ANNUAL FINANCIAL REPORT

VAN BUREN COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2016

TENNESSEE COMPTROLLER OF THE TREASURY

DIVISION OF LOCAL GOVERNMENT AUDIT

ANNUAL FINANCIAL REPORT

VAN BUREN COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2016

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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Director

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State Auditors

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

VAN BUREN COUNTY, TENNESSEE
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Summary of Audit Findings

Annual Financial Report
Van Buren County, Tennessee
For the Year Ended June 30, 2016

Scope

We have audited the basic financial statements of Van Buren County as of and for the year ended June 30, 2016.

Results

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

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

Finding

The following is a summary of the audit finding:

OFFICES OF COUNTY MAYOR, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, REGISTER OF DEEDS, AND SHERIFF

- Duties were not segregated adequately.

INTRODUCTORY SECTION

Van Buren County Officials
June 30, 2016

Officials

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

Board of County Commissioners

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

Board of Education

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

Audit Committee

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

FINANCIAL SECTION

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Buren County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Buren County, Tennessee, as of June 30, 2016, and the respective changes in financial position and the respective budgetary comparison for the General, Ambulance Service, and Highway Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Van Buren County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68 and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedule of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefits plans, on pages 78-85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

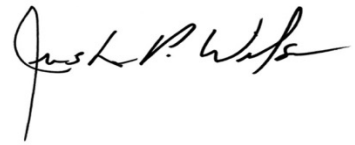
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Van Buren County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2016, on our consideration of Van Buren County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Van Buren County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 6, 2016

JPW/sb

Basic Financial Statements

Exhibit A

Van Buren County, Tennessee
Statement of Net Position
June 30, 2016

	Primary Government Governmental Activities	Component Unit Van Buren County School Department
ASSETS		
Cash	$ 4,035	$ 0
Equity in Pooled Cash and Investments	8,189,472	4,810,854
Accounts Receivable	395,066	22
Allowance for Uncollectibles	(229,403)	0
Due from Other Governments	297,438	158,132
Due from Component Units	1,738,000	0
Property Taxes Receivable	2,197,147	878,381
Allowance for Uncollectible Property Taxes	(224,161)	(89,492)
Net Pension Asset - Cost-sharing Plan	0	973
Capital Assets:		
Assets Not Depreciated:		
Land	488,963	296,847
Construction in Progress	565,765	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	774,994	5,100,376
Other Capital Assets	407,191	575,633
Infrastructure	2,812,102	3,700
Total Assets	$ 17,416,609	$ 11,735,426
DEFERRED OUTFLOWS OF RESOURCES		
Pension Changes in Experience	$ 209,982	$ 155,273
Pension Other Deferrals	0	16,459
Pension Changes in Contributions after Measurement Date	181,701	411,775
Total Deferred Outflows of Resources	$ 391,683	$ 583,507
LIABILITIES		
Accounts Payable	$ 19,044	$ 312,820
Payroll Deductions Payable	120	0
Accrued Interest Payable	11,449	0
Due to Primary Government	0	1,738,000
Due to State of Tennessee	2,896	3,932
Due to Litigants, Heirs, and Others	12,642	0
Noncurrent Liabilities:		
Due Within One Year	111,762	1,792
Due in More Than One Year	2,197,450	1,594,330
Total Liabilities	$ 2,355,363	$ 3,650,874

(Continued)

Exhibit A

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

	Primary Government	Component Unit
	Governmental Activities	Van Buren County School Department
DEFERRED INFLOWS OF RESOURCES		
Deferred Revenue - Current Property Taxes	$ 1,914,926	$ 765,748
Pension Changes in Experience	64,925	623,586
Pension Changes in Investment Earnings	48,828	271,499
Total Deferred Inflows of Resources	$ 2,028,679	$ 1,660,833
NET POSITION		
Net Investment in Capital Assets	$ 5,049,015	$ 5,976,556
Restricted for:		
General Government	82,938	0
Administration of Justice	34,387	0
Public Safety	52,254	0
Public Health and Welfare	263	0
Highway/Public Works	2,118,147	0
Education	0	224,344
Debt Service	272,231	0
Capital Projects	4,843	0
Unrestricted	5,810,172	806,326
Total Net Position	$ 13,424,250	$ 7,007,226

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, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit: Van Buren County School Department
Primary Government:						
Governmental Activities:						
General Government	$ 1,302,428	$ 48,625	$ 15,164	$ 372,842	$ (865,797)	$ 0
Finance	311,407	160,804	0	0	(150,603)	0
Administration of Justice	251,250	201,117	13,500	0	(36,633)	0
Public Safety	1,244,137	119,517	17,419	0	(1,107,201)	0
Public Health and Welfare	798,701	452,280	17,127	18,459	(310,835)	0
Social, Cultural, and Recreational Services	100,410	176	12,614	0	(87,620)	0
Agriculture and Natural Resources	90,024	0	8,946	0	(81,078)	0
Highways/Public Works	1,204,987	0	1,451,608	84,016	330,637	0
Education	2,288	0	0	0	(2,288)	0
Interest on Long-term Debt	47,183	0	0	47,646	463	0
Total Governmental Activities	$ 5,352,815	$ 982,519	$ 1,536,378	$ 522,963	$ (2,310,955)	$ 0
Total Primary Government	$ 5,352,815	$ 982,519	$ 1,536,378	$ 522,963	$ (2,310,955)	$ 0
Component Unit:						
Van Buren County School Department	$ 7,648,276	$ 90,105	$ 1,069,652	$ 0	$ 0	$ (6,488,519)
Total Component Unit	$ 7,648,276	$ 90,105	$ 1,069,652	$ 0	$ 0	$ (6,488,519)

(Continued)

Exhibit B

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit: Van Buren County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					$ 2,206,933	$ 861,467
Property Taxes Levied for Debt Service					68,493	0
Local Option Sales Taxes					79,604	400,907
Hotel/Motel Tax					79,478	120,862
Litigation Taxes					51,654	0
Business Tax					16,499	0
Wholesale Beer Tax					31,586	0
Other Local Taxes					2,937	1,553
Grants and Contributions Not Restricted to Specific Programs					315,165	5,324,517
Unrestricted Investment Earnings					16,163	276
Miscellaneous					9,746	12,022
Sale of Land/Equipment					82,759	1,101
Total General Revenues					$ 2,961,017	$ 6,722,705
Insurance Recovery					$ 246,615	$ 0
Extraordinary Item (see Note IV.C)					2,776,755	0
Change in Net Position					$ 3,673,432	$ 234,186
Net Position, July 1, 2015					9,750,818	6,773,040
Net Position, June 30, 2016					$ 13,424,250	$ 7,007,226

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, 2016

	Major Funds				Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
ASSETS						
Cash	$ 0	$ 3,687	$ 0	$ 0	$ 348	$ 4,035
Equity in Pooled Cash and Investments	1,330,032	242,819	1,892,345	4,306,893	417,383	8,189,472
Accounts Receivable	19,551	331,014	0	0	44,501	395,066
Allowance for Uncollectibles	0	(229,403)	0	0	0	(229,403)
Due from Other Governments	50,819	0	225,802	0	20,817	297,438
Due from Other Funds	348	0	0	0	0	348
Property Taxes Receivable	1,676,910	231,573	0	0	288,664	2,197,147
Allowance for Uncollectible Property Taxes	(170,849)	(23,593)	0	0	(29,719)	(224,161)
Total Assets	$ 2,906,811	$ 556,097	$ 2,118,147	$ 4,306,893	$ 741,994	$ 10,629,942
LIABILITIES						
Accounts Payable	$ 12,706	$ 3,141	$ 0	$ 0	$ 3,197	$ 19,044
Payroll Deductions Payable	0	0	0	0	120	120
Due to Other Funds	0	0	0	0	348	348
Due to State of Tennessee	1,919	203	0	0	774	2,896
Due to Litigants, Heirs, and Others	0	0	0	0	12,642	12,642
Total Liabilities	$ 14,625	$ 3,344	$ 0	$ 0	$ 17,081	$ 35,050
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 1,461,882	$ 201,879	$ 0	$ 0	$ 251,165	$ 1,914,926
Deferred Delinquent Property Taxes	36,503	5,041	0	0	6,428	47,972
Other Deferred/Unavailable Revenue	10,555	74,880	112,901	0	0	198,336
Total Deferred Inflows of Resources	$ 1,508,940	$ 281,800	$ 112,901	$ 0	$ 257,593	$ 2,161,234

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES						
Restricted:						
Restricted for General Government	$ 29,745	$ 0	$ 0	$ 0	$ 53,193	$ 82,938
Restricted for Administration of Justice	34,387	0	0	0	0	34,387
Restricted for Public Safety	0	0	0	0	48,621	48,621
Restricted for Public Health and Welfare	263	0	0	0	0	263
Restricted for Highways/Public Works	0	0	2,005,246	0	0	2,005,246
Restricted for Capital Outlay	4,843	0	0	0	0	4,843
Restricted for Debt Service	0	0	0	0	283,680	283,680
Committed:						
Committed for Public Health and Welfare	0	270,953	0	0	81,826	352,779
Committed for Capital Projects	0	0	0	4,306,893	0	4,306,893
Unassigned	1,314,008	0	0	0	0	1,314,008
Total Fund Balances	$ 1,383,246	$ 270,953	$ 2,005,246	$ 4,306,893	$ 467,320	$ 8,433,658
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,906,811	$ 556,097	$ 2,118,147	$ 4,306,893	$ 741,994	$ 10,629,942

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

Exhibit C-2

Van Buren County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2016

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		$ 8,433,658
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 488,963	
Add: construction in progress	565,765	
Add: infrastructure net of accumulated depreciation	2,812,102	
Add: buildings and improvements net of accumulated depreciation	774,994	
Add: other capital assets net of accumulated depreciation	407,191	5,049,015
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	$ (1,738,000)	
Add: debt to be contributed by the School Department	1,738,000	
Less: accrued interest on bonds	(11,449)	
Less: landfill postclosure care costs	(240,941)	
Less: compensated absences payable	(121,297)	(373,687)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	$ 391,683	
Less: deferred inflows of resources related to pensions	(113,753)	277,930
(4) Net pension liabilities of the agent plan are not current financial uses and therefore are not reported in the governmental funds.		(208,974)
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		246,308
Net position of governmental activities (Exhibit A)		$ 13,424,250

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, 2016

	Major Funds				Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues						
Local Taxes	$ 1,937,083	$ 246,142	$ 1,746	$ 0	$ 418,097	$ 2,603,068
Licenses and Permits	19,076	0	0	0	0	19,076
Fines, Forfeitures, and Penalties	39,355	0	0	0	7,062	46,417
Charges for Current Services	23,936	323,218	0	0	63,983	411,137
Other Local Revenues	81,777	0	1,215	2,840	61,397	147,229
Fees Received From County Officials	346,425	0	0	0	0	346,425
State of Tennessee	401,913	0	1,452,123	0	38,976	1,893,012
Federal Government	384,133	0	47,031	0	0	431,164
Other Governments and Citizens Groups	23,488	0	0	0	114,091	137,579
Total Revenues	$ 3,257,186	$ 569,360	$ 1,502,115	$ 2,840	$ 703,606	$ 6,035,107
Expenditures						
Current:						
General Government	$ 519,358	$ 0	$ 0	$ 0	$ 98,927	$ 618,285
Finance	309,852	0	0	0	0	309,852
Administration of Justice	249,094	0	0	0	177	249,271
Public Safety	968,445	0	0	0	324,847	1,293,292
Public Health and Welfare	66,087	509,928	0	0	222,988	799,003
Social, Cultural, and Recreational Services	100,410	0	0	0	0	100,410
Agriculture and Natural Resources	90,024	0	0	0	0	90,024
Other Operations	604,354	0	0	0	3,735	608,089
Highways	33,210	0	1,029,945	0	0	1,063,155
Debt Service:						
Principal on Debt	0	0	0	0	66,445	66,445
Interest on Debt	0	0	0	0	47,646	47,646
Other Debt Service	0	0	0	0	2,288	2,288

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Expenditures (Cont.)						
Capital Projects	$ 0	$ 0	$ 0	$ 565,765	$ 0	$ 565,765
Total Expenditures	$ 2,940,834	$ 509,928	$ 1,029,945	$ 565,765	$ 767,053	$ 5,813,525
Excess (Deficiency) of Revenues Over Expenditures	$ 316,352	$ 59,432	$ 472,170	$ (562,925)	$ (63,447)	$ 221,582
Other Financing Sources (Uses)						
Insurance Recovery	$ 246,615	$ 0	$ 0	$ 2,776,755	$ 0	$ 3,023,370
Transfers In	0	0	0	0	58,670	58,670
Transfers Out	0	0	0	(58,670)	0	(58,670)
Total Other Financing Sources (Uses)	$ 246,615	$ 0	$ 0	$ 2,718,085	$ 58,670	$ 3,023,370
Net Change in Fund Balances	$ 562,967	$ 59,432	$ 472,170	$ 2,155,160	$ (4,777)	$ 3,244,952
Fund Balance, July 1, 2015	820,279	211,521	1,533,076	2,151,733	472,097	5,188,706
Fund Balance, June 30, 2016	$ 1,383,246	$ 270,953	$ 2,005,246	$ 4,306,893	$ 467,320	$ 8,433,658

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, 2016

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)		$ 3,244,952
(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	$ 639,558	
Less: current-year depreciation expense	(329,696)	309,862
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Less: book value of capital assets disposed		(606)
(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, 2015	$ (196,392)	
Add: deferred delinquent property taxes and other deferred June 30, 2016	246,308	49,916
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on bonds	$ 66,445	
Less: contributions from the School Department for bonds	(66,445)	0
(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	$ 463	
Change in compensated absences payable	(19,467)	
Change in landfill postclosure care costs	4,287	
Change in net pension liability/asset	(288,108)	
Change in deferred outflows related to pensions	219,110	
Change in deferred inflows related to pensions	153,023	69,308
Change in net position of governmental activities (Exhibit B)		$ 3,673,432

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

Exhibit C-5

Van Buren County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,937,083	$ 1,830,040	$ 1,830,040	$ 107,043
Licenses and Permits	19,076	15,200	15,200	3,876
Fines, Forfeitures, and Penalties	39,355	49,450	49,450	(10,095)
Charges for Current Services	23,936	12,600	12,600	11,336
Other Local Revenues	81,777	139,500	139,500	(57,723)
Fees Received From County Officials	346,425	347,000	347,000	(575)
State of Tennessee	401,913	523,850	523,928	(122,015)
Federal Government	384,133	70,000	428,454	(44,321)
Other Governments and Citizens Groups	23,488	35,000	43,269	(19,781)
Total Revenues	$ 3,257,186	$ 3,022,640	$ 3,389,441	$ (132,255)
Expenditures				
General Government				
County Commission	$ 50,336	$ 24,839	$ 58,015	$ 7,679
Board of Equalization	700	1,000	1,000	300
Beer Board	250	500	500	250
County Mayor/Executive	159,834	152,336	161,391	1,557
County Attorney	10,645	7,700	17,700	7,055
Election Commission	112,188	230,053	117,236	5,048
Register of Deeds	97,072	103,393	194,193	97,121
Planning	2,822	3,250	3,750	928
County Buildings	85,061	107,525	93,650	8,589
Other General Administration	450	0	450	0
Finance				
Property Assessor's Office	96,052	99,268	99,268	3,216
County Trustee's Office	110,597	113,526	113,569	2,972
County Clerk's Office	103,203	104,891	130,931	27,728
Administration of Justice				
Circuit Court	107,064	111,426	111,426	4,362
General Sessions Court	38,670	37,800	38,672	2
Chancery Court	88,760	83,523	91,523	2,763
Juvenile Court	10,000	10,300	10,300	300
Judicial Commissioners	4,600	5,500	5,500	900
Public Safety				
Sheriff's Department	477,251	525,378	525,578	48,327
Jail	414,776	420,195	420,451	5,675
Fire Prevention and Control	1,000	1,000	1,000	0
Other Emergency Management	2,000	2,000	2,000	0
County Coroner/Medical Examiner	20,598	5,000	22,500	1,902
Other Public Safety	52,820	56,000	56,000	3,180
Public Health and Welfare				
Local Health Center	41,577	30,806	48,163	6,586
Regional Mental Health Center	0	1,000	0	0
Appropriation to State	24,510	20,000	24,510	0

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)				
Social, Cultural, and Recreational Services				
Adult Activities	$ 27,226	$ 31,990	$ 33,099	$ 5,873
Senior Citizens Assistance	23,953	24,885	24,885	932
Libraries	30,093	32,300	32,300	2,207
Parks and Fair Boards	2,000	2,000	2,000	0
Other Social, Cultural, and Recreational	17,138	18,000	18,000	862
Agriculture and Natural Resources				
Agricultural Extension Service	39,366	43,226	43,226	3,860
Soil Conservation	50,658	51,009	51,009	351
Other Operations				
Industrial Development	22,044	32,500	22,500	456
Veterans' Services	11,312	9,375	11,464	152
Other Charges	158,456	149,000	160,467	2,011
Employee Benefits	24,820	25,000	26,270	1,450
Miscellaneous	387,722	26,200	388,197	475
Highways				
Litter and Trash Collection	33,210	36,260	37,410	4,200
Total Expenditures	$ 2,940,834	$ 2,739,954	$ 3,200,103	$ 259,269
Excess (Deficiency) of Revenues Over Expenditures	$ 316,352	$ 282,686	$ 189,338	$ 127,014
Other Financing Sources (Uses)				
Insurance Recovery	$ 246,615	$ 344,030	$ 221,001	$ 25,614
Total Other Financing Sources	$ 246,615	$ 344,030	$ 221,001	$ 25,614
Net Change in Fund Balance	$ 562,967	$ 626,716	$ 410,339	$ 152,628
Fund Balance, July 1, 2015	820,279	872,118	872,118	(51,839)
Fund Balance, June 30, 2016	$ 1,383,246	$ 1,498,834	$ 1,282,457	$ 100,789

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

Exhibit C-6

Van Buren County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Ambulance Service Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 246,142	$ 218,794	$ 218,794	$ 27,348
Charges for Current Services	323,218	335,000	335,000	(11,782)
Other Local Revenues	0	8,250	8,250	(8,250)
Total Revenues	$ 569,360	$ 562,044	$ 562,044	$ 7,316
Expenditures				
Public Health and Welfare				
Ambulance/Emergency Medical Services	$ 509,928	$ 559,400	$ 574,550	$ 64,622
Total Expenditures	$ 509,928	$ 559,400	$ 574,550	$ 64,622
Excess (Deficiency) of Revenues Over Expenditures	$ 59,432	$ 2,644	$ (12,506)	$ 71,938
Net Change in Fund Balance	$ 59,432	$ 2,644	$ (12,506)	$ 71,938
Fund Balance, July 1, 2015	211,521	150,974	150,974	60,547
Fund Balance, June 30, 2016	$ 270,953	$ 153,618	$ 138,468	$ 132,485

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

Exhibit C-7

Van Buren County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,746	$ 875	$ 875	$ 871
Other Local Revenues	1,215	0	0	1,215
State of Tennessee	1,452,123	1,308,252	1,308,252	143,871
Federal Government	47,031	0	0	47,031
Total Revenues	$ 1,502,115	$ 1,309,127	$ 1,309,127	$ 192,988
Expenditures				
Highways				
Administration	$ 147,976	$ 171,433	$ 171,433	$ 23,457
Highway and Bridge Maintenance	469,910	697,445	697,445	227,535
Operation and Maintenance of Equipment	198,038	345,650	345,650	147,612
Quarry Operations	8,525	11,300	11,300	2,775
Other Charges	106,809	134,000	134,000	27,191
Employee Benefits	71,141	129,680	129,680	58,539
Capital Outlay	27,546	144,800	144,800	117,254
Total Expenditures	$ 1,029,945	$ 1,634,308	$ 1,634,308	$ 604,363
Excess (Deficiency) of Revenues Over Expenditures	$ 472,170	$ (325,181)	$ (325,181)	$ 797,351
Net Change in Fund Balance	$ 472,170	$ (325,181)	$ (325,181)	$ 797,351
Fund Balance, July 1, 2015	1,533,076	1,277,812	1,277,812	255,264
Fund Balance, June 30, 2016	$ 2,005,246	$ 952,631	$ 952,631	$ 1,052,615

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, 2016

	Agency Funds
ASSETS	
Cash	$ 225,382
Due from Other Governments	18,259
Total Assets	$ 243,641
LIABILITIES	
Due to Other Taxing Units	$ 18,259
Due to Litigants, Heirs, and Others	225,382
Total Liabilities	$ 243,641

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

VAN BUREN COUNTY, TENNESSEE
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VAN BUREN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Van Buren County is a public municipal corporation governed by an elected ten-member board. As required by GAAP, these financial statements present Van Buren County (the primary government) and its component units. The financial statements of the Van Buren County Emergency Communications District, a component unit requiring discrete presentation, discussed below were excluded from this report due to materiality calculations; therefore, the effect of their omission will not affect our opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Blended Component Unit – The Industrial Development Board of Van Buren County was created to provide assistance in industrial recruitment in Van Buren County. In prior years, this entity was reported as a discretely presented component unit of the county because the Van Buren County Commission appointed its board of directors. However, the Van Buren County Commission is currently acting as the board of directors. The capital assets of the Industrial Development Board of Van Buren County have been included on the primary government Statement of Net Position and Statement of Activities at June 30, 2016.

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

The Van Buren County School Department operates the public school system in the county, and the voters of Van Buren County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the

taxing authority of the county and are included as part of the county's total tax levy.

The Van Buren County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Van Buren County, and the Van Buren County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Van Buren County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Van Buren County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Van Buren County Emergency Communications District can be obtained from their administrative offices at the following address:

Administrative Offices:

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Van Buren County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Van Buren County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses

are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Van Buren County issues all debt for the discretely presented Van Buren County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2016.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Van Buren County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Van Buren County has no proprietary funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay

liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Van Buren County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Van Buren County reports the following major governmental funds:

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

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

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

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

Additionally, Van Buren County reports the following fund types:

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Van Buren County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Van Buren County School Department reports the following major governmental fund:

General Purpose School Fund – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Additionally, the Van Buren County School Department reports the following fund type:

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises, and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Van Buren County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as

Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Van Buren County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 5.53 percent of total taxes levied.

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

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

for collection are not included in taxes receivable since they are neither measurable nor available.

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

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

3. Capital Assets

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

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

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

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

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

Assets	Years
Primary Government:	
Buildings and Improvements	15 - 40
Other Capital Assets	5 - 15
Infrastructure:	
Roads	20 - 50
Bridges	40

Assets	Years
Discretely Presented School Department:	
Buildings and Improvements	25 - 40
Other Capital Assets	5 - 20
Infrastructure	40 - 50

4. Deferred Outflows/Inflows of Resources

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

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

5. Compensated Absences

Primary Government

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

Ambulance Service employees earn vacation at a rate of one hour for every 12 hours worked. County employees can accrue up to 240 hours of vacation, and Ambulance Service employees can accrue 1,000 hours. Upon termination of employment, an employee will be paid for any unused vacation.

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

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

Discretely Presented Van Buren County School Department

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

6. Long-term Obligations

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

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

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

7. Net Position and Fund Balance

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

a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2016, Van Buren County had $1,738,000 in outstanding debt for the capital purposes for the discretely presented Van Buren County School Department. This debt is a liability of Van Buren County, but the capital assets acquired are reported in the financial statements of the School Department.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then

unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has by resolution authorized the county's Budget/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

E. Pension Plans

Primary Government

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

Discretely Presented Van Buren County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Van Buren County School Department

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Van Buren County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

B. Cash Shortages – Prior Years

During the 2013 fiscal year, the Sheriff's Department had a cash shortage of $3,000 from their confidential undercover drug operations. On February 19, 2014, a former employee of the Sheriff's Department was indicted on multiple counts of theft and official misconduct related to this and other incidents, which occurred when the individual was an employee of the Sheriff's Department. The defendant entered a plea agreement on February 23, 2015. During the year, the county received insurance proceeds of $2,000 from the employee blanket bond leaving a remaining balance of $1,000 which is the county's insurance deductible.

During the year, the Sheriff's Department discovered that a former jail administrator had receipted two cash bonds totaling $1,500 on July 24, 2015; however, these collections had not been deposited to the office's bank account. These funds were recovered from the former jail administrator on September 15, 2015. This deficiency was reported in the county's annual financial report for the year ended June 30, 2015. The Tennessee Bureau of Investigation investigated this discrepancy, and according to county officials, there will be no further action related to this shortage since the funds were recovered.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Van Buren County and the Van Buren County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheet or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency.

Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for the purposes of credit risk disclosure.

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

Investments

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

The county had no pooled or nonpooled investments at June 30, 2016.

B. Capital Assets

Capital assets activity for the year ended June 30, 2016, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Capital Assets Not Depreciated:				
Land	$ 488,963	$ 0	$ 0	$ 488,963
Construction in Progress	0	565,765	0	565,765
Total Capital Assets Not Depreciated	$ 488,963	$ 565,765	$ 0	$ 1,054,728
Capital Assets Depreciated:				
Buildings and Improvements	$ 2,764,740	$ 0	$ 0	$ 2,764,740
Roads and Bridges	6,494,120	0	0	6,494,120
Other Capital Assets	2,767,302	73,793	(60,619)	2,780,476
Total Capital Assets Depreciated	$ 12,026,162	$ 73,793	$ (60,619)	$ 12,039,336
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 1,928,234	$ 61,512	$ 0	$ 1,989,746
Roads and Bridges	3,534,431	147,587	0	3,682,018
Other Capital Assets	2,312,701	120,597	(60,013)	2,373,285
Total Accumulated Depreciation	$ 7,775,366	$ 329,696	$ (60,013)	$ 8,045,049
Total Capital Assets Depreciatied, Net	$ 4,250,796	$ (255,903)	$ (606)	$ 3,994,287
Governmental Activities Capital Assets, Net	$ 4,739,759	$ 309,862	$ (606)	$ 5,049,015

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

Governmental Activities:

General Government	$ 62,310
Public Safety	34,499
Public Health and Welfare	47,990
Highways/Public Works	184,897
Total Depreciation Expense - Governmental Activities	$ 329,696

Discretely Presented Van Buren County School Department

Governmental Activities:

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Capital Assets Not Depreciated:				
Land	$ 269,347	$ 27,500	$ 0	$ 296,847
Total Capital Assets Not Depreciated	$ 269,347	$ 27,500	$ 0	$ 296,847
Capital Assets Depreciated:				
Buildings and Improvements	$ 9,264,018	$ 0	$ 0	$ 9,264,018
Infrastructure	22,760	0	0	22,760
Other Capital Assets	1,251,472	0	(37,547)	1,213,925
Total Capital Assets Depreciated	$ 10,538,250	$ 0	$ (37,547)	$ 10,500,703
Less Accumulated Depreciated For:				
Buildings and Improvements	$ 3,931,953	$ 231,689	$ 0	$ 4,163,642
Infrastructure	17,933	1,127	0	19,060
Other Capital Assets	610,038	65,426	(37,172)	638,292
Total Accumulated Depreciation	$ 4,559,924	$ 298,242	$ (37,172)	$ 4,820,994
Total Capital Assets Depreciated, Net	$ 5,978,326	$ (298,242)	$ (375)	$ 5,679,709
Governmental Activities Capital Assets, Net	$ 6,247,673	$ (270,742)	$ (375)	$ 5,976,556

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

Governmental Activities:

Instruction	$ 233,243
Support Services	64,998
Total Depreciation Expense - Governmental Activities	$ 298,242

C. Insurance Recoveries

On January 7, 2015, the County Administration Building was destroyed by fire. The county received insurance proceeds for the building of $2,151,662 into the General Capital Projects Fund to construct a new administration building. The carrying amount of the destroyed building ($213,906) was netted against the insurance proceeds and the gain was reported as an extraordinary item of $1,937,756 on the Statement of Activities at June 30, 2015. Additional insurance proceeds of $2,776,755 were received during the year for replacement of the administration building. These proceeds have been reported as an extraordinary item on the Statement of Activities at June 30, 2016. The county also received insurance proceeds of $246,615 in the General Fund for replacement of furniture, equipment, and supplies and for relocation expenses.

D. Construction Commitments

At June 30, 2016, the county had uncompleted construction contracts of approximately $11,274,000 for the construction of an administration building and jail. A portion of the funding for these future expenditures has been received from insurance proceeds from the fire that destroyed the former administration building. The county expects to issue debt of approximately $6,000,000 to fund the remaining expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2016, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 348

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
	Component Unit:	
Primary Government	School Department	$ 1,738,000

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2016, consisted of the following amount:

Primary Government

Transfer Out	Transfer In Nonmajor governmental funds
General Capital Projects Fund	$ 58,670

Discretely Presented Van Buren County School Department

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental funds	$ 5,033

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.

F. Long-term Obligations

Primary Government

General Obligation Bonds

Van Buren County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds.

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 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The bond included in long-term debt as of June 30, 2016, will be retired from the General Debt Service Fund.

The general obligation bond outstanding as of June 30, 2016, for governmental activities is as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-16
General Obligation Bond - Refunding	2.69 %	10-1-34	$ 1,804,445	$ 1,738,000

The annual requirements to amortize the general obligation bond outstanding as of June 30, 2016, including interest payments, are presented in the following table:

Year Ending June 30	Bond Principal	Bond Interest	Bond Total
2017	$ 71,000	$ 45,797	$ 116,797
2018	73,000	43,860	116,860
2019	75,000	41,870	116,870
2020	77,000	39,825	116,825
2021	79,000	37,727	116,727
2022-2026	430,000	155,052	585,052
2027-2031	491,000	93,142	584,142
2032-2035	442,000	24,183	466,183
Total	$ 1,738,000	$ 481,456	$ 2,219,456

There is $283,680 available in the General Debt Service Fund to service long-term debt. Debt per capita, including the bonds, notes, and other loans totaled $313, based on the 2010 federal census.

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

Description of Indebtedness	Outstanding 6-30-16
Bond Payable	
Contributions from the General Purpose School Fund	
School Refunding Bond, Series 2014	$ 1,738,000
Total	$ 1,738,000

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2016, was as follows:

	Bonds	Compensated Absences	Landfill Postclosure Care Costs
Balance, July 1, 2015	$ 1,804,445	$ 101,830	$ 245,228
Additions	0	88,021	2,857
Reductions	(66,445)	(68,554)	(7,144)
Balance, June 30, 2016	$ 1,738,000	$ 121,297	$ 240,941
Balance Due Within One Year	$ 71,000	$ 24,260	$ 16,502

	Net Pension Liability - Agent Plan *
Balance, July 1, 2015	$ (79,134)
Additions	567,389
Reductions	(279,281)
Balance, June 30, 2016	$ 208,974
Balance Due Within One Year	$ 0

* At July 1, 2015, the agent plan had a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	$ 2,309,212
Less: Balance Due Within One Year	(111,762)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 2,197,450

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

Discretely Presented Van Buren County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Van Buren County School Department for the year ended June 30, 2016, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2015	$ 4,300	$ 1,309,165
Additions	4,407	173,803
Reductions	0	(57,641)
Balance, June 30, 2016	$ 8,707	$ 1,425,327
Balance Due Within One Year	$ 1,792	$ 0

	Net Pension Liability - Agent Plan *	Net Pension Liability - Cost-sharing *
Balance, July 1, 2015	$ (88,808)	$ (14,792)
Additions	364,214	447,058
Reductions	(150,875)	(394,709)
Balance, June 30, 2016	$ 124,531	$ 37,557
Balance Due Within One Year	$ 0	$ 0

* At July 1, 2015, both plans had net pension assets.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	$ 1,596,122
Less: Balance Due Within One Year	(1,792)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 1,594,330

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

G. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Van Buren County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the State's Comprehensive Annual Financial Report. Payments by the State to the Medicare Supplement Plan for the year ended June 30, 2016, were $450. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

Discretely Presented Van Buren County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Van Buren County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2016, were $27,530 and $9,500, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

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

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

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

Van Buren County provides commercial health insurance for its employees.

Discretely Presented Van Buren County School Department

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

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68 and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and Statement No. 79, *Certain External Investment Pools and Pool Participants* became effective for the year ended June 30, 2016.

GASB Statement No. 72, establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. This standard supersedes previous

statements as they relate to measuring fair value of certain assets and liabilities.

GASB Statement No. 73, established accounting and reporting requirements for pensions that are not administered through a trust account and also addresses changes made to Statements No. 67 and No. 68. The changes to Statements No. 67 and No. 68 require new RSI disclosures concerning plan investments, address specific payables to defined benefit plans, and address specific payables to defined benefit plans.

GASB Statement No. 76, addresses changes made to the hierarchy of generally accepted accounting principles. This standard supersedes Statement No. 55 and reduces the hierarchy from four to two categories.

GASB Statement No. 79, addresses issues related to certain external investment pools and pool participants because of changes in Security and Exchange rules relative to money market funds. This standard establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost rather than fair value for financial reporting purposes standards.

C. Contingent Liabilities

The Van Buren County School system is one of forty-five Tennessee school districts that are members of the Sweetwater Consortium. The consortium was formed in 2012 to negotiate costs with vendors for providing telephone and internet services to member schools, and awarded a contract to Education Networks of America (ENA). The federal government subsidizes the costs of these services through the Federal Communications Commission's (FCC) E-Rate Program. The E-Rate program is managed by Universal Services Administration Company (USAC). Another service provider filed a lawsuit in 2012 challenging the contract awarded by the consortium, which resulted in the withholding of E-Rate funding. The case has been heard by an appeals board and members are awaiting a ruling. If the ruling is favorable for the consortium, then E-Rate funding will be reimbursed by the federal government. If the ruling is unfavorable for the consortium, then a hearing before the FCC will be granted. Consortium members could be required to reimburse ENA for the costs of any services not reimbursed by the E-Rate program.

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

D. Landfill Postclosure Care Costs

Van Buren County has an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The county has

provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Van Buren County closed its sanitary landfill in 1996. The $240,941 reported as postclosure care liability at June 30, 2016, represents amounts based on what it would cost to perform all postclosure care in 2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Van Buren County and non-certified employees of the discretely presented Van Buren County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 62.66 percent, and the non-certified employees of the discretely presented School Department comprised 37.34 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. *TCA*, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early

retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2015, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	63
Inactive Employees Entitled to But Not Yet Receiving Benefits	120
Active Employees	118
Total	301

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of their salary. Van Buren County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, the Actuarial Determined Contribution (ADC) for Van Buren County was $274,646 based on a rate of 9.26 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Van Buren County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Van Buren County's net pension liability (asset) was measured as of June 30, 2015, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2014	$ 6,888,160	$ 7,056,102	$ (167,942)
Changes for the Year:			
Service Cost	$ 216,460	$ 0	$ 216,460
Interest	517,166	0	517,166
Differences Between Expected and Actual Experience	402,137	0	402,137
Contributions-Employer	0	274,646	(274,646)
Contributions-Employees	0	148,427	(148,427)
Net Investment Income	0	217,220	(217,220)
Benefit Payments, Including Refunds of Employee Contributions	(418,137)	(418,137)	0
Administrative Expense	0	(5,977)	5,977
Other Changes	0	0	0
Net Changes	$ 717,626	$ 216,179	$ 501,447
Balance, June 30, 2015	$ 7,605,786	$ 7,272,281	$ 333,505

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	62.66%	$ 4,765,786	$ 4,556,811	$ 208,974
School Department	37.34%	2,840,000	2,715,470	124,531
Total		$ 7,605,786	$ 7,272,281	$ 333,505

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

Van Buren County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	$ 1,341,600	$ 333,505	$ (503,436)

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

Pension Expense. For the year ended June 30, 2016, Van Buren County recognized pension expense of $56,355.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, Van Buren County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 335,114	$ 103,614
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	249,559	327,485
Contributions Subsequent to the Measurement Date of June 30, 2015 (1)	287,308	N/A
Total	$ 871,981	$ 431,099

1. The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2015," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	$ 548,057	$ 270,127
School Department	323,924	160,972
Total	$ 871,981	$ 431,099

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

Year Ending June 30	Amount
2017	$ (5,652)
2018	(5,652)
2019	(5,652)
2020	103,509
2021	67,023
Thereafter	0

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

Discretely Presented Van Buren County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Van Buren County and non-certified employees of the discretely presented Van Buren County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 62.66 percent and the non-certified employees of the discretely presented School Department comprise 37.34 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. *TCA*, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan,

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2016, to the Teacher Retirement Plan were $11,320, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2016, the Van Buren County School Department reported an asset of $972 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Van Buren County School Department's proportion of the net pension asset was based on the Van Buren County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Van Buren County School Department's proportion was .024161 percent.

Pension Expense. For the year ended June 30, 2016, the Van Buren County School Department recognized pension expense of $1,274.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, the Van Buren County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 0	$ 316
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	79	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	11,320	N/A
Total	$ 11,399	$ 316

The Van Buren County School Department's employer contributions of $11,320, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	$ (7)
2018	(7)
2019	(7)
2020	(7)
2021	(26)
Thereafter	(185)

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

Actuarial Assumptions. The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	$ 172	$ (972)	$ (1,811)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Van Buren County School Department for the year ended June 30, 2016, to the Teacher Legacy Pension Plan were $294,848, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2016, the Van Buren County School Department reported a liability of $37,557 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Van Buren County School Department's proportion of the net pension liability (asset) was based on the Van Buren County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Van Buren County School Department's proportion was .0191684 percent. The proportion measured at June 30, 2014, was .091036 percent.

Negative Pension Expense. For the year ended June 30, 2016, the Van Buren County School Department recognized negative pension expense of $28,416.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, the Van Buren County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 30,141	$ 584,580
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	678,161	920,641
Changes in Proportion of Net Pension Liability (Asset)	16,458	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	294,848	N/A
Total	$ 1,019,608	$ 1,505,221

The Van Buren County School Department's employer contributions of $294,848 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	$ (244,936)
2018	(244,936)
2019	(244,936)
2020	61,944
2021	(107,596)
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	$ 2,560,508	$ 37,557	$ (2,051,149)

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

2. Deferred Compensation

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

Teachers hired after July 1, 2014, by the discretely presented Van Buren County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the Van Buren County School Department has assumed a portion of the costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Van Buren County School Department contributed $15,372 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

F. Other Postemployment Benefits (OPEB)

Plan Description

The School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated,* for local education employees. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization plan for

healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plan is reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at http://tn.gov/finance/article/fa-accfin-cafr.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2016, the discretely presented Van Buren County School Department contributed $57,641 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
ARC	$ 174,000
Interest on the NOPEBO	49,094
Adjustment to the ARC	(49,291)
Annual OPEB cost	$ 173,803
Amount of contribution	(57,641)
Increase/decrease in NOPEBO	$ 116,162
Net OPEB obligation, 7-1-15	1,309,165
Net OPEB obligation, 6-30-16	$ 1,425,327

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-14	Local Education Group	$ 132,183	38%	$ 1,230,457
6-30-15	"	137,269	43	1,309,165
6-30-16	"	173,803	33	1,425,327

Funded Status and Funding Progress

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

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

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

Actuarial Methods and Assumptions

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

In the July 1, 2015, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 6.5 percent initially. The trend rate will decrease to six percent in fiscal year 2016 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2050. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

G. Purchasing Laws

Office of County Mayor

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

Office of Road Superintendent

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

Office of Director of Schools

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

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit E-1

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

	2014	2015
Total Pension Liability (Asset)		
Service Cost	$ 215,836	$ 216,460
Interest	501,978	517,166
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	(155,422)	402,137
Changes in Assumptions	0	0
Benefit Payments, Including Refunds of Employee Contributions	(302,863)	(418,137)
Net Change in Total Pension Liability (Asset)	$ 259,529	$ 717,626
Total Pension Liability (Asset), Beginning	6,628,631	6,888,160
Total Pension Liability, Ending (a)	$ 6,888,160	$ 7,605,786
Plan Fiduciary Net Position		
Contributions - Employer	$ 246,515	$ 274,646
Contributions - Employee	139,749	148,427
Net Investment Income	997,246	217,220
Benefit Payments, Including Refunds of Employee Contributions	(302,863)	(418,137)
Administrative Expense	(4,054)	(5,977)
Net Change in Plan Fiduciary Net Position	$ 1,076,593	$ 216,179
Plan Fiduciary Net Position, Beginning	5,979,509	7,056,102
Plan Fiduciary Net Position, Ending (b)	$ 7,056,102	$ 7,272,281
Net Pension Liability (Asset), Ending (a - b)	$ (167,942)	$ 333,505
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.44%	92.65%
Covered Employee Payroll	$ 2,794,937	$ 2,965,942
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	6.01%	11.24%

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

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

Exhibit E-2

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

	2014	2015	2016
Actuarially Determined Contribution	$ 246,515	$ 274,646	$ 287,308
Less Contributions in Relation to the Actuarially Determined Contribution	(246,515)	(274,646)	(287,308)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0
Covered Payroll	$ 2,794,937	$ 2,965,942	$ 3,102,775
Contributions as a Percentage of Covered Payroll	8.82%	9.26%	9.26%

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

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

Exhibit E-3

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

	2015	2016
Contractually Required Contribution	$ 1,255	$ 7,075
Less Contributions in Relation to the Contractually Required Contribution	(2,008)	(11,320)
Contribution Deficiency (Excess)	$ (753)	$ (4,245)
Covered Payroll	$ 50,200	$ 282,995
Contributions as a Percentage of Covered Payroll	4.00%	4.00%

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

Exhibit E-4

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

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

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

Exhibit E-5

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

		2016
School Department's Proportion of the Net Pension Asset		0.024161%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$	(972)
Covered Employee Payroll	$	50,200
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll		(1.94)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		127.46%

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

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

Exhibit E-6

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

	2015	2016
School Department's Proportion of the Net Pension Asset	0.091036%	0.091684%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ (14,793)	$ 37,557
Covered Payroll	$ 3,573,156	$ 3,432,197
School Department's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	(0.414002)%	1.094254%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%

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

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

Exhibit E-7

Van Buren County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Van Buren County School Department
June 30, 2016

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-11	$ 0	$ 2,195	$ 2,195	0 %	$ 3,336	66 %
"	7-1-13	0	1,272	1,272	0	3,460	37
"	7-1-15	0	1,729	1,729	0	4,180	41

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2016 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	4 Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustments	2.5%

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

Debt Service Fund

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

Exhibit F-1

Van Buren County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu-tional Officers - Fees	Total
ASSETS						
Cash	$ 0	$ 0	$ 0	$ 0	$ 348	$ 348
Equity in Pooled Cash and Investments	53,438	19,194	20,653	39,846	0	133,131
Accounts Receivable	0	44,501	0	0	0	44,501
Due from Other Governments	0	20,817	0	0	0	20,817
Property Taxes Receivable	0	55,897	160,261	0	0	216,158
Allowance for Uncollectible Property Taxes	0	(5,695)	(16,637)	0	0	(22,332)
Total Assets	$ 53,438	$ 134,714	$ 164,277	$ 39,846	$ 348	$ 392,623
LIABILITIES						
Accounts Payable	$ 0	$ 2,293	$ 0	$ 0	$ 0	$ 2,293
Payroll Deductions Payable	120	0	0	0	0	120
Due to Other Funds	0	0	0	0	348	348
Due to State of Tennessee	125	649	0	0	0	774
Due to Litigants, Heirs, and Others	0	0	0	12,642	0	12,642
Total Liabilities	$ 245	$ 2,942	$ 0	$ 12,642	$ 348	$ 16,177
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 0	$ 48,729	$ 139,227	$ 0	$ 0	$ 187,956
Deferred Delinquent Property Taxes	0	1,217	3,633	0	0	4,850
Total Deferred Inflows of Resources	$ 0	$ 49,946	$ 142,860	$ 0	$ 0	$ 192,806

(Continued)

Exhibit F-1

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

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu-tional Officers - Fees	Total
FUND BALANCES						
Restricted:						
Restricted for General Government	$ 53,193	$ 0	$ 0	$ 0	$ 0	$ 53,193
Restricted for Public Safety	0	0	21,417	27,204	0	48,621
Restricted for Debt Service	0	0	0	0	0	0
Committed:						
Committed for Public Health and Welfare	0	81,826	0	0	0	81,826
Total Fund Balances	$ 53,193	$ 81,826	$ 21,417	$ 27,204	$ 0	$ 183,640
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 53,438	$ 134,714	$ 164,277	$ 39,846	$ 348	$ 392,623

(Continued)

Exhibit F-1

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

	Debt Service Fund	
	General Debt Service	Total Nonmajor Governmental Funds
ASSETS		
Cash	$ 0	$ 348
Equity in Pooled Cash and Investments	284,252	417,383
Accounts Receivable	0	44,501
Due from Other Governments	0	20,817
Property Taxes Receivable	72,506	288,664
Allowance for Uncollectible Property Taxes	(7,387)	(29,719)
Total Assets	$ 349,371	$ 741,994
LIABILITIES		
Accounts Payable	$ 904	$ 3,197
Payroll Deductions Payable	0	120
Due to Other Funds	0	348
Due to State of Tennessee	0	774
Due to Litigants, Heirs, and Others	0	12,642
Total Liabilities	$ 904	$ 17,081
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	$ 63,209	$ 251,165
Deferred Delinquent Property Taxes	1,578	6,428
Total Deferred Inflows of Resources	$ 64,787	$ 257,593

(Continued)

Exhibit F-1

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

	Debt Service Fund	
	General Debt Service	Total Nonmajor Governmental Funds
FUND BALANCES		
Restricted:		
Restricted for General Government	$ 0	$ 53,193
Restricted for Public Safety	0	48,621
Restricted for Debt Service	283,680	283,680
Committed:		
Committed for Public Health and Welfare	0	81,826
Total Fund Balances	$ 283,680	$ 467,320
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 349,371	$ 741,994

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, 2016

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu-tional Officers - Fees	Total
Revenues						
Local Taxes	$ 45,322	$ 58,344	$ 166,716	$ 0	$ 0	$ 270,382
Fines, Forfeitures, and Penalties	0	0	0	7,062	0	7,062
Charges for Current Services	0	63,806	0	0	177	63,983
Other Local Revenues	0	55,805	850	0	0	56,655
State of Tennessee	0	18,459	0	0	0	18,459
Other Governments and Citizens Groups	0	0	0	0	0	0
Total Revenues	$ 45,322	$ 196,414	$ 167,566	$ 7,062	$ 177	$ 416,541
Expenditures						
Current:						
General Government	$ 98,927	$ 0	$ 0	$ 0	$ 0	$ 98,927
Administration of Justice	0	0	0	0	177	177
Public Safety	1,257	0	187,567	3,021	0	191,845
Public Health and Welfare	0	222,988	0	0	0	222,988
Other Operations	478	0	3,204	53	0	3,735
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
Total Expenditures	$ 100,662	$ 222,988	$ 190,771	$ 3,074	$ 177	$ 517,672
Excess (Deficiency) of Revenues Over Expenditures	$ (55,340)	$ (26,574)	$ (23,205)	$ 3,988	$ 0	$ (101,131)

(Continued)

Exhibit F-2

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

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu-tional Officers - Fees	Total
Other Financing Sources (Uses)						
Transfers In	$ 58,670	$ 0	$ 0	$ 0	$ 0	$ 58,670
Total Other Financing Sources (Uses)	$ 58,670	$ 0	$ 0	$ 0	$ 0	$ 58,670
Net Change in Fund Balances	$ 3,330	$ (26,574)	$ (23,205)	$ 3,988	$ 0	$ (42,461)
Fund Balance, July 1, 2015	49,863	108,400	44,622	23,216	0	226,101
Fund Balance, June 30, 2016	$ 53,193	$ 81,826	$ 21,417	$ 27,204	$ 0	$ 183,640

(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	
	General Debt Service	Total Nonmajor Governmental Funds
Revenues		
Local Taxes	$ 147,715	$ 418,097
Fines, Forfeitures, and Penalties	0	7,062
Charges for Current Services	0	63,983
Other Local Revenues	4,742	61,397
State of Tennessee	20,517	38,976
Other Governments and Citizens Groups	114,091	114,091
Total Revenues	$ 287,065	$ 703,606
Expenditures		
Current:		
General Government	$ 0	$ 98,927
Administration of Justice	0	177
Public Safety	133,002	324,847
Public Health and Welfare	0	222,988
Other Operations	0	3,735
Debt Service:		
Principal on Debt	66,445	66,445
Interest on Debt	47,646	47,646
Other Debt Service	2,288	2,288
Total Expenditures	$ 249,381	$ 767,053
Excess (Deficiency) of Revenues Over Expenditures	$ 37,684	$ (63,447)

(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	
	General Debt Service	Total Nonmajor Governmental Funds
Other Financing Sources (Uses)		
Transfers In	$ 0	$ 58,670
Total Other Financing Sources (Uses)	$ 0	$ 58,670
Net Change in Fund Balances	$ 37,684	$ (4,777)
Fund Balance, July 1, 2015	245,996	472,097
Fund Balance, June 30, 2016	$ 283,680	$ 467,320

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, 2016

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 45,322	$ 50,000	$ 50,000	$ (4,678)
Total Revenues	$ 45,322	$ 50,000	$ 50,000	$ (4,678)
Expenditures				
General Government				
County Buildings	$ 98,927	$ 38,344	$ 100,770	$ 1,843
Public Safety				
Jail	1,257	4,000	1,500	243
Other Operations				
Other Charges	478	450	450	(28)
Total Expenditures	$ 100,662	$ 42,794	$ 102,720	$ 2,058
Excess (Deficiency) of Revenues Over Expenditures	$ (55,340)	$ 7,206	$ (52,720)	$ (2,620)
Other Financing Sources (Uses)				
Insurance Recovery	$ 0	$ 22,000	$ 22,000	$ (22,000)
Transfers In	58,670	0	58,670	0
Total Other Financing Sources	$ 58,670	$ 22,000	$ 80,670	$ (22,000)
Net Change in Fund Balance	$ 3,330	$ 29,206	$ 27,950	$ (24,620)
Fund Balance, July 1, 2015	49,863	42,000	42,000	7,863
Fund Balance, June 30, 2016	$ 53,193	$ 71,206	$ 69,950	$ (16,757)

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, 2016

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 58,344	$ 55,948	$ 55,948	$ 2,396
Charges for Current Services	63,806	100,000	100,000	(36,194)
Other Local Revenues	55,805	25,000	25,000	30,805
State of Tennessee	18,459	17,968	17,968	491
Total Revenues	$ 196,414	$ 198,916	$ 198,916	$ (2,502)
Expenditures				
Public Health and Welfare				
Waste Pickup	$ 44,186	$ 27,020	$ 44,627	$ 441
Convenience Centers	171,658	111,750	175,569	3,911
Landfill Operation and Maintenance	7,144	8,000	7,343	199
Total Expenditures	$ 222,988	$ 146,770	$ 227,539	$ 4,551
Excess (Deficiency) of Revenues Over Expenditures	$ (26,574)	$ 52,146	$ (28,623)	$ 2,049
Other Financing Sources (Uses)				
Insurance Recovery	$ 0	$ 468	$ 468	$ (468)
Total Other Financing Sources	$ 0	$ 468	$ 468	$ (468)
Net Change in Fund Balance	$ (26,574)	$ 52,614	$ (28,155)	$ 1,581
Fund Balance, July 1, 2015	108,400	90,925	90,925	17,475
Fund Balance, June 30, 2016	$ 81,826	$ 143,539	$ 62,770	$ 19,056

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, 2016

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 166,716	$ 157,212	$ 157,212	$ 9,504
Other Local Revenues	850	500	500	350
Total Revenues	$ 167,566	$ 157,712	$ 157,712	$ 9,854
Expenditures				
Public Safety				
Fire Prevention and Control	$ 187,567	$ 154,000	$ 187,567	$ 0
Other Operations				
Other Charges	3,204	3,200	3,200	(4)
Total Expenditures	$ 190,771	$ 157,200	$ 190,767	$ (4)
Excess (Deficiency) of Revenues Over Expenditures	$ (23,205)	$ 512	$ (33,055)	$ 9,850
Net Change in Fund Balance	$ (23,205)	$ 512	$ (33,055)	$ 9,850
Fund Balance, July 1, 2015	44,622	43,715	43,715	907
Fund Balance, June 30, 2016	$ 21,417	$ 44,227	$ 10,660	$ 10,757

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, 2016

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 7,062	$ 8,500	$ 8,500	$ (1,438)
Total Revenues	$ 7,062	$ 8,500	$ 8,500	$ (1,438)
Expenditures				
Public Safety				
Drug Enforcement	$ 3,021	$ 7,000	$ 7,000	$ 3,979
Other Operations				
Other Charges	53	150	150	97
Total Expenditures	$ 3,074	$ 7,150	$ 7,150	$ 4,076
Excess (Deficiency) of Revenues Over Expenditures	$ 3,988	$ 1,350	$ 1,350	$ 2,638
Net Change in Fund Balance	$ 3,988	$ 1,350	$ 1,350	$ 2,638
Fund Balance, July 1, 2015	23,216	23,312	23,312	(96)
Fund Balance, June 30, 2016	$ 27,204	$ 24,662	$ 24,662	$ 2,542

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, 2016

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 147,715	$ 131,027	$ 131,027	$ 16,688
Other Local Revenues	4,742	75,000	79,742	(75,000)
State of Tennessee	20,517	19,000	19,000	1,517
Other Governments and Citizens Groups	114,091	0	114,091	0
Total Revenues	$ 287,065	$ 225,027	$ 343,860	$ (56,795)
Expenditures				
Public Safety				
Sheriff's Department	$ 27,929	$ 0	$ 29,000	$ 1,071
Other Emergency Management	105,073	0	105,074	1
Other Operations				
Miscellaneous	0	95,000	0	0
Principal on Debt				
General Government	0	29,000	0	0
Education	66,445	0	66,445	0
Interest on Debt				
Education	47,646	0	47,646	0
Other Debt Service				
General Government	2,288	1,500	1,500	(788)
Total Expenditures	$ 249,381	$ 125,500	$ 249,665	$ 284
Excess (Deficiency) of Revenues Over Expenditures	$ 37,684	$ 99,527	$ 94,195	$ (56,511)
Net Change in Fund Balance	$ 37,684	$ 99,527	$ 94,195	$ (56,511)
Fund Balance, July 1, 2015	245,996	243,849	243,849	2,147
Fund Balance, June 30, 2016	$ 283,680	$ 343,376	$ 338,044	$ (54,364)

Fiduciary Funds

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

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

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

Exhibit H-1

Van Buren County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2016

	Agency Funds		
	Cities - Sales Tax	Constitutional Officers - Agency	Total
ASSETS			
Cash	$ 0	$ 225,382	$ 225,382
Due from Other Governments	18,259	0	18,259
Total Assets	$ 18,259	$ 225,382	$ 243,641
LIABILITIES			
Due to Other Taxing Units	$ 18,259	$ 0	$ 18,259
Due to Litigants, Heirs, and Others	0	225,382	225,382
Total Liabilities	$ 18,259	$ 225,382	$ 243,641

Exhibit H-2

Van Buren County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 118,467	$ 118,467	$ 0
Due from Other Governments	20,864	18,259	20,864	18,259
Total Assets	$ 20,864	$ 136,726	$ 139,331	$ 18,259
Liabilities				
Due to Other Taxing Units	$ 20,864	$ 136,726	$ 139,331	$ 18,259
Total Liabilities	$ 20,864	$ 136,726	$ 139,331	$ 18,259
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 419,401	$ 1,509,897	$ 1,703,916	$ 225,382
Cash Shortage	3,000	0	3,000	0
Total Assets	$ 422,401	$ 1,509,897	$ 1,706,916	$ 225,382
Liabilities				
Due to Litigants, Heirs, and Others	$ 422,401	$ 1,509,897	$ 1,706,916	$ 225,382
Total Liabilities	$ 422,401	$ 1,509,897	$ 1,706,916	$ 225,382
Totals - All Agency Funds				
Assets				
Cash	$ 419,401	$ 1,509,897	$ 1,703,916	$ 225,382
Equity in Pooled Cash and Investments	0	118,467	118,467	0
Due from Other Governments	20,864	18,259	20,864	18,259
Cash Shortage	3,000	0	3,000	0
Total Assets	$ 443,265	$ 1,646,623	$ 1,846,247	$ 243,641
Liabilities				
Due to Other Taxing Units	$ 20,864	$ 136,726	$ 139,331	$ 18,259
Due to Litigants, Heirs, and Others	422,401	1,509,897	1,706,916	225,382
Total Liabilities	$ 443,265	$ 1,646,623	$ 1,846,247	$ 243,641

Van Buren County School Department

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

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

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

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

Exhibit I-1

Van Buren County, Tennessee
Statement of Activities
Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities:				
Instruction	$ 3,657,613	$ 0	$ 389,323	$ (3,268,290)
Support Services	3,042,245	14,265	126,813	(2,901,167)
Operation of Non-instructional Services	900,771	75,840	553,516	(271,415)
Interest on Long-term Debt	47,646	0	0	(47,646)
Total Governmental Activities	$ 7,648,276	$ 90,105	$ 1,069,652	$ (6,488,519)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				$ 861,467
Local Option Sales Taxes				400,907
Hotel/Motel Taxes				120,862
Other Local Taxes				1,553
Grants and Contributions Not Restricted to Specific Programs				5,324,517
Unrestricted Investment Earnings				276
Miscellaneous				13,123
Total General Revenues				$ 6,722,705
Change in Net Position				$ 234,186
Net Position, July 1, 2015				6,773,040
Net Position, June 30, 2016				$ 7,007,226

Exhibit I-2

Van Buren County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Van Buren County School Department
June 30, 2016

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
ASSETS			
Equity in Pooled Cash and Investments	$ 4,515,844	$ 295,010	$ 4,810,854
Accounts Receivable	0	22	22
Due from Other Governments	139,468	18,664	158,132
Property Taxes Receivable	878,381	0	878,381
Allowance for Uncollectible Property Taxes	(89,492)	0	(89,492)
Total Assets	$ 5,444,201	$ 313,696	$ 5,757,897
LIABILITIES			
Accounts Payable	$ 312,820	$ 0	$ 312,820
Due to State of Tennessee	3,392	540	3,932
Total Liabilities	$ 316,212	$ 540	$ 316,752
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 765,748	$ 0	$ 765,748
Deferred Delinquent Property Taxes	23,141	0	23,141
Other Deferred/Unavailable Revenue	46,018	0	46,018
Total Deferred Inflows of Resources	$ 834,907	$ 0	$ 834,907
FUND BALANCES			
Restricted:			
Restricted for Education	$ 0	$ 223,371	$ 223,371
Committed:			
Committed for Education	0	89,785	89,785
Assigned:			
Assigned for Education	369,462	0	369,462
Unassigned	3,923,620	0	3,923,620
Total Fund Balances	$ 4,293,082	$ 313,156	$ 4,606,238
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 5,444,201	$ 313,696	$ 5,757,897

Exhibit I-3

Van Buren County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Van Buren County School Department
June 30, 2016

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		$ 4,606,238
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 296,847	
Add: buildings and improvements net of accumulated depreciation	5,100,376	
Add: infrastructure net of accumulated depreciation	3,700	
Add: other capital assets net of accumulated depreciation	575,633	5,976,556
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on primary government debt for bonds	$ (1,738,000)	
Less: compensated absences payable	(8,707)	
Less: other postemployment benefits liabilities	(1,425,327)	(3,172,034)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	$ 583,507	
Less: deferred inflows of resources related to pensions	(895,085)	(311,578)
(4) Net pension assets and liabilities of the pension plans are not current financial resources or uses and therefore are not reported in the governmental funds.		
Less: net pension liability - agent plan	$ (124,531)	
Add: net pension asset - cost-sharing plan	973	
Less: net pension liability - cost-sharing plan	(37,557)	(161,115)
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		69,159
Net position of governmental activities (Exhibit A)		$ 7,007,226

Exhibit I-4

Van Buren County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2016

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
Revenues			
Local Taxes	$ 1,432,253	$ 0	$ 1,432,253
Licenses and Permits	456	0	456
Charges for Current Services	14,009	75,840	89,849
Other Local Revenues	22,021	659	22,680
State of Tennessee	5,388,686	4,621	5,393,307
Federal Government	11,375	931,898	943,273
Total Revenues	$ 6,868,800	$ 1,013,018	$ 7,881,818
Expenditures			
Current:			
Instruction	$ 3,288,233	$ 380,787	$ 3,669,020
Support Services	2,671,001	102,398	2,773,399
Operation of Non-instructional Services	355,278	545,493	900,771
Capital Outlay	350,236	0	350,236
Debt Service:			
Principal on Debt	66,445	0	66,445
Interest on Debt	47,646	0	47,646
Total Expenditures	$ 6,778,839	$ 1,028,678	$ 7,807,517
Excess (Deficiency) of Revenues Over Expenditures	$ 89,961	$ (15,660)	$ 74,301
Other Financing Sources (Uses)			
Transfers In	$ 5,033	$ 0	$ 5,033
Transfers Out	0	(5,033)	(5,033)
Total Other Financing Sources (Uses)	$ 5,033	$ (5,033)	$ 0
Net Change in Fund Balances	$ 94,994	$ (20,693)	$ 74,301
Fund Balance, July 1, 2015	4,198,088	333,849	4,531,937
Fund Balance, June 30, 2016	$ 4,293,082	$ 313,156	$ 4,606,238

Exhibit I-5

Van Buren County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2016

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:		
Net change in fund balances - total governmental funds (Exhibit I-4)		$ 74,301
(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	$ 27,500	
Less: current-year depreciation expense	(298,242)	(270,742)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(375)
(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, 2015	$ (63,490)	
Add: deferred delinquent property taxes and other deferred June 30, 2016	69,159	5,669
(4) The contributions of long-term debt (e.g., bonds, notes, other loans, leases) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on bonds to primary government		66,445
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	$ (4,407)	
Change in other postemployment benefits liabilities	(116,162)	
Change in net pension asset - teacher retirement plan	973	
Change in net pension liability - agent plan	(213,339)	
Change in net pension liability - teacher legacy retirement plan	(52,350)	
Change in deferred outflows related to pensions	121,026	
Change in deferred inflows related to pensions	623,147	358,888
Change in net position of governmental activities (Exhibit B)		$ 234,186

Exhibit I-6

Van Buren County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Van Buren County School Department
June 30, 2016

	Special Revenue Funds		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
ASSETS			
Equity in Pooled Cash and Investments	$ 99,274	$ 195,736	$ 295,010
Accounts Receivable	0	22	22
Due from Other Governments	7,440	11,224	18,664
Total Assets	$ 106,714	$ 206,982	$ 313,696
LIABILITIES			
Due to State of Tennessee	$ 0	$ 540	$ 540
Total Liabilities	$ 0	$ 540	$ 540
FUND BALANCES			
Restricted:			
Restricted for Education	$ 16,929	$ 206,442	$ 223,371
Committed:			
Committed for Education	89,785	0	89,785
Total Fund Balances	$ 106,714	$ 206,442	$ 313,156
Total Liabilities and Fund Balances	$ 106,714	$ 206,982	$ 313,696

Exhibit I-7

Van Buren County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2016

	Special Revenue Funds		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
Revenues			
Charges for Current Services	$ 0	$ 75,840	$ 75,840
Other Local Revenues	0	659	659
State of Tennessee	0	4,621	4,621
Federal Government	478,003	453,895	931,898
Total Revenues	$ 478,003	$ 535,015	$ 1,013,018
Expenditures			
Current:			
Instruction	$ 380,787	$ 0	$ 380,787
Support Services	102,398	0	102,398
Operation of Non-instructional Services	0	545,493	545,493
Total Expenditures	$ 483,185	$ 545,493	$ 1,028,678
Excess (Deficiency) of Revenues Over Expenditures	$ (5,182)	$ (10,478)	$ (15,660)
Other Financing Sources (Uses)			
Transfers Out	$ (5,033)	$ 0	$ (5,033)
Total Other Financing Sources (Uses)	$ (5,033)	$ 0	$ (5,033)
Net Change in Fund Balances	$ (10,215)	$ (10,478)	$ (20,693)
Fund Balance, July 1, 2015	116,929	216,920	333,849
Fund Balance, June 30, 2016	$ 106,714	$ 206,442	$ 313,156

Exhibit I-8

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Van Buren County School Department
General Purpose School Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,432,253	$ 1,226,501	$ 1,226,501	$ 205,752
Licenses and Permits	456	200	200	256
Charges for Current Services	14,009	14,000	14,000	9
Other Local Revenues	22,021	35,000	35,000	(12,979)
State of Tennessee	5,388,686	5,432,753	5,469,783	(81,097)
Federal Government	11,375	30,000	30,000	(18,625)
Total Revenues	$ 6,868,800	$ 6,738,454	$ 6,775,484	$ 93,316
Expenditures				
Instruction				
Regular Instruction Program	$ 2,728,071	$ 3,096,000	$ 3,096,000	$ 367,929
Special Education Program	378,919	483,700	483,700	104,781
Vocational Education Program	181,243	195,000	195,000	13,757
Support Services				
Attendance	69,799	78,000	78,000	8,201
Health Services	158,422	162,900	162,900	4,478
Other Student Support	165,125	186,500	186,500	21,375
Regular Instruction Program	395,060	445,000	445,000	49,940
Special Education Program	110,042	123,500	123,500	13,458
Vocational Education Program	5,262	6,080	6,080	818
Other Programs	37,030	0	37,030	0
Board of Education	146,386	163,500	163,500	17,114
Director of Schools	116,761	129,600	129,600	12,839
Office of the Principal	311,154	372,800	372,800	61,646
Fiscal Services	136,206	151,600	151,600	15,394
Operation of Plant	558,521	649,020	649,020	90,499
Maintenance of Plant	99,716	132,700	132,700	32,984
Transportation	361,517	452,500	452,500	90,983
Operation of Non-instructional Services				
Community Services	137,463	316,300	316,300	178,837
Early Childhood Education	217,815	270,800	270,800	52,985
Capital Outlay				
Regular Capital Outlay	350,236	797,000	797,000	446,764
Principal on Debt				
Education	66,445	91,000	91,000	24,555
Interest on Debt				
Education	47,646	50,000	50,000	2,354
Other Debt Service				
Education	0	10,000	10,000	10,000
Total Expenditures	$ 6,778,839	$ 8,363,500	$ 8,400,530	$ 1,621,691
Excess (Deficiency) of Revenues Over Expenditures	$ 89,961	$ (1,625,046)	$ (1,625,046)	$ 1,715,007

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Other Financing Sources (Uses)				
Transfers In	$ 5,033	$ 10,000	$ 10,000	$ (4,967)
Total Other Financing Sources	$ 5,033	$ 10,000	$ 10,000	$ (4,967)
Net Change in Fund Balance	$ 94,994	$ (1,615,046)	$ (1,615,046)	$ 1,710,040
Fund Balance, July 1, 2015	4,198,088	4,152,709	4,152,709	45,379
Fund Balance, June 30, 2016	$ 4,293,082	$ 2,537,663	$ 2,537,663	$ 1,755,419

Exhibit I-9

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Van Buren County School Department
School Federal Projects Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Federal Government	$ 478,003	$ 563,061	$ 564,235	$ (86,232)
Total Revenues	$ 478,003	$ 563,061	$ 564,235	$ (86,232)
Expenditures				
Instruction				
Regular Instruction Program	$ 226,506	$ 226,754	$ 227,928	$ 1,422
Special Education Program	145,081	195,072	195,072	49,991
Vocational Education Program	9,200	8,700	9,200	0
Support Services				
Other Student Support	55,272	56,272	55,772	500
Regular Instruction Program	2,616	3,000	3,000	384
Special Education Program	43,892	65,270	65,270	21,378
Vocational Education Program	618	618	618	0
Total Expenditures	$ 483,185	$ 555,686	$ 556,860	$ 73,675
Excess (Deficiency) of Revenues Over Expenditures	$ (5,182)	$ 7,375	$ 7,375	$ (12,557)
Other Financing Sources (Uses)				
Transfers Out	$ (5,033)	$ (7,374)	$ (7,374)	$ 2,341
Total Other Financing Sources	$ (5,033)	$ (7,374)	$ (7,374)	$ 2,341
Net Change in Fund Balance	$ (10,215)	$ 1	$ 1	$ (10,216)
Fund Balance, July 1, 2015	116,929	108,317	108,317	8,612
Fund Balance, June 30, 2016	$ 106,714	$ 108,318	$ 108,318	$ (1,604)

Exhibit I-10

Van Buren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Van Buren County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 75,840	$ 123,000	$ 123,000	$ (47,160)
Other Local Revenues	659	2,000	2,000	(1,341)
State of Tennessee	4,621	5,000	5,000	(379)
Federal Government	453,895	425,000	425,000	28,895
Total Revenues	$ 535,015	$ 555,000	$ 555,000	$ (19,985)
Expenditures				
Operation of Non-instructional Services				
Food Service	$ 545,493	$ 656,150	$ 656,150	$ 110,657
Total Expenditures	$ 545,493	$ 656,150	$ 656,150	$ 110,657
Excess (Deficiency) of Revenues Over Expenditures	$ (10,478)	$ (101,150)	$ (101,150)	$ 90,672
Net Change in Fund Balance	$ (10,478)	$ (101,150)	$ (101,150)	$ 90,672
Fund Balance, July 1, 2015	216,920	208,657	208,657	8,263
Fund Balance, June 30, 2016	$ 206,442	$ 107,507	$ 107,507	$ 98,935

MISCELLANEOUS SCHEDULES

Exhibit J-1

Van Buren County, Tennessee
Schedule of Changes in Long-term Bonds
For the Year Ended June 30, 2016

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-15	Paid and/or Matured During Period	Outstanding 6-30-16
BONDS PAYABLE							
Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund							
School Refunding Bond, Series 2014	$ 1,804,445	2.69 %	12-12-14	10-1-34	$ 1,804,445	$ 66,445	$ 1,738,000
Total Bonds Payable					$ 1,804,445	$ 66,445	$ 1,738,000

Exhibit J-2

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

Year Ending June 30	Bond Principal	Bond Interest	Bond Total
2017	$ 71,000	$ 45,797	$ 116,797
2018	73,000	43,860	116,860
2019	75,000	41,870	116,870
2020	77,000	39,825	116,825
2021	79,000	37,727	116,727
2022	81,000	35,575	116,575
2023	84,000	33,356	117,356
2024	86,000	31,070	117,070
2025	88,000	28,729	116,729
2026	91,000	26,322	117,322
2027	93,000	23,847	116,847
2028	96,000	21,305	117,305
2029	98,000	18,696	116,696
2030	101,000	16,019	117,019
2031	103,000	13,275	116,275
2032	106,000	10,464	116,464
2033	109,000	7,572	116,572
2034	112,000	4,600	116,600
2035	115,000	1,547	116,547
Total	$ 1,738,000	$ 481,456	$ 2,219,456

Exhibit J-3

Van Buren County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2016

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General Capital Projects	Courthouse and Jail Maintenance	Salaries	$ 58,670
Total Transfers Primary Government			$ 58,670
DISCRETELY PRESENTED VAN BUREN COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	$ 5,033
Total Transfers Discretely Presented Van Buren County School Department			$ 5,033

Exhibit J-4

Van Buren County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2016

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, *TCA*	$ 67,386	$ 100,000	RLI Insurance Company
Road Superintendent	Section 8-24-102, *TCA*	64,178	100,000	"
Director of Schools	State Board of Education and Van Buren County Board of Education	81,875 (1)	100,000	RLI Insurance Company
Trustee	Section 8-24-102, *TCA*	58,343	313,425	"
Assessor of Property	Section 8-24-102, *TCA*	58,343	50,000	Western Surety Company
County Clerk	Section 8-24-102, *TCA*	58,343	50,000	RLI Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, *TCA*	58,343	50,000	"
Clerk and Master	Section 8-24-102, *TCA*	58,343	75,000	"
Register of Deeds	Section 8-24-102, *TCA*	58,343	50,000	"
Sheriff	Section 8-24-102, *TCA*	64,178 (2)	100,000	"
Public Employees Blanket Bond:				
Public Employees Dishonesty - County Employees			150,000	Local Government Insurance Pool
Public Employees Dishonesty - School Employees			150,000	Tennessee Risk Management Trust

(1) Includes a chief executive officer training supplement of $1,000. Does not include a $400 bonus for certified employees.
(2) Does not include a law enforcement training supplement of $600.

Exhibit J-5

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2016

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
Local Taxes						
County Property Taxes						
Current Property Tax	$ 1,319,465	$ 0	$ 44,000	$ 187,936	$ 125,713	$ 0
Trustee's Collections - Prior Year	138,387	0	4,789	19,099	13,658	0
Circuit Clerk/Clerk and Master Collections - Prior Years	128,396	0	4,432	17,798	12,713	0
Interest and Penalty	59,295	0	2,057	8,213	5,872	0
Payments in-Lieu-of Taxes - T.V.A.	4,867	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	91,978	0	3,066	13,096	8,760	0
Payments in-Lieu-of Taxes - Other	47,871	0	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	78,226	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0	0
Litigation Tax - General	6,332	0	0	0	0	0
Litigation Tax - Special Purpose	0	33,291	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	12,031	0	0	0	0
Business Tax	16,499	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	12,995	0	0	0	0	0
Wholesale Beer Tax	31,586	0	0	0	0	0
Beer Privilege Tax	855	0	0	0	0	0
Interstate Telecommunications Tax	331	0	0	0	0	0
Total Local Taxes	$ 1,937,083	$ 45,322	$ 58,344	$ 246,142	$ 166,716	$ 0
Licenses and Permits						
Licenses						
Cable TV Franchise	$ 18,838	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit J-5

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
Licenses and Permits (Cont.)						
Permits						
Beer Permits	$ 238	$ 0	$ 0	$ 0	$ 0	$ 0
Total Licenses and Permits	$ 19,076	$ 0	$ 0	$ 0	$ 0	$ 0
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 4,730	$ 0	$ 0	$ 0	$ 0	$ 0
Officers Costs	1,061	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	2,156
Data Entry Fee - Circuit Court	518	0	0	0	0	0
General Sessions Court						
Fines	5,181	0	0	0	0	0
Officers Costs	15,177	0	0	0	0	0
Drug Control Fines	4,315	0	0	0	0	3,016
Data Entry Fee - General Sessions Court	4,683	0	0	0	0	0
Juvenile Court						
Data Entry Fee - Juvenile Court	24	0	0	0	0	0
Chancery Court						
Data Entry Fee - Chancery Court	2,944	0	0	0	0	0
Judicial District Drug Program						
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	1,890
Data Entry Fee - Other Courts	722	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	$ 39,355	$ 0	$ 0	$ 0	$ 0	$ 7,062

(Continued)

Exhibit J-5

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
Charges for Current Services						
General Service Charges						
Convenience Waste Centers Collection Charge	$ 0	$ 0	$ 63,662	$ 0	$ 0	$ 0
Surcharge - Waste Tire Disposal	0	0	144	0	0	0
Patient Charges	0	0	0	323,218	0	0
Fees						
Library Fees	166	0	0	0	0	0
Telephone Commissions	9,842	0	0	0	0	0
Vending Machine Collections	10,598	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	2,280	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,050	0	0	0	0	0
Total Charges for Current Services	$ 23,936	$ 0	$ 63,806	$ 323,218	$ 0	$ 0
Other Local Revenues						
Recurring Items						
Investment Income	$ 13,323	$ 0	$ 0	$ 0	$ 0	$ 0
Lease/Rentals	810	0	0	0	0	0
Sale of Recycled Materials	0	0	22,040	0	0	0
Miscellaneous Refunds	2,939	0	0	0	850	0
Nonrecurring Items						
Sale of Property	64,695	0	33,765	0	0	0
Other Local Revenues						
Other Local Revenues	10	0	0	0	0	0
Total Other Local Revenues	$ 81,777	$ 0	$ 55,805	$ 0	$ 850	$ 0

(Continued)

Exhibit J-5

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	$ 50,900	$ 0	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	22,575	0	0	0	0	0
General Sessions Court Clerk	68,789	0	0	0	0	0
Clerk and Master	63,159	0	0	0	0	0
Register	26,459	0	0	0	0	0
Sheriff	4,639	0	0	0	0	0
Trustee	109,904	0	0	0	0	0
Total Fees Received From County Officials	$ 346,425	$ 0	$ 0	$ 0	$ 0	$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 13,500	$ 0	$ 0	$ 0	$ 0	$ 0
Solid Waste Grants	0	0	18,459	0	0	0
On-behalf Contributions for OPEB	450	0	0	0	0	0
Other General Government Grants	9,956	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	4,200	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	4,661	0	0	0	0	0
Public Works Grants						
Bridge Program	0	0	0	0	0	0
Litter Program	30,191	0	0	0	0	0
Other State Revenues						
Income Tax	6,300	0	0	0	0	0
Beer Tax	18,488	0	0	0	0	0

(Continued)

Exhibit J-5

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Vehicle Certificate of Title Fees	$ 4,416	$ 0	$ 0	$ 0	$ 0	$ 0
Alcoholic Beverage Tax	23,723	0	0	0	0	0
State Revenue Sharing - T.V.A.	143,620	0	0	0	0	0
Contracted Prisoner Boarding	93,388	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Revenues	33,856	0	0	0	0	0
Total State of Tennessee	$ 401,913	$ 0	$ 18,459	$ 0	$ 0	$ 0
Federal Government						
Federal Through State						
Community Development	$ 356,545	$ 0	$ 0	$ 0	$ 0	$ 0
Disaster Relief	6,028	0	0	0	0	0
Other Federal through State	12,614	0	0	0	0	0
Direct Federal Revenue						
Other Direct Federal Revenue	8,946	0	0	0	0	0
Total Federal Government	$ 384,133	$ 0	$ 0	$ 0	$ 0	$ 0
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 10,269	$ 0	$ 0	$ 0	$ 0	$ 0
Contracted Services	13,219	0	0	0	0	0
Total Other Governments and Citizens Groups	$ 23,488	$ 0	$ 0	$ 0	$ 0	$ 0
Total	$ 3,257,186	$ 45,322	$ 196,414	$ 569,360	$ 167,566	$ 7,062

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 0	$ 0	$ 57,056	$ 0	$ 1,734,170
Trustee's Collections - Prior Year	0	0	2,917	0	178,850
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	2,543	0	165,882
Interest and Penalty	0	0	1,172	0	76,609
Payments in-Lieu-of Taxes - T.V.A.	0	0	572	0	5,439
Payments in-Lieu-of Taxes - Local Utilities	0	0	3,977	0	120,877
Payments in-Lieu-of Taxes - Other	0	0	0	0	47,871
County Local Option Taxes					
Local Option Sales Tax	0	0	0	0	78,226
Hotel/Motel Tax	0	0	79,478	0	79,478
Litigation Tax - General	0	0	0	0	6,332
Litigation Tax - Special Purpose	0	0	0	0	33,291
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	12,031
Business Tax	0	0	0	0	16,499
Mineral Severance Tax	0	1,746	0	0	1,746
Statutory Local Taxes					
Bank Excise Tax	0	0	0	0	12,995
Wholesale Beer Tax	0	0	0	0	31,586
Beer Privilege Tax	0	0	0	0	855
Interstate Telecommunications Tax	0	0	0	0	331
Total Local Taxes	$ 0	$ 1,746	$ 147,715	$ 0	$ 2,603,068
Licenses and Permits					
Licenses					
Cable TV Franchise	$ 0	$ 0	$ 0	$ 0	$ 18,838

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Licenses and Permits (Cont.)					
Permits					
Beer Permits	$ 0	$ 0	$ 0	$ 0	$ 238
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 0	$ 19,076
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	$ 0	$ 0	$ 0	$ 0	$ 4,730
Officers Costs	0	0	0	0	1,061
Drug Control Fines	0	0	0	0	2,156
Data Entry Fee - Circuit Court	0	0	0	0	518
General Sessions Court					
Fines	0	0	0	0	5,181
Officers Costs	0	0	0	0	15,177
Drug Control Fines	0	0	0	0	7,331
Data Entry Fee - General Sessions Court	0	0	0	0	4,683
Juvenile Court					
Data Entry Fee - Juvenile Court	0	0	0	0	24
Chancery Court					
Data Entry Fee - Chancery Court	0	0	0	0	2,944
Judicial District Drug Program					
Drug Task Force Forfeitures and Seizures	0	0	0	0	1,890
Data Entry Fee - Other Courts	0	0	0	0	722
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 0	$ 46,417

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitu-tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Charges for Current Services					
General Service Charges					
Convenience Waste Centers Collection Charge	$ 0	$ 0	$ 0	$ 0	$ 63,662
Surcharge - Waste Tire Disposal	0	0	0	0	144
Patient Charges	0	0	0	0	323,218
Fees					
Library Fees	0	0	0	0	166
Telephone Commissions	0	0	0	0	9,842
Vending Machine Collections	0	0	0	0	10,598
Constitutional Officers' Fees and Commissions	177	0	0	0	177
Data Processing Fee - Register	0	0	0	0	2,280
Sexual Offender Registration Fee - Sheriff	0	0	0	0	1,050
Total Charges for Current Services	$ 177	$ 0	$ 0	$ 0	$ 411,137
Other Local Revenues					
Recurring Items					
Investment Income	$ 0	$ 0	$ 0	$ 2,840	$ 16,163
Lease/Rentals	0	0	0	0	810
Sale of Recycled Materials	0	0	0	0	22,040
Miscellaneous Refunds	0	1,215	4,742	0	9,746
Nonrecurring Items					
Sale of Property	0	0	0	0	98,460
Other Local Revenues					
Other Local Revenues	0	0	0	0	10
Total Other Local Revenues	$ 0	$ 1,215	$ 4,742	$ 2,840	$ 147,229

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Fees Received From County Officials					
Fees In-Lieu-of Salary					
County Clerk	$ 0	$ 0	$ 0	$ 0	$ 50,900
Circuit Court Clerk	0	0	0	0	22,575
General Sessions Court Clerk	0	0	0	0	68,789
Clerk and Master	0	0	0	0	63,159
Register	0	0	0	0	26,459
Sheriff	0	0	0	0	4,639
Trustee	0	0	0	0	109,904
Total Fees Received From County Officials	$ 0	$ 0	$ 0	$ 0	$ 346,425
State of Tennessee					
General Government Grants					
Juvenile Services Program	$ 0	$ 0	$ 0	$ 0	$ 13,500
Solid Waste Grants	0	0	0	0	18,459
On-behalf Contributions for OPEB	0	0	0	0	450
Other General Government Grants	0	0	0	0	9,956
Public Safety Grants					
Law Enforcement Training Programs	0	0	0	0	4,200
Health and Welfare Grants					
Health Department Programs	0	0	0	0	4,661
Public Works Grants					
Bridge Program	0	36,985	0	0	36,985
Litter Program	0	0	0	0	30,191
Other State Revenues					
Income Tax	0	0	0	0	6,300
Beer Tax	0	0	0	0	18,488

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
State of Tennessee (Cont.)					
Other State Revenues (Cont.)					
Vehicle Certificate of Title Fees	$ 0	$ 0	$ 0	$ 0	$ 4,416
Alcoholic Beverage Tax	0	0	0	0	23,723
State Revenue Sharing - T.V.A.	0	0	20,517	0	164,137
Contracted Prisoner Boarding	0	0	0	0	93,388
Gasoline and Motor Fuel Tax	0	1,411,135	0	0	1,411,135
Petroleum Special Tax	0	4,003	0	0	4,003
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Revenues	0	0	0	0	33,856
Total State of Tennessee	$ 0	$ 1,452,123	$ 20,517	$ 0	$ 1,893,012
Federal Government					
Federal Through State					
Community Development	$ 0	$ 0	$ 0	$ 0	$ 356,545
Disaster Relief	0	0	0	0	6,028
Other Federal through State	0	47,031	0	0	59,645
Direct Federal Revenue					
Other Direct Federal Revenue	0	0	0	0	8,946
Total Federal Government	$ 0	$ 47,031	$ 0	$ 0	$ 431,164
Other Governments and Citizens Groups					
Other Governments					
Contributions	$ 0	$ 0	$ 114,091	$ 0	$ 124,360
Contracted Services	0	0	0	0	13,219
Total Other Governments and Citizens Groups	$ 0	$ 0	$ 114,091	$ 0	$ 137,579
Total	$ 177	$ 1,502,115	$ 287,065	$ 2,840	$ 6,035,107

Exhibit J-6

Van Buren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2016

		Special Revenue Funds		
	General Purpose School	School Federal Projects	Central Cafeteria	Total
Local Taxes				
County Property Taxes				
Current Property Tax	$ 691,146	$ 0	$ 0	$ 691,146
Trustee's Collections - Prior Year	70,856	0	0	70,856
Circuit Clerk/Clerk and Master Collections - Prior Years	67,898	0	0	67,898
Interest and Penalty	30,997	0	0	30,997
Payments in-Lieu-of Taxes - T.V.A.	4,954	0	0	4,954
Payments in-Lieu-of Taxes - Local Utilities	48,179	0	0	48,179
County Local Option Taxes				
Local Option Sales Tax	395,814	0	0	395,814
Hotel/Motel Tax	120,862	0	0	120,862
Mixed Drink Tax	1,081	0	0	1,081
Statutory Local Taxes				
Interstate Telecommunications Tax	466	0	0	466
Total Local Taxes	$ 1,432,253	$ 0	$ 0	$ 1,432,253
Licenses and Permits				
Licenses				
Marriage Licenses	$ 456	$ 0	$ 0	$ 456
Total Licenses and Permits	$ 456	$ 0	$ 0	$ 456
Charges for Current Services				
Education Charges				
Lunch Payments - Adults	$ 0	$ 0	$ 16,881	$ 16,881
A la Carte Sales	0	0	58,959	58,959
Receipts from Individual Schools	14,009	0	0	14,009
Total Charges for Current Services	$ 14,009	$ 0	$ 75,840	$ 89,849

(Continued)

Exhibit J-6

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

		Special Revenue Funds		
	General Purpose School	School Federal Projects	Central Cafeteria	Total
Other Local Revenues				
Recurring Items				
Investment Income	$ 0	$ 0	$ 276	$ 276
Sale of Materials and Supplies	43	0	0	43
Miscellaneous Refunds	1,189	0	383	1,572
Nonrecurring Items				
Sale of Equipment	6,126	0	0	6,126
Sale of Property	10,450	0	0	10,450
Damages Recovered from Individuals	213	0	0	213
Contributions and Gifts	4,000	0	0	4,000
Total Other Local Revenues	$ 22,021	$ 0	$ 659	$ 22,680
State of Tennessee				
General Government Grants				
On-behalf Contributions for OPEB	$ 37,030	$ 0	$ 0	$ 37,030
State Education Funds				
Basic Education Program	4,663,000	0	0	4,663,000
Early Childhood Education	195,903	0	0	195,903
School Food Service	0	0	4,621	4,621
Other State Education Funds	292,750	0	0	292,750
Career Ladder Program	21,554	0	0	21,554
Other State Revenues				
State Revenue Sharing - T.V.A.	177,815	0	0	177,815
Other State Grants	634	0	0	634
Total State of Tennessee	$ 5,388,686	$ 0	$ 4,621	$ 5,393,307

(Continued)

Exhibit J-6

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

		Special Revenue Funds		
	General Purpose School	School Federal Projects	Central Cafeteria	Total
Federal Government				
Federal Through State				
USDA School Lunch Program	$ 0	$ 0	$ 260,697	$ 260,697
USDA - Commodities	0	0	21,195	21,195
Breakfast	0	0	124,737	124,737
USDA - Other	0	0	47,266	47,266
Vocational Education - Basic Grants to States	0	12,364	0	12,364
Title I Grants to Local Education Agencies	0	230,210	0	230,210
Special Education - Grants to States	11,375	177,507	0	188,882
Special Education Preschool Grants	0	6,283	0	6,283
Rural Education	0	11,379	0	11,379
Eisenhower Professional Development State Grants	0	40,260	0	40,260
Total Federal Government	$ 11,375	$ 478,003	$ 453,895	$ 943,273
Total	$ 6,868,800	$ 478,003	$ 535,015	$ 7,881,818

Exhibit J-7

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2016

General Fund				
General Government				
County Commission				
Board and Committee Members Fees	$	17,475		
Social Security		1,082		
Unemployment Compensation		12		
Employer Medicare		253		
Audit Services		1,664		
Consultants		750		
Dues and Memberships		1,050		
Refunds		24,981		
Other Charges		3,069		
Total County Commission			$	50,336
Board of Equalization				
Board and Committee Members Fees	$	700		
Total Board of Equalization				700
Beer Board				
Board and Committee Members Fees	$	250		
Total Beer Board				250
County Mayor/Executive				
County Official/Administrative Officer	$	67,386		
Accountants/Bookkeepers		30,000		
Part-time Personnel		7,944		
Social Security		6,530		
Pensions		2,778		
Unemployment Compensation		264		
Employer Medicare		1,527		
Communication		11,232		
Data Processing Services		8,728		
Dues and Memberships		3,174		
Legal Notices, Recording, and Court Costs		1,368		
Printing, Stationery, and Forms		1,343		
Travel		2,680		
Office Supplies		1,991		
Premiums on Corporate Surety Bonds		272		
Other Charges		12,467		
Data Processing Equipment		150		
Total County Mayor/Executive				159,834
County Attorney				
County Official/Administrative Officer	$	10,645		
Total County Attorney				10,645
Election Commission				
County Official/Administrative Officer	$	52,509		
Election Commission		5,085		
Election Workers		5,338		

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
General Government (Cont.)				
Election Commission (Cont.)				
Social Security	$	3,256		
Pensions		4,862		
Unemployment Compensation		176		
Employer Medicare		761		
Communication		805		
Data Processing Services		2,400		
Dues and Memberships		1,775		
Legal Notices, Recording, and Court Costs		5,920		
Maintenance and Repair Services - Equipment		6,066		
Printing, Stationery, and Forms		395		
Travel		2,731		
Other Contracted Services		9,500		
Office Supplies		6,314		
Other Charges		2,591		
Office Equipment		1,704		
Total Election Commission			$	112,188
Register of Deeds				
County Official/Administrative Officer	$	58,343		
Social Security		3,277		
Pensions		5,403		
Employer Medicare		766		
Communication		615		
Data Processing Services		10,359		
Dues and Memberships		483		
Printing, Stationery, and Forms		721		
Office Supplies		17,007		
Premiums on Corporate Surety Bonds		98		
Total Register of Deeds				97,072
Planning				
Board and Committee Members Fees	$	1,025		
Contracts with Government Agencies		1,797		
Total Planning				2,822
County Buildings				
Custodial Personnel	$	9,275		
Social Security		575		
Unemployment Compensation		204		
Employer Medicare		135		
Communication		964		
Maintenance and Repair Services - Buildings		37,097		
Travel		66		
Custodial Supplies		4,191		
Electricity		21,515		
Natural Gas		6,684		
Water and Sewer		4,355		
Total County Buildings				85,061

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
General Government (Cont.)		
Other General Administration		
On-behalf Payments to OPEB	$ 450	
Total Other General Administration		$ 450
Finance		
Property Assessor's Office		
County Official/Administrative Officer	$ 58,343	
Part-time Personnel	11,213	
Social Security	4,256	
Pensions	5,403	
Unemployment Compensation	190	
Employer Medicare	995	
Audit Services	1,200	
Communication	1,098	
Data Processing Services	8,812	
Dues and Memberships	1,050	
Legal Notices, Recording, and Court Costs	49	
Travel	1,464	
Office Supplies	1,979	
Total Property Assessor's Office		96,052
County Trustee's Office		
County Official/Administrative Officer	$ 58,343	
Deputy(ies)	19,311	
Social Security	4,692	
Pensions	7,191	
Unemployment Compensation	367	
Employer Medicare	1,097	
Communication	1,335	
Data Processing Services	6,743	
Dues and Memberships	583	
Legal Notices, Recording, and Court Costs	400	
Printing, Stationery, and Forms	1,068	
Office Supplies	8,445	
Premiums on Corporate Surety Bonds	1,022	
Total County Trustee's Office		110,597
County Clerk's Office		
County Official/Administrative Officer	$ 58,343	
Deputy(ies)	21,450	
Social Security	4,947	
Pensions	7,389	
Unemployment Compensation	176	
Employer Medicare	1,157	
Communication	1,862	
Data Processing Services	3,224	
Dues and Memberships	463	
Printing, Stationery, and Forms	20	

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Finance (Cont.)				
County Clerk's Office (Cont.)				
Office Supplies	$	2,774		
Premiums on Corporate Surety Bonds		98		
Other Charges		1,300		
Total County Clerk's Office			$	103,203
Administration of Justice				
Circuit Court				
County Official/Administrative Officer	$	58,343		
Secretary(ies)		20,544		
Jury and Witness Expense		3,268		
Social Security		4,769		
Pensions		7,305		
Unemployment Compensation		363		
Employer Medicare		1,115		
Communication		2,687		
Data Processing Services		5,080		
Dues and Memberships		388		
Printing, Stationery, and Forms		1,713		
Office Supplies		1,316		
Premiums on Corporate Surety Bonds		173		
Total Circuit Court				107,064
General Sessions Court				
Judge(s)	$	27,078		
Secretary(ies)		6,064		
Other Fringe Benefits		4,471		
Communication		1,057		
Total General Sessions Court				38,670
Chancery Court				
County Official/Administrative Officer	$	58,343		
Social Security		3,617		
Pensions		5,403		
Employer Medicare		846		
Communication		1,743		
Data Processing Services		4,880		
Dues and Memberships		388		
Legal Notices, Recording, and Court Costs		12,612		
Printing, Stationery, and Forms		230		
Office Supplies		514		
Premiums on Corporate Surety Bonds		184		
Total Chancery Court				88,760
Juvenile Court				
Contracts with Government Agencies	$	10,000		
Total Juvenile Court				10,000

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Judicial Commissioners		
County Official/Administrative Officer	$ 4,600	
Total Judicial Commissioners		$ 4,600
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 64,178	
Deputy(ies)	211,502	
Accountants/Bookkeepers	29,848	
Salary Supplements	4,200	
School Resource Officer	15,166	
Overtime Pay	17,116	
In-service Training	4,896	
Social Security	20,814	
Pensions	28,615	
Unemployment Compensation	2,062	
Employer Medicare	4,868	
Communication	10,338	
Dues and Memberships	1,176	
Maintenance and Repair Services - Vehicles	27,950	
Printing, Stationery, and Forms	988	
Travel	656	
Gasoline	22,292	
Office Supplies	1,664	
Uniforms	2,765	
Premiums on Corporate Surety Bonds	281	
Other Charges	5,876	
Total Sheriff's Department		477,251
Jail		
Laborers	$ 18,231	
Guards	191,915	
Overtime Pay	4,164	
Social Security	12,966	
Pensions	18,466	
Unemployment Compensation	2,072	
Employer Medicare	3,032	
Maintenance and Repair Services - Buildings	1,656	
Medical and Dental Services	78,850	
Custodial Supplies	10,479	
Electricity	9,961	
Food Supplies	47,246	
Natural Gas	1,701	
Water and Sewer	12,135	
Other Charges	1,902	
Total Jail		414,776

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Fire Prevention and Control		
Contributions	$ 1,000	
Total Fire Prevention and Control		$ 1,000
Other Emergency Management		
Contributions	$ 2,000	
Total Other Emergency Management		2,000
County Coroner/Medical Examiner		
Other Charges	$ 20,598	
Total County Coroner/Medical Examiner		20,598
Other Public Safety		
Communication	$ 1,120	
Contributions	51,700	
Total Other Public Safety		52,820
Public Health and Welfare		
Local Health Center		
Clerical Personnel	$ 1,611	
Social Security	100	
Unemployment Compensation	35	
Employer Medicare	23	
Communication	2,052	
Travel	39	
Custodial Supplies	833	
Drugs and Medical Supplies	419	
Electricity	6,480	
Natural Gas	1,219	
Office Supplies	57	
Water and Sewer	557	
Other Supplies and Materials	14,826	
Other Charges	13,326	
Total Local Health Center		41,577
Appropriation to State		
Contracts with Government Agencies	$ 24,510	
Total Appropriation to State		24,510
Social, Cultural, and Recreational Services		
Adult Activities		
Supervisor/Director	$ 11,719	
Part-time Personnel	249	
Social Security	742	
Pensions	997	
Unemployment Compensation	147	
Employer Medicare	174	
Communication	1,606	

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Social, Cultural, and Recreational Services (Cont.)				
Adult Activities (Cont.)				
Custodial Supplies	$	32		
Electricity		2,017		
Natural Gas		824		
Water and Sewer		364		
Other Charges		8,355		
Total Adult Activities			$	27,226
Senior Citizens Assistance				
Part-time Personnel	$	13,260		
Social Security		822		
Unemployment Compensation		292		
Employer Medicare		192		
Communication		628		
Medical and Dental Services		957		
Printing, Stationery, and Forms		3		
Office Supplies		184		
Other Charges		7,615		
Total Senior Citizens Assistance				23,953
Libraries				
County Official/Administrative Officer	$	21,998		
Social Security		1,364		
Unemployment Compensation		176		
Employer Medicare		319		
Communication		2,151		
Data Processing Services		995		
Postal Charges		38		
Library Books/Media		1,723		
Office Supplies		1,329		
Total Libraries				30,093
Parks and Fair Boards				
Contributions	$	2,000		
Total Parks and Fair Boards				2,000
Other Social, Cultural, and Recreational				
Contributions	$	17,138		
Total Other Social, Cultural, and Recreational				17,138
Agriculture and Natural Resources				
Agricultural Extension Service				
Salary Supplements	$	17,361		
Secretary(ies)		8,598		
Social Security		1,493		
Pensions		3,984		
Employer Medicare		349		
Communication		2,573		

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Agriculture and Natural Resources (Cont.)		
Agricultural Extension Service (Cont.)		
Travel	$ 3,000	
Other Charges	8	
Other Equipment	2,000	
Total Agricultural Extension Service		$ 39,366
Soil Conservation		
Supervisor/Director	$ 42,432	
Social Security	2,612	
Pensions	3,929	
Unemployment Compensation	166	
Employer Medicare	611	
Communication	908	
Total Soil Conservation		50,658
Other Operations		
Industrial Development		
Other Charges	$ 22,044	
Total Industrial Development		22,044
Veterans' Services		
Part-time Personnel	$ 9,848	
Social Security	611	
Pensions	548	
Unemployment Compensation	162	
Employer Medicare	143	
Total Veterans' Services		11,312
Other Charges		
Liability Insurance	$ 54,746	
Trustee's Commission	40,744	
Workers' Compensation Insurance	62,966	
Total Other Charges		158,456
Employee Benefits		
Medical Insurance	$ 24,820	
Total Employee Benefits		24,820
Miscellaneous		
Postal Charges	$ 17,288	
Duplicating Supplies	12,319	
Other Charges	358,115	
Total Miscellaneous		387,722
Highways		
Litter and Trash Collection		
Laborers	$ 18,544	
Social Security	1,298	

(Continued)

Exhibit J-7

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

General Fund (Cont.)			
Highways (Cont.)			
Litter and Trash Collection (Cont.)			
Pensions	$ 1,949		
Unemployment Compensation	190		
Employer Medicare	304		
Accounting Services	2,500		
Other Supplies and Materials	3,833		
Other Charges	4,592		
Total Litter and Trash Collection		$ 33,210	
Total General Fund			$ 2,940,834
Courthouse and Jail Maintenance Fund			
General Government			
County Buildings			
Laborers	$ 49,920		
Maintenance Personnel	29,644		
Social Security	4,578		
Pensions	7,368		
Unemployment Compensation	538		
Employer Medicare	1,071		
Gasoline	3,104		
Building Improvements	2,704		
Total County Buildings		$ 98,927	
Public Safety			
Jail			
Maintenance and Repair Services - Buildings	$ 1,257		
Total Jail		1,257	
Other Operations			
Other Charges			
Trustee's Commission	$ 478		
Total Other Charges		478	
Total Courthouse and Jail Maintenance Fund			100,662
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Waste Pickup			
Truck Drivers	$ 25,038		
Social Security	1,430		
Pensions	2,319		
Unemployment Compensation	176		
Employer Medicare	335		
Maintenance and Repair Services - Equipment	12,131		
Diesel Fuel	2,757		
Total Waste Pickup		$ 44,186	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)			
Public Health and Welfare (Cont.)			
Convenience Centers			
Laborers	$ 91,365		
Social Security	5,665		
Pensions	285		
Unemployment Compensation	1,812		
Employer Medicare	1,325		
Communication	1,467		
Other Contracted Services	28,516		
Electricity	6,448		
Natural Gas	712		
Water and Sewer	984		
Other Supplies and Materials	1,253		
Trustee's Commission	1,890		
Other Charges	7,265		
Maintenance Equipment	22,671		
Total Convenience Centers		$ 171,658	
Landfill Operation and Maintenance			
Other Charges	$ 7,144		
Total Landfill Operation and Maintenance		7,144	
Total Solid Waste/Sanitation Fund			$ 222,988
Ambulance Service Fund			
Public Health and Welfare			
Ambulance/Emergency Medical Services			
Medical Personnel	$ 251,948		
Part-time Personnel	3,064		
Overtime Pay	91,063		
In-service Training	1,420		
Social Security	21,118		
Pensions	27,940		
Unemployment Compensation	2,420		
Employer Medicare	4,939		
Communication	5,118		
Licenses	1,500		
Maintenance and Repair Services - Buildings	3,737		
Maintenance and Repair Services - Equipment	845		
Maintenance and Repair Services - Vehicles	11,979		
Other Contracted Services	19,567		
Custodial Supplies	892		
Diesel Fuel	16,946		
Drugs and Medical Supplies	22,525		
Electricity	4,253		
Natural Gas	520		
Office Supplies	1,300		
Uniforms	223		
Water and Sewer	802		

(Continued)

Exhibit J-7

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

Ambulance Service Fund (Cont.)			
Public Health and Welfare (Cont.)			
Ambulance/Emergency Medical Services (Cont.)			
Other Supplies and Materials	$ 4,219		
Premiums on Corporate Surety Bonds	75		
Trustee's Commission	8,455		
Other Equipment	3,060		
Total Ambulance/Emergency Medical Services		$ 509,928	
Total Ambulance Service Fund			$ 509,928
Local Purpose Tax Fund			
Public Safety			
Fire Prevention and Control			
Contributions	$ 145,000		
Building and Contents Insurance	42,567		
Total Fire Prevention and Control		$ 187,567	
Other Operations			
Other Charges			
Trustee's Commission	$ 3,204		
Total Other Charges		3,204	
Total Local Purpose Tax Fund			190,771
Drug Control Fund			
Public Safety			
Drug Enforcement			
Other Supplies and Materials	$ 550		
Law Enforcement Equipment	2,471		
Total Drug Enforcement		$ 3,021	
Other Operations			
Other Charges			
Trustee's Commission	$ 53		
Total Other Charges		53	
Total Drug Control Fund			3,074
Constitutional Officers - Fees Fund			
Administration of Justice			
General Sessions Court			
Constitutional Officers' Operating Expenses	$ 177		
Total General Sessions Court		$ 177	
Total Constitutional Officers - Fees Fund			177

(Continued)

Exhibit J-7

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

Highway/Public Works Fund				
Highways				
Administration				
County Official/Administrative Officer	$	64,178		
Assistant(s)		36,000		
Accountants/Bookkeepers		30,000		
Social Security		7,730		
Employer Medicare		1,808		
Communication		2,494		
Dues and Memberships		2,168		
Maintenance and Repair Services - Office Equipment		125		
Postal Charges		152		
Printing, Stationery, and Forms		303		
Travel		738		
Electricity		954		
Office Supplies		536		
Other Charges		790		
Total Administration			$	147,976
Highway and Bridge Maintenance				
Equipment Operators	$	83,400		
Truck Drivers		28,048		
Laborers		135,154		
Overtime Pay		5,205		
Other Salaries and Wages		14,600		
Social Security		16,205		
Employer Medicare		3,790		
Other Contracted Services		106,414		
Asphalt - Cold Mix		8,588		
Crushed Stone		15,808		
Lubricants		60		
Pipe - Metal		9,241		
Road Signs		4,040		
Salt		38,599		
Other Supplies and Materials		758		
Total Highway and Bridge Maintenance				469,910
Operation and Maintenance of Equipment				
Mechanic(s)	$	54,808		
Nightwatchmen		41,760		
Overtime Pay		865		
Other Salaries and Wages		4,622		
Social Security		6,071		
Employer Medicare		1,420		
Maintenance and Repair Services - Equipment		504		
Diesel Fuel		20,181		
Equipment and Machinery Parts		37,903		
Garage Supplies		1,996		
Gasoline		9,457		
Lubricants		5,975		

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Operation and Maintenance of Equipment (Cont.)			
Propane Gas	$ 1,169		
Small Tools	308		
Tires and Tubes	8,775		
Water and Sewer	283		
Other Supplies and Materials	686		
Other Charges	1,255		
Total Operation and Maintenance of Equipment		$ 198,038	
Quarry Operations			
Communication	$ 2,129		
Operating Lease Payments	3,600		
Electricity	2,796		
Total Quarry Operations		8,525	
Other Charges			
Contributions	$ 1,288		
Liability Insurance	21,429		
Trustee's Commission	14,106		
Workers' Compensation Insurance	69,986		
Total Other Charges		106,809	
Employee Benefits			
Pensions	$ 43,065		
Employee and Dependent Insurance	12,165		
Medical Insurance	11,247		
Unemployment Compensation	4,664		
Total Employee Benefits		71,141	
Capital Outlay			
Bridge Construction	$ 27,546		
Total Capital Outlay		27,546	
Total Highway/Public Works Fund			$ 1,029,945
General Debt Service Fund			
Public Safety			
Sheriff's Department			
Motor Vehicles	$ 27,929		
Total Sheriff's Department		$ 27,929	
Other Emergency Management			
Contributions	$ 77,002		
Other Charges	28,071		
Total Other Emergency Management		105,073	

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)			
Principal on Debt			
Education			
Principal on Bonds	$ 66,445		
Total Education		$ 66,445	
Interest on Debt			
Education			
Interest on Bonds	$ 47,646		
Total Education		47,646	
Other Debt Service			
General Government			
Trustee's Commission	$ 2,288		
Total General Government		2,288	
Total General Debt Service Fund			$ 249,381
General Capital Projects Fund			
Capital Projects			
Other General Government Projects			
Architects	$ 565,765		
Total Other General Government Projects		$ 565,765	
Total General Capital Projects Fund			565,765
Total Governmental Funds - Primary Government			$ 5,813,525

Exhibit J-8

Van Buren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Van Buren County School Department
For the Year Ended June 30, 2016

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 1,914,626	
Career Ladder Program	10,000	
Homebound Teachers	3,340	
Educational Assistants	113,084	
Certified Substitute Teachers	5,691	
Non-certified Substitute Teachers	48,251	
Social Security	120,145	
Pensions	181,860	
Medical Insurance	103,364	
Unemployment Compensation	2,525	
Employer Medicare	28,432	
Other Contracted Services	6,400	
Instructional Supplies and Materials	19,916	
Textbooks	34,442	
Other Supplies and Materials	210	
Other Charges	3,950	
Regular Instruction Equipment	131,835	
Total Regular Instruction Program		$ 2,728,071
Special Education Program		
Teachers	$ 217,425	
Career Ladder Program	1,000	
Educational Assistants	8,722	
Speech Pathologist	52,435	
Non-certified Substitute Teachers	1,952	
Social Security	14,421	
Pensions	25,140	
Medical Insurance	50,801	
Unemployment Compensation	331	
Employer Medicare	3,372	
Maintenance and Repair Services - Equipment	256	
Instructional Supplies and Materials	172	
Other Supplies and Materials	54	
Other Charges	464	
Special Education Equipment	2,374	
Total Special Education Program		378,919
Vocational Education Program		
Teachers	$ 149,452	
Career Ladder Program	1,000	
Social Security	9,038	
Pensions	13,594	
Medical Insurance	2,609	
Unemployment Compensation	160	
Employer Medicare	2,106	
Tuition	1,460	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Instruction (Cont.)				
Vocational Education Program (Cont.)				
Other Supplies and Materials	$	760		
Other Charges		84		
Vocational Instruction Equipment		980		
Total Vocational Education Program			$	181,243
Support Services				
Attendance				
Supervisor/Director	$	58,564		
Career Ladder Program		1,000		
Social Security		3,627		
Pensions		5,385		
Unemployment Compensation		45		
Employer Medicare		848		
In Service/Staff Development		330		
Total Attendance				69,799
Health Services				
Supervisor/Director	$	43,833		
Medical Personnel		42,505		
Other Salaries and Wages		19,733		
Social Security		6,108		
Pensions		9,805		
Medical Insurance		6,461		
Unemployment Compensation		134		
Employer Medicare		1,429		
Travel		943		
Drugs and Medical Supplies		1,744		
Other Supplies and Materials		18,342		
In Service/Staff Development		2,411		
Other Charges		4,974		
Total Health Services				158,422
Other Student Support				
Guidance Personnel	$	57,636		
Other Salaries and Wages		56,359		
Social Security		6,431		
Pensions		10,324		
Medical Insurance		8,089		
Unemployment Compensation		119		
Employer Medicare		1,504		
Contracts with Government Agencies		14,319		
Evaluation and Testing		1,475		
Travel		91		
Other Contracted Services		8,778		
Total Other Student Support				165,125

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Regular Instruction Program				
Supervisor/Director	$	66,888		
Career Ladder Program		3,000		
Librarians		96,195		
Instructional Computer Personnel		111,426		
Other Salaries and Wages		50,596		
Social Security		16,073		
Pensions		25,191		
Medical Insurance		14,843		
Unemployment Compensation		314		
Employer Medicare		4,493		
Travel		595		
Library Books/Media		3,109		
Other Supplies and Materials		329		
In Service/Staff Development		1,315		
Other Charges		548		
Other Equipment		145		
Total Regular Instruction Program			$	395,060
Special Education Program				
Supervisor/Director	$	59,224		
Career Ladder Program		1,000		
Psychological Personnel		23,515		
Other Salaries and Wages		6,622		
Social Security		5,371		
Pensions		7,983		
Medical Insurance		3,309		
Unemployment Compensation		52		
Employer Medicare		1,256		
Travel		1,641		
Other Supplies and Materials		69		
Total Special Education Program				110,042
Vocational Education Program				
Supervisor/Director	$	4,282		
Social Security		310		
Pensions		450		
Unemployment Compensation		40		
Employer Medicare		80		
Travel		100		
Total Vocational Education Program				5,262
Other Programs				
On-behalf Payments to OPEB	$	37,030		
Total Other Programs				37,030

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Board of Education				
Board and Committee Members Fees	$	16,100		
Social Security		998		
Medical Insurance		38,392		
Employer Medicare		233		
Audit Services		4,025		
Dues and Memberships		3,422		
Travel		114		
Other Contracted Services		5,846		
Trustee's Commission		34,994		
Workers' Compensation Insurance		42,262		
Total Board of Education			$	146,386
Director of Schools				
County Official/Administrative Officer	$	80,875		
Career Ladder Program		1,000		
Social Security		4,369		
Pensions		7,402		
Medical Insurance		8,371		
Unemployment Compensation		45		
Employer Medicare		1,022		
Communication		10,219		
Dues and Memberships		1,184		
Postal Charges		580		
Travel		586		
Office Supplies		547		
Other Supplies and Materials		287		
Other Charges		274		
Total Director of Schools				116,761
Office of the Principal				
Principals	$	120,678		
Career Ladder Program		1,000		
Assistant Principals		100,062		
Secretary(ies)		40,455		
Social Security		15,893		
Pensions		23,791		
Medical Insurance		3,165		
Unemployment Compensation		262		
Employer Medicare		3,717		
Communication		1,387		
Other Charges		744		
Total Office of the Principal				311,154
Fiscal Services				
Accountants/Bookkeepers	$	39,000		
Secretary(ies)		33,288		

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Fiscal Services (Cont.)		
Other Salaries and Wages	$ 30,000	
Social Security	6,197	
Pensions	9,472	
Medical Insurance	3,354	
Unemployment Compensation	135	
Employer Medicare	1,449	
Data Processing Services	9,312	
Other Contracted Services	1,467	
Data Processing Supplies	1,252	
Office Supplies	918	
Other Supplies and Materials	109	
Other Charges	253	
Total Fiscal Services		$ 136,206
Operation of Plant		
Custodial Personnel	$ 162,565	
Social Security	9,739	
Pensions	14,287	
Medical Insurance	18,284	
Unemployment Compensation	515	
Employer Medicare	2,278	
Janitorial Services	1,110	
Disposal Fees	12,592	
Other Contracted Services	9,915	
Custodial Supplies	16,471	
Electricity	168,215	
Natural Gas	29,277	
Water and Sewer	24,091	
Other Supplies and Materials	888	
Building and Contents Insurance	85,944	
Other Charges	750	
Plant Operation Equipment	1,600	
Total Operation of Plant		558,521
Maintenance of Plant		
Supervisor/Director	$ 34,800	
Other Salaries and Wages	1,780	
Social Security	2,198	
Pensions	3,383	
Medical Insurance	3,354	
Unemployment Compensation	51	
Employer Medicare	514	
Communication	606	
Maintenance and Repair Services - Buildings	15,747	
Maintenance and Repair Services - Equipment	23,667	
Other Contracted Services	13,208	
Other Supplies and Materials	408	
Total Maintenance of Plant		99,716

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Transportation		
Mechanic(s)	$ 33,329	
Bus Drivers	102,493	
Other Salaries and Wages	18,336	
Social Security	9,044	
Pensions	13,765	
Medical Insurance	10,185	
Unemployment Compensation	399	
Employer Medicare	2,211	
Communication	483	
Travel	87	
Gasoline	32,914	
Lubricants	2,433	
Tires and Tubes	6,611	
Vehicle Parts	23,084	
Other Supplies and Materials	1,781	
Other Charges	4,182	
Transportation Equipment	100,180	
Total Transportation		$ 361,517
Operation of Non-instructional Services		
Community Services		
Teachers	$ 76,929	
Career Ladder Program	1,000	
Educational Assistants	6,945	
Cafeteria Personnel	2,030	
Other Salaries and Wages	12,960	
Social Security	5,978	
Pensions	9,078	
Medical Insurance	2,722	
Unemployment Compensation	56	
Employer Medicare	1,398	
Instructional Supplies and Materials	7,231	
Other Supplies and Materials	6,311	
In Service/Staff Development	1,707	
Other Charges	525	
Other Equipment	2,593	
Total Community Services		137,463
Early Childhood Education		
Supervisor/Director	$ 35,163	
Teachers	95,565	
Educational Assistants	38,052	
Social Security	9,710	
Pensions	15,301	
Medical Insurance	11,440	
Unemployment Compensation	225	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)			
Operation of Non-instructional Services (Cont.)			
Early Childhood Education (Cont.)			
Employer Medicare	$ 2,271		
Communication	563		
Other Supplies and Materials	6,841		
In Service/Staff Development	1,682		
Other Charges	1,002		
Total Early Childhood Education		$ 217,815	
Capital Outlay			
Regular Capital Outlay			
Architects	$ 8,874		
Legal Services	2,714		
Building Construction	45,550		
Building Improvements	232,445		
Furniture and Fixtures	19,274		
Site Development	31,678		
Other Equipment	9,701		
Total Regular Capital Outlay		350,236	
Principal on Debt			
Education			
Debt Service Contribution to Primary Government	$ 66,445		
Total Education		66,445	
Interest on Debt			
Education			
Debt Service Contribution to Primary Government	$ 47,646		
Total Education		47,646	
Total General Purpose School Fund			$ 6,778,839
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 164,800		
Educational Assistants	13,697		
Social Security	11,067		
Pensions	16,166		
Medical Insurance	9,125		
Unemployment Compensation	300		
Employer Medicare	2,588		
Instructional Supplies and Materials	2,245		
Regular Instruction Equipment	6,518		
Total Regular Instruction Program		$ 226,506	
Special Education Program			
Teachers	$ 800		

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)			
Instruction (Cont.)			
Special Education Program (Cont.)			
Educational Assistants	$ 114,456		
Speech Pathologist	787		
Social Security	7,201		
Pensions	10,751		
Unemployment Compensation	355		
Employer Medicare	1,684		
Instructional Supplies and Materials	7,488		
Other Supplies and Materials	1,559		
Total Special Education Program		$ 145,081	
Vocational Education Program			
Instructional Supplies and Materials	$ 700		
Vocational Instruction Equipment	8,500		
Total Vocational Education Program		9,200	
Support Services			
Other Student Support			
Guidance Personnel	$ 45,134		
Social Security	2,798		
Pensions	4,080		
Unemployment Compensation	60		
Employer Medicare	654		
Travel	1,800		
In Service/Staff Development	746		
Total Other Student Support		55,272	
Regular Instruction Program			
In Service/Staff Development	$ 2,616		
Total Regular Instruction Program		2,616	
Special Education Program			
Psychological Personnel	$ 22,615		
Social Security	1,403		
Pensions	2,245		
Unemployment Compensation	60		
Employer Medicare	328		
Postal Charges	100		
Travel	556		
Other Contracted Services	11,342		
Other Supplies and Materials	2,367		
In Service/Staff Development	2,876		
Total Special Education Program		43,892	
Vocational Education Program			
Supervisor/Director	$ 618		
Total Vocational Education Program		618	
Total School Federal Projects Fund			$ 483,185

(Continued)

Exhibit J-8

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

Central Cafeteria Fund			
Operation of Non-instructional Services			
Food Service			
Supervisor/Director	$ 34,000		
Cafeteria Personnel	152,745		
Social Security	11,459		
Pensions	16,473		
Medical Insurance	4,835		
Unemployment Compensation	540		
Employer Medicare	2,686		
Communication	1,182		
Maintenance and Repair Services - Equipment	11,821		
Other Contracted Services	3,796		
Food Preparation Supplies	18,641		
Food Supplies	260,821		
Office Supplies	1,546		
Uniforms	924		
USDA - Commodities	21,195		
Other Supplies and Materials	1,581		
In Service/Staff Development	448		
Food Service Equipment	800		
Total Food Service		$ 545,493	
Total Central Cafeteria Fund			$ 545,493
Total Governmental Funds - Van Buren County School Department			$ 7,807,517

Exhibit J-9

Van Buren County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2016

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 118,467
Total Cash Receipts	$ 118,467
Cash Disbursements	
Remittance of Revenues Collected	$ 117,270
Trustee's Commission	1,197
Total Cash Disbursements	$ 118,467
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2015	0
Cash Balance, June 30, 2016	$ 0

SINGLE AUDIT SECTION

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

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

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Buren County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Van Buren County's basic financial statements, and have issued our report thereon dated October 6, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Van Buren County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Van Buren County's internal control. Accordingly, we do not express an opinion on the effectiveness of Van Buren County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2016-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Van Buren County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

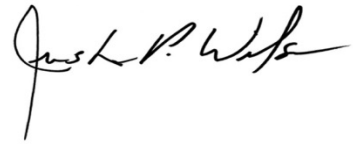
Van Buren County's Responses to Findings

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

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 6, 2016

JPW/sb

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Van Buren County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Van Buren County's major federal programs for the year ended June 30, 2016. Van Buren County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Van Buren County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance

require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Van Buren County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Van Buren County's compliance.

Opinion on Each Major Federal Program

In our opinion, Van Buren County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Van Buren County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Van Buren County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Van Buren County's internal control over compliance.

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

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

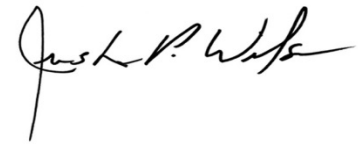
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Buren County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Van Buren County's basic financial statements. We issued our report thereon dated October 6, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 6, 2016

JPW/sb

Van Buren County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2016

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Environmental Quality Incentives Program	10.912	N/A	$ 8,946
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	21,195 (4)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	124,737
National School Lunch Program	10.555	N/A	267,266 (4)
Passed-through State Department of Human Services:			
Summer Food Service Program for Children	10.559	N/A	40,737
Total U.S. Department of Agriculture			$ 462,881
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	(3)	$ 356,545
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	$ 230,210
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	199,097
Special Education - Preschool Grants	84.173	N/A	6,283
Career and Technical Education - Basic Grants to States	84.048	N/A	12,364
Rural Education	84.358	(3)	11,379
Improving Teacher Quality State Grants	84.367	N/A	40,260
Total U.S. Department of Education			$ 499,593
U.S. Department of Health and Human Services:			
Passed-through Upper Cumberland Development District:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(3)	$ 12,614
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance	97.036	(3)	$ 6,028
Total Expenditures of Federal Awards			$ 1,337,661

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
State Grants			
ConnectTenn - State Department of Education	N/A	(3)	$ 1,961
Coordinated School Health - State Department of Education	N/A	(3)	90,000
Early Childhood Education - State Department of Education	N/A	(3)	195,903
Family Resource Centers - State Department of Education	N/A	(3)	29,612
Lottery Education Afterschool Programs - State Department of Education	N/A	(3)	95,000
Safe Schools - State Department of Education	N/A	(3)	5,240
Litter Program - State Department of Transportation	N/A	(3)	30,191
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	(3)	18,459
ThreeStar Grant Program - State Department of Economic and Community Development	N/A	(3)	9,956
Rural Local Health Services - State Department of Health	N/A	(3)	4,661
Student Ticket Subsidy - Tennessee Arts Commission	N/A	(3)	634
Youth Services Program - State Commission on Children and Youth	N/A	(3)	13,500
Total State Grants			$ 495,117

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

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Van Buren County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
(3) Information was not available.
(4) Total for CFDA No. 10.555 is $288,461.

Van Buren County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2016

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or uncorrected. Presented below are financial statement findings along with their current status from the Annual Financial Report for Van Buren County, Tennessee, for the year ended June 30, 2016.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
2015	171	2015-001	The Ambulance Service Fund Required Material Audit Adjustments for Proper Financial Statement Presentation	N/A	Corrected
2015	171	2015-002	Competitive Bids Were Not Solicited for Food and Custodial Supplies at the Jail	N/A	Corrected
2015	172	2015-003	Discrepancies in Two Receipts Issued by the Sheriff's Department are Currently Being Investigated	N/A	Corrected - Cash Bonds Were Repaid and No Further Action is Planned
2015	172	2015-004	The Office Had Deficiencies in Receipting and Depositing Funds -	N/A	Corrected
2015	173	2015-005	Duties Were Not Segregated Adequately - Trustee, County Clerk, and Clerk and Master	N/A	Corrected
2015	173	2015-005	Duties Were Not Segregated Adequately - County Mayor, Circuit and General Sessions Courts Clerk, Register of Deeds, and Sheriff		Not Corrected - See Explanation on Corrective Action Plan

Prior-year Federal Award Findings

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

VAN BUREN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2016

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Van Buren County is unmodified.

2. Internal Control Over Financial Reporting:

   * Material weakness identified? **NO**

   * Significant deficiency identified? **YES**

3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:

   * Material weakness identified? **NO**

   * Significant deficiency identified? **NONE REPORTED**

5. Type of report auditor issued on compliance for major programs: **UNMODIFIED**

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**

7. Identification of Major Federal Programs:

   * CFDA Number: 14.228 — Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii

   * CFDA Number: 84.010 — Title I Grants to Local Education Agencies

8. Dollar threshold used to distinguish between Type A and Type B Programs: **$750,000**

9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. The county mayor, circuit and general sessions courts clerk, register of deeds, and sheriff provided corrective action plans, which are paraphrased in the Management's Corrective Action Plan section of this report.

OFFICES OF COUNTY MAYOR, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, REGISTER OF DEEDS, AND SHERIFF

FINDING 2016-001 **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, Circuit and General Sessions Courts Clerk, Register of Deeds, and Sheriff. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Sound business practices dictate that management is responsible for designing internal controls 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. This deficiency also resulted from management's failure to correct the same finding noted in the prior-year audit report.

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources. Officials should refer to the segregation of duties checklists on the Division of Local Government Audit's website for examples of how to adequately segregate duties in small offices. Duties can be adequately segregated in offices that have as few as two employees.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with the finding.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

The Circuit Court, General Sessions Court, and Juvenile Court is a two person office. The clerk and deputy clerk now segregate the duties as best as they can. A segregation of duties worksheet has been provided to the auditors.

MANAGEMENT'S RESPONSE – REGISTER OF DEEDS

The register has utilized the segregation of duties checklists provided by the Division of Local Government Audit and has been utilizing any resources available to date in order to come in compliance with this finding but it is impossible for a one person office to adequately segregate duties.

MANAGEMENT'S RESPONSE – SHERIFF

A more thorough policy and revised general orders will be in place along with a more detailed duty matrix as provided by the Comptroller's Office.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2016.

Van Buren County, Tennessee
Management's Corrective Action Plan

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

Corrective Action - Financial Statement Findings

OFFICES OF COUNTY MAYOR, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, REGISTER OF DEEDS, AND SHERIFF

FINDING 2016-001 **DUTIES WERE NOT SEGREGATED ADEQUATELY**

Response and Corrective Action Plan Prepared by:	Greg Wilson, County Mayor; B.J. Baker, Circuit and General Sessions Courts Clerk; April Shockley, Register of Deeds; and Eddie Carter, Sheriff of Van Buren County, Tennessee
Persons Responsible for Implementing the Corrective Action:	Same
Anticipated Completion Date of Corrective Action:	County Mayor and Circuit and General Sessions Courts Clerk - July 1, 2016 Register of Deeds - N/A Sheriff - October 17, 2016 to November 10, 2016
Repeat Finding:	Yes
Reason Why Corrective Action was Not Taken – PY	County Mayor and Circuit and General Sessions Courts Clerk - Officials did not provide a reason why this action was not taken in the prior year.

Register of Deeds -
Resources are not available
to correct this finding.

Sheriff – Action was taken
and general orders in place.
However, current actions
were thought to be not
thorough enough.

Planned Corrective Action:

County Mayor:

We have now a Segregation of Duties Policy/Procedure in place since July 1, 2016. In addition we plan to transfer all documentation from ledgers to an Excel spreadsheet in order to better monitor and track all monies being received and deposited for solid waste, ambulance service, and the Mayor's Office. This will be strictly enforced by the Van Buren County Mayor.

Circuit and General Sessions Courts Clerk:

The Circuit Court, General Sessions Court, and Juvenile Court is a two person office. The clerk and deputy clerk now segregate the duties as best as they can. A segregation of duties worksheet has been provided to the auditors.

Register of Deeds:

The register has utilized the segregation of duties checklists provided by the Division of Local Government Audit and has been utilizing any resources available to date in order to come in compliance with this finding but it is impossible for a one person office to adequately segregate duties.

Sheriff:

A more thorough policy and revised general orders will be in place along with a more detailed duty matrix as provided by the Comptroller's Office.

BEST PRACTICE

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

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

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

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