



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



FOR THE YEAR ENDED JUNE 30, 2011



ANNUAL FINANCIAL REPORT
VAN BUREN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2011

COMPTROLLER OF THE TREASURY
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This financial report is available at www.tn.gov/comptroller

VAN BUREN COUNTY, TENNESSEE

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Audit Highlights

Annual Financial Report
Van Buren County, Tennessee
For the Year Ended June 30, 2011

Scope

We have audited the basic financial statements of Van Buren County as of and for the year ended June 30, 2011.

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements do not include a component unit whose financial statements were not audited. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

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

Findings and Best Practice

The following are summaries of the audit findings and best practice:

OFFICE OF COUNTY MAYOR

- ◆ The General and Ambulance Service funds required material audit adjustments for proper financial statement presentation.
- ◆ The office had deficiencies in purchasing procedures.
- ◆ Fund equity was not classified properly.

OFFICE OF ROAD SUPERINTENDENT

- ◆ Expenditures exceeded appropriations.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

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

OFFICE OF SHERIFF

- ◆ Deficiencies were noted in the commissary operations.
 - ◆ Deficiencies were noted in receipting and depositing collections.
-

VAN BUREN COUNTY

- ◆ Van Buren County has a material recurring audit finding.
 - ◆ The Industrial Development Board of Van Buren County was not audited.
-

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

- ◆ Duties were not segregated adequately.
-

BEST PRACTICE

Van Buren County does not have a central system of accounting, budgeting, and purchasing. The Division of County Audit strongly believes that a central system of accounting, budgeting, and purchasing 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 in Van Buren County.

INTRODUCTORY SECTION

Van Buren County Officials

June 30, 2011

Officials

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

Board of County Commissioners

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

Board of Education

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

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

December 5, 2011

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 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, 2011, which collectively comprise Van Buren County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Van Buren County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Van Buren County Emergency Communications District, which represent five percent and three percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Van Buren County Emergency Communications District, is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

The Industrial Development Board of Van Buren County, a component unit requiring discrete presentation, did not have audited financial statements. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the Industrial Development Board of Van Buren County, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, based on our audit and the report of other auditors, and except for the effects of not including the financial statements of the Industrial Development Board of Van Buren County, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Van Buren County, Tennessee, as of June 30, 2011, and the results of operations of the aggregate discretely presented component units, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Van Buren County, Tennessee, as of June 30, 2011, and the respective changes in financial position, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2011, on our consideration of Van Buren County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

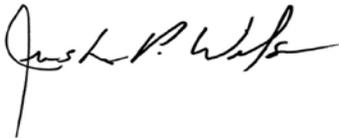
As described in Note V.B., Van Buren County has adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

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 budgetary comparison, pension, and other postemployment benefits information on pages 64 through 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Van Buren County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Van Buren County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the 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), and the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Van Buren County, Tennessee
Statement of Net Assets
June 30, 2011

| | Primary Government Governmental Activities | Component Units | |
|--|---|---|--|
| | | Van Buren County School Department | Van Buren County Emergency Communications District |
| <u>ASSETS</u> | | | |
| Cash | \$ 1,420 | \$ 0 | \$ 43,327 |
| Equity in Pooled Cash and Investments | 2,131,347 | 3,903,444 | 0 |
| Accounts Receivable | 670,601 | 489 | 4,335 |
| Allowance for Uncollectibles | (171,508) | 0 | 0 |
| Due from Primary Government | 0 | 149,500 | |
| Due from Other Governments | 441,751 | 418,936 | 2,389 |
| Prepaid Expenses | 0 | 0 | 7,350 |
| Property Taxes Receivable | 2,038,788 | 799,983 | 0 |
| Allowance for Uncollectible Property Taxes | (120,293) | (49,232) | 0 |
| Capital Assets: | | | |
| Assets Not Depreciated: | | | |
| Land | 130,924 | 269,347 | 60,000 |
| Construction in Progress | 0 | 621,842 | |
| Assets Net of Accumulated Depreciation: | | | |
| Buildings and Improvements | 871,215 | 4,019,830 | 332,796 |
| Other Capital Assets | 1,017,838 | 603,015 | 111,232 |
| Infrastructure | 3,550,039 | 9,334 | 0 |
| Total Assets | <u>\$ 10,562,122</u> | <u>\$ 10,746,488</u> | <u>\$ 561,429</u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 7,531 | \$ 1,522 | \$ 2,367 |
| Accrued Payroll | 8,799 | 0 | 0 |
| Payroll Deductions Payable | 0 | 0 | 80 |
| Accrued Interest Payable | 1,455 | 0 | 0 |
| Retainage Payable | 0 | 22,100 | |
| Contracts Payable | 0 | 149,422 | |
| Due to Component Units | 149,500 | | |
| Due to State of Tennessee | 3,622 | 0 | 0 |
| Deferred Revenue - Current Property Taxes | 1,728,047 | 667,413 | 0 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 57,065 | 121,648 | 22,467 |
| Due in More Than One Year | 356,354 | 1,881,068 | 23,706 |
| Total Liabilities | <u>\$ 2,312,373</u> | <u>\$ 2,843,173</u> | <u>\$ 48,620</u> |

(Continued)

Exhibit A

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

| | Primary Government Governmental Activities | Component Units | |
|---|---|---|--|
| | | Van Buren County School Department | Van Buren County Emergency Communications District |
| <u>NET ASSETS</u> | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 5,451,106 | \$ 4,275,168 | \$ 457,855 |
| Restricted for: | | | |
| Debt Service | 402,168 | 0 | 0 |
| Courthouse and Jail Maintenance | 32,512 | 0 | 0 |
| Solid Waste/Sanitation | 139,209 | 0 | 0 |
| Ambulance Service | 699,177 | 0 | 0 |
| Local Purpose Tax | 35,453 | 0 | 0 |
| Drug Control | 3,798 | 0 | 0 |
| Highway/Public Works | 1,356,034 | 0 | 0 |
| School Federal Projects | 0 | 67,565 | 0 |
| Central Cafeteria | 0 | 175,719 | 0 |
| Capital Projects | 0 | 411,404 | 0 |
| Basic Education Program | 0 | 2,934,107 | 0 |
| Other Purposes | 33,287 | 26,570 | 0 |
| Unrestricted | <u>97,005</u> | <u>12,782</u> | <u>54,954</u> |
| Total Net Assets | <u>\$ 8,249,749</u> | <u>\$ 7,903,315</u> | <u>\$ 512,809</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, 2011

| Functions/Programs | Net (Expense) Revenue and Changes in Net Assets | | | | | | |
|---|---|------------------------------------|----------------------------------|-------------------------------|------------------------------------|-----------------------------------|----------|
| | Program Revenues | | | Primary Government | Component Units | | |
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total Governmental Activities | Van Buren County School Department | Emergency Communications District | |
| Primary Government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 518,657 | \$ 43,053 | \$ 0 | \$ (460,440) | \$ 0 | \$ 0 | 0 |
| Finance | 254,913 | 130,333 | 0 | (124,580) | 0 | 0 | 0 |
| Administration of Justice | 213,774 | 162,503 | 0 | (42,271) | 0 | 0 | 0 |
| Public Safety | 1,092,434 | 127,831 | 0 | (960,553) | 0 | 0 | 0 |
| Public Health and Welfare | 742,490 | 493,854 | 25,000 | (219,830) | 0 | 0 | 0 |
| Social, Cultural, and Recreational Services | 64,142 | 10,429 | 0 | (43,219) | 0 | 0 | 0 |
| Agriculture and Natural Resources | 43,349 | 0 | 0 | (43,349) | 0 | 0 | 0 |
| Other Operations | 496,915 | 0 | 0 | (61,999) | 0 | 0 | 0 |
| Highways/Public Works | 1,809,152 | 5,446 | 0 | (463,044) | 0 | 0 | 0 |
| Interest on Long-term Debt | 6,449 | 0 | 0 | (6,449) | 0 | 0 | 0 |
| Other Debt Service | 1,085 | 0 | 0 | (1,085) | 0 | 0 | 0 |
| Total Governmental Activities | \$ 5,243,360 | \$ 973,449 | \$ 1,818,092 | \$ (2,426,819) | \$ 0 | \$ 0 | 0 |
| Total Primary Government | \$ 5,243,360 | \$ 973,449 | \$ 1,818,092 | \$ (2,426,819) | \$ 0 | \$ 0 | 0 |
| Component Units: | | | | | | | |
| Van Buren County School Department | \$ 7,359,011 | \$ 157,489 | \$ 1,285,502 | 0 | \$ (5,916,020) | \$ 0 | 0 |
| Emergency Communications District | 273,603 | 179,917 | 0 | 0 | 0 | 0 | (93,686) |
| Total Component Units | \$ 7,632,614 | \$ 337,406 | \$ 1,285,502 | 0 | \$ (5,916,020) | \$ 0 | (93,686) |

(Continued)

Exhibit B

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

| Functions/Programs | Net (Expense) Revenue and Changes in Net Assets | | | | | |
|--|--|---|---|---|---|---|
| | Program Revenues | | | Primary | Component Units | |
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Government Total Governmental Activities | Van Buren County School Department | Emergency Communications District |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes Levied for General Purposes | | | | \$ 1,460,759 | \$ 590,231 | \$ 0 |
| Property Taxes Levied for Debt Service | | | | 15,567 | 0 | 0 |
| Local Option Sales Taxes | | | | 67,121 | 391,789 | 0 |
| Hotel/Motel Tax | | | | 60,839 | 103,591 | 0 |
| Litigation Taxes | | | | 69,540 | 0 | 0 |
| Business Tax | | | | 13,644 | 0 | 0 |
| Wholesale Beer Tax | | | | 24,892 | 0 | 0 |
| Other Local Taxes | | | | 239 | 347 | 0 |
| Grants and Contributions Not Restricted to Specific Programs | | | | 194,236 | 5,149,083 | 98,200 |
| Unrestricted Investment Earnings | | | | 38,681 | 612 | 144 |
| Miscellaneous | | | | 3,178 | 20,247 | 170 |
| Sale of Equipment | | | | 0 | 451 | 0 |
| Gain on Disposal of Capital Asset | | | | 0 | 368 | 0 |
| Total General Revenues | | | | \$ 1,948,696 | \$ 6,256,719 | \$ 98,514 |
| Insurance Recovery | | | | \$ 719 | \$ 0 | \$ 0 |
| Change in Net Assets | | | | \$ (477,404) | \$ 340,699 | \$ 4,828 |
| Net Assets, July 1, 2010 | | | | 8,754,302 | 7,562,616 | 507,981 |
| Prior-period Adjustment | | | | (27,149) | 0 | 0 |
| Net Assets, June 30, 2011 | | | | \$ 8,249,749 | \$ 7,903,315 | \$ 512,809 |

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, 2011

| | Major Funds | | | Nonmajor Funds | Total Govern- mental Funds |
|--|---------------------|----------------------|------------------------------|-------------------------------------|-------------------------------------|
| | General | Ambulance Service | Highway / Public Works | Other Govern- mental Funds | |
| <u>ASSETS</u> | | | | | |
| Cash | \$ 0 | \$ 1,000 | \$ 0 | \$ 420 | \$ 1,420 |
| Equity in Pooled Cash and Investments | 275,260 | 204,370 | 1,122,099 | 529,618 | 2,131,347 |
| Accounts Receivable | 3,792 | 665,016 | 0 | 1,793 | 670,601 |
| Allowance for Uncollectibles | 0 | (171,508) | 0 | 0 | (171,508) |
| Due from Other Governments | 56,817 | 0 | 235,434 | 149,500 | 441,751 |
| Due from Other Funds | 13,205 | 0 | 0 | 520 | 13,725 |
| Property Taxes Receivable | 1,608,708 | 161,193 | 0 | 268,887 | 2,038,788 |
| Allowance for Uncollectible Property Taxes | (95,138) | (8,216) | 0 | (16,939) | (120,293) |
| Notes Receivable - Current | 0 | 0 | 0 | 57,150 | 57,150 |
| Total Assets | \$ 1,862,644 | \$ 851,855 | \$ 1,357,533 | \$ 990,949 | \$ 5,062,981 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | |
| <u>Liabilities</u> | | | | | |
| Accounts Payable | \$ 7,531 | \$ 0 | \$ 0 | \$ 0 | \$ 7,531 |
| Accrued Payroll | 8,799 | 0 | 0 | 0 | 8,799 |
| Due to Other Funds | 520 | 8,976 | 0 | 4,229 | 13,725 |
| Due to Component Units | 0 | 0 | 0 | 149,500 | 149,500 |
| Due to State of Tennessee | 1,482 | 296 | 1,499 | 345 | 3,622 |
| Revenue Anticipation Notes Payable | 57,150 | 0 | 0 | 0 | 57,150 |
| Deferred Revenue - Current Property Taxes | 1,362,361 | 143,406 | 0 | 222,280 | 1,728,047 |
| Deferred Revenue - Delinquent Property Taxes | 135,829 | 8,597 | 0 | 26,650 | 171,076 |
| Other Deferred Revenues | 22,249 | 476,441 | 114,552 | 0 | 613,242 |
| Total Liabilities | \$ 1,595,921 | \$ 637,716 | \$ 116,051 | \$ 403,004 | \$ 2,752,692 |
| <u>Fund Balances</u> | | | | | |
| Restricted: | | | | | |
| Restricted for General Government | \$ 10,195 | \$ 0 | \$ 0 | \$ 32,512 | \$ 42,707 |
| Restricted for Administration of Justice | 17,986 | 0 | 0 | 0 | 17,986 |
| Restricted for Public Safety | 0 | 0 | 0 | 22,057 | 22,057 |
| Restricted for Public Health and Welfare | 263 | 0 | 0 | 0 | 263 |
| Restricted for Highways/Public Works | 0 | 0 | 1,241,482 | 0 | 1,241,482 |
| Restricted for Capital Outlay | 4,843 | 0 | 0 | 0 | 4,843 |
| Restricted for Debt Service | 0 | 0 | 0 | 401,904 | 401,904 |
| Committed: | | | | | |
| Committed for Public Health and Welfare | 0 | 136,009 | 0 | 131,472 | 267,481 |
| Assigned: | | | | | |
| Assigned for Public Health and Welfare | 0 | 78,130 | 0 | 0 | 78,130 |
| Unassigned | 233,436 | 0 | 0 | 0 | 233,436 |
| Total Fund Balances | \$ 266,723 | \$ 214,139 | \$ 1,241,482 | \$ 587,945 | \$ 2,310,289 |
| Total Liabilities and Fund Balances | \$ 1,862,644 | \$ 851,855 | \$ 1,357,533 | \$ 990,949 | \$ 5,062,981 |

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 Assets
June 30, 2011

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

| | | | |
|---|----|------------------|---------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit C-1) | | \$ 2,310,289 | |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | | |
| Add: land | \$ | 130,924 | |
| Add: infrastructure net of accumulated depreciation | | 3,550,039 | |
| Add: buildings and improvements net of accumulated depreciation | | 871,215 | |
| Add: other capital assets net of accumulated depreciation | | <u>1,017,838</u> | 5,570,016 |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | | |
| Less: leases payable | \$ | (47,618) | |
| Less: bonds payable | | (71,292) | |
| Less: accrued interest on bonds, notes, other loans, and capital leases | | (1,455) | |
| Less: landfill closure/postclosure care costs (net of prior-period adjustment) | | (255,825) | |
| Less: compensated absences payable | | <u>(38,684)</u> | (414,874) |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | | <u>784,318</u> |
| Net assets of governmental activities (Exhibit A) | | | <u>\$ 8,249,749</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, 2011

| | Major Funds | | | Nonmajor Funds | Total Governmental Funds |
|--|---------------------|----------------------|------------------------------|-------------------------------------|--------------------------------|
| | General | Ambulance Service | Highway / Public Works | Other Govern- mental Funds | |
| <u>Revenues</u> | | | | | |
| Local Taxes | \$ 1,269,720 | \$ 71,955 | \$ 0 | \$ 336,131 | \$ 1,677,806 |
| Licenses and Permits | 10,490 | 0 | 0 | 0 | 10,490 |
| Fines, Forfeitures, and Penalties | 42,648 | 0 | 0 | 8,056 | 50,704 |
| Charges for Current Services | 6,392 | 279,747 | 0 | 50,858 | 336,997 |
| Other Local Revenues | 55,455 | 0 | 5,446 | 14,957 | 75,858 |
| Fees Received from County Officials | 273,883 | 0 | 0 | 0 | 273,883 |
| State of Tennessee | 339,548 | 0 | 1,337,405 | 18,910 | 1,695,863 |
| Federal Government | 427,697 | 0 | 0 | 25,000 | 452,697 |
| Total Revenues | \$ 2,425,833 | \$ 351,702 | \$ 1,342,851 | \$ 453,912 | \$ 4,574,298 |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| General Government | \$ 422,123 | \$ 0 | \$ 0 | \$ 61,310 | \$ 483,433 |
| Finance | 254,913 | 0 | 0 | 0 | 254,913 |
| Administration of Justice | 213,774 | 0 | 0 | 0 | 213,774 |
| Public Safety | 850,471 | 0 | 0 | 154,456 | 1,004,927 |
| Public Health and Welfare | 38,802 | 518,868 | 0 | 108,068 | 665,738 |
| Social, Cultural, and Recreational Services | 64,142 | 0 | 0 | 0 | 64,142 |
| Agriculture and Natural Resources | 43,349 | 0 | 0 | 0 | 43,349 |
| Other Operations | 467,308 | 1,002 | 0 | 28,605 | 496,915 |
| Highways | 19,504 | 0 | 1,676,423 | 0 | 1,695,927 |
| Debt Service: | | | | | |
| Principal on Debt | 0 | 0 | 0 | 38,202 | 38,202 |
| Interest on Debt | 0 | 0 | 0 | 7,129 | 7,129 |
| Other Debt Service | 0 | 0 | 0 | 1,085 | 1,085 |
| Capital Projects - Donated | 0 | 0 | 0 | 412,200 | 412,200 |
| Total Expenditures | \$ 2,374,386 | \$ 519,870 | \$ 1,676,423 | \$ 811,055 | \$ 5,381,734 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 51,447 | \$ (168,168) | \$ (333,572) | \$ (357,143) | \$ (807,436) |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Notes Issued | \$ 0 | \$ 0 | \$ 0 | \$ 412,200 | \$ 412,200 |
| Insurance Recovery | 719 | 0 | 0 | 0 | 719 |
| Total Other Financing Sources (Uses) | \$ 719 | \$ 0 | \$ 0 | \$ 412,200 | \$ 412,919 |
| Net Change in Fund Balances | \$ 52,166 | \$ (168,168) | \$ (333,572) | \$ 55,057 | \$ (394,517) |
| Fund Balance, July 1, 2010 | 241,706 | 382,307 | 1,575,054 | 532,888 | 2,731,955 |
| Prior-period Adjustment | (27,149) | 0 | 0 | 0 | (27,149) |
| Fund Balance, June 30, 2011 | \$ 266,723 | \$ 214,139 | \$ 1,241,482 | \$ 587,945 | \$ 2,310,289 |

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, 2011

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) | | \$ (394,517) |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: | | |
| Add: capital assets purchased in the current period | \$ 144,424 | |
| Less: current-year depreciation expense | <u>(422,265)</u> | (277,841) |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets. | | |
| Less: loss on disposal of capital assets | | (1,661) |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds. | | |
| Less: deferred delinquent property taxes and other deferred June 30, 2010 | \$ (592,629) | |
| Add: deferred delinquent property taxes and other deferred June 30, 2011 | <u>784,318</u> | 191,689 |
| (4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: | | |
| Add: principal payments on bonds | \$ 15,947 | |
| Add: principal payments on leases | <u>22,255</u> | 38,202 |
| (5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | |
| Change in accrued interest payable | \$ 680 | |
| Change in compensated absences payable | (38,684) | |
| Change in landfill closure/postclosure care costs | <u>4,728</u> | <u>(33,276)</u> |
| Change in net assets of governmental activities (Exhibit B) | | <u>\$ (477,404)</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, 2011

| | <u>Agency Funds</u> |
|-------------------------------------|-------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 437,271 |
| Due from Other Governments | <u>16,978</u> |
| Total Assets | <u>\$ 454,249</u> |
| <u>LIABILITIES</u> | |
| Due to Other Taxing Units | \$ 16,978 |
| Due to Litigants, Heirs, and Others | <u>437,271</u> |
| Total Liabilities | <u>\$ 454,249</u> |

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

VAN BUREN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Van Buren County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Van Buren County:

A. Reporting Entity

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

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

The Van Buren County School Department operates the public school system in the county, and the voters of Van Buren County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

The Industrial Development Board of Van Buren County provides assistance in industrial recruitment in Van Buren County, and the Van Buren County Commission appoints its seven-member board. The board is funded primarily through lease payments collected from industries that lease buildings from

the Industrial Development Board. The county has previously assumed the debt of the Industrial Development Board. The financial statements of the Industrial Development Board of Van Buren County were not audited.

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

Administrative Offices:

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets 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. Net debt issues totaling \$412,200 were contributed by the county to the School Department during the year ended June 30, 2011.

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, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Van Buren County has no proprietary funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days

after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Van Buren County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Van Buren County reports the following major governmental funds:

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

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

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

Additionally, Van Buren County reports the following fund types:

Capital Projects Funds – These funds account for and report financial resources for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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 funds:

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.

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

Education Capital Projects Fund – This fund is used to account for building construction and renovations of the School Department.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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.

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.

D. Assets, Liabilities, and Net Assets or Equity

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 association; 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 assets 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. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. 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

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as notes payable/receivable. All other outstanding balances between funds are reported as due to/from other funds.

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 3.7 percent of total taxes levied.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

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 deferred revenue 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 with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

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

Retainage payable in the discretely presented Van Buren County School Department's Education 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 major governmental fund.

3. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items) are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or

constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the government 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 | 25 |

4. Compensated Absences

Primary Government

The general policy of Van Buren County (with the exception of the Highway Department) permits employees to accumulate earned but unused vacation and sick leave. Vacation and sick leave are each granted at the rate of one day per month. Employees of the county do not have a limit on the number of vacation or sick days that can be accumulated. Upon termination of employment, an employee will be paid for any unused vacation.

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

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.

5. 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 Assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

6. Net Assets and Fund Equity

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

- a. Invested in capital assets, net of related debt – 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 assets – Consists of net assets 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 assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

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.

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's Budget/Finance Committee and the Board of Education are authorized bodies to make assignments.

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.

7. Prior-period Adjustments

During the prior year, the county had an adverse opinion related to cash not reconciling with the county trustee, undeterminable current liabilities, payroll deductions that were not reconciled, and warrants that were prepared and signed without being disbursed to vendors. Prior-period adjustments of \$27,149 were reported in the General Fund to correct errors related to these deficiencies.

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 Assets

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 Assets.

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 Assets.

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 assets 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 assets 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 capital projects funds, which adopt 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.

At June 30, 2011, Van Buren County and the Van Buren County School Department reported the following significant encumbrances:

| <u>Funds</u> | <u>Description</u> | <u>Amount</u> |
|----------------------------|-----------------------|---------------|
| Primary Government | | |
| Major Fund: | | |
| Ambulance Service | Ambulance remount | \$ 78,130 |
| School Department: | | |
| Major Fund: | | |
| Education Capital Projects | Construction projects | 1,268,682 |

B. Expenditures Exceeded Appropriations

1. Expenditures exceeded appropriations approved by the County Commission in the following funds' major appropriations categories (the legal level of control):

| <u>Fund</u> | <u>Major Category</u> | <u>Amount Overspent</u> |
|------------------------|-----------------------|-----------------------------|
| General | County Coroner | \$ 150 |
| " | Libraries | 436 |
| " | ARRA Grant No. 1 | 21 |
| Highway/Public Works | Administration | 18,626 |
| Courthouse and Jail | | |
| Maintenance | Other Charges | 225 |
| Solid Waste/Sanitation | Waste Pickup | 2,109 |
| General Debt Service | General Government | 585 |

In addition, expenditures exceeded the total appropriations approved by the County Commission in the Local Purpose Tax Fund by 4,250.

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by appropriations that exceeded expenditures in other major appropriations categories and/or available fund balances.

2. Salaries exceeded eight line-item appropriations in the Highway/Public Works Fund by amounts ranging from \$488 to \$47,137. The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

C. Tax Anticipation Notes Were Not Retired in Compliance With State Statutes

On September 18, 2003, the General Fund borrowed \$65,000 from the General Debt Service Fund to provide cash for operations. This note should have been retired by June 30, 2004. During 2010-11, the county paid \$16,250 to the General Debt Service Fund from the General Fund in accordance with a repayment schedule approved by the state Comptroller's Office. As of June 30, 2011, \$48,750 remained outstanding.

On September 28, 2007, the General Fund borrowed \$8,400 from the General Debt Service Fund to provide cash to pay the credit card balance for charges incurred by the prior administrative assistant that had been reported as a cash shortage. The county received restitution for the cash shortage;

however, the restitution was posted to the General Fund instead of being remitted to the General Debt Service Fund to retire the tax anticipation note. This note should have been retired by June 30, 2008, but was still outstanding as of June 30, 2011. These funds will be repaid in accordance with the repayment schedule approved by the state Comptroller's Office.

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 assets as Equity in Pooled Cash and Investments. Cash reflected in the fund financial statements 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, 2011.

B. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

Primary Government

Governmental Activities:

| | Balance 7-1-10 | Increases | Decreases | Balance 6-30-11 |
|--------------------------------------|----------------------|-------------------|--------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 130,924 | \$ 0 | \$ 0 | \$ 130,924 |
| Total Capital Assets Not Depreciated | <u>\$ 130,924</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 130,924</u> |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 1,536,888 | \$ 0 | \$ 0 | \$ 1,536,888 |
| Roads and Bridges | 6,494,120 | 0 | 0 | 6,494,120 |
| Other Capital Assets | 3,276,846 | 144,424 | (83,028) | 3,338,242 |
| Total Capital Assets Depreciated | <u>\$ 11,307,854</u> | <u>\$ 144,424</u> | <u>\$ (83,028)</u> | <u>\$ 11,369,250</u> |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 634,080 | \$ 31,593 | \$ 0 | \$ 665,673 |
| Roads and Bridges | 2,796,494 | 147,587 | 0 | 2,944,081 |
| Other Capital Assets | 2,158,686 | 243,085 | (81,367) | 2,320,404 |
| Total Accumulated Depreciation | <u>\$ 5,589,260</u> | <u>\$ 422,265</u> | <u>\$ (81,367)</u> | <u>\$ 5,930,158</u> |

Governmental Activities (Cont.):

| | Balance 7-1-10 | Increases | Decreases | Balance 6-30-11 |
|--|-------------------|--------------|------------|--------------------|
| Total Capital Assets Depreciated, Net | \$ 5,718,594 | \$ (277,841) | \$ (1,661) | \$ 5,439,092 |
| Governmental Activities Capital Assets, Net | \$ 5,849,518 | \$ (277,841) | \$ (1,661) | \$ 5,570,016 |

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

Governmental Activities:

| | |
|---|-------------------|
| General Government | \$ 30,268 |
| Public Safety | 103,410 |
| Public Health and Welfare | 65,553 |
| Highways/Public Works | <u>223,034</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 422,265</u> |

Discretely Presented Van Buren County School Department

Governmental Activities:

| | Balance 7-1-10 | Increases | Decreases | Balance 6-30-11 |
|---|-------------------|------------|-------------|--------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 269,347 | \$ 0 | \$ 0 | \$ 269,347 |
| Construction in Progress | 0 | 621,842 | 0 | 621,842 |
| Total Capital Assets Not Depreciated | \$ 269,347 | \$ 621,842 | \$ 0 | \$ 891,189 |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 7,065,830 | \$ 0 | \$ 0 | \$ 7,065,830 |
| Infrastructure | 22,760 | 0 | 0 | 22,760 |
| Other Capital Assets | 993,872 | 169,114 | (48,669) | 1,114,317 |
| Total Capital Assets Depreciated | \$ 8,082,462 | \$ 169,114 | \$ (48,669) | \$ 8,202,907 |

Governmental Activities (Cont.):

| | Balance 7-1-10 | Increases | Decreases | Balance 6-30-11 |
|--|---------------------|--------------------|--------------------|---------------------|
| Less Accumulated Depreciated For: | | | | |
| Buildings and Improvements | \$ 2,868,716 | \$ 177,284 | \$ 0 | \$ 3,046,000 |
| Infrastructure | 12,299 | 1,127 | 0 | 13,426 |
| Other Capital Assets | 493,397 | 66,087 | (48,182) | 511,302 |
| Total Accumulated Depreciation | <u>\$ 3,374,412</u> | <u>\$ 244,498</u> | <u>\$ (48,182)</u> | <u>\$ 3,570,728</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 4,708,050</u> | <u>\$ (75,384)</u> | <u>\$ (487)</u> | <u>\$ 4,632,179</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 4,977,397</u> | <u>\$ 546,458</u> | <u>\$ (487)</u> | <u>\$ 5,523,368</u> |

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

Governmental Activities:

| | |
|---|-------------------|
| Instruction | \$ 179,317 |
| Support Services | <u>65,181</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 244,498</u> |

C. Construction Commitments

At June 30, 2011, the discretely presented Van Buren County School Department had uncompleted construction contracts of approximately \$1,268,682 for constructing a multi-purpose gym and additional classrooms at the high school. Funding for these future projects is expected to be received from USDA bond proceeds and from BEP funds committed in the General Purpose School Fund.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, was as follows:

Due to/from Other Funds:

| Receivable Fund | Payable Fund | Amount |
|-----------------------|-----------------------|----------|
| Primary Government: | | |
| General | Nonmajor governmental | \$ 4,229 |
| General | Ambulance Service | 8,976 |
| Nonmajor governmental | General | 520 |

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

Due to/from Primary Government and Component Units:

| Receivable Fund | Payable Fund | Amount |
|----------------------------|----------------------------|------------|
| Component Unit: | | |
| School Department: | Primary Government: | |
| Education Capital Projects | Education Capital Projects | \$ 149,500 |

Discretely Presented Van Buren County School Department

Interfund Transfers:

Interfund transfers for the year ended June 30, 2011, consisted of the following amounts:

| Transfers Out | Transfers In | |
|------------------------------|-----------------------------|---------------------------------|
| | General Purpose School Fund | Education Capital Projects Fund |
| School Federal Projects Fund | \$ 17,828 | \$ 0 |
| General Purpose School Fund | 0 | 600,000 |
| Total | <u>\$ 17,828</u> | <u>\$ 600,000</u> |

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. Capital Lease

On October 9, 2007, Van Buren County entered into a five-year lease-purchase agreement for a sanitation roll-off truck. The terms of the

agreement require total lease payments of \$111,500, plus interest of 4.49 percent. Title to the truck transfers to Van Buren County at the end of the lease period. The lease payments are made from the General Debt Service Fund.

The asset acquired through the capital lease is as follows:

| Asset | Governmental Activities |
|--------------------------------|----------------------------|
| Machinery and Equipment | \$ 111,500 |
| Less: Accumulated Depreciation | <u>(42,654)</u> |
| Total Book Value | <u>\$ 68,846</u> |

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

| Year Ending June 30 | Governmental Funds |
|--|-----------------------|
| 2012 | \$ 25,458 |
| 2013 | 25,458 |
| Total Minimum Lease Payments | <u>\$ 50,916</u> |
| Less: Amount Representing Interest | <u>(3,298)</u> |
| Present Value of Minimum Lease Payments | <u>\$ 47,618</u> |

F. Long-term Debt

Primary Government

General Obligation Bonds

The county issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. The general obligation bond outstanding was issued for an original term of six years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The bond included in long-term debt as of June 30, 2011, will be retired from the General Debt Service Fund.

The general obligation bond and capital lease outstanding as of June 30, 2011, for governmental activities are as follows:

| Type | Interest Rate | Original Amount of Issue | Balance 6-30-11 |
|-------------------------|---------------|--------------------------|-----------------|
| General Obligation Bond | 4.5 % | \$ 102,500 | \$ 71,292 |
| Capital Lease | 4.49 | 111,500 | 47,618 |

The annual requirements to amortize the general obligation bond outstanding as of June 30, 2011, including interest payments, are presented in the following table:

| Year Ending June 30 | Bond | | |
|------------------------|------------------|-----------------|------------------|
| | Principal | Interest | Total |
| 2012 | \$ 16,665 | \$ 3,208 | \$ 19,873 |
| 2013 | 17,415 | 2,458 | 19,873 |
| 2014 | 18,198 | 1,675 | 19,873 |
| 2015 | 19,014 | 858 | 19,872 |
| Total | <u>\$ 71,292</u> | <u>\$ 8,199</u> | <u>\$ 79,491</u> |

There is \$401,904 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$13, based on the 2010 federal census. Debt per capita, including the bond and capital lease totaled \$21, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

Governmental Activities:

| | Bond | Capital Lease |
|-----------------------------|------------------|------------------|
| Balance, July 1, 2010 | \$ 87,239 | \$ 69,873 |
| Deductions | <u>(15,947)</u> | <u>(22,255)</u> |
| Balance, June 30, 2011 | <u>\$ 71,292</u> | <u>\$ 47,618</u> |
| Balance Due Within One Year | <u>\$ 16,665</u> | <u>\$ 23,275</u> |

Governmental Activities:

| | Compensated Absences | Landfill Postclosure Care Costs |
|-----------------------------|-------------------------|---------------------------------------|
| Balance, July 1, 2010 | \$ 0 | \$ 260,553 |
| Additions | 128,334 | 0 |
| Deductions | (89,650) | (4,728) |
| Balance, June 30, 2011 | <u>\$ 38,684</u> | <u>\$ 255,825</u> |
| Balance Due Within One Year | <u>\$ 1,934</u> | <u>\$ 15,191</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|-------------------|
| Total Noncurrent Liabilities, June 30, 2011 | \$ 413,419 |
| Less: Balance Due Within One Year | <u>(57,065)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 356,354</u> |

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

Discretely Presented Van Buren County School Department

Notes and Other Loans

Van Buren County issues other loans for the School Department to provide funds for the acquisition and construction of major capital facilities. Bond anticipation notes are also issued to fund construction projects until bonds are issued.

Other loans and bond anticipation notes are direct obligations and pledge the full faith and credit of the government. The other loan and bond anticipation note were issued for an original term of 20 years for the other loan and two years for the bond anticipation note. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The other loan and bond anticipation noted included in long-term debt as of June 30, 2011, will be retired from the General Purpose School Fund.

The other loan and bond anticipation note outstanding as of June 30, 2011, for governmental activities are as follows:

| Type | Interest Rate | Original Amount of Issue | Balance 6-30-11 |
|------------------------|---------------|--------------------------|-----------------|
| Other Loan | Variable % | \$ 2,000,000 | \$ 836,000 |
| Bond Anticipation Note | 4 | 412,200 | 412,200 |

In prior years, Van Buren County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority issued variable rate bonds of \$2,000,000 and loaned the proceeds to Van Buren County for the construction of an elementary school. This loan is repayable at a tax-exempt variable rate of interest determined by the remarking agent daily or weekly depending on the particular program. At June 30, 2011, the variable interest rate was .5 percent, and other fees totaled approximately .3 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal. In addition, a trustee fee is charged on this loan at \$85 per month.

The annual requirements to amortize the loan and note outstanding as of June 30, 2011, including interest payments and other fees, are presented in the following table:

| Year Ending June 30 | Other Loan | | | |
|------------------------|------------|-----------|------------|------------|
| | Principal | Interest | Other Fees | Total |
| 2012 | \$ 121,000 | \$ 4,130 | \$ 4,158 | \$ 129,288 |
| 2013 | 128,000 | 3,522 | 3,696 | 135,218 |
| 2014 | 135,000 | 2,879 | 2,846 | 140,725 |
| 2015 | 143,000 | 2,200 | 2,443 | 147,643 |
| 2016 | 150,000 | 1,482 | 2,018 | 153,500 |
| 2017 | 159,000 | 729 | 1,569 | 161,298 |
| Total | \$ 836,000 | \$ 14,942 | \$ 16,730 | \$ 867,672 |

| Year Ending June 30 | Note | | |
|------------------------|------------|-----------|------------|
| | Principal | Interest | Total |
| 2012 | \$ 0 | \$ 0 | \$ 0 |
| 2013 | 412,200 | 31,993 | 444,193 |
| Total | \$ 412,200 | \$ 31,993 | \$ 444,193 |

Debt per capita, including the other loan and note totaled \$225, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Van Buren County School Department for the year ended June 30, 2011, was as follows:

Governmental Activities:

| | <u>Other Loan</u> | <u>Notes</u> |
|-----------------------------|-------------------|-------------------|
| Balance, July 1, 2010 | \$ 951,000 | \$ 0 |
| Additions | 0 | 412,200 |
| Deductions | <u>(115,000)</u> | <u>0</u> |
| Balance, June 30, 2011 | <u>\$ 836,000</u> | <u>\$ 412,200</u> |
| Balance Due Within One Year | <u>\$ 121,000</u> | <u>\$ 0</u> |

| | <u>Compensated Absences</u> | <u>Other Postemployment Benefits</u> |
|-----------------------------|-----------------------------|--------------------------------------|
| Balance, July 1, 2010 | \$ 12,961 | \$ 554,119 |
| Additions | 3,888 | 238,316 |
| Deductions | <u>(3,888)</u> | <u>(50,880)</u> |
| Balance, June 30, 2011 | <u>\$ 12,961</u> | <u>\$ 741,555</u> |
| Balance Due Within One Year | <u>\$ 648</u> | <u>\$ 0</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|---------------------|
| Total Noncurrent Liabilities, June 30, 2011 | \$ 2,002,716 |
| Less: Balance Due Within One Year | <u>(121,648)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 1,881,068</u> |

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Van Buren County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the

Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2011, were \$23,874 and \$7,991, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

On September 18, 2003, Van Buren County issued tax anticipation notes of \$65,000 from the General Debt Service Fund in advance of property tax collections and deposited the proceeds in the General Fund. These funds were necessary because funds were not available to meet the current expenditures. This note should have been retired by June 30, 2004. During 2010-11, the General Fund made payments of \$16,250 to the General Debt Service Fund; however, \$48,750 remained unpaid as of June 30, 2011, and therefore has been reflected in the financial statements of this report as a current notes receivable in the General Debt Service Fund and a current notes payable in the General Fund.

On September 28, 2007, Van Buren County issued a tax anticipation note of \$8,400 from the General Debt Service Fund in advance of property tax collections and deposited the proceeds in the General Fund. These funds were necessary to pay the credit card balance from the prior-year cash shortage. This note should have been retired by June 30, 2008; however, the note remained unpaid as of June 30, 2011, and therefore has been reflected in the financial statements of this report as a current notes receivable in the General Debt Service Fund and a current notes payable in the General Fund.

Short-term debt activity for the year ended June 30, 2011, was as follows:

| | Balance | | | Balance |
|------------------------|-----------|------------|--------------|-----------|
| | 7-1-10 | Issued | Paid | 6-30-11 |
| Tax Anticipation Notes | \$ 73,400 | \$ 300,000 | \$ (316,250) | \$ 57,150 |

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county is exposed to various risks related to general liability, property, casualty, and workers' compensation losses. The county's risk of loss relating to general liability, property, casualty, and workers' compensation is covered by participation in the Local Government Property and Casualty Fund

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

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

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

Discretely Presented Van Buren County School Department

The discretely presented Van Buren County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays annual premiums to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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

B. Accounting Change

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications include nonspendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be

spent. Also, Statement No. 54 clarified the definitions of the General Fund and the special revenue, capital projects, debt service, and permanent fund types. Van Buren County and the Van Buren County School Department have implemented provisions of this statement in the financial statements of this report for their governmental funds.

C. Subsequent Events

On October 5, 2011, the General Debt Service Fund issued a \$250,000 tax anticipation note to the General Fund for temporary operating funds.

From July 1, 2011, through December 5, 2011, Van Buren County received proceeds of \$876,400 under a previously approved \$1,882,200 USDA bond anticipation note.

D. Contingent Liabilities

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

E. Changes in Administration

On August 31, 2010, Kelly Dishman left the Office of County Mayor and was succeeded by Herbert Davis; Wendell Wheeler left the Office of Road Superintendent and was succeeded by Danny Hodge; Linda Simmons left the Office of Register and was succeeded by April Shockley, and Barney Evans left the Office of Sheriff and was succeeded by Grayson Beasley.

F. 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 \$255,825 reported as postclosure care liability at June 30, 2011, represents amounts based on what it would cost to perform all postclosure

care in 2011. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

Employees of Van Buren County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Van Buren County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Van Buren County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 8.56 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2011, the county's annual pension cost of \$247,119 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was six years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------|---------------------------|-------------------------------|------------------------|
| 6-30-11 | \$247,119 | 100% | \$0 |
| 6-30-10 | 180,421 | 100 | 0 |
| 6-30-09 | 181,297 | 100 | 0 |

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 77.15 percent funded. The actuarial accrued liability for benefits was \$5 million, and the actuarial value of assets was \$4 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$2 million, and the ratio of the UAAL to the covered payroll was 50.09 percent.

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

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

SCHOOL TEACHERS

Plan Description

The Van Buren School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Cost of living adjustments (COLA) are provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the

School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2011, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2011, 2010, and 2009, were \$307,916, \$212,313, and \$207,896, respectively, equal to the required contributions for each year.

2. Deferred Compensation

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

H. Other Postemployment Benefits (OPEB)

Plan Description

The School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated* for teachers. In previous years, prior to reaching the age of 65, all members had the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan structure was changed, and as a result all members now have the option of choosing between standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plan is reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that

issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2011, the discretely presented Van Buren County School Department contributed \$50,880 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

| | |
|------------------------------|-------------------------------------|
| | Local Education Group Plan |
| | <hr/> |
| ARC | \$ 237,000 |
| Interest on the NPO | 24,935 |
| Adjustment to the ARC | (23,619) |
| Annual OPEB cost | <hr/> \$ 238,316 |
| Amount of contribution | (50,880) |
| Increase/decrease in NPO | <hr/> \$ 187,436 |
| Net OPEB obligation, 7-1-10 | <hr/> 554,119 |
| | <hr/> |
| Net OPEB obligation, 6-30-11 | <u><u>\$ 741,555</u></u> |

| Fiscal Year Ended | Plan | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation at Year End |
|-------------------------|-----------------------|------------------------|---|---------------------------------------|
| <hr/> | | <hr/> | <hr/> | <hr/> |
| 6-30-09 | Local Education Group | \$ 227,213 | 18% | \$ 364,618 |
| 6-30-10 | " | 235,867 | 20 | 554,119 |
| 6-30-11 | " | 238,316 | 21 | 741,555 |

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, was as follows:

| | |
|---|-------------------------------------|
| | Local Education Group Plan |
| | <hr/> |
| Actuarial valuation date | 7-1-10 |
| Actuarial accrued liability (AAL) | \$ 2,072,000 |
| Actuarial value of plan assets | \$ 0 |
| Unfunded actuarial accrued liability (UAAL) | \$ 2,072,000 |
| Actuarial value of assets as a % of the AAL | 0% |
| Covered payroll (active plan members) | \$ 1,786,317 |
| UAAL as a % of covered payroll | 116% |

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

Actuarial Methods and Assumptions

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

In the July 1, 2010, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

I. Purchasing Laws

Office of County Mayor

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

Office of Road Superintendent

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

Office of Director of Schools

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

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

A. Summary of Significant Accounting Policies

The Van Buren County Emergency Communication District was established for the purpose of providing an enhanced level of 911 services to the Van Buren County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of address and information. It is a component unit of Van Buren County. The Van Buren County Emergency Communications District is run by a board of directors appointed by Van Buren County. The district must file a budget with Van Buren County each year. Any bond issued by the district is subject to approval by Van Buren County.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis of accounting when the exchange takes place. Nonexchange transactions, in which the district receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. On an accrual basis, expenses are recognized at the time they are incurred. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board. As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the board has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations.

1. Depreciation

Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives. Depreciation begins when the

capital assets are placed in service. Depreciation is summarized as follows:

| | Method | Estimated Useful Life | 2011 Depreciation |
|----------------------------|--------|-----------------------|-------------------|
| Buildings and Improvements | S/L | 40 years | \$ 11,049 |
| Furniture and Fixtures | S/L | 10 years | 2,249 |
| Office Equipment | S/L | 5-10 years | 634 |
| Communications Equipment | S/L | 5-10 years | 37,308 |
| Total | | | <u>\$ 51,240</u> |

2. Major Sources of Revenue

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

3. Net Assets

Net assets present the difference between assets and liabilities in the Statement of Net Assets. Net assets invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by the district legislation or external restrictions by creditors, grantors, laws, or regulations of other governments. If restricted and unrestricted assets are available for the same purpose, then restricted assets will be used before unrestricted assets.

B. Cash and Cash Investments

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

The following is a schedule of bank accounts at June 30, 2011:

| | |
|------------------------------------|------------------|
| Operating Checking - Citizens Bank | <u>\$ 43,327</u> |
| Total Deposits | <u>\$ 43,327</u> |

At June 30, 2011, the carrying amount of the Van Buren County Emergency Communications District's cash deposits was \$43,327. The district's deposit accounts are covered up to \$250,000 by FDIC. The district is authorized to deposit and invest funds according to the provisions of Section 5-8-301, *TCA*.

C. Bonding

Van Buren County Emergency Communications District has a bond covering certain members of the board at June 30, 2011. The district also has insurance covering liability and vehicles. There have been no losses or settlements that exceeded coverage during the past three years.

D. Capital Assets

The following is a schedule of capital assets at June 30, 2011:

| Assets | Balance 6-30-11 | Accumulated Depreciation | Net |
|----------------------------|--------------------|-----------------------------|-------------------|
| Non-Depreciable: | | | |
| Land | \$ 60,000 | \$ 0 | \$ 60,000 |
| Depreciable: | | | |
| Buildings and Improvements | \$ 373,010 | \$ 40,214 | \$ 332,796 |
| Furniture and Fixtures | 22,494 | 6,732 | 15,762 |
| Office Equipment | 3,590 | 1,236 | 2,354 |
| Communications Equipment | 273,780 | 180,664 | 93,116 |
| Total Depreciable | <u>\$ 672,874</u> | <u>\$ 228,846</u> | <u>\$ 444,028</u> |
| Total Assets | <u>\$ 732,874</u> | <u>\$ 228,846</u> | <u>\$ 504,028</u> |

| Assets | Balance 7-1-10 | Additions | Balance 6-30-11 |
|----------------------------|-------------------|-----------------|--------------------|
| Non-Depreciable: | | | |
| Land | \$ 60,000 | \$ 0 | \$ 60,000 |
| Depreciable: | | | |
| Buildings and Improvements | \$ 373,010 | \$ 0 | \$ 373,010 |
| Furniture and Fixtures | 22,494 | 0 | 22,494 |
| Office Equipment | 840 | 2,750 | 3,590 |
| Communications Equipment | 272,981 | 799 | 273,780 |
| Total Depreciable | <u>\$ 669,325</u> | <u>\$ 3,549</u> | <u>\$ 672,874</u> |
| Total Assets | <u>\$ 729,325</u> | <u>\$ 3,549</u> | <u>\$ 732,874</u> |

E. Cash and Cash Equivalents

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

F. Accounts Receivable/Due from State

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

| | | |
|-----------------------------------|----|---------------------|
| Ben Lomand | \$ | 3,280 |
| Bledsoe Telephone | | <u>1,055</u> |
| Subtotal | \$ | 4,335 |
| State of Tennessee - ECB Wireless | | <u>2,389</u> |
| Total | \$ | <u><u>6,724</u></u> |

G. Compensated Absences

There were no compensated absences for June 30, 2011.

H. Note Payable

Van Buren County Emergency Communications District purchased the old bank building from Citizens Bank of Spencer, Tennessee, for \$150,000. The district paid \$25,000 down leaving a principal balance of \$125,000. Payments will be made annually totaling \$25,000 a year for five years at an interest rate of 5.472 percent with a balloon payment of \$25,003 on June 5, 2013. The schedule of the note payments are as follows:

| Year Ending June 30 | Note | | |
|------------------------|------------------|-----------------|------------------|
| | Principal | Interest | Total |
| 2012 | \$ 22,467 | \$ 2,533 | \$ 25,000 |
| 2013 | <u>23,706</u> | <u>1,297</u> | <u>25,003</u> |
| Total | <u>\$ 46,173</u> | <u>\$ 3,830</u> | <u>\$ 50,003</u> |

A schedule of changes in the note payable is as follows:

| | Balance | Payments | Balance |
|----------|------------------|--------------------|------------------|
| | 6-30-10 | | 6-30-11 |
| Building | <u>\$ 67,481</u> | <u>\$ (21,308)</u> | <u>\$ 46,173</u> |
| Total | <u>\$ 67,481</u> | <u>\$ (21,308)</u> | <u>\$ 46,173</u> |

I. Calculation of Invested in Capital Assets

| | |
|------------------------------|-------------------|
| Net Book Value | \$ 504,028 |
| Current and Non-current Debt | <u>(46,173)</u> |
| Invested in Capital Assets | <u>\$ 457,855</u> |

J. Budgetary Information

The district must file a budget with Van Buren County each year, which must be legally adopted by the county. The budget is prepared on the accrual basis of accounting. Compliance with the legally adopted budget is required at the program level as well as the object level.

K. Pension Plan

Plan Description

Employees of Van Buren County Emergency Communications District are members of the Political Subdivision Pension Plan (PSPP), and agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Van Buren County Emergency Communications District participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Van Buren County Emergency Communications District requires employees to contribute five percent of earnable compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 5.4 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the district is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2011, Van Buren County Emergency Communications District’s annual pension cost of \$4,303 to TCRS was equal to the district’s required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), and (d) projected 2.5 percent annual increase in the Social Security wage base.

The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. The district’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 16 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------|---------------------------|-------------------------------|------------------------|
| 6-30-11 | \$ 4,303 | 100 % | \$ 0 |
| 6-30-10 | 3,016 | 100 | 0 |
| 6-30-09 | 2,860 | 100 | 0 |

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 54.24 percent funded. The actuarial accrued liability for benefits was zero, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$.02 million. The covered payroll (annual payroll

of active employees covered by the plan) was \$.09 million, and the ratio of the UAAL to the covered payroll was 23.4 percent.

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

The TCRS uses the frozen entry age actuarial cost method to calculate the annual required contribution. Effective July 1, 2009, the TCRS reestablished the unfunded accrued liabilities for all groups.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2011

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|-------------------------------------|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 1,269,720 | \$ 1,389,566 | \$ 1,389,566 | \$ (119,846) |
| Licenses and Permits | 10,490 | 8,000 | 8,000 | 2,490 |
| Fines, Forfeitures, and Penalties | 42,648 | 33,086 | 33,086 | 9,562 |
| Charges for Current Services | 6,392 | 9,200 | 9,200 | (2,808) |
| Other Local Revenues | 55,455 | 72,000 | 72,000 | (16,545) |
| Fees Received from County Officials | 273,883 | 281,218 | 281,218 | (7,335) |
| State of Tennessee | 339,548 | 711,160 | 307,269 | 32,279 |
| Federal Government | 427,697 | 3,000 | 412,291 | 15,406 |
| Total Revenues | <u>\$ 2,425,833</u> | <u>\$ 2,507,230</u> | <u>\$ 2,512,630</u> | <u>\$ (86,797)</u> |
| <u>Expenditures</u> | | | | |
| <u>General Government</u> | | | | |
| County Commission | \$ 25,462 | \$ 19,997 | \$ 28,095 | \$ 2,633 |
| Board of Equalization | 950 | 2,000 | 1,150 | 200 |
| Beer Board | 650 | 1,000 | 666 | 16 |
| County Mayor/Executive | 150,614 | 152,516 | 152,856 | 2,242 |
| County Attorney | 5,030 | 8,200 | 5,100 | 70 |
| Election Commission | 103,298 | 100,904 | 103,403 | 105 |
| Register of Deeds | 66,122 | 70,809 | 67,709 | 1,587 |
| Planning | 7,125 | 7,000 | 7,130 | 5 |
| County Buildings | 62,872 | 79,500 | 63,597 | 725 |
| Preservation of Records | 0 | 1,200 | 139 | 139 |
| <u>Finance</u> | | | | |
| Property Assessor's Office | 78,467 | 91,409 | 83,502 | 5,035 |
| County Trustee's Office | 90,079 | 90,977 | 92,260 | 2,181 |
| County Clerk's Office | 86,367 | 89,107 | 88,224 | 1,857 |
| <u>Administration of Justice</u> | | | | |
| Circuit Court | 100,094 | 104,470 | 103,995 | 3,901 |
| General Sessions Court | 34,214 | 33,321 | 34,313 | 99 |
| Chancery Court | 64,482 | 66,424 | 66,424 | 1,942 |
| Juvenile Court | 10,000 | 11,500 | 10,508 | 508 |
| Judicial Commissioners | 4,984 | 4,900 | 4,984 | 0 |
| <u>Public Safety</u> | | | | |
| Sheriff's Department | 464,609 | 480,208 | 496,511 | 31,902 |
| Jail | 321,855 | 444,043 | 444,043 | 122,188 |
| Fire Prevention and Control | 1,000 | 0 | 1,000 | 0 |
| Rescue Squad | 4,000 | 0 | 4,000 | 0 |
| Other Emergency Management | 2,000 | 2,000 | 2,000 | 0 |
| County Coroner/Medical Examiner | 5,307 | 3,700 | 5,157 | (150) |
| Other Public Safety | 51,700 | 54,000 | 54,000 | 2,300 |
| <u>Public Health and Welfare</u> | | | | |
| Local Health Center | 11,918 | 14,500 | 14,500 | 2,582 |
| Regional Mental Health Center | 1,212 | 2,423 | 2,423 | 1,211 |

(Continued)

Exhibit E-1

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

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | |
| <u>Public Health and Welfare (Cont.)</u> | | | | |
| Appropriation to State | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 0 |
| Convenience Centers | 672 | 0 | 672 | 0 |
| <u>Social, Cultural, and Recreational Services</u> | | | | |
| Adult Activities | 17,890 | 18,042 | 19,102 | 1,212 |
| Senior Citizens Assistance | 13,831 | 15,316 | 15,316 | 1,485 |
| Libraries | 26,436 | 26,000 | 26,000 | (436) |
| Parks and Fair Boards | 1,200 | 1,200 | 1,200 | 0 |
| Other Social, Cultural, and Recreational | 4,785 | 10,250 | 5,250 | 465 |
| <u>Agriculture and Natural Resources</u> | | | | |
| Agriculture Extension Service | 34,163 | 34,470 | 34,469 | 306 |
| Soil Conservation | 9,186 | 11,305 | 11,305 | 2,119 |
| <u>Other Operations</u> | | | | |
| Industrial Development | 16,143 | 31,000 | 31,000 | 14,857 |
| Housing and Urban Development | 301,270 | 409,291 | 409,291 | 108,021 |
| Veterans' Services | 0 | 1,500 | 1,500 | 1,500 |
| Other Charges | 112,799 | 120,533 | 118,017 | 5,218 |
| Employee Benefits | 5,654 | 0 | 5,700 | 46 |
| ARRA Grant No. 1 | 5,421 | 0 | 5,400 | (21) |
| Miscellaneous | 26,021 | 33,000 | 31,627 | 5,606 |
| <u>Highways</u> | | | | |
| Litter and Trash Collection | 19,504 | 32,923 | 32,798 | 13,294 |
| <u>Principal on Debt</u> | | | | |
| General Government | 0 | 104,000 | 104,000 | 104,000 |
| Total Expenditures | <u>\$ 2,374,386</u> | <u>\$ 2,809,938</u> | <u>\$ 2,815,336</u> | <u>\$ 440,950</u> |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 51,447 | \$ (302,708) | \$ (302,706) | \$ 354,153 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 719 | \$ 0 | \$ 0 | \$ 719 |
| Total Other Financing Sources (Uses) | <u>\$ 719</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 719</u> |
| Net Change in Fund Balance | \$ 52,166 | \$ (302,708) | \$ (302,706) | \$ 354,872 |
| Fund Balance, July 1, 2010 | 241,706 | 518,534 | 518,534 | (276,828) |
| Prior-period Adjustment | (27,149) | 0 | 0 | (27,149) |
| Fund Balance, June 30, 2011 | <u>\$ 266,723</u> | <u>\$ 215,826</u> | <u>\$ 215,828</u> | <u>\$ 50,895</u> |

Exhibit E-2

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Ambulance Service Fund
For the Year Ended June 30, 2011

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2010 | Add: Encumbrances 6/30/2011 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 71,955 | \$ 0 | \$ 0 | \$ 71,955 | \$ 87,646 | \$ 87,646 | \$ (15,691) |
| Charges for Current Services | 279,747 | 0 | 0 | 279,747 | 250,000 | 250,000 | 29,747 |
| Other Local Revenues | 0 | 0 | 0 | 0 | 500 | 500 | (500) |
| Total Revenues | \$ 351,702 | \$ 0 | \$ 0 | \$ 351,702 | \$ 338,146 | \$ 338,146 | \$ 13,556 |
| <u>Expenditures</u> | | | | | | | |
| <u>Public Health and Welfare</u> | | | | | | | |
| Ambulance/Emergency Medical Services | \$ 518,868 | \$ (34,615) | \$ 78,130 | \$ 562,383 | \$ 576,899 | \$ 595,897 | \$ 33,514 |
| Other Operations | 1,002 | 0 | 0 | 1,002 | 0 | 1,002 | 0 |
| Other Charges | 519,870 | (34,615) | 78,130 | 563,385 | 576,899 | 596,899 | 33,514 |
| Total Expenditures | \$ (168,168) | \$ 34,615 | \$ (78,130) | \$ (211,683) | \$ (238,753) | \$ (258,753) | \$ 47,070 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (168,168) | \$ 34,615 | \$ (78,130) | \$ (211,683) | \$ (238,753) | \$ (258,753) | \$ 47,070 |
| Net Change in Fund Balance Fund Balance, July 1, 2010 | 382,307 | (34,615) | 0 | 347,692 | 376,282 | 376,282 | (28,590) |
| Fund Balance, June 30, 2011 | \$ 214,139 | \$ 0 | \$ (78,130) | \$ 136,009 | \$ 137,529 | \$ 117,529 | \$ 18,480 |

Exhibit E-3

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2011

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Other Local Revenues | \$ 5,446 | \$ 0 | \$ 0 | \$ 5,446 |
| State of Tennessee | 1,337,405 | 1,473,162 | 1,473,162 | (135,757) |
| Total Revenues | <u>\$ 1,342,851</u> | <u>\$ 1,473,162</u> | <u>\$ 1,473,162</u> | <u>\$ (130,311)</u> |
| <u>Expenditures</u> | | | | |
| <u>Highways</u> | | | | |
| Administration | \$ 173,713 | \$ 155,077 | \$ 155,077 | \$ (18,636) |
| Highway and Bridge Maintenance | 918,266 | 1,106,800 | 1,106,800 | 188,534 |
| Operation and Maintenance of Equipment | 256,378 | 274,850 | 274,850 | 18,472 |
| Quarry Operations | 11,236 | 12,300 | 12,300 | 1,064 |
| Other Charges | 115,779 | 145,500 | 145,500 | 29,721 |
| Employee Benefits | 96,062 | 118,600 | 118,600 | 22,538 |
| Capital Outlay | 104,989 | 228,000 | 228,000 | 123,011 |
| Total Expenditures | <u>\$ 1,676,423</u> | <u>\$ 2,041,127</u> | <u>\$ 2,041,127</u> | <u>\$ 364,704</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (333,572)</u> | <u>\$ (567,965)</u> | <u>\$ (567,965)</u> | <u>\$ 234,393</u> |
| Net Change in Fund Balance | \$ (333,572) | \$ (567,965) | \$ (567,965) | \$ 234,393 |
| Fund Balance, July 1, 2010 | <u>1,575,054</u> | <u>1,560,665</u> | <u>1,560,665</u> | <u>14,389</u> |
| Fund Balance, June 30, 2011 | <u>\$ 1,241,482</u> | <u>\$ 992,700</u> | <u>\$ 992,700</u> | <u>\$ 248,782</u> |

Exhibit E-4

Van Buren County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Van Buren County School Department
June 30, 2011

(Dollar amounts in thousands)

| Actuarial Valuation Date | Actuarial Value of Plan Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------|------------------------------------|---|-----------------------------|--------------------|---------------------|--|
| 7-1-09 | \$ 4,145 | \$ 5,373 | \$ 1,228 | 77.15 % | \$ 2,452 | 50.09 % |
| 7-1-07 | 3,692 | 4,440 | 748 | 83.15 | 2,233 | 33.50 |

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method went into effect during the year of the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit E-5

Van Buren County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Van Buren County Emergency Communications District
June 30, 2011

(Dollar amounts in thousands)

| Actuarial Valuation Date | Actuarial Value of Plan Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|--|--------------------------------------|--------------------------|---------------------------|---|
| 7-1-09 | \$ 25 | \$ 46 | \$ 21 | 54.24 % | \$ 91 | 23.40 % |
| 7-1-07 | 15 | 30 | 15 | 50 | 56 | 26.79 |

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method went into effect during the year of the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit E-6

Van Buren County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Van Buren County School Department
June 30, 2011

(Dollar amounts in thousands)

| Plan | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|-----------------------|--------------------------|-------------------------------|---------------------------------------|-----------------------------|--------------------|---------------------|---|
| Local Education Group | 7-1-07 | \$ 0 | \$ 1,978 | \$ 1,978 | 0 % | \$ 3,092 | 64 % |
| " | 7-1-09 | 0 | 2,062 | 2,062 | 0 | 1,938 | 119 |
| " | 7-1-10 | 0 | 2,072 | 2,072 | 0 | 1,786 | 116 |

VAN BUREN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2011

A. BUDGETARY INFORMATION

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 Van Buren 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 Van Buren 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 generally accepted accounting principles (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.

At June 30, 2011, Van Buren County reported the following significant encumbrances in the Ambulance Service Fund, a major special revenue fund:

| <u>Funds</u> | <u>Description</u> | <u>Amount</u> |
|--------------------|--------------------|---------------|
| Primary Government | | |
| Major Fund: | | |
| Amulance Service | Ambulance remount | \$ 78,130 |

B. EXPENDITURES EXCEEDED APPROPRIATIONS

Expenditures exceeded appropriations approved by the County Commission in major appropriation categories (the legal level of control) in the following funds:

| <u>Fund/Major Category</u> | <u>Amount</u> <u>Overspent</u> |
|---------------------------------|-----------------------------------|
| General: | |
| County/Coroner/Medical Examiner | \$ 150 |
| Libraries | 436 |
| ARRA Grant No. 1 | 21 |
| Highway/Public Works: | |
| Administration | 18,636 |

Such overexpenditures are a violation of state statutes. These overexpenditures were funded from available fund balances.

Salaries exceeded eight line-item appropriations in the Highway/Public Works Fund by amounts ranging from \$488 to \$47,137. The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

Debt Service Fund

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

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

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for debt issued by Van Buren County that is subsequently contributed to the discretely presented Van Buren County School Department for construction and renovation projects.

Exhibit F-1

Van Buren County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2011

| | Special Revenue Funds | | | | | | Total |
|--|---------------------------------------|--------------------------------|-------------------------|-----------------|---|-------------------|-------------------|
| | Courthouse and Jail Maintenance | Solid Waste / Sanitation | Local Purpose Tax | Drug Control | Constitu- tional Officers - Fees | | |
| ASSETS | | | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 420 | \$ 420 | \$ 420 |
| Equity in Pooled Cash and Investments | 32,618 | 132,720 | 15,792 | 3,798 | 0 | 184,928 | 184,928 |
| Accounts Receivable | 0 | 1,683 | 0 | 0 | 110 | 1,793 | 1,793 |
| Due from Other Governments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Due from Other Funds | 0 | 0 | 520 | 0 | 0 | 520 | 520 |
| Property Taxes Receivable | 0 | 78,064 | 173,475 | 0 | 0 | 251,539 | 251,539 |
| Allowance for Uncollectible Property Taxes | 0 | (4,918) | (10,928) | 0 | 0 | (15,846) | (15,846) |
| Notes Receivable - Current | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Assets | \$ 32,618 | \$ 207,549 | \$ 178,859 | \$ 3,798 | \$ 530 | \$ 423,354 | \$ 423,354 |
| | | | | | | | |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities | | | | | | | |
| Due to Other Funds | \$ 0 | \$ 3,568 | \$ 0 | \$ 0 | \$ 530 | \$ 4,098 | \$ 4,098 |
| Due to Component Units | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Due to State of Tennessee | 106 | 239 | 0 | 0 | 0 | 345 | 345 |
| Deferred Revenue - Current Property Taxes | 0 | 64,533 | 143,406 | 0 | 0 | 207,939 | 207,939 |
| Deferred Revenue - Delinquent Property Taxes | 0 | 7,737 | 17,194 | 0 | 0 | 24,931 | 24,931 |
| Total Liabilities | \$ 106 | \$ 76,077 | \$ 160,600 | \$ 0 | \$ 530 | \$ 237,313 | \$ 237,313 |
| | | | | | | | |
| Fund Balances | | | | | | | |
| Restricted: | | | | | | | |
| Restricted for General Government | \$ 32,512 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 32,512 | \$ 32,512 |
| Restricted for Public Safety | 0 | 0 | 18,259 | 3,798 | 0 | 22,057 | 22,057 |
| Restricted for Debt Service | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Committed: | | | | | | | |
| Committed for Public Health and Welfare | 0 | 131,472 | 0 | 0 | 0 | 131,472 | 131,472 |
| Total Fund Balances | \$ 32,512 | \$ 131,472 | \$ 18,259 | \$ 3,798 | \$ 0 | \$ 186,041 | \$ 186,041 |
| | | | | | | | |
| Total Liabilities and Fund Balances | \$ 32,618 | \$ 207,549 | \$ 178,859 | \$ 3,798 | \$ 530 | \$ 423,354 | \$ 423,354 |

(Continued)

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, 2011

| | Special Revenue Funds | | | | | Total |
|--|---------------------------------------|--------------------------------|-------------------------|-----------------|---|------------|
| | Courthouse and Jail Maintenance | Solid Waste / Sanitation | Local Purpose Tax | Drug Control | Constitu- tional Officers - Fees | |
| <u>Revenues</u> | | | | | | |
| Local Taxes | \$ 60,787 | \$ 62,541 | \$ 136,768 | \$ 0 | \$ 0 | \$ 260,096 |
| Fines, Forfeitures, and Penalties | 0 | 0 | 0 | 8,056 | 0 | 8,056 |
| Charges for Current Services | 0 | 50,634 | 0 | 0 | 224 | 50,858 |
| Other Local Revenues | 67 | 14,467 | 423 | 0 | 0 | 14,957 |
| State of Tennessee | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Government | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenues | \$ 60,854 | \$ 127,642 | \$ 137,191 | \$ 8,056 | \$ 224 | \$ 333,967 |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| General Government | \$ 61,086 | \$ 0 | \$ 0 | \$ 0 | \$ 224 | \$ 61,310 |
| Public Safety | 335 | 0 | 144,556 | 9,565 | 0 | 154,456 |
| Public Health and Welfare | 0 | 108,068 | 0 | 0 | 0 | 108,068 |
| Other Operations | 727 | 97 | 2,694 | 87 | 0 | 3,605 |
| Debt Service: | | | | | | |
| Principal on Debt | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest on Debt | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Debt Service | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Projects - Donated | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | \$ 62,148 | \$ 108,165 | \$ 147,250 | \$ 9,652 | \$ 224 | \$ 327,439 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (1,294) | \$ 19,477 | \$ (10,059) | \$ (1,596) | \$ 0 | \$ 6,528 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Notes Issued | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Other Financing Sources (Uses) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Net Change in Fund Balances | \$ (1,294) | \$ 19,477 | \$ (10,059) | \$ (1,596) | \$ 0 | \$ 6,528 |
| Fund Balance, July 1, 2010 | 33,806 | 111,995 | 28,318 | 5,394 | 0 | 179,513 |
| Fund Balance, June 30, 2011 | \$ 32,512 | \$ 131,472 | \$ 18,259 | \$ 3,798 | \$ 0 | \$ 186,041 |

(Continued)

Exhibit F-2

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

| | Debt Service Fund | Capital Projects Funds | | | Total Nonmajor Governmental Funds |
|---|-------------------------|----------------------------|--------------------------------|----------------------------------|--|
| | | General Debt Service | General Capital Projects | Education Capital Projects | |
| <u>Revenues</u> | | | | | |
| Local Taxes | \$ 76,035 | \$ 0 | \$ 0 | \$ 0 | \$ 336,131 |
| Fines, Forfeitures, and Penalties | 0 | 0 | 0 | 0 | 8,056 |
| Charges for Current Services | 0 | 0 | 0 | 0 | 50,858 |
| Other Local Revenues | 0 | 0 | 0 | 0 | 14,957 |
| State of Tennessee | 18,910 | 0 | 0 | 0 | 18,910 |
| Federal Government | 0 | 25,000 | 0 | 0 | 25,000 |
| Total Revenues | \$ 94,945 | \$ 25,000 | \$ 0 | \$ 25,000 | \$ 453,912 |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| General Government | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 61,310 |
| Public Safety | 0 | 0 | 0 | 0 | 154,456 |
| Public Health and Welfare | 0 | 0 | 0 | 0 | 108,068 |
| Other Operations | 0 | 25,000 | 0 | 0 | 28,605 |
| Debt Service: | | | | | |
| Principal on Debt | 38,202 | 0 | 0 | 0 | 38,202 |
| Interest on Debt | 7,129 | 0 | 0 | 0 | 7,129 |
| Other Debt Service | 1,085 | 0 | 0 | 0 | 1,085 |
| Capital Projects - Donated | 0 | 0 | 412,200 | 0 | 412,200 |
| Total Expenditures | \$ 46,416 | \$ 25,000 | \$ 412,200 | \$ 437,200 | \$ 811,055 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 48,529 | \$ 0 | \$ (412,200) | \$ (412,200) | \$ (357,143) |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Notes Issued | \$ 0 | \$ 0 | \$ 412,200 | \$ 412,200 | \$ 412,200 |
| Total Other Financing Sources (Uses) | \$ 0 | \$ 0 | \$ 412,200 | \$ 412,200 | \$ 412,200 |
| Net Change in Fund Balances Fund Balance, July 1, 2010 | \$ 48,529 | \$ 0 | \$ 0 | \$ 0 | \$ 55,057 |
| | 353,375 | 0 | 0 | 0 | 532,888 |
| Fund Balance, June 30, 2011 | \$ 401,904 | \$ 0 | \$ 0 | \$ 0 | \$ 587,945 |

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, 2011

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-------------------|--------------------|--------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 60,787 | \$ 55,000 | \$ 55,000 | \$ 5,787 |
| Other Local Revenues | 67 | 0 | 0 | 67 |
| Total Revenues | <u>\$ 60,854</u> | <u>\$ 55,000</u> | <u>\$ 55,000</u> | <u>\$ 5,854</u> |
| <u>Expenditures</u> | | | | |
| <u>General Government</u> | | | | |
| County Buildings | \$ 61,086 | \$ 59,142 | \$ 65,710 | \$ 4,624 |
| <u>Public Safety</u> | | | | |
| Jail | 335 | 8,000 | 1,300 | 965 |
| <u>Other Operations</u> | | | | |
| Other Charges | 727 | 370 | 502 | (225) |
| Employee Benefits | 0 | 1,250 | 1,250 | 1,250 |
| Total Expenditures | <u>\$ 62,148</u> | <u>\$ 68,762</u> | <u>\$ 68,762</u> | <u>\$ 6,614</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (1,294)</u> | <u>\$ (13,762)</u> | <u>\$ (13,762)</u> | <u>\$ 12,468</u> |
| Net Change in Fund Balance | \$ (1,294) | \$ (13,762) | \$ (13,762) | \$ 12,468 |
| Fund Balance, July 1, 2010 | <u>33,806</u> | <u>38,988</u> | <u>38,988</u> | <u>(5,182)</u> |
| Fund Balance, June 30, 2011 | <u>\$ 32,512</u> | <u>\$ 25,226</u> | <u>\$ 25,226</u> | <u>\$ 7,286</u> |

Exhibit F-4

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2011

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|-------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 62,541 | \$ 68,891 | \$ 68,891 | \$ (6,350) |
| Charges for Current Services | 50,634 | 42,000 | 42,000 | 8,634 |
| Other Local Revenues | 14,467 | 7,500 | 7,500 | 6,967 |
| Total Revenues | <u>\$ 127,642</u> | <u>\$ 118,391</u> | <u>\$ 118,391</u> | <u>\$ 9,251</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Health and Welfare</u> | | | | |
| Waste Pickup | \$ 18,082 | \$ 27,496 | \$ 15,973 | \$ (2,109) |
| Convenience Centers | 82,725 | 82,236 | 93,661 | 10,936 |
| Landfill Operation and Maintenance | 7,261 | 9,201 | 9,201 | 1,940 |
| <u>Other Operations</u> | | | | |
| Other Charges | 97 | 0 | 97 | 0 |
| Total Expenditures | <u>\$ 108,165</u> | <u>\$ 118,933</u> | <u>\$ 118,932</u> | <u>\$ 10,767</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 19,477</u> | <u>\$ (542)</u> | <u>\$ (541)</u> | <u>\$ 20,018</u> |
| Net Change in Fund Balance | \$ 19,477 | \$ (542) | \$ (541) | \$ 20,018 |
| Fund Balance, July 1, 2010 | <u>111,995</u> | <u>128,974</u> | <u>128,974</u> | <u>(16,979)</u> |
| Fund Balance, June 30, 2011 | <u>\$ 131,472</u> | <u>\$ 128,432</u> | <u>\$ 128,433</u> | <u>\$ 3,039</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, 2011

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|--------------------|-------------------|-------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 136,768 | \$ 152,584 | \$ 152,584 | \$ (15,816) |
| Other Local Revenues | 423 | 0 | 0 | 423 |
| Total Revenues | <u>\$ 137,191</u> | <u>\$ 152,584</u> | <u>\$ 152,584</u> | <u>\$ (15,393)</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Safety</u> | | | | |
| Fire Prevention and Control | \$ 144,556 | \$ 140,000 | \$ 140,000 | \$ (4,556) |
| <u>Other Operations</u> | | | | |
| Other Charges | 2,694 | 3,000 | 3,000 | 306 |
| Total Expenditures | <u>\$ 147,250</u> | <u>\$ 143,000</u> | <u>\$ 143,000</u> | <u>\$ (4,250)</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (10,059)</u> | <u>\$ 9,584</u> | <u>\$ 9,584</u> | <u>\$ (19,643)</u> |
| Net Change in Fund Balance | \$ (10,059) | \$ 9,584 | \$ 9,584 | \$ (19,643) |
| Fund Balance, July 1, 2010 | 28,318 | 28,792 | 28,792 | (474) |
| Fund Balance, June 30, 2011 | <u>\$ 18,259</u> | <u>\$ 38,376</u> | <u>\$ 38,376</u> | <u>\$ (20,117)</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, 2011

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|-------------------|------------------|-------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Fines, Forfeitures, and Penalties | \$ 8,056 | \$ 7,000 | \$ 7,000 | \$ 1,056 |
| Other Local Revenues | 0 | 500 | 500 | (500) |
| Total Revenues | <u>\$ 8,056</u> | <u>\$ 7,500</u> | <u>\$ 7,500</u> | <u>\$ 556</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Safety</u> | | | | |
| Drug Enforcement | \$ 9,565 | \$ 5,400 | \$ 9,566 | \$ 1 |
| <u>Other Operations</u> | | | | |
| Other Charges | 87 | 100 | 100 | 13 |
| Total Expenditures | <u>\$ 9,652</u> | <u>\$ 5,500</u> | <u>\$ 9,666</u> | <u>\$ 14</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (1,596)</u> | <u>\$ 2,000</u> | <u>\$ (2,166)</u> | <u>\$ 570</u> |
| Net Change in Fund Balance | \$ (1,596) | \$ 2,000 | \$ (2,166) | \$ 570 |
| Fund Balance, July 1, 2010 | <u>5,394</u> | <u>5,527</u> | <u>5,527</u> | <u>(133)</u> |
| Fund Balance, June 30, 2011 | <u>\$ 3,798</u> | <u>\$ 7,527</u> | <u>\$ 3,361</u> | <u>\$ 437</u> |

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, 2011

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|-------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 76,035 | \$ 75,559 | \$ 75,559 | \$ 476 |
| State of Tennessee | 18,910 | 12,000 | 12,000 | 6,910 |
| Total Revenues | <u>\$ 94,945</u> | <u>\$ 87,559</u> | <u>\$ 87,559</u> | <u>\$ 7,386</u> |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| General Government | \$ 38,202 | \$ 46,000 | \$ 42,074 | \$ 3,872 |
| <u>Interest on Debt</u> | | | | |
| General Government | 7,129 | 6,000 | 9,926 | 2,797 |
| <u>Other Debt Service</u> | | | | |
| General Government | 1,085 | 500 | 500 | (585) |
| Total Expenditures | <u>\$ 46,416</u> | <u>\$ 52,500</u> | <u>\$ 52,500</u> | <u>\$ 6,084</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 48,529</u> | <u>\$ 35,059</u> | <u>\$ 35,059</u> | <u>\$ 13,470</u> |
| Net Change in Fund Balance | \$ 48,529 | \$ 35,059 | \$ 35,059 | \$ 13,470 |
| Fund Balance, July 1, 2010 | <u>353,375</u> | <u>359,872</u> | <u>359,872</u> | <u>(6,497)</u> |
| Fund Balance, June 30, 2011 | <u>\$ 401,904</u> | <u>\$ 394,931</u> | <u>\$ 394,931</u> | <u>\$ 6,973</u> |

Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register, 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, 2011

| | <u>Agency Funds</u> | | |
|-------------------------------------|--------------------------|---|-------------------|
| | Cities - Sales Tax | Constitu- tional Officers - Agency | Total |
| <u>ASSETS</u> | | | |
| Cash | \$ 0 | \$ 437,271 | \$ 437,271 |
| Due from Other Governments | 16,978 | 0 | 16,978 |
| Total Assets | <u>\$ 16,978</u> | <u>\$ 437,271</u> | <u>\$ 454,249</u> |
| <u>LIABILITIES</u> | | | |
| Due to Other Taxing Units | \$ 16,978 | \$ 0 | \$ 16,978 |
| Due to Litigants, Heirs, and Others | 0 | 437,271 | 437,271 |
| Total Liabilities | <u>\$ 16,978</u> | <u>\$ 437,271</u> | <u>\$ 454,249</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, 2011

| | Beginning Balance | Additions | Deductions | Ending Balance |
|--|----------------------|--------------|--------------|-------------------|
| <u>Cities - Sales Tax Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 82,065 | \$ 82,065 | \$ 0 |
| Due from Other Governments | 14,457 | 16,978 | 14,457 | 16,978 |
| Total Assets | \$ 14,457 | \$ 99,043 | \$ 96,522 | \$ 16,978 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 14,457 | \$ 99,043 | \$ 96,522 | \$ 16,978 |
| Total Liabilities | \$ 14,457 | \$ 99,043 | \$ 96,522 | \$ 16,978 |
| <u>Constitutional Officers - Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 310,497 | \$ 3,186,653 | \$ 3,059,879 | \$ 437,271 |
| Total Assets | \$ 310,497 | \$ 3,186,653 | \$ 3,059,879 | \$ 437,271 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 310,497 | \$ 3,186,653 | \$ 3,059,879 | \$ 437,271 |
| Total Liabilities | \$ 310,497 | \$ 3,186,653 | \$ 3,059,879 | \$ 437,271 |
| <u>Totals - All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 310,497 | \$ 3,186,653 | \$ 3,059,879 | \$ 437,271 |
| Equity in Pooled Cash and Investments | 0 | 82,065 | 82,065 | 0 |
| Due from Other Governments | 14,457 | 16,978 | 14,457 | 16,978 |
| Total Assets | \$ 324,954 | \$ 3,285,696 | \$ 3,156,401 | \$ 454,249 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 14,457 | \$ 99,043 | \$ 96,522 | \$ 16,978 |
| Due to Litigants, Heirs, and Others | 310,497 | 3,186,653 | 3,059,879 | 437,271 |
| Total Liabilities | \$ 324,954 | \$ 3,285,696 | \$ 3,156,401 | \$ 454,249 |

Van Buren County School Department

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

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.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department.

Exhibit H-1

Van Buren County, Tennessee
 Statement of Activities
 Discretely Presented Van Buren County School Department
 For the Year Ended June 30, 2011

| Functions/Programs | Program Revenues | | | Expenses | Net (Expense) Revenue and Changes in Net Assets | |
|--|----------------------|------------------------------------|-------------------------------|----------|---|--|
| | Charges for Services | Operating Grants and Contributions | Total Governmental Activities | | | |
| Governmental Activities: | | | | | | |
| Instruction | \$ 3,920,996 | \$ 0 | \$ 572,106 | \$ | \$ (3,348,890) | |
| Support Services | 2,562,017 | 13,901 | 214,750 | | (2,333,366) | |
| Operation of Non-Instructional Services | 856,033 | 143,588 | 498,646 | | (213,799) | |
| Interest on Long-term Debt | 5,328 | 0 | 0 | | (5,328) | |
| Other Debt Service | 14,637 | 0 | 0 | | (14,637) | |
| Total Governmental Activities | \$ 7,359,011 | \$ 157,489 | \$ 1,285,502 | \$ | \$ (5,916,020) | |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes Levied for General Purposes | | | | | \$ 590,231 | |
| Local Option Sales Taxes | | | | | 391,789 | |
| Hotel/Motel Taxes | | | | | 103,591 | |
| Other Local Taxes | | | | | 347 | |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 5,149,083 | |
| Unrestricted Investment Earnings | | | | | 612 | |
| Miscellaneous | | | | | 20,247 | |
| Sale of Equipment | | | | | 451 | |
| Gain on Disposal of Capital Asset | | | | | 368 | |
| Total General Revenues | | | | | \$ 6,256,719 | |
| Change in Net Assets | | | | | \$ 340,699 | |
| Net Assets, July 1, 2010 | | | | | 7,562,616 | |
| Net Assets, June 30, 2011 | | | | | \$ 7,903,315 | |

Exhibit H-2

Van Buren County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Van Buren County School Department
June 30, 2011

| | Major Funds | | | Nonmajor | Total |
|--|------------------------|-------------------------|----------------------------|-----------------------------|---------------------|
| | General Purpose School | School Federal Projects | Education Capital Projects | Fund Central Cafeteria Fund | |
| <u>ASSETS</u> | | | | | |
| Equity in Pooled Cash and Investments | \$ 3,247,803 | \$ 67,565 | \$ 433,426 | \$ 154,650 | \$ 3,903,444 |
| Accounts Receivable | 450 | 0 | 0 | 39 | 489 |
| Due from Other Governments | 397,906 | 0 | 0 | 21,030 | 418,936 |
| Due from Primary Government | 0 | 0 | 149,500 | 0 | 149,500 |
| Property Taxes Receivable | 799,983 | 0 | 0 | 0 | 799,983 |
| Allowance for Uncollectible Property Taxes | (49,232) | 0 | 0 | 0 | (49,232) |
| Total Assets | <u>\$ 4,396,910</u> | <u>\$ 67,565</u> | <u>\$ 582,926</u> | <u>\$ 175,719</u> | <u>\$ 5,223,120</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | |
| <u>Liabilities</u> | | | | | |
| Accounts Payable | \$ 1,522 | \$ 0 | \$ 0 | \$ 0 | \$ 1,522 |
| Contracts Payable | 0 | 0 | 149,422 | 0 | 149,422 |
| Retainage Payable | 0 | 0 | 22,100 | 0 | 22,100 |
| Deferred Revenue - Current Property Taxes | 667,413 | 0 | 0 | 0 | 667,413 |
| Deferred Revenue - Delinquent Property Taxes | 74,861 | 0 | 0 | 0 | 74,861 |
| Other Deferred Revenues | 39,735 | 0 | 0 | 0 | 39,735 |
| Total Liabilities | <u>\$ 783,531</u> | <u>\$ 0</u> | <u>\$ 171,522</u> | <u>\$ 0</u> | <u>\$ 955,053</u> |
| <u>Fund Balances</u> | | | | | |
| Restricted: | | | | | |
| Restricted for Education | \$ 7,703 | \$ 67,565 | \$ 0 | \$ 175,719 | \$ 250,987 |
| Committed: | | | | | |
| Committed for Education | 2,934,107 | 0 | 411,404 | 0 | 3,345,511 |
| Assigned: | | | | | |
| Assigned for Education | 18,867 | 0 | 0 | 0 | 18,867 |
| Unassigned | 652,702 | 0 | 0 | 0 | 652,702 |
| Total Fund Balances | <u>\$ 3,613,379</u> | <u>\$ 67,565</u> | <u>\$ 411,404</u> | <u>\$ 175,719</u> | <u>\$ 4,268,067</u> |
| Total Liabilities and Fund Balances | <u>\$ 4,396,910</u> | <u>\$ 67,565</u> | <u>\$ 582,926</u> | <u>\$ 175,719</u> | <u>\$ 5,223,120</u> |

Exhibit H-3

Van Buren County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Van Buren County School Department
June 30, 2011

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

| | | | |
|---|----|-----------------|-------------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit H-2) | | \$ | 4,268,067 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | | |
| Add: land | \$ | 269,347 | |
| Add: construction in progress | | 621,842 | |
| Add: buildings and improvements net of accumulated depreciation | | 4,019,830 | |
| Add: infrastructure net of accumulated depreciation | | 9,334 | |
| Add: other capital assets net of accumulated depreciation | | <u>603,015</u> | 5,523,368 |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | | |
| Less: notes payable | \$ | (412,200) | |
| Less: other loans payable | | (836,000) | |
| Less: other postemployment benefits liabilities | | (741,555) | |
| Less: compensated absences payable | | <u>(12,961)</u> | (2,002,716) |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | | <u>114,596</u> |
| Net assets of governmental activities (Exhibit A) | | \$ | <u><u>7,903,315</u></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, 2011

| | Major Funds | | | Nonmajor | Total |
|---|------------------------|-------------------------|----------------------------|-----------------------------|---------------------|
| | General Purpose School | School Federal Projects | Education Capital Projects | Fund Central Cafeteria Fund | |
| <u>Revenues</u> | | | | | |
| Local Taxes | \$ 1,103,975 | \$ 0 | \$ 0 | \$ 0 | \$ 1,103,975 |
| Licenses and Permits | 330 | 0 | 0 | 0 | 330 |
| Charges for Current Services | 13,901 | 0 | 0 | 143,588 | 157,489 |
| Other Local Revenues | 20,224 | 0 | 0 | 1,086 | 21,310 |
| State of Tennessee | 5,178,974 | 0 | 0 | 4,574 | 5,183,548 |
| Federal Government | 78,499 | 823,272 | 0 | 314,930 | 1,216,701 |
| Other Governments and Citizens Groups | 0 | 0 | 412,200 | 0 | 412,200 |
| Total Revenues | \$ 6,395,903 | \$ 823,272 | \$ 412,200 | \$ 464,178 | \$ 8,095,553 |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| Instruction | \$ 2,993,538 | \$ 547,828 | \$ 0 | \$ 0 | \$ 3,541,366 |
| Support Services | 2,376,885 | 238,806 | 0 | 0 | 2,615,691 |
| Operation of Non-Instructional Services | 388,914 | 0 | 0 | 467,119 | 856,033 |
| Capital Outlay | 94,182 | 0 | 0 | 0 | 94,182 |
| Debt Service: | | | | | |
| Principal on Debt | 115,000 | 0 | 0 | 0 | 115,000 |
| Interest on Debt | 5,328 | 0 | 0 | 0 | 5,328 |
| Other Debt Service | 4,637 | 0 | 0 | 0 | 4,637 |
| Capital Projects | 0 | 0 | 600,796 | 0 | 600,796 |
| Total Expenditures | \$ 5,978,484 | \$ 786,634 | \$ 600,796 | \$ 467,119 | \$ 7,833,033 |
| Excess (Deficiency) of Revenues | | | | | |
| Over Expenditures | \$ 417,419 | \$ 36,638 | \$ (188,596) | \$ (2,941) | \$ 262,520 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Proceeds from Sale of Capital Assets | \$ 855 | \$ 0 | \$ 0 | \$ 0 | \$ 855 |
| Transfers In | 17,828 | 0 | 600,000 | 0 | 617,828 |
| Transfers Out | (600,000) | (17,828) | 0 | 0 | (617,828) |
| Total Other Financing Sources (Uses) | \$ (581,317) | \$ (17,828) | \$ 600,000 | \$ 0 | \$ 855 |
| Net Change in Fund Balances | \$ (163,898) | \$ 18,810 | \$ 411,404 | \$ (2,941) | \$ 263,375 |
| Fund Balance, July 1, 2010 | 3,777,277 | 48,755 | 0 | 178,660 | 4,004,692 |
| Fund Balance, June 30, 2011 | \$ 3,613,379 | \$ 67,565 | \$ 411,404 | \$ 175,719 | \$ 4,268,067 |

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, 2011

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

| | | |
|--|------------------|-------------------|
| Net change in fund balances - total governmental funds (Exhibit H-4) | | \$ 263,375 |
| <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 | \$ 790,956 | |
| Less: current-year depreciation expense | <u>(244,498)</u> | 546,458 |
| <p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.</p> | | |
| Add: loss on disposal of capital assets | \$ 368 | |
| Less: proceeds from the sale of capital assets | <u>(855)</u> | (487) |
| <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, 2010 | \$ (98,607) | |
| Add: deferred delinquent property taxes and other deferred June 30, 2011 | <u>114,596</u> | 15,989 |
| <p>(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, 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> | | |
| Less: note proceeds | \$ (412,200) | |
| Add: principal payments on other loans | <u>115,000</u> | (297,200) |
| <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 other postemployment benefits liabilities | | <u>(187,436)</u> |
| Change in net assets of governmental activities (Exhibit B) | | <u>\$ 340,699</u> |

Exhibit H-6

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Van Buren County School Department
General Purpose School Fund
For the Year Ended June 30, 2011

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2010 | Add: Encumbrances 6/30/2011 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|---------------------|---------------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 1,103,975 | \$ 0 | \$ 0 | \$ 1,103,975 | \$ 1,138,300 | \$ 1,138,300 | \$ (34,325) |
| Licenses and Permits | 330 | 0 | 0 | 330 | 200 | 200 | 130 |
| Charges for Current Services | 13,901 | 0 | 0 | 13,901 | 14,000 | 14,000 | (99) |
| Other Local Revenues | 20,224 | 0 | 0 | 20,224 | 30,000 | 30,000 | (9,776) |
| State of Tennessee | 5,178,974 | 0 | 0 | 5,178,974 | 5,140,400 | 5,172,265 | 6,709 |
| Federal Government | 78,499 | 0 | 0 | 78,499 | 48,000 | 48,000 | 30,499 |
| Total Revenues | \$ 6,395,903 | \$ 0 | \$ 0 | \$ 6,395,903 | \$ 6,370,900 | \$ 6,402,765 | \$ (6,862) |
| <u>Expenditures</u> | | | | | | | |
| <u>Instruction</u> | | | | | | | |
| Regular Instruction Program | \$ 2,533,350 | \$ 0 | \$ 0 | \$ 2,533,350 | \$ 2,894,300 | \$ 2,894,300 | \$ 360,950 |
| Special Education Program | 270,990 | 0 | 0 | 270,990 | 348,100 | 348,100 | 77,110 |
| Vocational Education Program | 137,374 | 0 | 0 | 137,374 | 171,000 | 171,000 | 33,626 |
| Adult Education Program | 51,824 | 0 | 0 | 51,824 | 57,575 | 57,575 | 5,751 |
| <u>Support Services</u> | | | | | | | |
| Attendance | 78,312 | 0 | 0 | 78,312 | 92,470 | 92,470 | 14,158 |
| Health Services | 136,670 | 0 | 0 | 136,670 | 168,450 | 168,450 | 31,780 |
| Other Student Support | 149,333 | 0 | 0 | 149,333 | 157,900 | 157,900 | 8,567 |
| Regular Instruction Program | 276,023 | 0 | 0 | 276,023 | 309,050 | 309,050 | 33,027 |
| Special Education Program | 70,058 | 0 | 0 | 70,058 | 94,200 | 94,200 | 24,142 |
| Vocational Education Program | 4,729 | 0 | 0 | 4,729 | 5,100 | 5,100 | 371 |
| Adult Programs | 3,017 | 0 | 0 | 3,017 | 4,280 | 4,280 | 1,263 |
| Other Programs | 31,865 | 0 | 0 | 31,865 | 0 | 31,865 | 0 |
| Board of Education | 104,165 | 0 | 0 | 104,165 | 152,450 | 152,450 | 48,285 |

(Continued)

Exhibit H-6

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2010 | Add: Encumbrances 6/30/2011 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>Support Services (Cont.)</u> | | | | | | | |
| Director of Schools | \$ 111,495 | \$ 0 | \$ 0 | \$ 111,495 | \$ 120,400 | \$ 120,400 | \$ 8,905 |
| Office of the Principal | 247,415 | 0 | 0 | 247,415 | 263,340 | 263,340 | 15,925 |
| Fiscal Services | 114,011 | 0 | 0 | 114,011 | 122,750 | 122,750 | 8,739 |
| Operation of Plant | 495,555 | 0 | 0 | 495,555 | 573,350 | 573,350 | 77,795 |
| Maintenance of Plant | 111,215 | 0 | 0 | 111,215 | 142,600 | 142,600 | 31,385 |
| Transportation | 443,022 | 0 | 0 | 443,022 | 504,550 | 504,550 | 61,528 |
| <u>Operation of Non-Instructional Services</u> | | | | | | | |
| Community Services | 186,610 | 0 | 0 | 186,610 | 289,300 | 289,300 | 102,690 |
| Early Childhood Education | 202,304 | 0 | 0 | 202,304 | 248,800 | 248,800 | 46,496 |
| <u>Capital Outlay</u> | | | | | | | |
| Regular Capital Outlay | 94,182 | (27,792) | 18,867 | 85,257 | 1,065,000 | 465,000 | 379,743 |
| <u>Principal on Debt</u> | | | | | | | |
| Education | 115,000 | 0 | 0 | 115,000 | 115,000 | 115,000 | 0 |
| <u>Interest on Debt</u> | | | | | | | |
| Education | 5,328 | 0 | 0 | 5,328 | 60,000 | 60,000 | 54,672 |
| <u>Other Debt Service</u> | | | | | | | |
| Education | 4,637 | 0 | 0 | 4,637 | 10,000 | 10,000 | 5,363 |
| Total Expenditures | \$ 5,978,484 | \$ (27,792) | \$ 18,867 | \$ 5,969,559 | \$ 7,969,965 | \$ 7,401,830 | \$ 1,432,271 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 417,419 | \$ 27,792 | \$ (18,867) | \$ 426,344 | \$ (1,599,065) | \$ (999,065) | \$ 1,425,409 |

(Continued)

Exhibit H-6

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2010 | Add: Encumbrances 6/30/2011 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
| | | | | | Original | Final | |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Proceeds from Sale of Capital Assets | \$ 855 | \$ 0 | \$ 0 | \$ 855 | \$ 0 | \$ 0 | \$ 855 |
| Transfers In | 17,828 | 0 | 0 | 17,828 | 10,000 | 10,000 | 7,828 |
| Transfers Out | (600,000) | 0 | 0 | (600,000) | 0 | (750,000) | 150,000 |
| Total Other Financing Sources (Uses) | \$ (581,317) | \$ 0 | \$ 0 | \$ (581,317) | \$ 10,000 | \$ (740,000) | \$ 158,683 |
| Net Change in Fund Balance | \$ (163,898) | \$ 27,792 | \$ (18,867) | \$ (154,973) | \$ (1,589,065) | \$ (1,739,065) | \$ 1,584,092 |
| Fund Balance, July 1, 2010 | 3,777,277 | (27,792) | 0 | 3,749,485 | 1,215,243 | 3,749,485 | 0 |
| Fund Balance, June 30, 2011 | \$ 3,613,379 | \$ 0 | \$ (18,867) | \$ 3,594,512 | \$ (373,822) | \$ 2,010,420 | \$ 1,584,092 |

Exhibit H-7

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, 2011

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|-------------|------------------|--------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Federal Government | \$ 823,272 | \$ 1,032,864 | \$ 1,112,085 | \$ (288,813) |
| Total Revenues | \$ 823,272 | \$ 1,032,864 | \$ 1,112,085 | \$ (288,813) |
| <u>Expenditures</u> | | | | |
| <u>Instruction</u> | | | | |
| Regular Instruction Program | \$ 331,303 | \$ 489,222 | \$ 513,722 | \$ 182,419 |
| Special Education Program | 205,470 | 232,860 | 309,663 | 104,193 |
| Vocational Education Program | 11,055 | 11,056 | 11,055 | 0 |
| <u>Support Services</u> | | | | |
| Other Student Support | 157,947 | 133,194 | 161,244 | 3,297 |
| Regular Instruction Program | 44,399 | 109,689 | 48,897 | 4,498 |
| Special Education Program | 35,645 | 38,243 | 40,419 | 4,774 |
| Vocational Education Program | 815 | 815 | 815 | 0 |
| Total Expenditures | \$ 786,634 | \$ 1,015,079 | \$ 1,085,815 | \$ 299,181 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 36,638 | \$ 17,785 | \$ 26,270 | \$ 10,368 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers Out | \$ (17,828) | \$ (17,785) | \$ (26,270) | \$ 8,442 |
| Total Other Financing Sources (Uses) | \$ (17,828) | \$ (17,785) | \$ (26,270) | \$ 8,442 |
| Net Change in Fund Balance | \$ 18,810 | \$ 0 | \$ 0 | \$ 18,810 |
| Fund Balance, July 1, 2010 | 48,755 | 0 | 0 | 48,755 |
| Fund Balance, June 30, 2011 | \$ 67,565 | \$ 0 | \$ 0 | \$ 67,565 |

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
Central Cafeteria Fund
For the Year Ended June 30, 2011

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-------------------|--------------------|--------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Charges for Current Services | \$ 143,588 | \$ 206,000 | \$ 206,000 | \$ (62,412) |
| Other Local Revenues | 1,086 | 1,000 | 1,000 | 86 |
| State of Tennessee | 4,574 | 5,000 | 5,000 | (426) |
| Federal Government | 314,930 | 305,000 | 328,979 | (14,049) |
| Total Revenues | <u>\$ 464,178</u> | <u>\$ 517,000</u> | <u>\$ 540,979</u> | <u>\$ (76,801)</u> |
| <u>Expenditures</u> | | | | |
| <u>Operation of Non-Instructional Services</u> | | | | |
| Food Service | \$ 467,119 | \$ 580,510 | \$ 604,489 | \$ 137,370 |
| Total Expenditures | <u>\$ 467,119</u> | <u>\$ 580,510</u> | <u>\$ 604,489</u> | <u>\$ 137,370</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (2,941)</u> | <u>\$ (63,510)</u> | <u>\$ (63,510)</u> | <u>\$ 60,569</u> |
| Net Change in Fund Balance | \$ (2,941) | \$ (63,510) | \$ (63,510) | \$ 60,569 |
| Fund Balance, July 1, 2010 | <u>178,660</u> | <u>(16,355)</u> | <u>178,660</u> | <u>0</u> |
| Fund Balance, June 30, 2011 | <u>\$ 175,719</u> | <u>\$ (79,865)</u> | <u>\$ 115,150</u> | <u>\$ 60,569</u> |

MISCELLANEOUS SCHEDULES

Exhibit I-1

Van Buren County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds
Primary Government and Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2011

| Description of Indebtedness | Original Amount of Issue | Interest Rate | % | Date of Issue | Last Maturity Date | Outstanding 7-1-10 | Issued During Period | Paid and/or Matured During Period | Outstanding 6-30-11 |
|--|--------------------------------|------------------|---|---------------------|--------------------------|-----------------------|----------------------------|--|------------------------|
| <u>PRIMARY GOVERNMENT</u> | | | | | | | | | |
| <u>CAPITAL LEASES PAYABLE</u> | | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | \$ 111,500 | 4.49 | % | 10-9-07 | 10-25-12 | \$ 69,873 | \$ 0 | \$ 22,255 | \$ 47,618 |
| Roll-off Truck | | | | | | | | | |
| <u>BONDS PAYABLE</u> | | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | 102,500 | 4.5 | | 6-26-09 | 6-26-15 | \$ 87,239 | \$ 0 | \$ 15,947 | \$ 71,292 |
| General Obligation Bonds | | | | | | | | | |
| <u>DISCRETELY PRESENTED VAN BUREN COUNTY SCHOOL DEPARTMENT</u> | | | | | | | | | |
| <u>NOTES PAYABLE</u> | | | | | | | | | |
| <u>Payable through General Purpose School Fund</u> | (1) | 4.0 | | 4-28-11 | 4-28-13 | \$ 0 | \$ 412,200 | \$ 0 | \$ 412,200 |
| Bond Anticipation Notes | | | | | | | | | |
| <u>OTHER LOANS PAYABLE</u> | | | | | | | | | |
| <u>Public Building Authority Loan Agreement</u> | | | | | | | | | |
| <u>Payable through General Purpose School Fund</u> | 2,000,000 | Variable | | 6-30-1997 | 5-15-17 | \$ 951,000 | \$ 0 | \$ 115,000 | \$ 836,000 |
| School | | | | | | | | | |

(1) Total amount authorized was \$1,882,200, of which \$1,470,000 remains available for draws as of June 30, 2011.

Exhibit I-2

Van Buren County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented
Van Buren County School Department

PRIMARY GOVERNMENT

| Year Ending June 30 | Capital Leases | | |
|---------------------------|----------------|----------|-----------|
| | Principal | Interest | Total |
| 2012 | \$ 23,275 | \$ 2,183 | \$ 25,458 |
| 2013 | 24,343 | 1,115 | 25,458 |
| Total | \$ 47,618 | \$ 3,298 | \$ 50,916 |

| Year Ending June 30 | Bonds | | |
|---------------------------|-----------|----------|-----------|
| | Principal | Interest | Total |
| 2012 | \$ 16,665 | \$ 3,208 | \$ 19,873 |
| 2013 | 17,415 | 2,458 | 19,873 |
| 2014 | 18,198 | 1,675 | 19,873 |
| 2015 | 19,014 | 858 | 19,872 |
| Total | \$ 71,292 | \$ 8,199 | \$ 79,491 |

DISCRETELY PRESENTED VAN BUREN
COUNTY SCHOOL DEPARTMENT

| Year Ending June 30 | Notes | | |
|---------------------------|------------|-----------|------------|
| | Principal | Interest | Total |
| 2012 | \$ 0 | \$ 0 | \$ 0 |
| 2013 | 412,200 | 31,993 | 444,193 |
| Total | \$ 412,200 | \$ 31,993 | \$ 444,193 |

| Year Ending June 30 | Other Loans | | | |
|---------------------------|-------------|-----------|------------|------------|
| | Principal | Interest | Other Fees | Total |
| 2012 | \$ 121,000 | \$ 4,130 | \$ 4,158 | \$ 129,288 |
| 2013 | 128,000 | 3,522 | 3,696 | 135,218 |
| 2014 | 135,000 | 2,879 | 2,846 | 140,725 |
| 2015 | 143,000 | 2,200 | 2,443 | 147,643 |
| 2016 | 150,000 | 1,482 | 2,018 | 153,500 |
| 2017 | 159,000 | 729 | 1,569 | 161,298 |
| Total | \$ 836,000 | \$ 14,942 | \$ 16,730 | \$ 867,672 |

Exhibit I-3

Van Buren County, Tennessee
Schedule of Notes Receivable
June 30, 2011

| Description/Payee | Debtor | Original Amount of Notes | Date of Maturity | Interest Rate | Balance 6-30-11 |
|---------------------------|--------------|--------------------------|------------------|---------------|------------------|
| Tax Anticipation Notes: | | | | | |
| General Debt Service Fund | General Fund | \$ 65,000 | 6-30-04 | 0% | \$ 48,750 (1) |
| General Debt Service Fund | General Fund | 8,400 | 6-30-08 | 0 | 8,400 (2) |
| Total Notes Receivable | | | | | <u>\$ 57,150</u> |

(1) This note was not retired by June 30, 2004, as required by state statutes.
 The General Debt Service Fund repaid \$16,260 during 2010-11.

(2) This note was not retired by June 30, 2008, as required by state statutes.

Exhibit I-4

Van Buren County, Tennessee
Schedule of Transfers
Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2011

| <u>From Fund</u> | <u>To Fund</u> | <u>Purpose</u> | <u>Amount</u> |
|--|----------------------------|--------------------|-------------------|
| School Federal Projects | General Purpose School | Indirect costs | \$ 17,828 |
| General Purpose School | Education Capital Projects | Construction costs | <u>600,000</u> |
| Total Transfers Discretely Presented Van Buren County School Department | | | <u>\$ 617,828</u> |

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, 2011

| Official | Authorization for Salary | Salary Paid During Period | Bond | Surety |
|--|--|---------------------------|-----------|---------------------------------|
| County Mayor: | | | | |
| Kelly Dishman (7-1-10 through 8-31-10) | Section 8-24-102, TCA | \$ 10,058 | \$ 25,000 | RLI Insurance Company |
| Herbert Davis (9-1-10 through 6-30-11) | Section 8-24-102, TCA | 50,292 | 25,000 | Western Surety Company |
| Road Superintendent: | | | | |
| Wendell Wheeler (7-1-10 through 8-31-10) | Section 8-24-102, TCA | 9,580 | 100,000 | " |
| Danny Hodge (9-1-10 through 6-30-11) | Section 8-24-102, TCA | 47,897 | 100,000 | " |
| Director of Schools | State Board of Education and Van Buren County Board of Education | | | |
| Trustee | Board of Education | 79,200 (1) | (2) | |
| Assessor of Property | Section 8-24-102, TCA | 52,251 | 311,900 | Western Surety Company |
| County Clerk | Section 8-24-102, TCA | 52,251 | 10,000 | " |
| Circuit Court Clerk | Section 8-24-102, TCA | 52,251 | 25,000 | " |
| Clerk and Master | Section 8-24-102, TCA, and Chancery Court Judge | 52,251 (3) | 30,000 | " |
| | | | 50,000 | " |
| Register: | | | | |
| Linda Simmons (7-1-10 through 8-31-10) | Section 8-24-102, TCA | 8,709 | 15,000 | " |
| April Shockley (9-1-10 through 6-30-11) | Section 8-24-102, TCA | 43,542 | 15,000 | " |
| Sheriff: | | | | |
| Barney Evans (7-1-10 through 8-31-10) | Section 8-24-102, TCA | 10,327 (4) | 25,000 | " |
| Grayson Beasley (9-1-10 through 6-30-11) | Section 8-24-102, TCA | 48,194 | | |
| Public Employees Blanket Bond: | | | | |
| Public Employees Dishonesty - County Employees | | | 150,000 | Local Government Insurance Pool |
| Public Employees Dishonesty - School Employees | | | 150,000 | Tennessee Risk Management Trust |

(1) Includes a chief executive officer training supplement of \$1,000.
(2) The director of schools is covered under the public employee dishonesty bond.
(3) Does not include special commissioner fees of \$145.
(4) Includes an overpayment of \$1,044. 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, 2011

| | Special Revenue Funds | | | | | Local Purpose Tax |
|--|-----------------------|---------------------------------|--------------------------|-------------------|------------|-------------------|
| | General | Courthouse and Jail Maintenance | Solid Waste / Sanitation | Ambulance Service | | |
| <u>Local Taxes</u> | | | | | | |
| <u>County Property Taxes</u> | | | | | | |
| Current Property Tax | \$ 928,865 | \$ 0 | \$ 52,911 | \$ 58,794 | \$ 117,571 | |
| Trustee's Collections - Prior Year | 69,086 | 0 | 3,935 | 6,123 | 8,755 | |
| Circuit/Clerk & Master Collections - Prior Years | 22,117 | 0 | 1,513 | 1,984 | 1,526 | |
| Interest and Penalty | 21,065 | 0 | 1,226 | 1,770 | 2,347 | |
| Payments in-Lieu-of Taxes - T.V.A. | 4,365 | 0 | 0 | 0 | 0 | |
| Payments in-Lieu-of Taxes - Local Utilities | 51,896 | 0 | 2,956 | 3,284 | 6,569 | |
| Payments in-Lieu-of Taxes - Other | 58,178 | 0 | 0 | 0 | 0 | |
| <u>County Local Option Taxes</u> | | | | | | |
| Local Option Sales Tax | 66,594 | 0 | 0 | 0 | 0 | |
| Hotel/Motel Tax | 0 | 0 | 0 | 0 | 0 | |
| Litigation Tax - General | 8,753 | 0 | 0 | 0 | 0 | |
| Litigation Tax - Special Purpose | 0 | 43,780 | 0 | 0 | 0 | |
| Litigation Tax - Jail, Workhouse, or Courthouse Business Tax | 0 | 17,007 | 0 | 0 | 0 | |
| Statutory Local Taxes | 13,644 | 0 | 0 | 0 | 0 | |
| Wholesale Beer Tax | 24,892 | 0 | 0 | 0 | 0 | |
| Interstate Telecommunications Tax | 265 | 0 | 0 | 0 | 0 | |
| Total Local Taxes | \$ 1,269,720 | \$ 60,787 | \$ 62,541 | \$ 71,955 | \$ 136,768 | |
| <u>Licenses and Permits</u> | | | | | | |
| <u>Licenses</u> | | | | | | |
| Cable TV Franchise | \$ 10,252 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| <u>Permits</u> | | | | | | |
| Beer Permits | 238 | 0 | 0 | 0 | 0 | |
| Total Licenses and Permits | \$ 10,490 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | |
| <u>Circuit Court</u> | | | | | | |
| Fines | \$ 10,360 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| Officers Costs | 2,050 | 0 | 0 | 0 | 0 | |

(Continued)

Exhibit I-6

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

| | Special Revenue Funds | | | | | Local Purpose Tax |
|--|-----------------------|---------------------------------|--------------------------|-------------------|------|-------------------|
| | General | Courthouse and Jail Maintenance | Solid Waste / Sanitation | Ambulance Service | | |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | |
| <u>Circuit Court (Cont.)</u> | | | | | | |
| Drug Control Fines | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Data Entry Fee - Circuit Court | 59 | 0 | 0 | 0 | 0 | 0 |
| <u>General Sessions Court</u> | | | | | | |
| Fines | 8,051 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 18,151 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - General Sessions Court | 2,992 | 0 | 0 | 0 | 0 | 0 |
| <u>Chancery Court</u> | | | | | | |
| Officers Costs | 89 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Chancery Court | 440 | 0 | 0 | 0 | 0 | 0 |
| <u>Judicial District Drug Program</u> | | | | | | |
| Data Entry Fee - Other Courts | 456 | 0 | 0 | 0 | 0 | 0 |
| Total Fines, Forfeitures, and Penalties | \$ 42,648 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| <u>Charges for Current Services</u> | | | | | | |
| <u>General Service Charges</u> | | | | | | |
| Convenience Waste Centers Collection Charge | \$ 0 | \$ 0 | \$ 50,634 | \$ 0 | \$ 0 | 0 |
| Patient Charges | 0 | 0 | 0 | 279,747 | 0 | 0 |
| <u>Fees</u> | | | | | | |
| Library Fees | 104 | 0 | 0 | 0 | 0 | 0 |
| Telephone Commissions | 2,538 | 0 | 0 | 0 | 0 | 0 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Register | 2,634 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Sheriff | 56 | 0 | 0 | 0 | 0 | 0 |
| Sexual Offender Registration Fees - Sheriff | 1,060 | 0 | 0 | 0 | 0 | 0 |
| Total Charges for Current Services | \$ 6,392 | \$ 0 | \$ 50,634 | \$ 279,747 | \$ 0 | 0 |
| <u>Other Local Revenues</u> | | | | | | |
| <u>Recurring Items</u> | | | | | | |
| Investment Income | \$ 38,681 | \$ 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 |
| <u>Other Local Revenues (Cont.)</u> | | | | | |
| <u>Recurring Items (Cont.)</u> | | | | | |
| Lease/Rentals | \$ 2,109 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Sale of Materials and Supplies | 0 | 0 | 40 | 0 | 0 |
| Sale of Recycled Materials | 0 | 0 | 14,418 | 0 | 0 |
| Miscellaneous Refunds | 4,340 | 67 | 9 | 0 | 423 |
| <u>Other Local Revenues</u> | 10,325 | 0 | 0 | 0 | 0 |
| Total Other Local Revenues | \$ 55,455 | \$ 67 | \$ 14,467 | \$ 0 | \$ 423 |
| <u>Fees Received from County Officials</u> | | | | | |
| <u>Fees in-Lieu-of Salary</u> | | | | | |
| County Clerk | \$ 49,817 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Circuit Court Clerk | 15,981 | 0 | 0 | 0 | 0 |
| General Sessions Court Clerk | 78,408 | 0 | 0 | 0 | 0 |
| Clerk and Master | 17,390 | 0 | 0 | 0 | 0 |
| Register | 27,772 | 0 | 0 | 0 | 0 |
| Sheriff | 4,685 | 0 | 0 | 0 | 0 |
| Trustee | 79,830 | 0 | 0 | 0 | 0 |
| Total Fees Received from County Officials | \$ 273,883 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>State of Tennessee</u> | | | | | |
| <u>General Government Grants</u> | | | | | |
| Juvenile Services Program | \$ 9,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Public Safety Grants</u> | | | | | |
| Law Enforcement Training Programs | 4,800 | 0 | 0 | 0 | 0 |
| <u>Health and Welfare Grants</u> | | | | | |
| Health Department Programs | 3,806 | 0 | 0 | 0 | 0 |
| <u>Public Works Grants</u> | | | | | |
| Litter Program | 12,136 | 0 | 0 | 0 | 0 |
| <u>Other State Revenues</u> | | | | | |
| Income Tax | 5,176 | 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 |
| <u>State of Tennessee (Cont.)</u> | | | | | |
| <u>Other State Revenues (Cont.)</u> | | | | | |
| Beer Tax | \$ 18,724 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Alcoholic Beverage Tax | 18,906 | 0 | 0 | 0 | 0 |
| State Revenue Sharing - T.V.A. | 132,367 | 0 | 0 | 0 | 0 |
| Contracted Prisoner Boarding | 113,892 | 0 | 0 | 0 | 0 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 0 |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 0 |
| Registrar's Salary Supplement | 15,164 | 0 | 0 | 0 | 0 |
| Other State Grants | 5,577 | 0 | 0 | 0 | 0 |
| Total State of Tennessee | \$ 339,548 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Federal Government</u> | | | | | |
| Federal Through State | | | | | |
| ARRA Grant No. 1 | 0 | 0 | 0 | 0 | 0 |
| Other Federal through State | 347,697 | 0 | 0 | 0 | 0 |
| <u>Direct Federal Revenue</u> | | | | | |
| Other Direct Federal Revenue | 80,000 | 0 | 0 | 0 | 0 |
| Total Federal Government | \$ 427,697 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total | \$ 2,425,833 | \$ 60,854 | \$ 127,642 | \$ 351,702 | \$ 137,191 |

(Continued)

Exhibit I-6

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

| | Special Revenue Funds | | | Highway / Public Works | General Debt Service | Capital Projects Fund | Total |
|---|-----------------------|---|-------------------------|------------------------------|----------------------------|-----------------------------|-------|
| | Drug Control | Constitu- tional Officers - Fees | Debt Service Fund | | | | |
| <u>Local Taxes</u> | | | | | | | |
| <u>County Property Taxes</u> | | | | | | | |
| Current Property Tax | \$ 0 | \$ 0 | \$ 11,759 | \$ 0 | \$ 0 | \$ 1,169,900 | |
| Trustee's Collections - Prior Year | 0 | 0 | 873 | 0 | 0 | 88,772 | |
| Circuit/Clerk & Master Collections - Prior Years | 0 | 0 | 916 | 0 | 0 | 28,056 | |
| Interest and Penalty | 0 | 0 | 367 | 0 | 0 | 26,775 | |
| Payments in-Lieu-of Taxes - T.V.A. | 0 | 0 | 624 | 0 | 0 | 4,989 | |
| Payments in-Lieu-of Taxes - Local Utilities | 0 | 0 | 657 | 0 | 0 | 65,362 | |
| Payments in-Lieu-of Taxes - Other | 0 | 0 | 0 | 0 | 0 | 58,178 | |
| <u>County Local Option Taxes</u> | | | | | | | |
| Local Option Sales Tax | 0 | 0 | 0 | 0 | 0 | 66,594 | |
| Hotel/Motel Tax | 0 | 0 | 60,839 | 0 | 0 | 60,839 | |
| Litigation Tax - General | 0 | 0 | 0 | 0 | 0 | 8,753 | |
| Litigation Tax - Special Purpose | 0 | 0 | 0 | 0 | 0 | 43,780 | |
| Litigation Tax - Jail, Workhouse, or Courthouse Business Tax | 0 | 0 | 0 | 0 | 0 | 17,007 | |
| <u>Statutory Local Taxes</u> | | | | | | | |
| Wholesale Beer Tax | 0 | 0 | 0 | 0 | 0 | 24,892 | |
| Interstate Telecommunications Tax | 0 | 0 | 0 | 0 | 0 | 265 | |
| Total Local Taxes | \$ 0 | \$ 0 | \$ 76,035 | \$ 0 | \$ 0 | \$ 1,677,806 | |
| <u>Licenses and Permits</u> | | | | | | | |
| <u>Licenses</u> | | | | | | | |
| Cable TV Franchise Permits | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 10,252 | |
| Beer Permits | 0 | 0 | 0 | 0 | 0 | 238 | |
| Total Licenses and Permits | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 10,490 | |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | | |
| <u>Circuit Court</u> | | | | | | | |
| Fines Officers Costs | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 10,360 | |
| | 0 | 0 | 0 | 0 | 0 | 2,050 | |

(Continued)

Exhibit I-6

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

| | Special Revenue Funds | | | | Total |
|--|-----------------------|--------------------------------|------------------------|-------------------|---------|
| | Drug Control | Constitutional Officers - Fees | Highway / Public Works | Debt Service Fund | |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | |
| <u>Circuit Court (Cont.)</u> | | | | | |
| Drug Control Fines | 5,928 | 0 | 0 | 0 | 5,928 |
| Data Entry Fee - Circuit Court | 0 | 0 | 0 | 0 | 59 |
| <u>General Sessions Court</u> | | | | | |
| Fines | 0 | 0 | 0 | 0 | 8,051 |
| Officers Costs | 0 | 0 | 0 | 0 | 18,151 |
| Drug Control Fines | 2,128 | 0 | 0 | 0 | 2,128 |
| Data Entry Fee - General Sessions Court | 0 | 0 | 0 | 0 | 2,992 |
| <u>Chancery Court</u> | | | | | |
| Officers Costs | 0 | 0 | 0 | 0 | 89 |
| Data Entry Fee - Chancery Court | 0 | 0 | 0 | 0 | 440 |
| <u>Judicial District Drug Program</u> | | | | | |
| Data Entry Fee - Other Courts | 0 | 0 | 0 | 0 | 456 |
| Total Fines, Forfeitures, and Penalties | 8,056 | 0 | 0 | 0 | 50,704 |
| <u>Charges for Current Services</u> | | | | | |
| <u>General Service Charges</u> | | | | | |
| Convenience Waste Centers Collection Charge | 0 | 0 | 0 | 0 | 50,634 |
| Patient Charges | 0 | 0 | 0 | 0 | 279,747 |
| <u>Fees</u> | | | | | |
| Library Fees | 0 | 0 | 0 | 0 | 104 |
| Telephone Commissions | 0 | 0 | 0 | 0 | 2,538 |
| Constitutional Officers' Fees and Commissions | 0 | 224 | 0 | 0 | 224 |
| Data Processing Fee - Register | 0 | 0 | 0 | 0 | 2,634 |
| Data Processing Fee - Sheriff | 0 | 0 | 0 | 0 | 56 |
| Sexual Offender Registration Fees - Sheriff | 0 | 0 | 0 | 0 | 1,060 |
| Total Charges for Current Services | 0 | 224 | 0 | 0 | 336,997 |
| <u>Other Local Revenues</u> | | | | | |
| <u>Recurring Items</u> | | | | | |
| Investment Income | 0 | 0 | 0 | 0 | 38,681 |

(Continued)

Exhibit I-6

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

| | Special Revenue Funds | | | | Total |
|--|-----------------------|--------------------------------|------------------------|-------------------|------------|
| | Drug Control | Constitutional Officers - Fees | Highway / Public Works | Debt Service Fund | |
| <u>Other Local Revenues (Cont.)</u> | | | | | |
| <u>Recurring Items (Cont.)</u> | | | | | |
| Lease/Rentals | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 2,109 |
| Sale of Materials and Supplies | 0 | 0 | 0 | 0 | 40 |
| Sale of Recycled Materials | 0 | 0 | 0 | 0 | 14,418 |
| Miscellaneous Refunds | 0 | 0 | 5,446 | 0 | 10,285 |
| <u>Other Local Revenues</u> | | | | | |
| Other Local Revenues | 0 | 0 | 0 | 0 | 10,325 |
| Total Other Local Revenues | \$ 0 | \$ 0 | \$ 5,446 | \$ 0 | \$ 75,858 |
| <u>Fees Received from County Officials</u> | | | | | |
| <u>Fees in-Lieu-of Salary</u> | | | | | |
| County Clerk | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 49,817 |
| Circuit Court Clerk | 0 | 0 | 0 | 0 | 15,981 |
| General Sessions Court Clerk | 0 | 0 | 0 | 0 | 78,408 |
| Clerk and Master | 0 | 0 | 0 | 0 | 17,390 |
| Register | 0 | 0 | 0 | 0 | 27,772 |
| Sheriff | 0 | 0 | 0 | 0 | 4,685 |
| Trustee | 0 | 0 | 0 | 0 | 79,830 |
| Total Fees Received from County Officials | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 273,883 |
| <u>State of Tennessee</u> | | | | | |
| <u>General Government Grants</u> | | | | | |
| Juvenile Services Program | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 9,000 |
| <u>Public Safety Grants</u> | | | | | |
| Law Enforcement Training Programs | 0 | 0 | 0 | 0 | 4,800 |
| Health and Welfare Grants | 0 | 0 | 0 | 0 | 3,806 |
| <u>Public Works Grants</u> | | | | | |
| Litter Program | 0 | 0 | 0 | 0 | 12,136 |
| <u>Other State Revenues</u> | | | | | |
| Income Tax | 0 | 0 | 0 | 0 | 5,176 |

(Continued)

Exhibit I-6

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

| | Special Revenue Funds | | | Highway / Public Works | General Debt Service | Capital Projects | Total |
|-------------------------------------|-----------------------|---|--------------|------------------------------|----------------------------|---------------------|--------------|
| | Drug Control | Constitu- tional Officers - Fees | General | | | | |
| <u>State of Tennessee (Cont.)</u> | | | | | | | |
| <u>Other State Revenues (Cont.)</u> | | | | | | | |
| Beer Tax | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 18,724 |
| Alcoholic Beverage Tax | 0 | 0 | 0 | 0 | 0 | 0 | 18,906 |
| State Revenue Sharing - T.V.A. | 0 | 0 | 0 | 18,910 | 0 | 0 | 151,277 |
| Contracted Prisoner Boarding | 0 | 0 | 0 | 0 | 0 | 0 | 113,892 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 1,332,981 | 0 | 0 | 0 | 1,332,981 |
| Petroleum Special Tax | 0 | 0 | 4,424 | 0 | 0 | 0 | 4,424 |
| Registrar's Salary Supplement | 0 | 0 | 0 | 0 | 0 | 0 | 15,164 |
| Other State Grants | 0 | 0 | 0 | 0 | 0 | 0 | 5,577 |
| Total State of Tennessee | \$ 0 | \$ 0 | \$ 1,337,405 | \$ 18,910 | \$ 0 | \$ 0 | \$ 1,695,863 |
| <u>Federal Government</u> | | | | | | | |
| <u>Federal Through State</u> | | | | | | | |
| ARRA Grant No. 1 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 25,000 | \$ 0 | 25,000 |
| Other Federal through State | 0 | 0 | 0 | 0 | 0 | 0 | 347,697 |
| <u>Direct Federal Revenue</u> | | | | | | | |
| Other Direct Federal Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 80,000 |
| Total Federal Government | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 25,000 | \$ 0 | \$ 452,697 |
| Total | \$ 8,056 | \$ 224 | \$ 1,342,851 | \$ 94,945 | \$ 25,000 | \$ 25,000 | \$ 4,574,298 |

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, 2011

| | General Purpose School | School Federal Projects | Central Cafeteria | Education Capital Projects | Total |
|--|------------------------------|-------------------------------|----------------------|----------------------------------|---------------------|
| <u>Local Taxes</u> | | | | | |
| <u>County Property Taxes</u> | | | | | |
| Current Property Tax | \$ 511,927 | \$ 0 | \$ 0 | \$ 0 | \$ 511,927 |
| Trustee's Collections - Prior Year | 36,327 | 0 | 0 | 0 | 36,327 |
| Circuit/Clerk & Master Collections - Prior Years | 11,910 | 0 | 0 | 0 | 11,910 |
| Interest and Penalty | 11,186 | 0 | 0 | 0 | 11,186 |
| Payments in-Lieu-of Taxes - T.V.A. | 5,404 | 0 | 0 | 0 | 5,404 |
| Payments in-Lieu-of Taxes - Local Utilities | 28,602 | 0 | 0 | 0 | 28,602 |
| <u>County Local Option Taxes</u> | | | | | |
| Local Option Sales Tax | 394,643 | 0 | 0 | 0 | 394,643 |
| Hotel/Motel Tax | 103,591 | 0 | 0 | 0 | 103,591 |
| <u>Statutory Local Taxes</u> | | | | | |
| Interstate Telecommunications Tax | 385 | 0 | 0 | 0 | 385 |
| Total Local Taxes | \$ 1,103,975 | \$ 0 | \$ 0 | \$ 0 | \$ 1,103,975 |
| <u>Licenses and Permits</u> | | | | | |
| <u>Licenses</u> | | | | | |
| Marriage Licenses | \$ 330 | \$ 0 | \$ 0 | \$ 0 | \$ 330 |
| Total Licenses and Permits | \$ 330 | \$ 0 | \$ 0 | \$ 0 | \$ 330 |
| <u>Charges for Current Services</u> | | | | | |
| <u>Education Charges</u> | | | | | |
| Lunch Payments - Children | \$ 0 | \$ 0 | \$ 56,343 | \$ 0 | \$ 56,343 |
| Lunch Payments - Adults | 0 | 0 | 13,031 | 0 | 13,031 |
| Income from Breakfast | 0 | 0 | 17,886 | 0 | 17,886 |
| A la carte Sales | 0 | 0 | 56,328 | 0 | 56,328 |
| Receipts from Individual Schools | 13,901 | 0 | 0 | 0 | 13,901 |
| Total Charges for Current Services | \$ 13,901 | \$ 0 | \$ 143,588 | \$ 0 | \$ 157,489 |
| <u>Other Local Revenues</u> | | | | | |
| <u>Recurring Items</u> | | | | | |
| Investment Income | \$ 0 | \$ 0 | \$ 612 | \$ 0 | \$ 612 |
| Sale of Materials and Supplies | 578 | 0 | 0 | 0 | 578 |
| Refund of Telecommunication and Internet Fees (E-Rate) | 11,287 | 0 | 0 | 0 | 11,287 |
| Miscellaneous Refunds | 7,767 | 0 | 474 | 0 | 8,241 |
| <u>Nonrecurring Items</u> | | | | | |
| Sale of Equipment | 451 | 0 | 0 | 0 | 451 |
| Damages Recovered from Individuals | 141 | 0 | 0 | 0 | 141 |
| Total Other Local Revenues | \$ 20,224 | \$ 0 | \$ 1,086 | \$ 0 | \$ 21,310 |
| <u>State of Tennessee</u> | | | | | |
| <u>General Government Grants</u> | | | | | |
| On-Behalf Contributions for OPEB | \$ 31,865 | \$ 0 | \$ 0 | \$ 0 | \$ 31,865 |
| <u>State Education Funds</u> | | | | | |
| Basic Education Program | 3,931,200 | 0 | 0 | 0 | 3,931,200 |
| Basic Education Program - ARRA | 496,792 | 0 | 0 | 0 | 496,792 |
| Early Childhood Education | 202,767 | 0 | 0 | 0 | 202,767 |
| School Food Service | 0 | 0 | 4,574 | 0 | 4,574 |
| Energy Efficient School Initiative | 16,000 | 0 | 0 | 0 | 16,000 |
| Other State Education Funds | 10,715 | 0 | 0 | 0 | 10,715 |

(Continued)

Exhibit I-7

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

| | General Purpose School | School Federal Projects | Central Cafeteria | Education Capital Projects | Total |
|---|------------------------------|-------------------------------|----------------------|----------------------------------|--------------|
| <u>State of Tennessee (Cont.)</u> | | | | | |
| <u>State Education Funds (Cont.)</u> | | | | | |
| Coordinated School Health - ARRA | \$ 82,976 | \$ 0 | \$ 0 | \$ 0 | \$ 82,976 |
| Internet Connectivity - ARRA | 2,275 | 0 | 0 | 0 | 2,275 |
| Family Resource Centers - ARRA | 33,300 | 0 | 0 | 0 | 33,300 |
| Statewide Student Management System (SSMS) - ARRA | 1,984 | 0 | 0 | 0 | 1,984 |
| Career Ladder Program | 32,142 | 0 | 0 | 0 | 32,142 |
| Career Ladder - Extended Contract - ARRA | 22,733 | 0 | 0 | 0 | 22,733 |
| <u>Other State Revenues</u> | | | | | |
| State Revenue Sharing - T.V.A. | 163,883 | 0 | 0 | 0 | 163,883 |
| Safe Schools - ARRA | 5,500 | 0 | 0 | 0 | 5,500 |
| Other State Revenues | 144,842 | 0 | 0 | 0 | 144,842 |
| Total State of Tennessee | \$ 5,178,974 | \$ 0 | \$ 4,574 | \$ 0 | \$ 5,183,548 |
| <u>Federal Government</u> | | | | | |
| <u>Federal Through State</u> | | | | | |
| USDA School Lunch Program | \$ 0 | \$ 0 | \$ 191,360 | \$ 0 | \$ 191,360 |
| USDA - Commodities | 0 | 0 | 23,979 | 0 | 23,979 |
| Breakfast | 0 | 0 | 93,405 | 0 | 93,405 |
| USDA - Other | 0 | 0 | 6,186 | 0 | 6,186 |
| Adult Education State Grant Program | 30,893 | 0 | 0 | 0 | 30,893 |
| Vocational Education - Basic Grants to States | 0 | 16,322 | 0 | 0 | 16,322 |
| Title I Grants to Local Education Agencies | 0 | 320,105 | 0 | 0 | 320,105 |
| Special Education - Grants to States | 0 | 253,120 | 0 | 0 | 253,120 |
| Special Education Preschool Grants | 35,246 | 5,536 | 0 | 0 | 40,782 |
| Safe and Drug-free Schools - State Grants | 0 | 788 | 0 | 0 | 788 |
| Rural Education | 0 | 18,978 | 0 | 0 | 18,978 |
| Education for Homeless Children and Youth | 0 | 4,125 | 0 | 0 | 4,125 |
| Appalachian Regional Commission | 5,000 | 0 | 0 | 0 | 5,000 |
| Eisenhower Professional Development State Grants | 0 | 56,377 | 0 | 0 | 56,377 |
| Race to the Top - ARRA | 0 | 42,381 | 0 | 0 | 42,381 |
| Other Federal through State | 7,360 | 105,540 | 0 | 0 | 112,900 |
| Total Federal Government | \$ 78,499 | \$ 823,272 | \$ 314,930 | \$ 0 | \$ 1,216,701 |
| <u>Other Governments and Citizens Groups</u> | | | | | |
| <u>Other Governments</u> | | | | | |
| Contributions | \$ 0 | \$ 0 | \$ 0 | \$ 412,200 | \$ 412,200 |
| Total Other Governments and Citizens Groups | \$ 0 | \$ 0 | \$ 0 | \$ 412,200 | \$ 412,200 |
| Total | \$ 6,395,903 | \$ 823,272 | \$ 464,178 | \$ 412,200 | \$ 8,095,553 |

Exhibit I-8

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2011

General Fund

General Government

County Commission

| | | |
|----------------------------------|-----------|-----------|
| Board and Committee Members Fees | \$ 11,550 | |
| Audit Services | 5,631 | |
| Dues and Memberships | 1,050 | |
| Refunds | 7,231 | |
| Total County Commission | | \$ 25,462 |

Board of Equalization

| | | |
|----------------------------------|--------|-----|
| Board and Committee Members Fees | \$ 950 | |
| Total Board of Equalization | | 950 |

Beer Board

| | | |
|----------------------------------|--------|-----|
| Board and Committee Members Fees | \$ 650 | |
| Total Beer Board | | 650 |

County Mayor/Executive

| | | |
|---|-----------|---------|
| County Official/Administrative Officer | \$ 60,350 | |
| Accountants/Bookkeepers | 40,965 | |
| Part-time Personnel | 9,106 | |
| Social Security | 6,847 | |
| State Retirement | 8,658 | |
| Unemployment Compensation | 781 | |
| Employer Medicare | 1,601 | |
| Communication | 4,520 | |
| Data Processing Services | 6,648 | |
| Dues and Memberships | 2,712 | |
| Legal Notices, Recording, and Court Costs | 824 | |
| Printing, Stationery, and Forms | 1,040 | |
| Travel | 1,630 | |
| Office Supplies | 1,806 | |
| Other Charges | 486 | |
| Data Processing Equipment | 2,640 | |
| Total County Mayor/Executive | | 150,614 |

County Attorney

| | | |
|--|----------|-------|
| County Official/Administrative Officer | \$ 5,030 | |
| Total County Attorney | | 5,030 |

Election Commission

| | | |
|--|-----------|--|
| County Official/Administrative Officer | \$ 47,930 | |
| Election Commission | 12,180 | |

(Continued)

Exhibit I-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

| | | | |
|---|----|-------|------------|
| Election Workers | \$ | 8,285 | |
| Social Security | | 2,916 | |
| State Retirement | | 4,013 | |
| Unemployment Compensation | | 135 | |
| Employer Medicare | | 682 | |
| Communication | | 918 | |
| Data Processing Services | | 6,655 | |
| Dues and Memberships | | 150 | |
| Legal Notices, Recording, and Court Costs | | 7,158 | |
| Maintenance and Repair Services - Equipment | | 130 | |
| Printing, Stationery, and Forms | | 2,080 | |
| Travel | | 1,884 | |
| Other Contracted Services | | 7,623 | |
| Office Supplies | | 334 | |
| Other Charges | | 225 | |
| Total Election Commission | | | \$ 103,298 |

Register of Deeds

| | | | |
|--|----|--------|--------|
| County Official/Administrative Officer | \$ | 52,251 | |
| Social Security | | 3,240 | |
| State Retirement | | 4,474 | |
| Unemployment Compensation | | 209 | |
| Employer Medicare | | 742 | |
| Communication | | 1,050 | |
| Data Processing Services | | 2,656 | |
| Dues and Memberships | | 285 | |
| Printing, Stationery, and Forms | | 739 | |
| Office Supplies | | 340 | |
| Premiums on Corporate Surety Bonds | | 136 | |
| Total Register of Deeds | | | 66,122 |

Planning

| | | | |
|------------------------------------|----|-------|-------|
| Contracts with Government Agencies | \$ | 7,125 | |
| Total Planning | | | 7,125 |

County Buildings

| | | | |
|---|----|--------|--|
| Communication | \$ | 2,645 | |
| Maintenance and Repair Services - Buildings | | 11,600 | |
| Travel | | 730 | |
| Custodial Supplies | | 1,699 | |

(Continued)

Exhibit I-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

| | | | |
|------------------------|----|--------|-----------|
| Electricity | \$ | 32,154 | |
| Natural Gas | | 8,004 | |
| Water and Sewer | | 6,040 | |
| Total County Buildings | | | \$ 62,872 |

Finance

Property Assessor's Office

| | | | |
|---|----|--------|--------|
| County Official/Administrative Officer | \$ | 52,251 | |
| Part-time Personnel | | 10,650 | |
| Social Security | | 3,900 | |
| State Retirement | | 4,459 | |
| Unemployment Compensation | | 180 | |
| Employer Medicare | | 912 | |
| Audit Services | | 900 | |
| Communication | | 829 | |
| Data Processing Services | | 1,659 | |
| Dues and Memberships | | 704 | |
| Legal Notices, Recording, and Court Costs | | 61 | |
| Travel | | 1,340 | |
| Office Supplies | | 622 | |
| Total Property Assessor's Office | | | 78,467 |

County Trustee's Office

| | | | |
|---|----|--------|--------|
| County Official/Administrative Officer | \$ | 52,251 | |
| Deputy(ies) | | 10,965 | |
| Social Security | | 3,924 | |
| State Retirement | | 4,534 | |
| Unemployment Compensation | | 178 | |
| Employer Medicare | | 918 | |
| Communication | | 1,342 | |
| Data Processing Services | | 10,643 | |
| Dues and Memberships | | 355 | |
| Legal Notices, Recording, and Court Costs | | 471 | |
| Printing, Stationery, and Forms | | 582 | |
| Office Supplies | | 2,082 | |
| Premiums on Corporate Surety Bonds | | 1,834 | |
| Total County Trustee's Office | | | 90,079 |

County Clerk's Office

| | | | |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 52,251 | |
|--|----|--------|--|

(Continued)

Exhibit I-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

| | | | |
|------------------------------------|----|--------|-----------|
| Deputy(ies) | \$ | 18,940 | |
| Social Security | | 4,414 | |
| State Retirement | | 6,078 | |
| Unemployment Compensation | | 323 | |
| Employer Medicare | | 1,008 | |
| Communication | | 1,576 | |
| Dues and Memberships | | 360 | |
| Printing, Stationery, and Forms | | 478 | |
| Office Supplies | | 790 | |
| Premiums on Corporate Surety Bonds | | 149 | |
| Total County Clerk's Office | | | \$ 86,367 |

Administration of Justice

Circuit Court

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 52,251 | |
| Accountants/Bookkeepers | | 475 | |
| Secretary(ies) | | 19,110 | |
| Jury and Witness Expense | | 7,203 | |
| Social Security | | 4,502 | |
| State Retirement | | 6,201 | |
| Unemployment Compensation | | 1,081 | |
| Employer Medicare | | 1,053 | |
| Communication | | 2,276 | |
| Data Processing Services | | 126 | |
| Dues and Memberships | | 345 | |
| Printing, Stationery, and Forms | | 3,423 | |
| Office Supplies | | 1,683 | |
| Premiums on Corporate Surety Bonds | | 365 | |
| Total Circuit Court | | | 100,094 |

General Sessions Court

| | | | |
|------------------------------|----|--------|--------|
| Judge(s) | \$ | 24,148 | |
| Secretary(ies) | | 5,467 | |
| Other Fringe Benefits | | 3,490 | |
| Communication | | 251 | |
| Dues and Memberships | | 140 | |
| Travel | | 368 | |
| Office Supplies | | 350 | |
| Total General Sessions Court | | | 34,214 |

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

| | | | |
|---|----|--------|-----------|
| County Official/Administrative Officer | \$ | 52,251 | |
| Social Security | | 3,240 | |
| State Retirement | | 4,459 | |
| Employer Medicare | | 757 | |
| Communication | | 1,078 | |
| Dues and Memberships | | 285 | |
| Legal Notices, Recording, and Court Costs | | 635 | |
| Printing, Stationery, and Forms | | 541 | |
| Office Supplies | | 902 | |
| Premiums on Corporate Surety Bonds | | 334 | |
| Total Chancery Court | | | \$ 64,482 |

Juvenile Court

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

Judicial Commissioners

| | | | |
|--|----|-------|-------|
| County Official/Administrative Officer | \$ | 4,800 | |
| Premiums on Corporate Surety Bonds | | 184 | |
| Total Judicial Commissioners | | | 4,984 |

Public Safety

Sheriff's Department

| | | | |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 58,521 | |
| Deputy(ies) | | 194,978 | |
| Accountants/Bookkeepers | | 25,157 | |
| Salary Supplements | | 4,800 | |
| Overtime Pay | | 21,403 | |
| In-Service Training | | 12,140 | |
| Social Security | | 23,233 | |
| State Retirement | | 29,377 | |
| Unemployment Compensation | | 3,416 | |
| Employer Medicare | | 5,433 | |
| Communication | | 19,258 | |
| Dues and Memberships | | 1,462 | |
| Maintenance and Repair Services - Vehicles | | 14,814 | |
| Printing, Stationery, and Forms | | 162 | |
| Travel | | 146 | |
| Gasoline | | 36,761 | |
| Office Supplies | | 2,872 | |

(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.)

| | | | |
|------------------------------------|----|--------------|---------|
| Uniforms | \$ | 4,995 | |
| Premiums on Corporate Surety Bonds | | 2,884 | |
| Other Charges | | <u>2,797</u> | |
| Total Sheriff's Department | \$ | | 464,609 |

Jail

| | | | |
|---|----|--------------|---------|
| Guards | \$ | 197,503 | |
| Overtime Pay | | 4,672 | |
| Social Security | | 8,356 | |
| State Retirement | | 8,720 | |
| Unemployment Compensation | | 1,503 | |
| Employer Medicare | | 1,954 | |
| Maintenance and Repair Services - Buildings | | 6,283 | |
| Medical and Dental Services | | 35,016 | |
| Custodial Supplies | | 7,337 | |
| Electricity | | 7,343 | |
| Food Supplies | | 30,831 | |
| Natural Gas | | 2,263 | |
| Water and Sewer | | 5,134 | |
| Other Charges | | <u>4,940</u> | |
| Total Jail | | | 321,855 |

Fire Prevention and Control

| | | | |
|-----------------------------------|----|--------------|-------|
| Contributions | \$ | <u>1,000</u> | |
| Total Fire Prevention and Control | | | 1,000 |

Rescue Squad

| | | | |
|--------------------|----|--------------|-------|
| Contributions | \$ | <u>4,000</u> | |
| Total Rescue Squad | | | 4,000 |

Other Emergency Management

| | | | |
|----------------------------------|----|--------------|-------|
| Contributions | \$ | <u>2,000</u> | |
| Total Other Emergency Management | | | 2,000 |

County Coroner/Medical Examiner

| | | | |
|---------------------------------------|----|--------------|-------|
| Premiums on Corporate Surety Bonds | \$ | 270 | |
| Other Charges | | <u>5,037</u> | |
| Total County Coroner/Medical Examiner | | | 5,307 |

(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 | \$ 51,700 | |
| Total Other Public Safety | | \$ 51,700 |

Public Health and Welfare

Local Health Center

| | | |
|----------------------------|----------|--------|
| Clerical Personnel | \$ 1,722 | |
| Social Security | 106 | |
| Unemployment Compensation | 33 | |
| Employer Medicare | 25 | |
| Communication | 1,519 | |
| Travel | 581 | |
| Custodial Supplies | 710 | |
| Drugs and Medical Supplies | 624 | |
| Electricity | 4,205 | |
| Natural Gas | 1,320 | |
| Office Supplies | 147 | |
| Water and Sewer | 438 | |
| Other Charges | 488 | |
| Total Local Health Center | | 11,918 |

Regional Mental Health Center

| | | |
|-------------------------------------|----------|-------|
| Contributions | \$ 1,212 | |
| Total Regional Mental Health Center | | 1,212 |

Appropriation to State

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

Convenience Centers

| | | |
|---------------------------|--------|-----|
| Laborers | \$ 616 | |
| Social Security | 38 | |
| Unemployment Compensation | 9 | |
| Employer Medicare | 9 | |
| Total Convenience Centers | | 672 |

Social, Cultural, and Recreational Services

Adult Activities

| | | |
|---------------------------|-----------|--|
| Supervisor/Director | \$ 12,528 | |
| Social Security | 776 | |
| Unemployment Compensation | 189 | |

(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.)

Adult Activities (Cont.)

| | | | |
|------------------------|----|-------|-----------|
| Employer Medicare | \$ | 182 | |
| Communication | | 439 | |
| Custodial Supplies | | 136 | |
| Electricity | | 1,901 | |
| Natural Gas | | 1,322 | |
| Water and Sewer | | 306 | |
| Other Charges | | 111 | |
| Total Adult Activities | | | \$ 17,890 |

Senior Citizens Assistance

| | | | |
|----------------------------------|----|--------|--------|
| Communication | \$ | 611 | |
| Contributions | | 12,322 | |
| Medical and Dental Services | | 523 | |
| Other Charges | | 375 | |
| Total Senior Citizens Assistance | | | 13,831 |

Libraries

| | | | |
|---------------------|----|--------|--------|
| Contributions | \$ | 26,000 | |
| Library Books/Media | | 436 | |
| Total Libraries | | | 26,436 |

Parks and Fair Boards

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

Other Social, Cultural, and Recreational

| | | | |
|--|----|-------|-------|
| Contributions | \$ | 4,785 | |
| Total Other Social, Cultural, and Recreational | | | 4,785 |

Agriculture and Natural Resources

Agriculture Extension Service

| | | | |
|-------------------------------------|----|--------|--------|
| Salary Supplements | \$ | 15,518 | |
| Secretary(ies) | | 7,205 | |
| Social Security | | 1,409 | |
| State Retirement | | 2,958 | |
| Employer Medicare | | 329 | |
| Communication | | 2,744 | |
| Other Charges | | 2,500 | |
| Other Equipment | | 1,500 | |
| Total Agriculture Extension Service | | | 34,163 |

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

| | | | |
|---------------------------|----|-------|----------|
| Secretary(ies) | \$ | 7,710 | |
| Social Security | | 478 | |
| Unemployment Compensation | | 144 | |
| Employer Medicare | | 112 | |
| Communication | | 742 | |
| Total Soil Conservation | | | \$ 9,186 |

Other Operations

Industrial Development

| | | | |
|------------------------------|----|-------|--------|
| Contributions | \$ | 6,600 | |
| Other Charges | | 9,543 | |
| Total Industrial Development | | | 16,143 |

Housing and Urban Development

| | | | |
|-------------------------------------|----|---------|---------|
| Other Contracted Services | \$ | 301,270 | |
| Total Housing and Urban Development | | | 301,270 |

Other Charges

| | | | |
|-----------------------------------|----|--------|---------|
| Liability Insurance | \$ | 52,551 | |
| Trustee's Commission | | 27,049 | |
| Workers' Compensation Insurance | | 30,015 | |
| Fines, Assessments, and Penalties | | 3,184 | |
| Total Other Charges | | | 112,799 |

Employee Benefits

| | | | |
|-------------------------|----|-------|-------|
| Penalties | \$ | 5,654 | |
| Total Employee Benefits | | | 5,654 |

ARRA Grant No. 1

| | | | |
|------------------------|----|-------|-------|
| Other Charges | \$ | 5,421 | |
| Total ARRA Grant No. 1 | | | 5,421 |

Miscellaneous

| | | | |
|----------------------|----|--------|--------|
| Postal Charges | \$ | 16,001 | |
| Duplicating Supplies | | 9,479 | |
| Other Charges | | 541 | |
| Total Miscellaneous | | | 26,021 |

(Continued)

Exhibit I-8

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

General Fund (Cont.)

Highways

Litter and Trash Collection

| | | | |
|-----------------------------------|----|--------|-----------|
| Laborers | \$ | 12,480 | |
| Social Security | | 820 | |
| State Retirement | | 584 | |
| Unemployment Compensation | | 112 | |
| Employer Medicare | | 192 | |
| Accounting Services | | 745 | |
| Other Supplies and Materials | | 4,008 | |
| Other Charges | | 563 | |
| Total Litter and Trash Collection | | | \$ 19,504 |

Total General Fund \$ 2,374,386

Courthouse and Jail Maintenance Fund

General Government

County Buildings

| | | | |
|---------------------------|----|--------|-----------|
| Custodial Personnel | \$ | 15,642 | |
| Maintenance Personnel | | 32,398 | |
| Social Security | | 3,190 | |
| State Retirement | | 3,159 | |
| Unemployment Compensation | | 523 | |
| Employer Medicare | | 748 | |
| Building Improvements | | 5,426 | |
| Total County Buildings | | | \$ 61,086 |

Public Safety

Jail

| | | | |
|---|----|-----|-----|
| Maintenance and Repair Services - Buildings | \$ | 335 | |
| Total Jail | | | 335 |

Other Operations

Other Charges

| | | | |
|-----------------------------------|----|-----|-----|
| Trustee's Commission | \$ | 595 | |
| Fines, Assessments, and Penalties | | 132 | |
| Total Other Charges | | | 727 |

Total Courthouse and Jail Maintenance Fund 62,148

(Continued)

Exhibit I-8

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

| | | | |
|---|----|-------|-----------|
| Truck Drivers | \$ | 8,552 | |
| Social Security | | 556 | |
| State Retirement | | 531 | |
| Unemployment Compensation | | 323 | |
| Employer Medicare | | 130 | |
| Maintenance and Repair Services - Equipment | | 4,214 | |
| Diesel Fuel | | 3,776 | |
| Total Waste Pickup | | | \$ 18,082 |

Convenience Centers

| | | | |
|------------------------------|----|--------|--------|
| Laborers | \$ | 45,574 | |
| Social Security | | 2,866 | |
| State Retirement | | 31 | |
| Unemployment Compensation | | 687 | |
| Employer Medicare | | 670 | |
| Communication | | 1,441 | |
| Other Contracted Services | | 18,793 | |
| Electricity | | 6,573 | |
| Natural Gas | | 729 | |
| Water and Sewer | | 480 | |
| Other Supplies and Materials | | 596 | |
| Trustee's Commission | | 1,861 | |
| Other Charges | | 2,424 | |
| Total Convenience Centers | | | 82,725 |

Landfill Operation and Maintenance

| | | | |
|--|----|-------|-------|
| Other Charges | \$ | 7,261 | |
| Total Landfill Operation and Maintenance | | | 7,261 |

Other Operations

Other Charges

| | | | |
|-----------------------------------|----|----|----|
| Fines, Assessments, and Penalties | \$ | 97 | |
| Total Other Charges | | | 97 |

Total Solid Waste/Sanitation Fund \$ 108,165

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

| | | | |
|-------------------|----|---------|--|
| Medical Personnel | \$ | 236,207 | |
|-------------------|----|---------|--|

(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.)

| | | | |
|---|----|--------|------------|
| Part-time Personnel | \$ | 5,125 | |
| Overtime Pay | | 83,057 | |
| In-Service Training | | 4,754 | |
| Social Security | | 20,610 | |
| State Retirement | | 21,163 | |
| Unemployment Compensation | | 2,224 | |
| Employer Medicare | | 4,820 | |
| Communication | | 4,008 | |
| Data Processing Services | | 2,552 | |
| Dues and Memberships | | 240 | |
| Licenses | | 1,500 | |
| Maintenance and Repair Services - Buildings | | 1,205 | |
| Maintenance and Repair Services - Equipment | | 2,450 | |
| Maintenance and Repair Services - Vehicles | | 7,606 | |
| Custodial Supplies | | 911 | |
| Data Processing Supplies | | 811 | |
| Diesel Fuel | | 23,779 | |
| Drugs and Medical Supplies | | 20,294 | |
| Electricity | | 4,095 | |
| Natural Gas | | 891 | |
| Office Supplies | | 1,040 | |
| Uniforms | | 2,199 | |
| Water and Sewer | | 638 | |
| Other Supplies and Materials | | 3,762 | |
| Trustee's Commission | | 4,449 | |
| Vehicle and Equipment Insurance | | 4,500 | |
| Workers' Compensation Insurance | | 10,000 | |
| Other Charges | | 5,472 | |
| Motor Vehicles | | 34,615 | |
| Other Equipment | | 3,891 | |
| Total Ambulance/Emergency Medical Services | | | \$ 518,868 |

Other Operations

Other Charges

| | | | |
|-----------------------------------|----|-------|--------------|
| Fines, Assessments, and Penalties | \$ | 1,002 | |
| Total Other Charges | | | <u>1,002</u> |

Total Ambulance Service Fund \$ 519,870

(Continued)

Exhibit I-8

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

Local Purpose Tax Fund

Public Safety

Fire Prevention and Control

| | | |
|-----------------------------------|----------------|------------|
| Contributions | \$ 105,000 | |
| Building and Contents Insurance | 39,556 | |
| Total Fire Prevention and Control | <u>144,556</u> | \$ 144,556 |

Other Operations

Other Charges

| | | |
|----------------------|----------|--------------|
| Trustee's Commission | \$ 2,694 | |
| Total Other Charges | | <u>2,694</u> |

Total Local Purpose Tax Fund \$ 147,250

Drug Control Fund

Public Safety

Drug Enforcement

| | | |
|------------------------------|----------|----------|
| Other Supplies and Materials | \$ 5,735 | |
| Law Enforcement Equipment | 3,830 | |
| Total Drug Enforcement | | \$ 9,565 |

Other Operations

Other Charges

| | | |
|----------------------|-------|-----------|
| Trustee's Commission | \$ 87 | |
| Total Other Charges | | <u>87</u> |

Total Drug Control Fund 9,652

Constitutional Officers - Fees Fund

General Government

Other General Administration

| | | |
|---|--------|---------------|
| Constitutional Officers' Operating Expenses | \$ 224 | |
| Total Other General Administration | | <u>\$ 224</u> |

Total Constitutional Officers - Fees Fund 224

Highway/Public Works Fund

Highways

Administration

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 57,477 |
| Assistant(s) | 36,656 |
| Accountants/Bookkeepers | 35,616 |
| Overtime Pay | 23,431 |

(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.)

| | | | |
|--|----|-------|------------|
| Social Security | \$ | 3,544 | |
| Unemployment Compensation | | 151 | |
| Employer Medicare | | 829 | |
| Communication | | 1,772 | |
| Dues and Memberships | | 2,118 | |
| Maintenance and Repair Services - Office Equipment | | 9,188 | |
| Postal Charges | | 132 | |
| Printing, Stationery, and Forms | | 100 | |
| Travel | | 129 | |
| Electricity | | 1,653 | |
| Office Supplies | | 439 | |
| Other Charges | | 478 | |
| Total Administration | | | \$ 173,713 |

Highway and Bridge Maintenance

| | | | |
|--------------------------------------|----|---------|---------|
| Foremen | \$ | 29,908 | |
| Equipment Operators | | 69,859 | |
| Truck Drivers | | 56,896 | |
| Laborers | | 242,137 | |
| Overtime Pay | | 4,279 | |
| Social Security | | 11,245 | |
| Unemployment Compensation | | 958 | |
| Employer Medicare | | 2,630 | |
| Other Contracted Services | | 416,497 | |
| Asphalt - Cold Mix | | 7,442 | |
| Crushed Stone | | 27,944 | |
| Ice | | 106 | |
| Lubricants | | 942 | |
| Pipe - Metal | | 5,880 | |
| Road Signs | | 1,500 | |
| Salt | | 39,602 | |
| Small Tools | | 115 | |
| Other Supplies and Materials | | 326 | |
| Total Highway and Bridge Maintenance | | | 918,266 |

Operation and Maintenance of Equipment

| | | | |
|---------------|----|--------|--|
| Mechanic(s) | \$ | 74,939 | |
| Laborers | | 18,688 | |
| Nightwatchmen | | 28,788 | |
| Overtime Pay | | 488 | |

(Continued)

Exhibit I-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

| | | | |
|--|----|--------|------------|
| Social Security | \$ | 3,812 | |
| Unemployment Compensation | | 390 | |
| Employer Medicare | | 892 | |
| Laundry Service | | 899 | |
| Maintenance and Repair Services - Equipment | | 1,499 | |
| Other Contracted Services | | 3,558 | |
| Diesel Fuel | | 41,750 | |
| Equipment and Machinery Parts | | 34,868 | |
| Garage Supplies | | 1,995 | |
| Gasoline | | 24,579 | |
| Lubricants | | 4,721 | |
| Propane Gas | | 893 | |
| Small Tools | | 2,052 | |
| Tires and Tubes | | 9,775 | |
| Water and Sewer | | 710 | |
| Other Supplies and Materials | | 1,031 | |
| Other Charges | | 51 | |
| Total Operation and Maintenance of Equipment | | | \$ 256,378 |

Quarry Operations

| | | | |
|--------------------------|----|-------|--------|
| Communication | \$ | 2,062 | |
| Operating Lease Payments | | 4,800 | |
| Electricity | | 4,249 | |
| Other Charges | | 125 | |
| Total Quarry Operations | | | 11,236 |

Other Charges

| | | | |
|------------------------------------|----|--------|---------|
| Liability Insurance | \$ | 21,592 | |
| Premiums on Corporate Surety Bonds | | 350 | |
| Trustee's Commission | | 13,413 | |
| Workers' Compensation Insurance | | 80,424 | |
| Total Other Charges | | | 115,779 |

Employee Benefits

| | | | |
|----------------------------------|----|--------|--------|
| Social Security | \$ | 29,001 | |
| State Retirement | | 52,797 | |
| Employee and Dependent Insurance | | 10,548 | |
| Unemployment Compensation | | 2,657 | |
| Other Fringe Benefits | | 1,059 | |
| Total Employee Benefits | | | 96,062 |

(Continued)

Exhibit I-8

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

| | | |
|--|----------------|---------------------|
| <u>Highway/Public Works Fund (Cont.)</u> | | |
| <u>Highways (Cont.)</u> | | |
| <u>Capital Outlay</u> | | |
| Communication Equipment | \$ 2,507 | |
| Highway Equipment | 80,341 | |
| Motor Vehicles | 21,954 | |
| Office Equipment | 187 | |
| Total Capital Outlay | <u>104,989</u> | \$ 104,989 |
| Total Highway/Public Works Fund | | \$ 1,676,423 |
| <u>General Debt Service Fund</u> | | |
| <u>Principal on Debt</u> | | |
| <u>General Government</u> | | |
| Principal on Bonds | \$ 15,947 | |
| Principal on Capital Leases | 22,255 | |
| Total General Government | <u>38,202</u> | \$ 38,202 |
| <u>Interest on Debt</u> | | |
| <u>General Government</u> | | |
| Interest on Bonds | \$ 3,926 | |
| Interest on Capital Leases | 3,203 | |
| Total General Government | | 7,129 |
| <u>Other Debt Service</u> | | |
| <u>General Government</u> | | |
| Trustee's Commission | \$ 1,085 | |
| Total General Government | <u>1,085</u> | <u>1,085</u> |
| Total General Debt Service Fund | | 46,416 |
| <u>General Capital Projects Fund</u> | | |
| <u>Other Operations</u> | | |
| <u>ARRA Grant No. 1</u> | | |
| Other Charges | \$ 25,000 | |
| Total ARRA Grant No. 1 | <u>25,000</u> | \$ 25,000 |
| Total General Capital Projects Fund | | 25,000 |
| <u>Education Capital Projects Fund</u> | | |
| <u>Capital Projects - Donated</u> | | |
| <u>Capital Projects Donated to School Department</u> | | |
| Contributions | \$ 412,200 | |
| Total Capital Projects Donated to School Department | <u>412,200</u> | \$ 412,200 |
| Total Education Capital Projects Fund | | <u>412,200</u> |
| Total Governmental Funds - Primary Government | | <u>\$ 5,381,734</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, 2011

General Purpose School Fund

Instruction

Regular Instruction Program

| | | | |
|--------------------------------------|----|-----------|--------------|
| Teachers | \$ | 1,779,341 | |
| Career Ladder Program | | 16,000 | |
| Career Ladder Extended Contracts | | 12,480 | |
| Homebound Teachers | | 3,360 | |
| Educational Assistants | | 76,186 | |
| Non-certified Substitute Teachers | | 49,686 | |
| Social Security | | 110,702 | |
| State Retirement | | 169,393 | |
| Medical Insurance | | 98,062 | |
| Unemployment Compensation | | 3,436 | |
| Employer Medicare | | 26,049 | |
| Contracts with Other School Systems | | 20,000 | |
| Instructional Supplies and Materials | | 20,554 | |
| Textbooks | | 56,850 | |
| Other Supplies and Materials | | 95 | |
| Other Charges | | 1,900 | |
| Regular Instruction Equipment | | 89,256 | |
| Total Regular Instruction Program | | | \$ 2,533,350 |

Special Education Program

| | | | |
|---|----|---------|---------|
| Teachers | \$ | 166,228 | |
| Career Ladder Program | | 3,000 | |
| Homebound Teachers | | 1,320 | |
| Educational Assistants | | 334 | |
| Speech Pathologist | | 46,440 | |
| Social Security | | 9,929 | |
| State Retirement | | 17,780 | |
| Medical Insurance | | 20,698 | |
| Unemployment Compensation | | 334 | |
| Employer Medicare | | 2,617 | |
| Maintenance and Repair Services - Equipment | | 309 | |
| Instructional Supplies and Materials | | 74 | |
| Other Charges | | 436 | |
| Special Education Equipment | | 1,491 | |
| Total Special Education Program | | | 270,990 |

Vocational Education Program

| | | | |
|-----------------------|----|---------|--|
| Teachers | \$ | 111,538 | |
| Career Ladder Program | | 1,000 | |

(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.)

Vocational Education Program (Cont.)

| | | | |
|------------------------------------|----|--------|------------|
| Social Security | \$ | 6,903 | |
| State Retirement | | 10,185 | |
| Unemployment Compensation | | 170 | |
| Employer Medicare | | 1,614 | |
| Tuition | | 3,700 | |
| Other Supplies and Materials | | 1,854 | |
| Other Charges | | 410 | |
| Total Vocational Education Program | | | \$ 137,374 |

Adult Education Program

| | | | |
|-------------------------------|----|--------|--------|
| Teachers | \$ | 42,417 | |
| Social Security | | 2,402 | |
| State Retirement | | 3,839 | |
| Medical Insurance | | 2,546 | |
| Unemployment Compensation | | 58 | |
| Employer Medicare | | 562 | |
| Total Adult Education Program | | | 51,824 |

Support Services

Attendance

| | | | |
|------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 65,615 | |
| Career Ladder Program | | 1,000 | |
| Social Security | | 4,068 | |
| State Retirement | | 6,029 | |
| Unemployment Compensation | | 122 | |
| Employer Medicare | | 951 | |
| Travel | | 257 | |
| In Service/Staff Development | | 270 | |
| Total Attendance | | | 78,312 |

Health Services

| | | |
|---------------------------|----|--------|
| Supervisor/Director | \$ | 37,076 |
| Medical Personnel | | 36,791 |
| Other Salaries and Wages | | 24,412 |
| Social Security | | 5,680 |
| State Retirement | | 8,397 |
| Medical Insurance | | 5,182 |
| Unemployment Compensation | | 173 |
| Employer Medicare | | 1,328 |

(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.)

Health Services (Cont.)

| | | | |
|------------------------------|----|--------------|---------|
| Communication | \$ | 179 | |
| Drugs and Medical Supplies | | 872 | |
| Other Supplies and Materials | | 10,549 | |
| In Service/Staff Development | | 779 | |
| Other Charges | | <u>5,252</u> | |
| Total Health Services | \$ | | 136,670 |

Other Student Support

| | | | |
|------------------------------------|----|------------|---------|
| Career Ladder Program | \$ | 2,000 | |
| Guidance Personnel | | 95,138 | |
| Social Security | | 4,979 | |
| State Retirement | | 8,786 | |
| Medical Insurance | | 3,602 | |
| Unemployment Compensation | | 110 | |
| Employer Medicare | | 1,163 | |
| Contracts with Government Agencies | | 30,000 | |
| Evaluation and Testing | | 2,730 | |
| Travel | | 25 | |
| Other Contracted Services | | <u>800</u> | |
| Total Other Student Support | | | 149,333 |

Regular Instruction Program

| | | | |
|-----------------------------------|----|--------------|---------|
| Supervisor/Director | \$ | 61,994 | |
| Career Ladder Program | | 2,990 | |
| Career Ladder Extended Contracts | | 4,000 | |
| Librarians | | 80,160 | |
| Instructional Computer Personnel | | 44,230 | |
| Other Salaries and Wages | | 23,864 | |
| Social Security | | 10,999 | |
| State Retirement | | 17,285 | |
| Medical Insurance | | 12,190 | |
| Unemployment Compensation | | 278 | |
| Employer Medicare | | 2,918 | |
| Travel | | 1,116 | |
| Library Books/Media | | 9,948 | |
| Other Supplies and Materials | | 226 | |
| In Service/Staff Development | | 1,716 | |
| Other Charges | | 125 | |
| Other Equipment | | <u>1,984</u> | |
| Total Regular Instruction Program | | | 276,023 |

(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.)

Special Education Program

| | | | |
|---------------------------------|----|--------|-----------|
| Supervisor/Director | \$ | 54,945 | |
| Psychological Personnel | | 3,236 | |
| Social Security | | 3,196 | |
| State Retirement | | 4,973 | |
| Medical Insurance | | 2,647 | |
| Unemployment Compensation | | 122 | |
| Employer Medicare | | 794 | |
| Travel | | 145 | |
| Total Special Education Program | | | \$ 70,058 |

Vocational Education Program

| | | | |
|------------------------------------|----|-------|-------|
| Supervisor/Director | \$ | 4,000 | |
| Social Security | | 250 | |
| State Retirement | | 260 | |
| Employer Medicare | | 60 | |
| Travel | | 159 | |
| Total Vocational Education Program | | | 4,729 |

Adult Programs

| | | | |
|------------------------------|----|-------|-------|
| Career Ladder Program | \$ | 1,000 | |
| Social Security | | 62 | |
| State Retirement | | 90 | |
| Employer Medicare | | 14 | |
| Communication | | 1,298 | |
| In Service/Staff Development | | 69 | |
| Other Charges | | 484 | |
| Total Adult Programs | | | 3,017 |

Other Programs

| | | | |
|----------------------------|----|--------|--------|
| On-Behalf Payments to OPEB | \$ | 31,865 | |
| Total Other Programs | | | 31,865 |

Board of Education

| | | | |
|----------------------------------|----|--------|--|
| Board and Committee Members Fees | \$ | 4,700 | |
| Social Security | | 291 | |
| Medical Insurance | | 32,237 | |
| Employer Medicare | | 68 | |
| Audit Services | | 3,150 | |
| Dues and Memberships | | 3,730 | |

(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.)

Board of Education (Cont.)

| | | | |
|---------------------------------|----|--------|------------|
| Travel | \$ | 1,376 | |
| Other Contracted Services | | 1,500 | |
| Trustee's Commission | | 27,010 | |
| Workers' Compensation Insurance | | 30,103 | |
| Total Board of Education | | | \$ 104,165 |

Director of Schools

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 78,200 | |
| Career Ladder Extended Contracts | | 1,000 | |
| Social Security | | 4,392 | |
| State Retirement | | 7,168 | |
| Medical Insurance | | 6,688 | |
| Unemployment Compensation | | 17 | |
| Employer Medicare | | 1,027 | |
| Communication | | 8,083 | |
| Dues and Memberships | | 789 | |
| Postal Charges | | 1,204 | |
| Travel | | 1,459 | |
| Office Supplies | | 1,358 | |
| Other Supplies and Materials | | 50 | |
| Other Charges | | 60 | |
| Total Director of Schools | | | 111,495 |

Office of the Principal

| | | | |
|---|----|---------|---------|
| Principals | \$ | 110,198 | |
| Career Ladder Program | | 2,000 | |
| Career Ladder Extended Contracts | | 2,000 | |
| Assistant Principals | | 49,497 | |
| Secretary(ies) | | 38,446 | |
| Social Security | | 11,314 | |
| State Retirement | | 18,105 | |
| Medical Insurance | | 11,455 | |
| Unemployment Compensation | | 284 | |
| Employer Medicare | | 2,646 | |
| Communication | | 1,245 | |
| Maintenance and Repair Services - Equipment | | 225 | |
| Total Office of the Principal | | | 247,415 |

(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 | \$ | 32,836 | |
| Secretary(ies) | | 30,755 | |
| Other Salaries and Wages | | 21,794 | |
| Social Security | | 5,231 | |
| State Retirement | | 7,309 | |
| Unemployment Compensation | | 136 | |
| Employer Medicare | | 1,223 | |
| Data Processing Services | | 6,882 | |
| Other Contracted Services | | 1,510 | |
| Data Processing Supplies | | 259 | |
| Office Supplies | | 1,608 | |
| Other Charges | | 195 | |
| Administration Equipment | | 4,273 | |
| Total Fiscal Services | | | \$ 114,011 |

Operation of Plant

| | | | |
|---------------------------------|----|---------|---------|
| Custodial Personnel | \$ | 143,783 | |
| Social Security | | 8,872 | |
| State Retirement | | 11,259 | |
| Unemployment Compensation | | 641 | |
| Employer Medicare | | 2,075 | |
| Janitorial Services | | 852 | |
| Disposal Fees | | 11,100 | |
| Other Contracted Services | | 14,548 | |
| Custodial Supplies | | 9,992 | |
| Electricity | | 157,119 | |
| Natural Gas | | 35,592 | |
| Water and Sewer | | 29,277 | |
| Other Supplies and Materials | | 1,357 | |
| Building and Contents Insurance | | 68,037 | |
| Plant Operation Equipment | | 1,051 | |
| Total Operation of Plant | | | 495,555 |

Maintenance of Plant

| | | | |
|---------------------------|----|--------|--|
| Supervisor/Director | \$ | 32,956 | |
| Social Security | | 2,043 | |
| State Retirement | | 2,821 | |
| Unemployment Compensation | | 43 | |
| Employer Medicare | | 478 | |

(Continued)

Exhibit I-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

| | | | |
|---|----|--------|------------|
| Communication | \$ | 527 | |
| Maintenance and Repair Services - Buildings | | 17,425 | |
| Maintenance and Repair Services - Equipment | | 34,818 | |
| Maintenance and Repair Services - Vehicles | | 343 | |
| Other Contracted Services | | 14,855 | |
| Other Supplies and Materials | | 4,303 | |
| Maintenance Equipment | | 603 | |
| Total Maintenance of Plant | | | \$ 111,215 |

Transportation

| | | | |
|------------------------------|----|---------|---------|
| Mechanic(s) | \$ | 32,044 | |
| Bus Drivers | | 98,266 | |
| Other Salaries and Wages | | 12,401 | |
| Social Security | | 8,748 | |
| State Retirement | | 11,794 | |
| Medical Insurance | | 10 | |
| Unemployment Compensation | | 524 | |
| Employer Medicare | | 2,048 | |
| Communication | | 146 | |
| Travel | | 64 | |
| Gasoline | | 58,488 | |
| Lubricants | | 2,464 | |
| Tires and Tubes | | 4,265 | |
| Vehicle Parts | | 20,311 | |
| Other Supplies and Materials | | 3,282 | |
| Other Charges | | 15,103 | |
| Transportation Equipment | | 173,064 | |
| Total Transportation | | | 443,022 |

Operation of Non-Instructional Services

Community Services

| | | | |
|--------------------------|----|--------|--|
| Supervisor/Director | \$ | 29,697 | |
| Teachers | | 81,280 | |
| Career Ladder Program | | 1,000 | |
| Educational Assistants | | 4,250 | |
| Cafeteria Personnel | | 2,465 | |
| Other Salaries and Wages | | 9,840 | |
| Social Security | | 7,369 | |
| State Retirement | | 11,542 | |

(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.)

Community Services (Cont.)

| | | | |
|--------------------------------------|----|--------|------------|
| Medical Insurance | \$ | 6,283 | |
| Unemployment Compensation | | 143 | |
| Employer Medicare | | 1,723 | |
| Food Supplies | | 45 | |
| Instructional Supplies and Materials | | 4,535 | |
| Other Supplies and Materials | | 25,592 | |
| In Service/Staff Development | | 350 | |
| Other Charges | | 224 | |
| Other Equipment | | 272 | |
| Total Community Services | | | \$ 186,610 |

Early Childhood Education

| | | | |
|--------------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 29,697 | |
| Teachers | | 85,164 | |
| Educational Assistants | | 37,252 | |
| Social Security | | 8,529 | |
| State Retirement | | 13,560 | |
| Medical Insurance | | 9,794 | |
| Unemployment Compensation | | 297 | |
| Employer Medicare | | 1,995 | |
| Communication | | 567 | |
| Travel | | 724 | |
| Other Contracted Services | | 125 | |
| Food Supplies | | 177 | |
| Instructional Supplies and Materials | | 1,261 | |
| Other Supplies and Materials | | 3,959 | |
| In Service/Staff Development | | 1,864 | |
| Other Charges | | 1,318 | |
| Other Equipment | | 6,021 | |
| Total Early Childhood Education | | | 202,304 |

Capital Outlay

Regular Capital Outlay

| | | | |
|---------------------------|----|--------|--|
| Architects | \$ | 18,945 | |
| Legal Services | | 10,000 | |
| Building Improvements | | 5,863 | |
| Furniture and Fixtures | | 14,422 | |
| Plant Operation Equipment | | 39,890 | |
| Site Development | | 100 | |

(Continued)

Exhibit I-9

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

General Purpose School Fund (Cont.)

Capital Outlay (Cont.)

Regular Capital Outlay (Cont.)

| | | | |
|------------------------------|----|--------------|-----------|
| Other Equipment | \$ | 2,962 | |
| Other Capital Outlay | | <u>2,000</u> | |
| Total Regular Capital Outlay | | | \$ 94,182 |

Principal on Debt

Education

| | | | |
|--------------------------|----|----------------|---------|
| Principal on Other Loans | \$ | <u>115,000</u> | |
| Total Education | | | 115,000 |

Interest on Debt

Education

| | | | |
|-------------------------|----|--------------|-------|
| Interest on Other Loans | \$ | <u>5,328</u> | |
| Total Education | | | 5,328 |

Other Debt Service

Education

| | | | |
|--------------------|----|--------------|--------------|
| Other Debt Service | \$ | <u>4,637</u> | |
| Total Education | | | <u>4,637</u> |

Total General Purpose School Fund \$ 5,978,484

School Federal Projects Fund

Instruction

Regular Instruction Program

| | | | |
|-----------------------------------|----|---------------|------------|
| Teachers | \$ | 239,467 | |
| Educational Assistants | | 12,763 | |
| Non-certified Substitute Teachers | | 280 | |
| Social Security | | 15,656 | |
| State Retirement | | 22,764 | |
| Medical Insurance | | 5,388 | |
| Unemployment Compensation | | 302 | |
| Employer Medicare | | 3,661 | |
| Regular Instruction Equipment | | <u>31,022</u> | |
| Total Regular Instruction Program | | | \$ 331,303 |

Special Education Program

| | | | |
|------------------------|----|---------|--|
| Teachers | \$ | 40,747 | |
| Educational Assistants | | 114,795 | |
| Speech Pathologist | | 339 | |

(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 (Cont.)

| | | | |
|--------------------------------------|----|--------|------------|
| Social Security | \$ | 9,665 | |
| State Retirement | | 13,545 | |
| Medical Insurance | | 6,961 | |
| Unemployment Compensation | | 520 | |
| Employer Medicare | | 2,260 | |
| Contracts with Private Agencies | | 12,709 | |
| Instructional Supplies and Materials | | 780 | |
| Other Supplies and Materials | | 749 | |
| Special Education Equipment | | 2,400 | |
| Total Special Education Program | | | \$ 205,470 |

Vocational Education Program

| | | | |
|--------------------------------------|----|-------|--------|
| Instructional Supplies and Materials | \$ | 1,764 | |
| Vocational Instruction Equipment | | 9,291 | |
| Total Vocational Education Program | | | 11,055 |

Support Services

Other Student Support

| | | | |
|------------------------------|----|--------|---------|
| Guidance Personnel | \$ | 43,865 | |
| Salary Supplements | | 49,000 | |
| Other Salaries and Wages | | 28,465 | |
| Social Security | | 7,533 | |
| State Retirement | | 10,887 | |
| Medical Insurance | | 6,975 | |
| Unemployment Compensation | | 375 | |
| Employer Medicare | | 1,763 | |
| Travel | | 2,600 | |
| Other Contracted Services | | 1,350 | |
| Other Supplies and Materials | | 3,997 | |
| Other Charges | | 1,137 | |
| Total Other Student Support | | | 157,947 |

Regular Instruction Program

| | | | |
|------------------------------|----|--------|--|
| Supervisor/Director | \$ | 20,315 | |
| Social Security | | 1,258 | |
| State Retirement | | 1,835 | |
| Employer Medicare | | 292 | |
| Travel | | 263 | |
| Other Supplies and Materials | | 873 | |

(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.)

Regular Instruction Program (Cont.)

| | | |
|-----------------------------------|-----------|-----------|
| In Service/Staff Development | \$ 19,563 | |
| Total Regular Instruction Program | | \$ 44,399 |

Special Education Program

| | | |
|---------------------------------|-----------|--------|
| Psychological Personnel | \$ 26,000 | |
| In-Service Training | 400 | |
| Employer Medicare | 377 | |
| Travel | 2,725 | |
| Other Supplies and Materials | 2,624 | |
| In Service/Staff Development | 3,519 | |
| Total Special Education Program | | 35,645 |

Vocational Education Program

| | | |
|------------------------------------|--------|-----|
| Supervisor/Director | \$ 699 | |
| Social Security | 43 | |
| State Retirement | 63 | |
| Employer Medicare | 10 | |
| Total Vocational Education Program | | 815 |

| | | |
|------------------------------------|--|------------|
| Total School Federal Projects Fund | | \$ 786,634 |
|------------------------------------|--|------------|

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

| | |
|---|-----------|
| Supervisor/Director | \$ 32,836 |
| Cafeteria Personnel | 133,875 |
| Social Security | 10,204 |
| State Retirement | 14,110 |
| Employer Medicare | 2,386 |
| Communication | 900 |
| Maintenance and Repair Services - Equipment | 2,852 |
| Travel | 281 |
| Other Contracted Services | 5,334 |
| Food Preparation Supplies | 13,200 |
| Food Supplies | 215,339 |
| Office Supplies | 739 |
| Uniforms | 1,154 |
| USDA - Commodities | 23,979 |
| Other Supplies and Materials | 1,426 |

(Continued)

Exhibit I-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

| | | | |
|------------------------------|----|--------------|-------------------|
| In Service/Staff Development | \$ | 57 | |
| Other Charges | | 278 | |
| Food Service Equipment | | <u>8,169</u> | |
| Total Food Service | | | <u>\$ 467,119</u> |

Total Central Cafeteria Fund \$ 467,119

Education Capital Projects Fund

Capital Projects

Education Capital Projects

| | | | |
|----------------------------------|----|----------------|-------------------|
| Building Construction | \$ | <u>600,796</u> | |
| Total Education Capital Projects | | | <u>\$ 600,796</u> |

Total Education Capital Projects Fund 600,796

Total Governmental Funds - Van Buren County School Department \$ 7,833,033

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, 2011

| | Cities - Sales Tax Fund |
|--|-------------------------------|
| <hr/> | |
| <u>Cash Receipts</u> | |
| Local Option Sales Tax | \$ 82,065 |
| Total Cash Receipts | <u>\$ 82,065</u> |
| <u>Cash Disbursements</u> | |
| Remittance of Revenues Collected | \$ 81,244 |
| Trustee's Commission | 821 |
| Total Cash Disbursements | <u>\$ 82,065</u> |
| Excess of Cash Receipts Over (Under) Cash Disbursements | \$ 0 |
| Cash Balance, July 1, 2010 | <u>0</u> |
| Cash Balance, June 30, 2011 | <u><u>\$ 0</u></u> |

SINGLE AUDIT SECTION



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

REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

December 5, 2011

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 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, 2011, which collectively comprise Van Buren County's basic financial statements and have issued our report thereon dated December 5, 2011. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the Industrial Development Board of Van Buren County whose financial statements were not audited. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Van Buren County Emergency Communications District as described in our report on Van Buren County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Van Buren County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Van Buren County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be 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 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 deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 11.01 and 11.08.

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: 11.02, 11.05, 11.06(A,E,F,G), and 11.10.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Van Buren County's financial statements are free of 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 11.03, 11.04, 11.06(B,C,D), 11.07, and 11.09.

We also noted certain matters that we reported to management of Van Buren County in separate communications.

This report is intended solely for the information and use of management, the county mayor, road superintendent, director of schools, County Commission, Board of Education, others within Van Buren County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke at the beginning.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb



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

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

December 5, 2011

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Van Buren County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Van Buren County's management. Our responsibility is to express an opinion on Van Buren County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test

basis, evidence about Van Buren County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Van Buren County's compliance with those requirements.

In our opinion, Van Buren County complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

The management of Van Buren County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Van Buren County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Van Buren County's internal control over compliance.

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

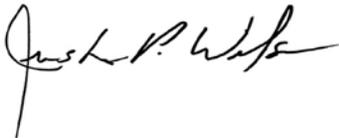
Schedule of Expenditures of Federal Awards

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 as of and for the year ended June 30, 2011, and have issued our report thereon dated December 5, 2011. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Industrial Development Board of Van Buren County whose financial statements were not audited. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the county mayor, road superintendent, director of schools, County Commission, Board of Education, others within Van Buren County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Van Buren County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2011

| 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 Housing Preservation Grants | 10.433 | N/A | \$ 80,000 |
| Passed-through State Department of Agriculture: | | | |
| National School Lunch Program (Commodities - Noncash Assistance) | 10.555 | N/A | 23,979 (3) |
| Passed-through State Department of Education: | | | |
| Child Nutrition Cluster: | | | |
| School Breakfast Program | 10.553 | N/A | 93,405 |
| National School Lunch Program | 10.555 | N/A | 197,546 (3) (4) |
| Passed-through State Department of Health: | | | |
| Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | GG-11-33808-00 | 25,000 |
| Total U.S. Department of Agriculture | | | <u>\$ 419,930</u> |
| U.S. Department of Housing and Urban Development: | | | |
| Passed-through State Housing Development Agency: | | | |
| Home Investment Partnership Program | 14.239 | HM-08-48 | <u>\$ 221,270</u> |
| Appalachian Regional Commission: | | | |
| Passed-through Southeast Educational, Inc.: | | | |
| Appalachian Area Development | 23.002 | (2) | <u>\$ 5,000</u> |
| U.S. Department of Education: | | | |
| Passed-through State Department of Labor and Workforce Development: | | | |
| Adult Education - State Grant Program | 84.002 | (2) | \$ 30,893 |
| Passed-through State Department of Education: | | | |
| Title I Cluster: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | N/A | 247,017 |
| Title I Grants to Local Educational Agencies, Recovery Act | 84.389 | N/A | 63,443 |
| Special Education Cluster: | | | |
| Special Education - Grants to States | 84.027 | N/A | 172,923 |
| Special Education - Preschool Grants | 84.173 | N/A | 40,574 |
| Special Education - Grants to States, Recovery Act | 84.391 | N/A | 69,735 |
| Career and Technical Education - Basic Grants to States | 84.048 | N/A | 16,321 |
| Safe and Drug-free Schools and Communities - State Grants | 84.186 | (2) | 873 |
| Title II, Part D Cluster: | | | |
| Education Technology State Grants | 84.318 | (2) | 548 |
| Education Technology State Grants, Recovery Act | 84.386 | (2) | 12,203 |
| Rural Education | 84.358 | (2) | 18,673 |
| Improving Teacher Quality State Grants | 84.367 | N/A | 58,797 |
| Education for Homeless Children and Youth, Recovery Act | 84.387 | (2) | 4,125 |
| State Fiscal Stabilization Cluster: | | | |
| State Fiscal Stabilization (SFSF) - Education State Grants, Recovery Act | 84.394 | N/A | 496,792 |
| State Fiscal Stabilization (SFSF) - Government Services, Recovery Act | 84.397 | N/A | 148,768 (5) |
| State Fiscal Stabilization (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act | 84.395 | N/A | 43,860 |
| Education Jobs Fund | 84.410 | N/A | 90,616 |
| Total U.S. Department of Education | | | <u>\$ 1,516,161</u> |

(Continued)

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

| Federal/Pass-through Agency/State Grantor Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Expenditures |
|---|---------------------------|--|---------------------|
| U.S. Department of Health and Human Services: | | | |
| Passed-through Upper Cumberland Development District: | | | |
| Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers | 93.044 | (2) | \$ 4,917 |
| Passed-through State Department of Education: | | | |
| Temporary Assistance for Needy Families | 93.558 | (2) | 7,360 |
| Passed-through State Department of Health: | | | |
| ARRA - Grants to Health Center Programs | 93.703 | (2) | 5,400 |
| Total U.S. Department of Health and Human Services | | | <u>\$ 17,677</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 2,180,038</u> |
| | | <u>Contract Number</u> | |
| <u>State Grants</u> | | | |
| Adult Basic Education - State Department of Labor and Workforce Development | N/A | (2) | \$ 10,298 |
| Aging Program - Upper Cumberland Development District | N/A | (2) | 5,577 |
| Litter Program - State Department of Transportation | N/A | (2) | 12,136 |
| Rural Local Health Services - State Department of Health | N/A | (6) | 3,806 |
| Energy Efficient Schools Initiative - State Department of Education | N/A | (2) | 16,000 |
| Voluntary PreK for Tennessee - State Department of Education | N/A | MX11AAX | 202,767 |
| Lottery for Education - State Department of Education | N/A | (2) | 144,842 |
| Internet Connectivity - State Department of Education | N/A | (2) | 417 |
| Youth Services Program - State Commission on Children and Youth | N/A | (2) | 9,000 |
| Total State Grants | | | <u>\$ 2,620,235</u> |

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information was not available.
- (3) Total for CFDA No. 10.555 is \$221,525.
- (4) School Lunch Program: \$191,360; Afterschool Snack Program: \$6,186.
- (5) Coordinated School Health: \$82,976; Internet Connectivity: \$2,275; Family Resource Centers: \$33,300;
 Statewide Student Management System: \$1,984; Career Ladder - Extended Contract: \$22,733; Safe Schools: \$5,500.
- (6) Z-10-219831-00: \$1,257; GG-11-32147-00: \$2,549.

Van Buren County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2011

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report of Van Buren County, Tennessee, for the year ended June 30, 2010, which have not been corrected.

OFFICE OF COUNTY MAYOR

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|-----------------------|--------------------|---|
| 10.02(B) | 149 | The General and Ambulance Service funds required material audit adjustments for proper financial statement presentation |
| 10.05(A) | 152 | The office had deficiencies in purchasing procedures |

OTHER FINDINGS

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|-----------------------|--------------------|--|
| 10.11 | 158 | Van Buren County has material recurring audit findings |
| 10.12 | 160 | Duties were not segregated adequately in the Offices of County Mayor, Road Superintendent, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff |
| 10.13 | 161 | The Industrial Development Board of Van Buren County was not audited |

VAN BUREN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Van Buren County disclosed significant deficiencies in internal control. Two of these deficiencies were considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Van Buren County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, and Special Education – Grants to States – Recovery Act (CFDA Nos. 84.027, 84.173, and 84.391); and the State Fiscal Stabilization Fund Cluster: State Fiscal Stabilization Fund – Education State Grants, Recovery Act and State Fiscal Stabilization Fund – Governmental Services, Recovery Act (CFDA Nos. 84.394 and 84.397) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Van Buren County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 11.01 **THE GENERAL AND AMBULANCE SERVICE FUNDS REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**

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

At June 30, 2011, certain general ledger account balances in the General and Ambulance Service funds were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Van Buren County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. 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.

FINDING 11.02 **THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES**

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

Our examination of purchasing procedures revealed the following deficiencies. These deficiencies are the result of a lack of management oversight and management's failure to correct the finding noted in the prior-year audit report.

- A. Purchase orders were not issued for some required purchases. Purchase orders are necessary to control who has purchasing authority for the office and to document purchasing commitments. The failure to issue purchase orders increases the risks of unauthorized purchases.

- B. In some instances, the office paid invoices without canceling or marking them paid. This weakness could result in the office paying invoices more than once.

RECOMMENDATION

The office should issue purchase orders for all applicable purchases to improve internal controls over the purchasing process and to document purchasing commitments. All invoices should be canceled when paid.

FINDING 11.03 **FUND EQUITY WAS NOT CLASSIFIED PROPERLY**
(Noncompliance Under *Government Auditing Standards*)

The office did not attempt to analyze revenues and expenditures for fund balance classifications as required by Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. An analysis of fund balance classifications is necessary to determine the ranking based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Fund balance classifications to properly present the financial statements in this report were determined by alternative auditing procedures. The failure to properly classify fund equity was the result of a lack of knowledge of generally accepted accounting principles.

RECOMMENDATION

County officials should determine the fund balance classifications each June 30.

OFFICE OF ROAD SUPERINTENDENT

FINDING 11.04 **EXPENDITURES EXCEEDED APPROPRIATIONS**
(Noncompliance Under *Government Auditing Standards*)

Our examination of the Highway Department revealed the following deficiencies in budget operations. These deficiencies can be attributed to the failure of management to adequately monitor its budget, which resulted in unauthorized expenditures.

- A. Expenditures exceeded appropriations approved by the County Commission in the Administration major appropriation category (the legal level of control) in the Highway/Public Works Fund by \$18,636. 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 of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

- B. Salaries exceeded eight line-item appropriations in the Highway/Public Works Fund by amounts ranging from \$488 to \$47,137. The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 11.05 MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

RECOMMENDATION

Management should assign each employee their own cash drawer.

OFFICE OF SHERIFF

FINDING 11.06 DEFICIENCIES WERE NOTED IN THE COMMISSARY OPERATIONS
(A., E., F., G. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; B., C., D. – Noncompliance Under *Government Auditing Standards*)

In February 2011, the Sheriff's Department began operating a commissary to provide various snacks and over-the-counter medications to the inmates. However, the sheriff discontinued the commissary operations in June 2011. The remaining inventory was distributed to the inmates, balances in inmate accounts were returned to inmates in cash as

they left the jail, and the funds not identified as inmate funds were remitted to the county's General Fund on September 28, 2011. The following deficiencies were noted in the operation of the commissary. These deficiencies can be attributed to a lack of management oversight.

- A. The sheriff purchased the initial inventory to stock the commissary with personal funds. Personal funds should not be used to conduct official county business.
- B. The office did not issue official receipts for collections as required by Section 9-2-104, *Tennessee Code Annotated, (TCA)*. Instead, the office used generic receipts that did not display the official name of the office.
- C. All collections were maintained in the sheriff's desk rather than being deposited in a bank account within three days of collection as required by Section 5-8-207, *TCA*. The failure to deposit collections increases the risk of fraud and misappropriation.
- D. Cash from collections was used to purchase additional inventory, and funds were returned to inmates in cash without documentation that the funds had been returned. Section 5-8-207, *TCA*, provides that all funds be disbursed by official prenumbered checks.
- E. Invoices were not maintained to document inventory items purchased; therefore, we could not determine if all purchases were for the commissary.
- F. The county's sales tax exempt number was used to purchase some inventory items. The county's sales tax exemption is only for items to be used by the county. Any items purchased for resale are subject to sales tax.
- G. The Sheriff's Department maintained records to account for each inmate's funds. These records indicated that several inmates were allowed to purchase more from the commissary than they had available funds resulting in negative account balances.

RECOMMENDATION

Officials should not resume commissary operations without establishing proper internal controls over inventory, and the receipt and disbursement of funds.

FINDING 11.07 DEFICIENCIES WERE NOTED IN RECEIPTING AND DEPOSITING COLLECTIONS
(Noncompliance Under *Government Auditing Standards*)

Our audit disclosed the following deficiencies in receipting and depositing collections. These deficiencies occurred because management advised that they were not aware of these statutes.

- A. The office did not issue official receipts for collections as required by Section 9-2-104, *Tennessee Code Annotated, (TCA)*. Instead, the office used generic receipts that did not display the official name of the office. The use of generic receipts exposes the office to risks that collections may not be accounted for properly.
- B. Generic prenumbered receipts were generally issued for collections; however, some receipts were missing. Section 9-2-103, *TCA*, requires official prenumbered receipts to be issued when collections are received and duplicate receipts to be maintained by the office. Without access to duplicate receipts, we were unable to determine if all funds had been accounted for properly.
- C. In some instances, the sheriff did not deposit funds within three days of collection. Section 5-8-207, *TCA*, requires county officials to deposit public funds to the office bank account within three days of collection. The delay in depositing the funds increases the risks of fraud and misappropriation.

RECOMMENDATION

Official receipts should be issued for all collections, duplicate receipts should be maintained, and all collections should be deposited to the office bank account within three days as required by state statutes.

VAN BUREN COUNTY

FINDING 11.08 VAN BUREN COUNTY HAS A MATERIAL RECURRING AUDIT FINDING
(Internal Control – Material Weakness Under *Government Auditing Standards*)

Van Buren County has a material audit finding that has been reported in its annual financial reports for three or more consecutive years. This recurring material finding is identified below:

| <u>Finding Numbers</u> | <u>Description</u> |
|------------------------|--|
| 11.01, 10.02(B), 09.02 | The Ambulance Service Fund required material audit adjustments for proper financial statement presentation |

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiencies. The Local Government Modernization Act of 2005 in Section 9-3-405, *Tennessee Code Annotated (TCA)*, encourages local governments to consider establishing an Audit Committee and further provides that the Comptroller may require that an Audit Committee be established in any local government that (1) is in noncompliance with the accounting and financial reporting standards required by the Governmental Accounting Standards Board, or (2) has recurring findings from the annual audit for three or more consecutive years as determined by the Comptroller to be a material weakness in internal control or material noncompliance under *Government Auditing Standards*. The responsibilities and duties of an Audit Committee are to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

Van Buren County should establish an Audit Committee to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics. This Audit Committee should provide management with guidance to correct all reported material weaknesses in internal control and material noncompliance. If these findings continue to recur, Van Buren County may be required to establish an Audit Committee under provisions of Section 9-3-405, *TCA*.

FINDING 11.09 **THE INDUSTRIAL DEVELOPMENT BOARD OF VAN BUREN COUNTY WAS NOT AUDITED**
(Noncompliance Under *Government Auditing Standards*)

An annual audit was not performed on the Industrial Development Board of Van Buren County, a component unit of Van Buren County. Section 9-3-211, *Tennessee Code Annotated*, requires an annual audit of each entity charged with the care and control of public funds. This deficiency is the result of management's failure to correct the finding noted in prior-year audit reports.

RECOMMENDATION

An annual audit of the Industrial Development Board of Van Buren County should be performed as required by state statute.

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

FINDING 11.10

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

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

RECOMMENDATION

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

BEST PRACTICE

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

Van Buren County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of County 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.

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

There were no findings and questioned costs for federal awards.

**VAN BUREN COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2011**

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