,000	
Social Security		8,103	
Employer Medicare		1,895	
Communication		2,436	
Dues and Memberships		2,263	
Maintenance and Repair Services - Office Equipment		125	
Postal Charges		204	
Printing, Stationery, and Forms		511	
Travel		918	
Drugs and Medical Supplies		46	
Electricity		1,157	

(Continued)

Exhibit I-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Office Supplies	\$	313	
Other Charges		870	
Total Administration			\$ 154,341

Highway and Bridge Maintenance

Equipment Operators	\$	84,042	
Truck Drivers		28,667	
Laborers		140,196	
Overtime Pay		3,220	
Other Salaries and Wages		14,957	
Social Security		16,341	
Employer Medicare		3,822	
Other Contracted Services		301,914	
Asphalt - Cold Mix		5,739	
Crushed Stone		46,318	
Lubricants		1,384	
Pipe - Metal		9,826	
Road Signs		4,220	
Salt		11,496	
Other Supplies and Materials		844	
Total Highway and Bridge Maintenance			672,986

Operation and Maintenance of Equipment

Mechanic(s)	\$	55,801	
Nightwatchmen		53,009	
Overtime Pay		562	
Other Salaries and Wages		4,870	
Social Security		6,772	
Employer Medicare		1,584	
Maintenance and Repair Services - Equipment		1,353	
Other Contracted Services		502	
Diesel Fuel		33,959	
Equipment and Machinery Parts		32,872	
Garage Supplies		561	
Gasoline		15,250	
Lubricants		5,953	
Tires and Tubes		10,699	
Water and Sewer		558	
Other Charges		189	
Total Operation and Maintenance of Equipment			224,494

Quarry Operations

Communication	\$	2,427	
Operating Lease Payments		4,800	
Electricity		3,108	
Total Quarry Operations			10,335

(Continued)

Exhibit I-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Liability Insurance	\$	23,092	
Premiums on Corporate Surety Bonds		477	
Trustee's Commission		16,908	
Workers' Compensation Insurance		62,831	
Total Other Charges			\$ 103,308

Employee Benefits

Pensions	\$	45,992	
Employee and Dependent Insurance		18,657	
Medical Insurance		14,341	
Unemployment Compensation		4,248	
Total Employee Benefits			83,238

Capital Outlay

Furniture and Fixtures	\$	170	
Highway Equipment		62,968	
State Aid Projects		807,315	
Total Capital Outlay			870,453

Total Highway/Public Works Fund \$ 2,119,155

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$	284,033	
Total General Government			\$ 284,033

Education

Principal on Bonds	\$	73,000	
Total Education			73,000

Interest on Debt

General Government

Interest on Notes	\$	172,581	
Motor Vehicles		182,499	
Total General Government			355,080

Education

Interest on Bonds	\$	43,860	
Total Education			43,860

Other Debt Service

General Government

Trustee's Commission	\$	4,244	
Total General Government			4,244

Total General Debt Service Fund 760,217

(Continued)

Exhibit I-8

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

<u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Other General Government Projects</u>			
Building Construction	\$	<u>5,440,262</u>	
Total Other General Government Projects			<u>\$ 5,440,262</u>
Total General Capital Projects Fund			<u>\$ 5,440,262</u>
Total Governmental Funds - Primary Government			<u><u>\$ 12,824,534</u></u>

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, 2018

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	2,263,190	
Career Ladder Program		9,000	
Homebound Teachers		2,380	
Educational Assistants		151,788	
Certified Substitute Teachers		9,275	
Non-certified Substitute Teachers		43,507	
Social Security		142,156	
Pensions		215,825	
Medical Insurance		141,831	
Unemployment Compensation		1,104	
Employer Medicare		33,952	
Other Contracted Services		9,429	
Instructional Supplies and Materials		23,459	
Textbooks - Bound		11,489	
Other Supplies and Materials		61	
Other Charges		320	
Total Regular Instruction Program			\$ 3,058,766

Special Education Program

Teachers	\$	256,250	
Career Ladder Program		1,000	
Homebound Teachers		100	
Educational Assistants		25,795	
Speech Pathologist		55,870	
Certified Substitute Teachers		300	
Non-certified Substitute Teachers		441	
Social Security		18,189	
Pensions		30,996	
Medical Insurance		69,054	
Employer Medicare		4,254	
Maintenance and Repair Services - Equipment		160	
Other Supplies and Materials		36	
Other Charges		466	
Special Education Equipment		946	
Total Special Education Program			463,857

Career and Technical Education Program

Teachers	\$	161,648
Career Ladder Program		1,000
Social Security		9,831
Pensions		15,165
Medical Insurance		7,194
Unemployment Compensation		78
Employer Medicare		2,299
Tuition		1,255
Other Supplies and Materials		193

(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.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Other Charges	\$	1,360	
Vocational Instruction Equipment		16,361	
Total Career and Technical Education Program			\$ 216,384

Support Services

Attendance

Supervisor/Director	\$	62,557	
Career Ladder Program		1,000	
Social Security		3,740	
Pensions		5,771	
Medical Insurance		3,113	
Unemployment Compensation		27	
Employer Medicare		875	
Other Supplies and Materials		449	
In Service/Staff Development		680	
Total Attendance			78,212

Health Services

Supervisor/Director	\$	50,180	
Medical Personnel		46,665	
Other Salaries and Wages		20,947	
Social Security		7,034	
Pensions		11,380	
Medical Insurance		4,033	
Unemployment Compensation		63	
Employer Medicare		1,645	
Drugs and Medical Supplies		1,326	
Other Supplies and Materials		8,512	
In Service/Staff Development		3,965	
Other Charges		1,135	
Total Health Services			156,885

Other Student Support

Guidance Personnel	\$	111,795	
Other Salaries and Wages		54,416	
Social Security		9,565	
Pensions		15,207	
Medical Insurance		13,506	
Unemployment Compensation		89	
Employer Medicare		2,237	
Contracts with Government Agencies		26,247	
Evaluation and Testing		4,468	
Travel		55	
Total Other Student Support			237,585

(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

Supervisor/Director	\$	28,645	
Career Ladder Program		2,000	
Librarians		103,040	
Other Salaries and Wages		27,105	
Social Security		5,935	
Pensions		9,627	
Medical Insurance		14,187	
Unemployment Compensation		86	
Employer Medicare		2,182	
Travel		278	
Library Books/Media		5,040	
In Service/Staff Development		694	
Other Charges		299	
Total Regular Instruction Program			\$ 199,118

Special Education Program

Supervisor/Director	\$	63,157	
Career Ladder Program		1,000	
Psychological Personnel		51,430	
Other Salaries and Wages		5,443	
Social Security		7,151	
Pensions		11,022	
Medical Insurance		6,613	
Unemployment Compensation		59	
Employer Medicare		1,672	
Travel		1,849	
Total Special Education Program			149,396

Career and Technical Education Program

Supervisor/Director	\$	4,204	
Travel		84	
Total Career and Technical Education Program			4,288

Technology

Career Ladder Program	\$	2,000	
Instructional Computer Personnel		119,167	
Social Security		7,207	
Pensions		11,308	
Medical Insurance		3,994	
Unemployment Compensation		71	
Employer Medicare		1,685	
Internet Connectivity		4,860	
Cabling		232	
Software		34,310	
Regular Instruction Equipment		23,040	
Total Technology			207,874

(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	\$ 13,200	
Social Security	818	
Medical Insurance	34,963	
Employer Medicare	191	
Audit Services	4,375	
Dues and Memberships	3,793	
Travel	200	
Other Contracted Services	2,180	
Trustee's Commission	32,894	
Workers' Compensation Insurance	42,892	
Total Board of Education		135,506

Director of Schools

County Official/Administrative Officer	\$ 85,085	
Career Ladder Program	1,000	
Social Security	4,705	
Pensions	7,817	
Medical Insurance	9,694	
Unemployment Compensation	41	
Employer Medicare	1,100	
Communication	9,538	
Dues and Memberships	1,355	
Postal Charges	1,072	
Travel	1,609	
Office Supplies	50	
Other Supplies and Materials	460	
Other Charges	274	
Total Director of Schools		123,800

Office of the Principal

Principals	\$ 140,088	
Career Ladder Program	1,000	
Assistant Principals	115,141	
Secretary(ies)	46,706	
Social Security	18,063	
Pensions	27,787	
Medical Insurance	11,323	
Unemployment Compensation	145	
Employer Medicare	4,224	
Communication	1,383	
Other Charges	312	
Total Office of the Principal		366,172

(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	\$	40,980	
Secretary(ies)		34,664	
Other Salaries and Wages		31,530	
Social Security		6,494	
Pensions		10,374	
Medical Insurance		5,028	
Unemployment Compensation		107	
Employer Medicare		1,519	
Data Processing Services		10,774	
Other Contracted Services		1,392	
Data Processing Supplies		1,979	
Office Supplies		1,781	
Other Supplies and Materials		100	
Total Fiscal Services			\$ 146,722

Operation of Plant

Custodial Personnel	\$	173,164	
Social Security		10,357	
Pensions		16,265	
Medical Insurance		35,077	
Unemployment Compensation		204	
Employer Medicare		2,422	
Disposal Fees		15,000	
Other Contracted Services		12,861	
Custodial Supplies		21,275	
Electricity		177,647	
Natural Gas		36,453	
Water and Sewer		34,292	
Other Supplies and Materials		1,568	
Building and Contents Insurance		86,356	
Other Charges		550	
Plant Operation Equipment		1,400	
Total Operation of Plant			624,891

Maintenance of Plant

Supervisor/Director	\$	36,546	
Other Salaries and Wages		1,420	
Social Security		2,285	
Pensions		3,667	
Medical Insurance		5,028	
Unemployment Compensation		43	
Employer Medicare		534	
Communication		906	
Maintenance and Repair Services - Buildings		17,206	
Maintenance and Repair Services - Equipment		28,730	
Other Contracted Services		12,753	
Maintenance Equipment		350	
Total Maintenance of Plant			109,468

(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.)

Transportation

Mechanic(s)	\$	36,246	
Bus Drivers		98,038	
Other Salaries and Wages		21,335	
Social Security		9,042	
Pensions		13,962	
Medical Insurance		10,348	
Unemployment Compensation		148	
Employer Medicare		2,234	
Communication		644	
Gasoline		44,670	
Lubricants		1,405	
Tires and Tubes		5,667	
Vehicle Parts		29,670	
Other Supplies and Materials		3,148	
Other Charges		4,806	
Transportation Equipment		105,590	
Total Transportation			\$ 386,953

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	18,175	
Teachers		54,980	
Career Ladder Program		1,000	
Educational Assistants		3,530	
Cafeteria Personnel		2,043	
Other Salaries and Wages		12,960	
Social Security		5,555	
Pensions		8,534	
Medical Insurance		3,080	
Unemployment Compensation		18	
Employer Medicare		1,299	
Travel		94	
Other Supplies and Materials		2,901	
In Service/Staff Development		377	
Other Charges		10,860	
Other Equipment		19,990	
Total Community Services			145,396

Early Childhood Education

Supervisor/Director	\$	31,020
Teachers		103,240
Educational Assistants		38,904
Social Security		9,945
Pensions		15,926
Medical Insurance		20,493
Unemployment Compensation		99

(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 (Cont.)

Employer Medicare	\$	2,326	
Communication		451	
Instructional Supplies and Materials		3,105	
Other Supplies and Materials		6,085	
In Service/Staff Development		2,473	
Other Charges		1,350	
Total Early Childhood Education			\$ 235,417

Capital Outlay

Regular Capital Outlay

Architects	\$	71,728	
Legal Services		1,002	
Building Improvements		234,685	
Furniture and Fixtures		28,923	
Site Development		39,921	
Other Equipment		500	
Total Regular Capital Outlay			376,759

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	73,000	
Total Education			73,000

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	43,860	
Total Education			43,860

Total General Purpose School Fund \$ 7,575,913

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	189,998	
Educational Assistants		29,108	
Non-certified Substitute Teachers		782	
Social Security		13,631	
Pensions		20,012	
Medical Insurance		6,912	
Unemployment Compensation		340	
Employer Medicare		3,188	
Instructional Supplies and Materials		12,162	
Textbooks - Bound		2,900	
Other Charges		725	
Regular Instruction Equipment		5,805	
Total Regular Instruction Program			\$ 285,563

(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.)

Special Education Program

Educational Assistants	\$	134,345	
Speech Pathologist		745	
Social Security		8,376	
Pensions		12,953	
Unemployment Compensation		308	
Employer Medicare		1,959	
Instructional Supplies and Materials		4,060	
Other Supplies and Materials		2,313	
Special Education Equipment		11,999	
Total Special Education Program	\$		177,058

Career and Technical Education Program

Instructional Supplies and Materials	\$	1,603	
Vocational Instruction Equipment		36,942	
Total Career and Technical Education Program			38,545

Support Services

Other Student Support

Travel	\$	1,800	
Other Supplies and Materials		120	
In Service/Staff Development		1,565	
Total Other Student Support			3,485

Regular Instruction Program

Supervisor/Director	\$	3,000	
Social Security		186	
Pensions		272	
Employer Medicare		44	
In Service/Staff Development		1,415	
Total Regular Instruction Program			4,917

Special Education Program

Travel	\$	343	
Other Contracted Services		10,240	
Other Supplies and Materials		5,138	
In Service/Staff Development		6,349	
Total Special Education Program			22,070

Career and Technical Education Program

Supervisor/Director	\$	696	
Total Career and Technical Education Program			696

Board of Education

Criminal Investigation of Applicants - TBI	\$	202	
Total Board of Education			202

(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.)

Transportation

Bus Drivers	\$ 3,075	
Social Security	191	
Pensions	289	
Employer Medicare	45	
Diesel Fuel	636	
Total Transportation	\$ 4,236	

Total School Federal Projects Fund \$ 536,772

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 35,720	
Cafeteria Personnel	156,987	
Social Security	11,719	
Pensions	18,051	
Medical Insurance	10,244	
Unemployment Compensation	206	
Employer Medicare	2,757	
Communication	2,050	
Maintenance and Repair Services - Equipment	5,867	
Travel	537	
Other Contracted Services	3,781	
Food Preparation Supplies	13,369	
Food Supplies	211,960	
Office Supplies	545	
Uniforms	781	
USDA - Commodities	36,948	
Other Supplies and Materials	202	
In Service/Staff Development	303	
Other Charges	807	
Food Service Equipment	7,250	
Total Food Service	\$ 520,084	

Total Central Cafeteria Fund 520,084

Total Governmental Funds - Van Buren County School Department \$ 8,632,769



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, 2018

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 136,595
Total Cash Receipts	<u>\$ 136,595</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 135,229
Trustee's Commission	1,366
Total Cash Disbursements	<u>\$ 136,595</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2017	<u>0</u>
 Cash Balance, June 30, 2018	 <u><u>\$ 0</u></u>

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## SINGLE AUDIT SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Buren County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Van Buren County's basic financial statements, and have issued our report thereon dated October 30, 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.

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be

prevented, or detected and corrected on a timely basis. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 2018-001

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2018-003(B), 2018-004, and 2018-006.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Van Buren County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2018-002, 2018-003(A), 2018-005, and 2018-007.

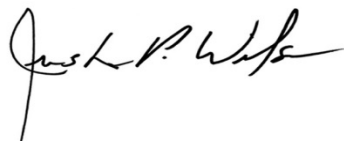
### **Van Buren County's Responses to the Findings**

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

October 30, 2018

JPW/kp



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

**Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

Independent Auditor's Report

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, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of 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, 2018.

### **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.

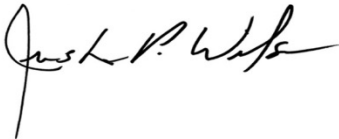
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

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, 2018, and the related notes to the financial statements, which collectively comprise Van Buren County's basic financial statements. We issued our report thereon dated October 30, 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

October 30, 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, 2018

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Rural Business Development Grant	10.351	N/A	\$ 50,441
Environmental Quality Incentives Program	10.912	N/A	10,982
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	120,950
National School Lunch Program	10.555	N/A	264,083 (5)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	38,374 (5)
Passed-through State Department of Human Services:			
Child Nutrition Cluster: (4)			
Summer Food Service Program for Children	10.559	N/A	18,431
Total U.S. Department of Agriculture			<u>\$ 503,261</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 216,047
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	198,048
Special Education - Preschool Grants	84.173	N/A	5,499
Career and Technical Education - Basic Grants to States	84.048	N/A	42,605
Rural Education	84.358	(3)	6,774
Improving Teacher Quality State Grants	84.367	N/A	30,863
Student Support and Academic Enrichment	84.424	N/A	7,659
Total U.S. Department of Education			<u>\$ 507,495</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)	\$ 11,789
Passed-through State Department of Human Services:			
CCDF Cluster:			
Child Care and Development Block Grant	93.575	(3)	33,693
Total U.S. Department of Health and Human Services			<u>\$ 45,482</u>
Total Expenditures of Federal Awards			<u>\$ 1,056,238</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)	\$ 1,868
Coordinated School Health - State Department of Education	N/A	(3)	90,000
Career and Technical Education - State Department of Education	N/A	(3)	15,000
Early Childhood Education - State Department of Education	N/A	(3)	195,903
Family Resource Centers - State Department of Education	N/A	(3)	30,208
Lottery Education Afterschool Programs - State Department of Education	N/A	(3)	79,304
Safe Schools - State Department of Education	N/A	(3)	4,980
Read to Be Ready Coaching Network - State Department of Education	N/A	(3)	10,055
Project Diabetes - State Department of Health	N/A	(3)	30,000
Litter Program - State Department of Transportation	N/A	(3)	40,393
Highway Safety Grant - State Department of Safety and Homeland Security	N/A	(3)	4,595
ThreeStar Grant Program - State Department of Economic and Community Development	N/A	(3)	24,860
Tourism Enhancement - State Department of Economic and Community Development	N/A	(3)	32,611
Clean Tennessee Energy Grant Program - State Department of Environment and Sustainable Practices	N/A	(3)	12,695
Asset Enhancement - State Department of Economic and Community Development	N/A	(3)	21,669
TN Farmer's Market - State Department of Economic and Community Development	N/A	(3)	21,510
Parks and Recreation Planning Grant - State Department of Environment and Conservation	N/A	(3)	36,000
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	(3)	12,375
Youth Services Program - State Commission on Children and Youth	N/A	(3)	4,500
Total State Grants			\$ 668,526

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 \$441,838; Special Education Cluster total \$203,547.
- (5) Total for CFDA No. 10.555 is \$302,457.

Van Buren County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2018

*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, 2018.

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

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
<b><u>OFFICE OF COUNTY MAYOR</u></b>					
2017	171	2017-001(A)	The county's purchase of a solid waste disposal company had deficiencies - the Solid Waste/Sanitation Fund had a fund deficit	N/A	Not Corrected - See Explanation on Corrective Action Plan
		2017-001(B)	The county's purchase of a solid waste disposal company had deficiencies - the county did not report the lease-purchase to the state Comptroller's Office	N/A	Corrected
		2017-001(C)	The county's purchase of a solid waste disposal company had deficiencies - the interfund loan was not approved or reported to the state Comptroller's Office	N/A	Not Corrected - See Explanation on Corrective Action Plan
2017	172	2017-002	Amounts withheld from contractor payments were not deposited into an escrow account	N/A	Not Corrected - See Explanation on Corrective Action Plan
<b><u>OFFICE OF SHERIFF</u></b>					
2017	172	2017-003	Inmate funds totaling \$100 were missing from the Sheriff's Department	N/A	Corrected
2017	173	2017-004	The Sheriff did not report missing inmate funds to the Comptroller of the Treasury	N/A	Corrected

***Prior-year Federal Awards Findings***

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

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**VAN BUREN COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2018**

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**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? **YES**
  - \* Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **YES**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* CFDA Numbers: 10.553, 10.555, and 10.559      Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children
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 2018-001**

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

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

At June 30, 2018, certain general ledger account balances in the General Debt Service Fund were not materially correct, and audit adjustments totaling \$196,072 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Van Buren County to have adequate internal controls over the maintenance of its accounting records. These material audit adjustments were required because the county failed to make scheduled principal and interest payments on debt as noted in Finding 2018-002. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

#### **RECOMMENDATION**

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

#### **MANAGEMENT'S RESPONSE – COUNTY MAYOR**

I concur with this finding.

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#### **FINDING 2018-002**

#### **THE OFFICE FAILED TO MAKE SCHEDULED PRINCIPAL AND INTEREST PAYMENTS ON CAPITAL OUTLAY NOTES**

(Material Noncompliance Under *Government Auditing Standards*)

Our examination of debt transactions revealed that scheduled principal and interest payments totaling \$196,072 on four capital outlay notes were not made in compliance with the repayment provisions authorized for the debt instruments. The overdue principal and

interest have been reflected as capital outlay notes payable and accrued interest payable in the financial statements of the General Debt Service Fund at June 30, 2018. The failure to make these payments was a result of a lack of management oversight.

RECOMMENDATION

County officials should comply with the repayment provisions authorized for debt instruments.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

I concur with this finding.

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FINDING 2018-003

**THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

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

We noted the following deficiencies in budget operations of the office:

- A. Expenditures exceeded total appropriations approved by the County Commission in the General Debt Service Fund by \$194,899. This deficiency exists due to a lack of management oversight; management’s failure to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures; and the required audit adjustments noted in the findings above. Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”
- B. Some budget amendments in the General (\$76,518), Solid Waste/Sanitation (\$30,220), and General Debt Service (\$238,500) funds were improperly posted as journal entries instead of budget entries. We presented audit adjustments to management that they approved and posted to properly present the budget in the financial statements in this report.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission. Budget amendments should be posted accurately.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

I concur with this finding.

---

FINDING 2018-004

**THE SOLID WASTE/SANITATION FUND HAD A DEFICIT IN UNASSIGNED FUND BALANCE**

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

The Solid Waste/Sanitation Fund had a deficit in unassigned fund balance of \$583,715 at June 30, 2018. This deficit resulted primarily from the recognition of a \$583,248 liability due to the General Fund for interfund loans (\$575,000) and state grants (\$8,248) posted to the wrong fund. Audit adjustments were posted to reflect the liability in the Solid Waste/Sanitation Fund and the receivable in the General Fund in the financial statements in this report. On August 21, 2018, the County Commission forgave the repayment of \$25,000 of the loans owed to the General Fund. This deficit resulted from a lack of management oversight and the failure of management to correct the prior-year audit finding.

RECOMMENDATION

Officials should liquidate the deficit in unassigned fund balance in the Solid Waste/Sanitation Fund.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

I concur with this finding.

---

FINDING 2018-005

**INTERFUND LOANS WERE NOT ISSUED AND REPAID PROPERLY**

(Noncompliance Under *Government Auditing Standards*)

During the prior 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. This deficiency resulted from a lack of management oversight and their failure to correct the prior-year audit finding. The following issues were noted relating to the interfund loans:

- A. 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, *Tennessee Code Annotated (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.

- B. According to the County Commission's minutes, the Solid Waste/Sanitation Fund was scheduled to repay the General Fund \$100,000 during the year toward the interfund loan; however, the Solid Waste/Sanitation Fund did not make any payments to the General Fund during the year. On August 21, 2018, the County Commission forgave the repayment of \$25,000 of the loan owed to the General Fund. This leaves a balance of \$550,000 due to the General Fund from the Solid Waste/Sanitation Fund that is scheduled to be repaid over the next five years.

#### RECOMMENDATION

All interfund loans should be approved by the state Comptroller's Office as required by state statute. County officials should file a Report on Debt Obligation with the state Comptroller's Office for all debt issuances. Interfund loans should be repaid according to the schedule approved by the County Commission.

#### MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding.

---

#### FINDING 2018-006

#### **EXPENDITURES FOR THE PURCHASE OF AN AMBULANCE WERE MISCLASSIFIED**

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

The county purchased an ambulance using the General Debt Service Fund and posted the expenditure to the interest on notes account. This account did not reflect the true nature of the transaction. Misclassifying expenditures diminishes the usefulness of the financial records as a management tool and results in a loss of budgetary control. We presented audit adjustments to management that they approved to properly present the expenditure for the ambulance in the financial statements in this report.

#### RECOMMENDATION

Expenditures should be properly classified to reflect the true nature of the transactions.

#### MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding.

---

FINDING 2018-007

**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, management's failure to correct the finding noted in the prior-year audit report, and the failure to implement their corrective action plan. Also, this deficiency 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.

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### **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, 2018.

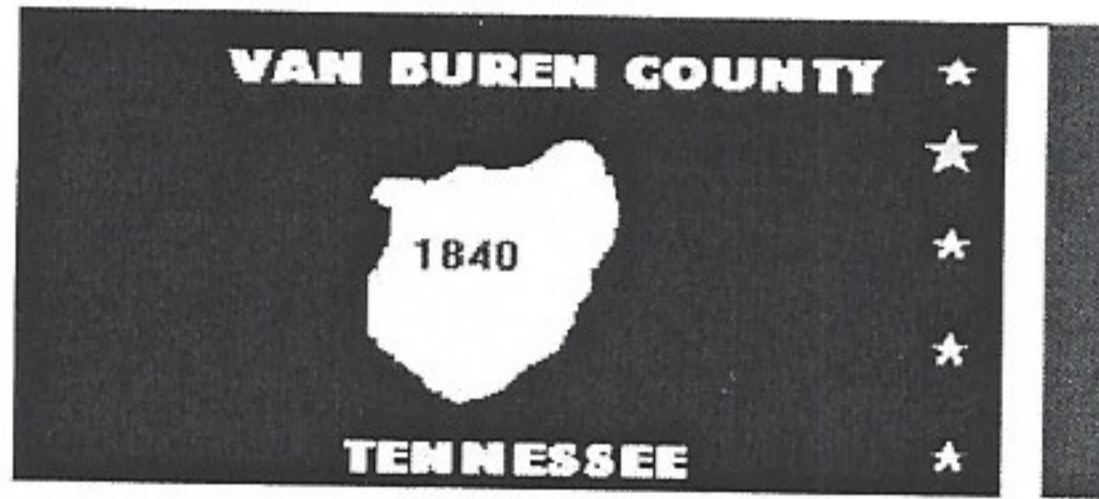
**Van Buren County, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2018**

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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**OFFICE OF COUNTY MAYOR**

2018-001	The General Debt Service Fund required material audit adjustments for proper financial statement presentation	177
2018-002	The office failed to make scheduled principal and interest payments on capital outlay notes	177,178
2018-003	The office had deficiencies in budget operations	178
2018-004	The Solid Waste/Sanitation Fund had a deficit in unassigned fund balance	178,179
2018-005	Interfund loans were not issued and repaid properly	179
2018-006	Expenditures for the purchase of an ambulance were misclassified	179,180
2018-007	Amounts withheld from contractors payments were not deposited into an escrow account	180



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Phone (931)-946-2314  
e-mail- mayorgwilson@outlook.com

*Corrective Action Plan*

**FINDING:** THE GENERAL DEBT SERVICE FUND REQUIRED MATERIAL AUDIT ADJUSTMENT FOR PROPER FINANCIAL STATEMENT PRESENTATION

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

**Person Responsible for Implementing the Corrective Action:**  
Greg Wilson, Van Buren County Mayor

**Anticipated Completion Date of Corrective Action:**  
10/19/2018

**Repeat Finding:**  
No

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

**Planned Corrective Action:**  
We have worked with Bank to insure the correct amortization schedule and will follow expected.

---

**FINDING:** THE OFFICE FAILED TO MAKE SCHEDULED PRINCIPAL AND INTEREST PAYMENTS ON CAPITAL OUTLAY NOTES

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

**Person Responsible for Implementing the Corrective Action:**  
Greg Wilson, Van Buren County Mayor

**Anticipated Completion Date of Corrective Action:**  
10/19/2018

**Repeat Finding:**

No

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

N/A

**Planned Corrective Action:**

We have worked with the Bank and plan to install measures to insure payments are made to correct and match any payments within the payment schedule.

---

**FINDING:**

**THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

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

Greg Wilson, County Mayor

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

Greg Wilson, Van Buren County Mayor

**Anticipated Completion Date of Corrective Action:**

10/19/18

**Repeat Finding:**

No

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

N/A

**Planned Corrective Action:**

This item was simply placed in the wrong line within the General Debt Service budget, I and the Finance Officer will always double check to insure this does not occur again.

---

**FINDING:**

**THE SOLID WASTE/SANITATION FUND HAD A DEFICIT IN UNASSIGNED FUND BALANCE**

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

Greg Wilson, County Mayor

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

Greg Wilson, Van Buren County Mayor

**Anticipated Completion Date of Corrective Action:**

10/19/18

**Repeat Finding:**

Yes

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

County Commission was asked to forgive the debt, was not passed.

**Planned Corrective Action:**

Will introduce to the Commission for this debt to be forgiven this Fiscal Year.

---

**FINDING:**

**INTERFUND LOANS WERE NOT ISSUED AND REPAID PROPERLY**

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

Greg Wilson, County Mayor

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

Greg Wilson, Van Buren County Mayor

**Anticipated Completion Date of Corrective Action:**

10/19/18 and next County Commission Meeting

**Repeat Finding:**

Yes

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

Approached the County Commission no action taken to forgive total debt or to freeze .

**Planned Corrective Action:**

Since last month Budget Meeting I am confident this will be resolved with the Commission.

---

**FINDING:**

**EXPENDITURES FOR THE PURCHASE OF AN AMBULANCE WERE MISCLASSIFIED**

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

Greg Wilson, County Mayor

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

Greg Wilson, Van Buren County Mayor

**Anticipated Completion Date of Corrective Action:**

10/19/18

**Repeat Finding:**

No

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

N/A

**Planned Corrective Action:**

This was misapplied to the wrong line item. I will double check with Finance all line items in the budget before submittal.

---

**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, Van Buren County Mayor

**Anticipated Completion Date of Corrective Action:**

10/19/18

**Repeat Finding:**

Yes

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

The Construction Company changed Project Managers and were unable to obtain the proper authority from the company to carry out.

**Planned Corrective Action:**

Corrected, the Escrow Account has been opened.

Signature:

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, written over a horizontal line.

## **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.