



**ANNUAL FINANCIAL REPORT  
DYER COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2014**



**ANNUAL FINANCIAL REPORT  
DYER COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2014**

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

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

***JAN PAGE, CPA, CFE  
Audit Manager***

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***MELISSA DARBY, CPA, CFE  
GREG HOWELL  
LAUREN JEWELL  
ELISHA CROWELL, CISA, CFE  
State Auditors***

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

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# ***Summary of Audit Findings***

Annual Financial Report  
Dyer County, Tennessee  
For the Year Ended June 30, 2014

## ***Scope***

We have audited the basic financial statements of Dyer County as of and for the year ended June 30, 2014.

## ***Results***

Our report on Dyer County's financial statements is unmodified.

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

## ***Findings***

The following are summaries of the audit findings:

### **OFFICE OF COUNTY MAYOR**

- ◆ Bonus payments to county employees were not made through the payroll system.
- ◆ Expenditures exceeded appropriations.

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### **OFFICES OF COUNTY MAYOR AND ROAD SUPERVISOR**

- ◆ Compensation was paid in-lieu-of insurance benefits to some employees.

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### **OFFICE OF ROAD SUPERVISOR**

- ◆ Some purchase orders were not properly completed.

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### **OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

- ◆ Unclaimed funds were not reported and paid to the state.
  - ◆ The office did not implement adequate controls to protect its information resources.
-

## **OFFICE OF SHERIFF**

- ◆ The office had accounting deficiencies.
  - ◆ The office did not deposit some funds within three days of collection.
  - ◆ The county's budgetary and purchasing processes were circumvented.
- 

## **OFFICES OF ROAD SUPERVISOR, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, AND SHERIFF**

- ◆ Duties were not segregated adequately.

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## INTRODUCTORY SECTION

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Dyer County Officials  
June 30, 2014

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**Officials**

Richard Hill, County Mayor  
Jeff Jones, Road Supervisor  
Dwight Hedge, Director of Schools  
Judy Patton, Trustee  
Sheila Holmes, Assessor of Property  
Diane Moore, County Clerk  
Tom Jones, Circuit and General Sessions Courts Clerk  
Steve Walker, Clerk and Master  
Danny Fowlkes, Register of Deeds  
Jeff Box, Sheriff

**Board of County Commissioners**

Milton Magee, Chairman  
David Agee  
Bill Cloar  
Brandon Dodds  
Rusty Grills  
Debbie Bradshaw Hart  
Jimmy Hester  
Jim Horner  
William Mallard  
Larry Maupin

Steve Moore  
Pamela Newell  
Kyle Reynolds  
Steve Sartin  
Tommy Seratt  
Al Seward  
Benny Spain  
Vernita Turner  
John Uitendaal  
Adam Williams

**Board of Education**

Mike McLaughlin, Chairman  
Keith Anderson  
Sherrell Armstrong  
LeAnn Childress  
Steve Dodds

Carol Feather  
Jeremy Gatlin  
Ross Maldonado  
William May  
Maria Starks

**Audit Committee**

Milton Magee, Chairman  
David Agee  
John Flatt  
Debbie Bradshaw Hart  
Jim Horner

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## FINANCIAL SECTION

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

Independent Auditor's Report

Dyer County Mayor and  
Board of County Commissioners  
Dyer 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 Dyer, Tennessee, as of and for the year ended June 30, 2014, 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 Dyer County, Tennessee, as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for the General 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., Dyer County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

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

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plan and other postemployment benefit plan on pages 67-69 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 Dyer County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Dyer County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Dyer 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, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Dyer 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 31, 2014, on our consideration of Dyer 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 Dyer County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 31, 2014

JPW/sb

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Dyer County, Tennessee  
Statement of Net Position  
June 30, 2014

	<u>Primary Governmental Activities</u>	<u>Component Unit Dyer County School Department</u>
<u>ASSETS</u>		
Cash	\$ 1,403	\$ 880
Equity in Pooled Cash and Investments	23,087,612	7,018,015
Accounts Receivable	2,490	3,483
Due from Other Governments	1,007,560	1,097,629
Property Taxes Receivable	9,177,721	4,492,045
Allowance for Uncollectible Property Taxes	(131,040)	(69,409)
Accrued Interest Receivable	91,609	0
Notes Receivable - Long-term	1,359,353	0
Capital Assets:		
Assets Not Depreciated:		
Land	3,554,709	1,134,829
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	9,539,073	41,603,662
Infrastructure	8,045,256	0
Other Capital Assets	2,586,045	3,686,045
Total Assets	<u>\$ 58,321,791</u>	<u>\$ 58,967,179</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	<u>\$ 185,205</u>	<u>\$ 0</u>
Total Deferred Outflows of Resources	<u>\$ 185,205</u>	<u>\$ 0</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 11,739	\$ 96,732
Accrued Payroll	109	692
Payroll Deductions Payable	0	735,587
Accrued Interest Payable	103,769	0
Noncurrent Liabilities:		
Due Within One Year	2,730,975	5,676
Due in More Than One Year (net of unamortized discount on debt)	41,530,008	3,773,781
Total Liabilities	<u>\$ 44,376,600</u>	<u>\$ 4,612,468</u>

(Continued)

Exhibit A

Dyer County, Tennessee  
Statement of Net Position (Cont.)

	Primary Government <u>Governmental Activities</u>	Component Unit <u>Dyer County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 8,690,743	\$ 4,217,807
Total Deferred Inflows of Resources	<u>\$ 8,690,743</u>	<u>\$ 4,217,807</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 17,243,656	\$ 46,424,536
Restricted for:		
General Government	1,367,752	0
Administration of Justice	35,856	0
Public Safety	31,366	0
Highway/Public Works	3,026,675	0
Debt Service	134,327	0
Education	0	9,513
Support Services	0	47,539
Operation of Non-instructional Services	0	813,921
Unrestricted	<u>(16,399,979)</u>	<u>2,841,395</u>
Total Net Position	<u>\$ 5,439,653</u>	<u>\$ 50,136,904</u>

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

Exhibit B

Dyer County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2014

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Program Revenues			Primary Government		Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Dyer County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 2,591,462	\$ 241,322	\$ 92,711	\$ 665,205	\$ (1,592,224)	\$ 0
Finance	1,128,350	919,465	0	0	(208,885)	0
Administration of Justice	1,359,127	708,073	345	0	(650,709)	0
Public Safety	4,993,659	1,670,553	132,652	360,261	(2,830,193)	0
Public Health and Welfare	950,210	18,072	399,298	234,605	(298,235)	0
Social, Cultural, and Recreational Services	703,604	56,740	332,509	0	(314,355)	0
Agriculture and Natural Resources	208,128	0	0	0	(208,128)	0
Highways	3,823,973	23,294	1,884,718	0	(1,915,961)	0
Education	67,027	71,582	0	0	4,555	0
Interest on Long-term Debt	1,735,570	0	0	0	(1,735,570)	0
Total Primary Government	\$ 17,561,110	\$ 3,709,101	\$ 2,842,233	\$ 1,260,071	\$ (9,749,705)	\$ 0
Component Unit:						
Dyer County School Department	\$ 34,143,489	\$ 695,639	\$ 5,295,573	\$ 0	\$ 0	\$ (28,152,277)
Total Component Unit	\$ 34,143,489	\$ 695,639	\$ 5,295,573	\$ 0	\$ 0	\$ (28,152,277)

(Continued)

Exhibit B

Dyer County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Program Revenues		Expenses	Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions		Primary Governmental Activities	Component Unit	
					Total	Dyer County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 7,032,522	\$ 4,504,879	
Property Taxes Levied for Debt Service				2,031,361	0	
Local Option Sales Taxes				106,115	3,779,278	
Wheel Tax				0	1,156,495	
Litigation Tax				278,120	0	
Business Tax				362,242	0	
Wholesale Beer Tax				79,423	0	
Interstate Telecommunications Tax				0	3,451	
Grants and Contributions Not Restricted to Specific Programs				1,235,621	18,041,628	
Unrestricted Investment Income				1,039,886	55,564	
Miscellaneous				99,121	65,054	
Total General Revenues				\$ 12,264,411	\$ 27,606,349	
Change in Net Position				\$ 2,514,706	\$ (545,928)	
Net Position, July 1, 2013				2,924,947	50,682,832	
Net Position, June 30, 2014				\$ 5,439,653	\$ 50,136,904	

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

Exhibit C-1

Dyer County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
Cash	\$ 0	\$ 0	\$ 0	\$ 1,403	\$ 1,403	1,403
Equity in Pooled Cash and Investments	17,816,785	2,664,091	1,833,720	88,509	22,403,105	22,403,105
Accounts Receivable	1,501	0	0	989	2,490	2,490
Due from Other Governments	613,617	336,122	53,291	4,530	1,007,560	1,007,560
Due from Other Funds	1,403	0	0	0	1,403	1,403
Property Taxes Receivable	5,214,437	1,746,806	2,216,478	0	9,177,721	9,177,721
Allowance for Uncollectible Property Taxes	(77,551)	(25,989)	(27,500)	0	(131,040)	(131,040)
Accrued Interest Receivable	0	0	91,609	0	91,609	91,609
Notes Receivable - Long-term	1,359,353	0	0	0	1,359,353	1,359,353
<b>Total Assets</b>	<b>\$ 24,929,545</b>	<b>\$ 4,721,030</b>	<b>\$ 4,167,598</b>	<b>\$ 95,431</b>	<b>\$ 33,913,604</b>	<b>\$ 33,913,604</b>

LIABILITIES

Accounts Payable	\$ 11,739	\$ 0	\$ 0	\$ 0	\$ 11,739
Payroll Deductions Payable	0	45	0	64	109
Due to Other Funds	0	0	0	1,403	1,403
<b>Total Liabilities</b>	<b>\$ 11,739</b>	<b>\$ 45</b>	<b>\$ 0</b>	<b>\$ 1,467</b>	<b>\$ 13,251</b>

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 4,916,651	\$ 1,646,987	\$ 2,127,105	\$ 0	\$ 8,690,743
Deferred Delinquent Property Taxes	192,729	64,609	51,138	0	308,476
Other Deferred/Unavailable Revenue	139,046	166,147	9,476	0	314,669
<b>Total Deferred Inflows of Resources</b>	<b>\$ 5,248,426</b>	<b>\$ 1,877,743</b>	<b>\$ 2,187,719</b>	<b>\$ 0</b>	<b>\$ 9,313,888</b>

(Continued)

Exhibit C-1

Dyer County, Tennessee  
Balance Sheet  
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds		
Nonspendable:						
Long-term Notes Receivable	\$ 1,359,353	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,359,353
Restricted:						
Restricted for General Government	8,399	0	0	0	0	8,399
Restricted for Administration of Justice	0	0	0	37,609	0	37,609
Restricted for Public Safety	8,641	0	0	22,725	0	31,366
Restricted for Highways/Public Works	0	2,795,919	0	0	0	2,795,919
Committed:						
Committed for Public Health and Welfare	0	0	0	33,630	0	33,630
Committed for Highways/Public Works	0	47,323	0	0	0	47,323
Committed for Debt Service	0	0	1,979,879	0	0	1,979,879
Unassigned	18,292,987	0	0	0	0	18,292,987
Total Fund Balances	\$ 19,669,380	\$ 2,843,242	\$ 1,979,879	\$ 93,964	\$ 0	\$ 24,586,465
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 24,929,545	\$ 4,721,030	\$ 4,167,598	\$ 95,431	\$ 0	\$ 33,913,604

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

Exhibit C-2

Dyer County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
June 30, 2014

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)		\$ 24,586,465
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 3,554,709	
Add: buildings and improvements net of accumulated depreciation	9,539,073	
Add: infrastructure net of accumulated depreciation	8,045,256	
Add: other capital assets net of accumulated depreciation	<u>2,586,045</u>	23,725,083
(2) Internal service funds are used by management to charge the costs of workers' compensation benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		684,507
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: capital leases payable	\$ (97,236)	
Less: other loans payable	(11,521,598)	
Less: bonds payable	(32,700,000)	
Add: deferred amount on unamortized debt discount	57,851	
Add: deferred amount on refunding	185,205	
Less: accrued interest on capital leases and bonds	<u>(103,769)</u>	(44,179,547)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>623,145</u>
Net position of governmental activities (Exhibit A)		<u>\$ 5,439,653</u>

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

Exhibit C-3

Dyer County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds		
<u>Revenues</u>						
Local Taxes	\$ 5,968,168	\$ 1,757,701	\$ 3,149,159	\$ 76,480	\$ 10,951,508	
Licenses and Permits	80,591	11,665	0	0	92,256	
Fines, Forfeitures, and Penalties	169,869	0	0	2,655	172,524	
Charges for Current Services	124,136	0	0	9,448	133,584	
Other Local Revenues	233,939	39,887	761,641	22,409	1,057,876	
Fees Received from County Officials	1,556,327	0	0	0	1,556,327	
State of Tennessee	3,040,957	1,880,783	0	26,355	4,948,095	
Federal Government	292,290	0	253,162	0	545,452	
Other Governments and Citizens Groups	30,785	0	0	0	30,785	
<b>Total Revenues</b>	<b>\$ 11,497,062</b>	<b>\$ 3,690,036</b>	<b>\$ 4,163,962</b>	<b>\$ 137,347</b>	<b>\$ 19,488,407</b>	
<u>Expenditures</u>						
Current:						
General Government	\$ 2,525,367	\$ 0	\$ 0	\$ 0	2,525,367	
Finance	1,122,157	0	0	0	1,122,157	
Administration of Justice	1,347,592	0	0	3,791	1,351,383	
Public Safety	4,811,735	0	0	42,910	4,854,645	
Public Health and Welfare	543,968	0	0	123,361	667,329	
Social, Cultural, and Recreational Services	684,735	0	0	0	684,735	
Agriculture and Natural Resources	207,316	0	0	0	207,316	
Other Operations	302,747	0	0	0	302,747	
Highways	0	4,022,778	0	0	4,022,778	
Debt Service:						
Principal on Debt	85,157	0	2,522,205	0	2,607,362	
Interest on Debt	2,297	0	1,704,973	0	1,707,270	
Other Debt Service	0	0	86,369	0	86,369	
<b>Total Expenditures</b>	<b>\$ 11,633,071</b>	<b>\$ 4,022,778</b>	<b>\$ 4,313,547</b>	<b>\$ 170,062</b>	<b>\$ 20,139,458</b>	

(Continued)

Exhibit C-3

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

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ (136,009) \$	(332,742) \$	(149,585) \$	(32,715) \$	(651,051)
Other Financing Sources (Uses)					
Capital Leases Issued	\$ 103,231 \$	0 \$	0 \$	0 \$	103,231
Insurance Recovery	13,039	0	0	0	13,039
Total Other Financing Sources (Uses)	\$ 116,270 \$	0 \$	0 \$	0 \$	116,270
Net Change in Fund Balances	\$ (19,739) \$	(332,742) \$	(149,585) \$	(32,715) \$	(534,781)
Fund Balance, July 1, 2013	19,689,119	3,175,984	2,129,464	126,679	25,121,246
Fund Balance, June 30, 2014	\$ 19,669,380 \$	2,843,242 \$	1,979,879 \$	93,964 \$	24,586,465

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

Exhibit C-4

Dyer 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, 2014

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)	\$	(534,781)
(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	\$	1,730,008
Less: current-year depreciation expense		<u>(1,637,808)</u>
		92,200
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized		360,261
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$	623,145
Less: deferred delinquent property taxes and other deferred June 30, 2013		<u>(467,579)</u>
		155,566
(4) The issuance of long-term debt (e.g., capital leases, other loans) 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.		
Less: capital lease proceeds	\$	(103,231)
Less: change in discount on debt issuances		(6,640)
Less: change in deferred amount on refunding debt		(25,673)
Add: principal payments on capital leases		85,157
Add: principal payments on other loans		809,392
Add: principal payments on bonds		<u>1,700,000</u>
		2,459,005
(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		4,013
(6) Internal service funds are used by management to charge the costs of workers' benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>(21,558)</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>2,514,706</u></u>

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

Exhibit C-5

Dyer County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,968,168	\$ 6,004,998	\$ 6,004,998	\$ (36,830)
Licenses and Permits	80,591	122,563	122,563	(41,972)
Fines, Forfeitures, and Penalties	169,869	239,515	359,832	(189,963)
Charges for Current Services	124,136	72,330	72,688	51,448
Other Local Revenues	233,939	198,195	283,570	(49,631)
Fees Received from County Officials	1,556,327	1,617,500	1,617,500	(61,173)
State of Tennessee	3,040,957	2,352,966	3,142,204	(101,247)
Federal Government	292,290	260,200	260,200	32,090
Other Governments and Citizens Groups	30,785	32,500	32,500	(1,715)
<b>Total Revenues</b>	<b>\$ 11,497,062</b>	<b>\$ 10,900,767</b>	<b>\$ 11,896,055</b>	<b>\$ (398,993)</b>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 88,460	\$ 90,401	\$ 90,401	\$ 1,941
Board of Equalization	4,483	8,000	8,000	3,517
Other Boards and Committees	2,520	4,000	4,000	1,480
County Mayor/Executive	227,946	223,712	229,294	1,348
County Attorney	49,817	51,293	51,293	1,476
Election Commission	325,394	397,547	399,087	73,693
Register of Deeds	183,661	187,746	187,746	4,085
Planning	128,139	133,966	133,876	5,737
County Buildings	276,430	250,766	282,959	6,529
Other General Administration	1,216,344	350,460	1,069,778	(146,566)
Preservation of Records	22,173	0	22,300	127
<u>Finance</u>				
Accounting and Budgeting	167,532	168,942	168,942	1,410
Property Assessor's Office	292,116	298,523	297,023	4,907
Reappraisal Program	57,731	60,377	60,377	2,646
County Trustee's Office	211,531	217,945	217,945	6,414
County Clerk's Office	353,152	434,166	434,026	80,874
Other Finance	40,095	45,190	41,690	1,595
<u>Administration of Justice</u>				
Circuit Court	432,757	450,221	448,751	15,994
General Sessions Court	203,200	203,512	203,512	312
Drug Court	60,675	50,000	70,000	9,325
Chancery Court	287,294	296,440	296,440	9,146
Juvenile Court	286,406	313,124	313,124	26,718
Other Administration of Justice	77,260	73,390	81,205	3,945
<u>Public Safety</u>				
Sheriff's Department	2,196,462	2,019,487	2,194,053	(2,409)
Drug Enforcement	6,467	2,585	8,085	1,618
Jail	2,268,515	2,209,413	2,274,494	5,979
Fire Prevention and Control	273,914	289,400	297,681	23,767
Disaster Relief	44,236	53,905	53,755	9,519
County Coroner/Medical Examiner	12,714	13,000	13,000	286
Other Public Safety	9,427	9,319	9,319	(108)

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 76,688	\$ 112,272	\$ 115,942	\$ 39,254
Rabies and Animal Control	84,750	84,750	84,750	0
Crippled Children Services	1,240	1,240	1,240	0
Other Local Health Services	62,181	64,200	74,200	12,019
General Welfare Assistance	90,524	91,605	91,605	1,081
Aid to Dependent Children	142,120	142,200	142,200	80
Sanitation Education/Information	86,465	94,978	94,978	8,513
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	115,852	96,888	119,748	3,896
Senior Citizens Assistance	320,928	332,224	332,224	11,296
Libraries	137,000	137,000	137,000	0
Parks and Fair Boards	2,295	2,295	2,295	0
Other Social, Cultural, and Recreational	108,660	128,010	129,198	20,538
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	148,850	147,300	147,300	(1,550)
Soil Conservation	26,767	26,828	26,828	61
Flood Control	31,699	33,619	33,619	1,920
Other Agriculture and Natural Resources	0	14,900	14,900	14,900
<u>Other Operations</u>				
Industrial Development	2,700	3,500	3,500	800
Contributions to Other Agencies	28,160	0	0	(28,160)
Miscellaneous	271,887	290,625	326,950	55,063
<u>Principal on Debt</u>				
General Government	85,157	90,000	89,892	4,735
<u>Interest on Debt</u>				
General Government	2,297	57,500	57,608	55,311
Total Expenditures	<u>\$ 11,633,071</u>	<u>\$ 10,858,764</u>	<u>\$ 11,988,133</u>	<u>\$ 355,062</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (136,009)	\$ 42,003	\$ (92,078)	\$ (43,931)
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 103,231	\$ 0	\$ 103,231	\$ 0
Insurance Recovery	13,039	0	8,097	4,942
Transfers In	0	194,585	194,585	(194,585)
Total Other Financing Sources	<u>\$ 116,270</u>	<u>\$ 194,585</u>	<u>\$ 305,913</u>	<u>\$ (189,643)</u>
Net Change in Fund Balance	\$ (19,739)	\$ 236,588	\$ 213,835	\$ (233,574)
Fund Balance, July 1, 2013	<u>19,689,119</u>	<u>0</u>	<u>0</u>	<u>19,689,119</u>
Fund Balance, June 30, 2014	<u>\$ 19,669,380</u>	<u>\$ 236,588</u>	<u>\$ 213,835</u>	<u>\$ 19,455,545</u>

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

Exhibit C-6

Dyer County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,757,701	\$ 1,747,294	\$ 1,747,294	\$ 10,407
Licenses and Permits	11,665	9,735	9,735	1,930
Other Local Revenues	39,887	48,985	48,985	(9,098)
State of Tennessee	1,880,783	3,018,281	3,018,281	(1,137,498)
Total Revenues	<u>\$ 3,690,036</u>	<u>\$ 4,824,295</u>	<u>\$ 4,824,295</u>	<u>\$ (1,134,259)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 159,994	\$ 184,736	\$ 184,736	\$ 24,742
Highway and Bridge Maintenance	2,863,524	3,425,555	3,425,555	562,031
Operation and Maintenance of Equipment	580,137	694,537	694,537	114,400
Other Charges	143,715	205,000	205,000	61,285
Employee Benefits	217,659	288,200	253,200	35,541
Capital Outlay	57,749	1,278,824	1,313,824	1,256,075
Total Expenditures	<u>\$ 4,022,778</u>	<u>\$ 6,076,852</u>	<u>\$ 6,076,852</u>	<u>\$ 2,054,074</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (332,742)</u>	<u>\$ (1,252,557)</u>	<u>\$ (1,252,557)</u>	<u>\$ 919,815</u>
Net Change in Fund Balance	\$ (332,742)	\$ (1,252,557)	\$ (1,252,557)	\$ 919,815
Fund Balance, July 1, 2013	<u>3,175,984</u>	<u>1,711,724</u>	<u>1,711,724</u>	<u>1,464,260</u>
Fund Balance, June 30, 2014	<u>\$ 2,843,242</u>	<u>\$ 459,167</u>	<u>\$ 459,167</u>	<u>\$ 2,384,075</u>

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

Exhibit D-1

Dyer County, Tennessee  
Statement of Net Position  
Proprietary Fund  
June 30, 2014

	Governmental Activities - Internal Service Fund
	<u>Workers' Compensation Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ <u>684,507</u>
Total Assets	\$ <u>684,507</u>

<u>NET POSITION</u>	
Unrestricted	\$ <u>684,507</u>
Total Net Position	\$ <u><u>684,507</u></u>

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

Exhibit D-2

Dyer County, Tennessee  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Fund  
For the Year Ended June 30, 2014

	Governmental Activities - Internal Service Fund <u>Workers'</u> Compensation Fund
<u>Operating Revenues</u>	
Self-Insurance Premiums	\$ 119,833
Total Operating Revenues	<u>\$ 119,833</u>
<u>Operating Expenses</u>	
Workers' Compensation Insurance	\$ 102,423
Other Self-Insured Claims	38,968
Total Operating Expenses	<u>\$ 141,391</u>
Operating Income (Loss)	<u>\$ (21,558)</u>
Change in Net Position	\$ (21,558)
Net Position, July 1, 2013	<u>706,065</u>
Net Position, June 30, 2014	<u><u>\$ 684,507</u></u>

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

Exhibit D-3

Dyer County, Tennessee  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2014

	Governmental Activities - Internal Service Fund Workers' Compensation Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Self-Insurance Premiums	\$ 165,388
Payments for Claims	(38,968)
Payments for Workers' Compensation Insurance	(102,423)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 23,997</u>
Net Increase in Cash	\$ 23,997
Cash, July 1, 2013	<u>660,510</u>
Cash, June 30, 2014	<u><u>\$ 684,507</u></u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (21,558)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Change in Assets:	
Decrease in Accounts Receivable	<u>45,555</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 23,997</u>
<u>Reconciliation of Cash With the Statement of Net Position</u>	
Cash Per Net Position	<u>\$ 684,507</u>
Cash, June 30, 2014	<u><u>\$ 684,507</u></u>

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

Exhibit E

Dyer County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,613,874
Equity in Pooled Cash and Investments	247,806
Due from Other Governments	1,000,132
Property Taxes Receivable	2,430,107
Allowance for Uncollectible Property Taxes	<u>(37,063)</u>
Total Assets	<u>\$ 6,254,856</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 3,636,342
Due to Litigants, Heirs, and Others	<u>2,618,514</u>
Total Liabilities	<u>\$ 6,254,856</u>

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

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**DYER COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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**DYER COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Dyer 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 Dyer County:

**A. Reporting Entity**

Dyer County is a public municipal corporation governed by an elected 20-member board. As required by GAAP, these financial statements present Dyer County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Dyer County School Department operates the public school system in the county, and the voters of Dyer 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 Dyer County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Dyer County, and the Dyer 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 Dyer County Emergency Communications District were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

The Dyer County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Dyer

County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Dyer County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Dyer County Emergency Communications District  
P.O. Box 367  
Dyersburg, TN 38024

**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 Dyer 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 Dyer 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.

Dyer County issues all debt for the discretely presented Dyer County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2014.

Separate financial statements are provided for governmental funds, the proprietary fund (internal service), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and 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 proprietary fund and 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 Dyer 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 outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Dyer County only reports one proprietary fund, an internal service fund. It has no enterprise funds to report.

Separate financial statements are provided for governmental funds, the proprietary fund, 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 internal service fund and the fiduciary funds in total are reported in single columns by fund type.

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. Dyer 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.

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

Dyer 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.

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

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

Additionally, Dyer County reports the following fund types:

**Internal Service Fund** – The Workers’ Compensation Fund is used to account for the self-insured workers’ compensation programs managed by the county for the primary government and the discretely presented Dyer County School Department. Premiums charged to the various funds are placed in this fund for the payment of claims of employees.

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Dyer County, the city school system’s share of educational revenues, restricted revenues held for the benefit of the Office of District Attorney General, and assets held in a custodial capacity for two watershed districts. 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 Dyer County School Department reports the following major governmental funds:

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

**School Transportation Fund** – This special revenue fund is used to account for the transportation of students in the school system. Local taxes are the foundational revenues of this fund.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an internal service fund, used to account for the workers' compensation program. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges for services. Operating expenses for the internal service fund include workers' compensation claims and administrative charges.

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

**1. Deposits and Investments**

For purposes of the Statement of Cash Flows, cash includes cash on deposit with the county trustee.

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 Dyer 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 Debt Service Fund. Dyer 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.

## **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.

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to .76 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.

**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 more than \$15,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 50
Other Capital Assets	3 - 15
Infrastructure:	
Roads	5 - 10
Bridges	20 - 50

**4. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources

(expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

**5. Compensated Absences**

The general policy of Dyer County does not allow employees to accumulate vacation days beyond the employee's anniversary date. The discretely presented Dyer County School Department allows employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from service. All vacation leave is accrued when incurred in the government-wide statements for the School Department. A liability for vacation benefits is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

**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 or a deferred inflow 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 and other postemployment benefits, 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 and the proprietary fund (internal service fund) in the fund 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, 2014, Dyer County had \$37,816,598 in outstanding debt issued for capital purposes for the discretely presented Dyer County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Dyersburg School System) based on the average daily attendance proration. This debt is a liability of Dyer County; but the capital assets acquired are reported in the financial statements of the School Department and the City of Dyersburg School System.

Therefore, Dyer County has incurred a liability, significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

to specific purposes within the General and General Purpose School funds.

**8. Stabilization Arrangement**

Dyer County sold its hospital in a prior year. The County Commission adopted a resolution to retain the principal intact and appropriate the interest income earned on the investment of these funds annually through the budgetary process. The principal balance in this stabilization arrangement totaled \$18,000,000 at June 30, 2014. Of this amount, \$1,359,353 is a long-term note receivable and is offset by nonspendable fund balance. However, the remaining balance of \$16,640,647 is included in the General Fund's unassigned fund balance account since this arrangement does not meet the criteria for restricted or committed fund balance as defined by GASB Statement No. 54.

**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 Dyer County School Department**

Exhibit J-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 changes in net position of governmental activities reported in the government-wide Statement of Activities.

## **Discretely Presented Dyer County School Department**

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

### **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **A. Budgetary Information**

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

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Other Boards and Committees, County Mayor/Executive, 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 GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2014, the Dyer County School Department reported the following significant encumbrances:

Fund	Description	Amount
School Department:		
Major Fund:		
General Purpose School	School renovations and equipment	\$ 312,889
School Transportation	Buses	105,828

**B. Expenditures Exceeded Appropriations**

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

Fund/Major Appropriation Category	Amount Overspent
General:	
Other General Administration	\$ 146,566
Sheriff's Department	2,409
Other Public Safety	108
Agricultural Extension Service	1,550
Contributions to Other Agencies	28,160
General Debt Service:	
Interest on Debt - General Government	29

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Dyer County and the Dyer 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, 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 sheets 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 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.

**Investment Balances.** As of June 30, 2014, Dyer County had the following investments carried at fair value. Separate disclosures concerning pooled investments cannot be made for Dyer County and the discretely presented

Dyer County School Department since both pool their deposits and investments through the county trustee.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Municipal Bonds	3-1-17 to 8-1-29	\$ 9,387,637

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Dyer County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Dyer County has no investment policy that would further limit its investment choices. Dyer County investments in municipal bonds were rated from A2 to Aa3 by Moody's Investor's Service and from A to AAA by Standard and Poor's ratings.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Dyer County places no limit on the amount the county may invest in one issuer. More than five percent of the county's investments are in municipal bonds. These investments are 100 percent of the county's total investments.

**B. Notes Receivable – Long-term**

Notes receivable of \$1,359,353 in the General Fund represent a long-term loan made to the Dyer County Industrial Development Board for industrial purposes and are offset by nonspendable fund balance.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2014, was as follows:

## Primary Government

### Governmental Activities:

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets Not Depreciated:			
Land	\$ 3,554,709	\$ 0	\$ 3,554,709
Total Capital Assets Not Depreciated	<u>\$ 3,554,709</u>	<u>\$ 0</u>	<u>\$ 3,554,709</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 12,902,050	\$ 180,000	\$ 13,082,050
Infrastructure	20,882,918	1,287,602	22,170,520
Other Capital Assets	7,186,142	622,667	7,808,809
Total Capital Assets Depreciated	<u>\$ 40,971,110</u>	<u>\$ 2,090,269</u>	<u>\$ 43,061,379</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 3,203,714	\$ 339,263	\$ 3,542,977
Infrastructure	13,287,525	837,739	14,125,264
Other Capital Assets	4,761,958	460,806	5,222,764
Total Accumulated Depreciation	<u>\$ 21,253,197</u>	<u>\$ 1,637,808</u>	<u>\$ 22,891,005</u>
Total Capital Assets Depreciated, Net	<u>\$ 19,717,913</u>	<u>\$ 452,461</u>	<u>\$ 20,170,374</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,272,622</u>	<u>\$ 452,461</u>	<u>\$ 23,725,083</u>

There were no decreases in capital assets to report during the year ended June 30, 2014. Depreciation expense was charged to functions of the primary government as follows:

**Governmental Activities:**

General Government	\$	152,113
Finance		1,896
Administration of Justice		3,350
Public Safety		321,540
Public Health and Welfare		32,614
Social, Cultural, and Recreational Services		17,905
Agriculture and Natural Resources		675
Highways		<u>1,107,715</u>
Total Depreciation Expense - Governmental Activities	\$	<u>1,637,808</u>

**Discretely Presented Dyer County School Department**

**Governmental Activities**

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets Not Depreciated:			
Land	\$ 1,082,197	\$ 52,632	\$ 1,134,829
Total Capital Assets Not Depreciated	<u>\$ 1,082,197</u>	<u>\$ 52,632</u>	<u>\$ 1,134,829</u>
Capital Assets Depreciated			
Buildings and Improvements	\$ 53,477,801	\$ 338,780	\$ 53,816,581
Other Capital Assets	6,133,301	1,028,106	7,161,407
Total Capital Assets Depreciated	<u>\$ 59,611,102</u>	<u>\$ 1,366,886</u>	<u>\$ 60,977,988</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 11,150,320	\$ 1,062,599	\$ 12,212,919
Other Capital Assets	3,007,196	468,166	3,475,362
Total Accumulated Depreciation	<u>\$ 14,157,516</u>	<u>\$ 1,530,765</u>	<u>\$ 15,688,281</u>
Total Capital Assets Depreciated, Net	<u>\$ 45,453,586</u>	<u>\$ (163,879)</u>	<u>\$ 45,289,707</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,535,783</u>	<u>\$ (111,247)</u>	<u>\$ 46,424,536</u>

There were no decreases in capital assets to report during the year ended June 30, 2014. Depreciation expense was charged to functions of the discretely presented Dyer County School Department as follows:

**Governmental Activities:**

Instruction	\$ 977,159
Support Services	463,868
Operation of Non-instructional Services	<u>89,738</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,530,765</u>

**D. Construction Commitments**

At June 30, 2014, the General Purpose School Fund had uncompleted construction contracts of approximately \$206,331 for building improvements. Funding has been received for these future expenditures.

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

The composition of interfund balances as of June 30, 2014, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 1,403

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

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2014, consisted of the following amount:

**Discretely Presented Dyer County School Department**

	<u>Transfer In</u>
	General Purpose School Fund
<u>Transfer Out</u>	
Nonmajor governmental fund	\$ 14,506

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. Capital Leases**

Terms of capital lease obligations outstanding at June 30, 2014, are as follows:

Description	Date of Lease	Last Maturity Date	Total Principal Payments	Interest Rate
Sheriff's Patrol Cars	11-5-12	10-18-14	\$ 87,831	2.79 %
Sheriff's Patrol Cars	10-17-13	10-18-15	80,793	2.49
Sheriff's Patrol Cars	12-23-13	10-18-15	22,438	2.49

Titles to the above-noted equipment transfer to Dyer County at the end of the lease periods.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities
Machinery and Equipment	\$ 191,062
Less: Accumulated Depreciation	<u>(56,648)</u>
Total Book Value	<u><u>\$ 134,414</u></u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

Year Ending June 30	Governmental Funds
2015	\$ 65,374
2016	<u>35,224</u>
Total Minimum Lease Payments	100,598
Less: Amount Representing Interest	<u>\$ (3,362)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 97,236</u></u>

**G. Long-term Obligations**

**Primary Government**

**General Obligation Bonds and Other Loans**

Dyer County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition,

general obligation bonds have been issued to refund other general obligation bonds.

General obligation bonds and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 21 years for bonds and 17 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and other loans included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and capital leases outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds –				
Refunding	3 to 4.45 %	6-1-26	\$ 7,980,000	\$ 6,405,000
School Refunding Bonds	2 to 4.1	6-1-26	30,240,000	26,295,000
Other Loans	0 to 1.515	9-15-27	14,633,000	11,521,598
Capital Leases	2.49 to 2.79	10-18-15	191,062	97,236

In the 2009-10 year, Dyer County entered into a loan agreement with the Tennessee State School Bond Authority. This loan agreement represents \$8,960,000 in Qualified School Construction Bonds, which were issued through the Tennessee State School Bond Authority. The county pays interest of 1.515 percent on its share of the bonds and also pays a monthly administrative fee to the Tennessee School Bond Authority. The administrative fee totals \$747 per month. The county and the other borrowers of the bond proceeds are required to comply with federal regulations established for the Qualified School Construction Bond program. Failure to comply with those requirements may result in the loss of the tax credit status on the bonds. This would result in further charges to the borrowers including the requirement to pay the tax-credit rate (5.86 percent) in addition to the 1.515 percent for a total rate of 7.375 percent.

During the 2010-11 year, Dyer County entered into a loan agreement with the Tennessee State School Bond Authority. Under this loan agreement, the authority loaned Dyer County \$5,673,000 for construction of the Newbern Grammar School. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The county pays an annual administrative fee of \$378 under this agreement. The loan retirement schedule also includes equal monthly payments of interest; however, the county will semi-annually receive a federal interest subsidy, which will offset these payments resulting in a zero percent interest rate.

The annual requirements to amortize the bonds and other loans outstanding as of June 30, 2014, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 1,755,000	\$ 1,241,189	\$ 2,996,189
2016	1,810,000	1,185,689	2,995,689
2017	1,870,000	1,128,201	2,998,201
2018	1,940,000	1,067,851	3,007,851
2019	2,085,000	1,002,989	3,087,989
2020-2024	14,670,000	3,736,689	18,406,689
2025-2026	8,570,000	534,860	9,104,860
Total	<u>\$ 32,700,000</u>	<u>\$ 9,897,468</u>	<u>\$ 42,597,468</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2015	\$ 913,076	\$ 410,771	\$ 13,498	\$ 1,337,345
2016	913,076	410,771	13,498	1,337,345
2017	913,076	410,771	13,498	1,337,345
2018	913,076	410,771	13,498	1,337,345
2019	913,076	410,771	13,498	1,337,345
2020-2024	4,565,380	2,053,855	67,490	6,686,725
2025-2028	2,390,838	1,098,652	32,297	3,521,787
Total	<u>\$ 11,521,598</u>	<u>\$ 5,206,362</u>	<u>\$ 167,277</u>	<u>\$ 16,895,237</u>

There is \$1,979,879 available in the General Debt Service Fund to service long-term debt. Debt per capita, including capital leases, other loans, and bonds totaled \$1,156, based on the 2010 federal census.

#### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

Governmental Activities:	Bonds	Other Loans	Capital Leases
Balance, July 1, 2013	\$ 34,400,000	\$ 12,330,990	\$ 79,162
Additions	0	0	103,231
Reductions	(1,700,000)	(809,392)	(85,157)
Balance, June 30, 2014	<u>\$ 32,700,000</u>	<u>\$ 11,521,598</u>	<u>\$ 97,236</u>
Balance Due Within One Year	<u>\$ 1,755,000</u>	<u>\$ 913,076</u>	<u>\$ 62,899</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 44,318,834
Less: Balance Due Within One Year	(2,730,975)
Less: Deferred Discount on Debt	<u>(57,851)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 41,530,008</u>

**Discretely Presented Dyer County School Department**

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Dyer County School Department, for the year ended June 30, 2014, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	\$ 101,506	\$ 3,360,692
Additions	96,393	677,463
Reductions	(84,387)	(372,210)
Balance, June 30, 2014	<u>\$ 113,512</u>	<u>\$ 3,665,945</u>
Balance Due Within One Year	<u>\$ 5,676</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 3,779,457
Less: Balance Due Within One Year	<u>(5,676)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,773,781</u>

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

**H. On-Behalf Payments – Discretely Presented Dyer County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Dyer 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, 2014, were \$128,253 and \$20,356, 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**

Dyer County carries commercial insurance for active employee's health insurance. Pre-65 age retirees are not allowed to remain in the program. Settled claims have not exceeded this commercial insurance coverage in any of the past three fiscal years.

Dyer County participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

The county and the discretely presented Dyer County School Department have chosen to fund risks associated with employee on-the-job injuries through the Workers' Compensation Fund. The Workers' Compensation Fund is accounted for as an internal service fund in which assets are set aside for claim settlements. The county is self-insured to a limit of \$50,000

for a single occurrence. The county carries Occupational Accident Insurance through a commercial insurance carrier for on-the-job injuries that exceed the single occurrence limit.

All full-time employees of the primary government and the discretely presented School Department are eligible to participate in the Workers' Compensation Fund. Premium charges are allocated to the General, Highway/Public Works, and General Purpose School funds. These charges are based on the current year's commercial insurance premium prorated to the funds based on the percentage of the prior-year's claims. Liabilities of the fund are reported when losses are probable and the amounts of the losses can be reasonably estimated. The Workers' Compensation Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years for the Workers' Compensation Fund are as follows:

Workers' Compensation Fund

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	Balance at Fiscal Year-end
2011-12	\$ 0	\$ 156,638	\$ 156,638	\$ 0
2012-13	0	148,370	148,370	0
2013-14	0	141,391	141,391	0

The discretely presented Dyer 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.

The discretely presented Dyer County School Department carries commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property, and casualty losses. Settled claims have not exceeded this commercial coverage in any of the past three years.

**B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67, replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70, relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

**C. Subsequent Events**

On August 31, 2014, Richard Hill left the Office of County Mayor and was succeeded by Chris Young, and Judy Patton left the Office of Trustee and was succeeded by Nancy Broadstone.

**D. Contingent Liabilities**

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

As described in Note V.E. below, Dyer County is a participant with Obion and Lake counties in a joint venture known as the Northwest Tennessee Regional Port Authority. The port authority borrowed \$410,000 in April 2007. The county commissions of the participating counties have approved making payments on the debt issuance (Lake County – 50 percent, Dyer County – 25 percent, and Obion County – 25 percent) until such time as the port authority has revenue to make payments.

**E. Joint Ventures**

The McIver's Grant Public Library Board is a joint venture in which the county and the City of Dyersburg participate in the operation of the library facility. The board comprises 14 members, seven of whom are appointed by the Dyer County Commission and seven are appointed by the City of Dyersburg. The library generates its operating revenue from appropriations from the county and city, fines, interest, and copy fees. Dyer County contributed \$99,188 to the operations of the board during the year ended June 30, 2014. Dyer County is responsible for funding 50 percent of any deficits from operations; however, the county and city do not retain an equity

interest in the library. Complete financial statements for the McIver's Grant Public Library can be obtained from its administrative office at the following address:

Administrative Office:

McIver's Grant Public Library  
204 Mill Avenue  
Dyersburg, TN 38024

Dyer County is a participant with Obion and Lake counties in a multi-county entity known as the Northwest Tennessee Regional Port Authority. This entity was created to operate and maintain a port to be located in Lake County on the Mississippi River. A board is appointed by the participating counties with the mayors of each county serving as ex-officio members. The board comprises eight members, four of whom are appointed by the Lake County Commission, two by the Obion County Commission, and two by the Dyer County Commission. Dyer County has control over budgeting and financing the joint venture only to the extent of representation by the two board members appointed. In April 2007, the port authority borrowed \$410,000 without interest for construction costs of the port with payments of \$4,271 due in 96 monthly installments beginning in April 2009. The Dyer County Commission had approved making payments of 25 percent of this debt issuance until such time as the port authority has revenue to make the payments, which is estimated to be at least two years. This entity has yet to begin operations. Their administrative office can be contacted at P.O. Box 267, Dyersburg, TN 38025.

Dyer County is a participant with Lake County and the cities of Tiptonville, Ridgely, and Dyersburg in an entity known as the TennKen Railroad Authority. The governing board for the authority consists of the mayors of both counties and all three cities. This entity was created to facilitate active involvement by all affected local governments in Tennessee regarding a section of railroad track commonly known as the TennKen Railroad. The TennKen Railroad is owned by the Hickman River City Development Corporation (HRCDC), a public entity chartered in Kentucky. The HRCDC had previously purchased the line from Illinois Central Railroad to ensure rail access to the river port in Hickman, Kentucky. All funding for the TennKen Railroad Authority comes from the State of Tennessee through the Tennessee Department of Transportation as grants, which are used for the maintenance and rehabilitation of the TennKen Railroad track and the necessary engineering services for said maintenance and rehabilitation. The Lake County Mayor's Office handles the administration of these grant funds and passes them through to the HRCDC for disbursement.

**F. Retirement Commitments**

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

**Plan Description**

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

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

**Funding Policy**

Dyer County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 6.97 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

**Annual Pension Cost**

For the year ended June 30, 2014, the county’s annual pension cost of \$55,678 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was six years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	\$55,678	100%	\$0
6-30-13	52,848	100	0
6-30-12	51,165	100	0

**Funded Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the plan was 92.98 percent funded. The actuarial accrued liability for benefits was \$2.38 million, and the actuarial value of assets was \$2.21 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.17 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.76 million, and the ratio of the UAAL to the covered payroll was 22 percent.

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

## SCHOOL TEACHERS

### Plan Description

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

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

### Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2014, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2014, 2013, and 2012, were \$1,128,581, \$1,088,454, and \$1,086,977, respectively, equal to the required contributions for each year.

## 2. **Deferred Compensation**

The Dyer County Highway Department offers its employees a deferred compensation plan established pursuant to IRC Section 457. The Highway/Public Works Fund will match employee contributions up to 2.5 percent of gross payroll. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plan.

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

### Plan Description

The Dyer County 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 had the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://www.tn.gov/finance/act/cafr.html>.

### Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own 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. The School Department makes a contribution toward the health insurance premium of the School Department's group medical plan for all employees who accumulate sick leave and meet length of employment and age criteria of 20 years of service with the Dyer County School System at age 55, or 30 years of service regardless of age. Currently, 35 retirees meet those eligibility requirements. The School Department pays 100 percent of single coverage for all certified teachers. The School Department pays 67.42 percent of the medical insurance premium for single coverage for non-certified employees with the former employees continuing

contributions at their opted level of coverage until Medicare becomes available. Retirees' contributions vary depending on the insurance options they select. During the year ended June 30, 2014, the Dyer County School Department contributed \$372,210 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 674,000
Interest on the NOPEBO	134,428
Adjustment to the ARC	(130,965)
Annual OPEB cost	<hr/> \$ 677,463
Less: Amount of contribution	(372,210)
Increase/decrease in NOPEBO	<hr/> \$ 305,253
Net OPEB obligation, 7-1-13	<hr/> 3,360,692
	<hr/>
Net OPEB obligation, 6-30-14	<hr/> <hr/> \$ 3,665,945

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
<hr/>		<hr/>		
6-30-12	Local Education Group	\$ 873,387	37	% \$ 2,828,849
6-30-13	"	881,043	40	3,360,692
6-30-14	"	667,463	55	3,665,945

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

	Local Education Group Plan
	<hr/>
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 5,613,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 5,613,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 16,788,550
UAAL as a % of covered payroll	33%

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

In the July 1, 2013, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.5 percent for fiscal year 2014. The trend will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level of percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

### **H. Purchasing Laws**

#### Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding \$10,000 to be competitively bid through newspaper advertisement.

#### Office of Road Supervisor

Chapter 421, Private Acts of 1929, as amended, and the Uniform Road Law, Section 54-7-113, *TCA*, govern purchasing procedures for the Highway Department. These statutes provide for the road supervisor to make all purchases and for competitive bids to be solicited through public advertisement on all purchases exceeding \$10,000.

Office of Director of Schools

Purchasing procedures for the discretely presented Dyer County 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.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

Dyer County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Dyer County School Department  
June 30, 2014

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-13	\$ 2,210	\$ 2,377	\$ 167	92.98 %	\$ 758	22.00 %
7-1-11	1,964	1,998	34	98.32	759	4.43
7-1-09	1,532	1,571	39	97.54	758	5.09

Exhibit F-2

Dyer County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plan  
Discretely Presented Dyer County School Department  
June 30, 2014

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-10	\$ 0	\$ 5,339	\$ 5,339	0%	\$ 11,331	47%
"	7-1-11	0	7,204	7,204	0	15,676	46
"	7-1-13	0	5,613	5,613	0	16,789	33

**DYER COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2014**

NONE

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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Law Library Fund – The Law Library Fund is used to account for a special tax levied by private act on litigation. Proceeds of the tax must be expended for the benefit of the county’s law library.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Dyer County’s convenience center operations.

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

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

Exhibit G-1

Dyer County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2014

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Law Library	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees		
\$	0 \$	0 \$	0 \$	1,403 \$	1,403 \$	1,403
	37,609	28,111	22,789	0	0	88,509
	0	989	0	0	0	989
	0	4,530	0	0	0	4,530
<b>\$</b>	<b>37,609 \$</b>	<b>33,630 \$</b>	<b>22,789 \$</b>	<b>1,403 \$</b>	<b>1,403 \$</b>	<b>95,431</b>
<u>ASSETS</u>						
Cash						
Equity in Pooled Cash and Investments						
Accounts Receivable						
Due from Other Governments						
<b>Total Assets</b>						
<u>LIABILITIES</u>						
Payroll Deductions Payable			64 \$	0 \$	0 \$	64
Due to Other Funds			0	1,403	1,403	1,403
<b>Total Liabilities</b>			<b>64 \$</b>	<b>1,403 \$</b>	<b>1,403 \$</b>	<b>1,467</b>
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Administration of Justice	37,609 \$	0 \$	0 \$	0 \$	0 \$	37,609
Restricted for Public Safety	0	0	22,725	0	0	22,725
Committed:						
Committed for Public Health and Welfare	0	33,630	0	0	0	33,630
<b>Total Fund Balances</b>	<b>37,609 \$</b>	<b>33,630 \$</b>	<b>22,725 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>93,964</b>
<b>Total Liabilities and Fund Balances</b>	<b>37,609 \$</b>	<b>33,630 \$</b>	<b>22,789 \$</b>	<b>1,403 \$</b>	<b>1,403 \$</b>	<b>95,431</b>

Exhibit G-2

Dyer County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2014

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Law Library	Solid Waste / Sanitation	Drug Control	
<u>Revenues</u>				
Local Taxes	\$ 2,337	\$ 74,143	\$ 0	\$ 76,480
Fines, Forfeitures, and Penalties	0	0	2,655	2,655
Charges for Current Services	0	9,448	0	9,448
Other Local Revenues	0	150	22,259	22,409
State of Tennessee	0	26,355	0	26,355
Total Revenues	\$ 2,337	\$ 110,096	\$ 24,914	\$ 137,347
<u>Expenditures</u>				
Current:				
Administration of Justice	\$ 3,791	\$ 0	\$ 0	\$ 3,791
Public Safety	0	0	42,910	42,910
Public Health and Welfare	0	123,361	0	123,361
Total Expenditures	\$ 3,791	\$ 123,361	\$ 42,910	\$ 170,062
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,454)	\$ (13,265)	\$ (17,996)	\$ (32,715)
Net Change in Fund Balances	\$ (1,454)	\$ (13,265)	\$ (17,996)	\$ (32,715)
Fund Balance, July 1, 2013	39,063	46,895	40,721	126,679
Fund Balance, June 30, 2014	\$ 37,609	\$ 33,630	\$ 22,725	\$ 93,964

Exhibit G-3

Dyer County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Law Library Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,337	\$ 1,950	\$ 1,950	\$ 387
Total Revenues	\$ 2,337	\$ 1,950	\$ 1,950	\$ 387
<u>Expenditures</u>				
<u>Administration of Justice</u>				
Other Administration of Justice	\$ 3,791	\$ 6,927	\$ 6,927	\$ 3,136
Total Expenditures	\$ 3,791	\$ 6,927	\$ 6,927	\$ 3,136
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,454)	\$ (4,977)	\$ (4,977)	\$ 3,523
Net Change in Fund Balance	\$ (1,454)	\$ (4,977)	\$ (4,977)	\$ 3,523
Fund Balance, July 1, 2013	39,063	38,837	38,837	226
Fund Balance, June 30, 2014	\$ 37,609	\$ 33,860	\$ 33,860	\$ 3,749

Exhibit G-4

Dyer County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 74,143	\$ 86,820	\$ 86,820	\$ (12,677)
Charges for Current Services	9,448	7,000	7,000	2,448
Other Local Revenues	150	140	140	10
State of Tennessee	26,355	30,100	30,100	(3,745)
Total Revenues	<u>\$ 110,096</u>	<u>\$ 124,060</u>	<u>\$ 124,060</u>	<u>\$ (13,964)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 123,361	\$ 129,465	\$ 129,465	\$ 6,104
Total Expenditures	<u>\$ 123,361</u>	<u>\$ 129,465</u>	<u>\$ 129,465</u>	<u>\$ 6,104</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (13,265)</u>	<u>\$ (5,405)</u>	<u>\$ (5,405)</u>	<u>\$ (7,860)</u>
Net Change in Fund Balance	\$ (13,265)	\$ (5,405)	\$ (5,405)	\$ (7,860)
Fund Balance, July 1, 2013	<u>46,895</u>	<u>31,784</u>	<u>31,784</u>	<u>15,111</u>
Fund Balance, June 30, 2014	<u><u>\$ 33,630</u></u>	<u><u>\$ 26,379</u></u>	<u><u>\$ 26,379</u></u>	<u><u>\$ 7,251</u></u>

Exhibit G-5

Dyer County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Drug Control Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 2,655	\$ 70,750	\$ 70,750	\$ (68,095)
Other Local Revenues	22,259	28,000	28,000	(5,741)
Federal Government	0	20,000	20,000	(20,000)
Total Revenues	<u>\$ 24,914</u>	<u>\$ 118,750</u>	<u>\$ 118,750</u>	<u>\$ (93,836)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 42,910	\$ 114,226	\$ 114,226	\$ 71,316
Total Expenditures	<u>\$ 42,910</u>	<u>\$ 114,226</u>	<u>\$ 114,226</u>	<u>\$ 71,316</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (17,996)</u>	<u>\$ 4,524</u>	<u>\$ 4,524</u>	<u>\$ (22,520)</u>
Net Change in Fund Balance	\$ (17,996)	\$ 4,524	\$ 4,524	\$ (22,520)
Fund Balance, July 1, 2013	<u>40,721</u>	<u>10,200</u>	<u>10,200</u>	<u>30,521</u>
Fund Balance, June 30, 2014	<u>\$ 22,725</u>	<u>\$ 14,724</u>	<u>\$ 14,724</u>	<u>\$ 8,001</u>

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit H

Dyer County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,149,159	\$ 3,060,896	\$ 3,060,896	\$ 88,263
Other Local Revenues	761,641	490,300	490,300	271,341
Federal Government	253,162	0	253,162	0
Other Governments and Citizens Groups	0	263,063	9,901	(9,901)
Total Revenues	<u>\$ 4,163,962</u>	<u>\$ 3,814,259</u>	<u>\$ 3,814,259</u>	<u>\$ 349,703</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 342,813	\$ 342,813	\$ 342,813	\$ 0
Education	2,179,392	2,283,076	2,283,076	103,684
<u>Interest on Debt</u>				
General Government	279,930	279,901	279,901	(29)
Education	1,425,043	1,425,175	1,425,175	132
<u>Other Debt Service</u>				
General Government	72,621	80,000	79,750	7,129
Education	13,748	13,498	13,748	0
Total Expenditures	<u>\$ 4,313,547</u>	<u>\$ 4,424,463</u>	<u>\$ 4,424,463</u>	<u>\$ 110,916</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (149,585)</u>	<u>\$ (610,204)</u>	<u>\$ (610,204)</u>	<u>\$ 460,619</u>
Net Change in Fund Balance	\$ (149,585)	\$ (610,204)	\$ (610,204)	\$ 460,619
Fund Balance, July 1, 2013	<u>2,129,464</u>	<u>2,393,935</u>	<u>2,393,935</u>	<u>(264,471)</u>
Fund Balance, June 30, 2014	<u>\$ 1,979,879</u>	<u>\$ 1,783,731</u>	<u>\$ 1,783,731</u>	<u>\$ 196,148</u>

# Fiduciary Funds

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

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

Cities - Property Tax Fund – The Cities - Property Tax Fund is used to account for prior years' property tax collections received by the county trustee on behalf of the City of Trimble. These collections are periodically remitted to the City of Trimble.

Watershed District Fund – The Watershed District Fund is used to account for acreage assessments collected on drainage district properties, along with interest earnings, which are held in trust for the maintenance of the watershed districts.

City School ADA - Dyersburg Fund – The City School ADA - Dyersburg Fund is used to account for the city school system's share of education revenues collected by the county, which must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school system 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.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held for the benefit of the Office of District Attorney General.

Exhibit I-1

Dyer County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2014

	Agency Funds					Total
	Cities - Sales Tax	Watershed District	City School ADA - Dyersburg	Constitu- tional Officers - Agency	District Attorney General	
Cash	\$ 0	\$ 0	\$ 0	\$ 2,613,874	\$ 0	\$ 2,613,874
Equity in Pooled Cash and Investments	0	119,757	123,409	0	4,640	247,806
Due from Other Governments	588,069	0	412,063	0	0	1,000,132
Property Taxes Receivable	0	0	2,430,107	0	0	2,430,107
Allowance for Uncollectible Property Taxes	0	0	(37,063)	0	0	(37,063)
Total Assets	\$ 588,069	\$ 119,757	\$ 2,928,516	\$ 2,613,874	\$ 4,640	\$ 6,254,856
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 588,069	\$ 119,757	\$ 2,928,516	\$ 0	\$ 0	\$ 3,636,342
Due to Litigants, Heirs, and Others	0	0	0	2,613,874	4,640	2,618,514
Total Liabilities	\$ 588,069	\$ 119,757	\$ 2,928,516	\$ 2,613,874	\$ 4,640	\$ 6,254,856

Exhibit I-2

Dyer County, Tennessee  
Combining Statement of Changes in Assets and Liabilities - All Agency Funds  
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,286,105	\$ 3,286,105	\$ 0
Due from Other Governments	544,277	588,069	544,277	588,069
<b>Total Assets</b>	<b>\$ 544,277</b>	<b>\$ 3,874,174</b>	<b>\$ 3,830,382</b>	<b>\$ 588,069</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 544,277	\$ 3,874,174	\$ 3,830,382	\$ 588,069
<b>Total Liabilities</b>	<b>\$ 544,277</b>	<b>\$ 3,874,174</b>	<b>\$ 3,830,382</b>	<b>\$ 588,069</b>
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,665	\$ 1,665	\$ 0
<b>Total Assets</b>	<b>\$ 0</b>	<b>\$ 1,665</b>	<b>\$ 1,665</b>	<b>\$ 0</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 0	\$ 1,665	\$ 1,665	\$ 0
<b>Total Liabilities</b>	<b>\$ 0</b>	<b>\$ 1,665</b>	<b>\$ 1,665</b>	<b>\$ 0</b>
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 128,010	\$ 8,494	\$ 16,747	\$ 119,757
<b>Total Assets</b>	<b>\$ 128,010</b>	<b>\$ 8,494</b>	<b>\$ 16,747</b>	<b>\$ 119,757</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 128,010	\$ 8,494	\$ 16,747	\$ 119,757
<b>Total Liabilities</b>	<b>\$ 128,010</b>	<b>\$ 8,494</b>	<b>\$ 16,747</b>	<b>\$ 119,757</b>
<u>City School ADA - Dyersburg Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 123,421	\$ 7,709,706	\$ 7,709,718	\$ 123,409
Due from Other Governments	390,994	412,063	390,994	412,063
Property Taxes Receivable	2,608,364	2,430,107	2,608,364	2,430,107
Allowance for Uncollectible Property Taxes	(67,590)	(37,063)	(67,590)	(37,063)
<b>Total Assets</b>	<b>\$ 3,055,189</b>	<b>\$ 10,514,813</b>	<b>\$ 10,641,486</b>	<b>\$ 2,928,516</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 3,055,189	\$ 10,514,813	\$ 10,641,486	\$ 2,928,516
<b>Total Liabilities</b>	<b>\$ 3,055,189</b>	<b>\$ 10,514,813</b>	<b>\$ 10,641,486</b>	<b>\$ 2,928,516</b>

(Continued)

Exhibit I-2

Dyer County, Tennessee

Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,550,100	\$ 8,074,809	\$ 8,011,035	\$ 2,613,874
Total Assets	\$ 2,550,100	\$ 8,074,809	\$ 8,011,035	\$ 2,613,874
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,550,100	\$ 8,074,809	\$ 8,011,035	\$ 2,613,874
Total Liabilities	\$ 2,550,100	\$ 8,074,809	\$ 8,011,035	\$ 2,613,874
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 2,480	\$ 7,917	\$ 5,757	\$ 4,640
Total Assets	\$ 2,480	\$ 7,917	\$ 5,757	\$ 4,640
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,480	\$ 7,917	\$ 5,757	\$ 4,640
Total Liabilities	\$ 2,480	\$ 7,917	\$ 5,757	\$ 4,640
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,550,100	\$ 8,074,809	\$ 8,011,035	\$ 2,613,874
Equity in Pooled Cash and Investments	253,911	11,013,887	11,019,992	247,806
Due from Other Governments	935,271	1,000,132	935,271	1,000,132
Property Taxes Receivable	2,608,364	2,430,107	2,608,364	2,430,107
Allowance for Uncollectible Property Taxes	(67,590)	(37,063)	(67,590)	(37,063)
Total Assets	\$ 6,280,056	\$ 22,481,872	\$ 22,507,072	\$ 6,254,856
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 3,727,476	\$ 14,399,146	\$ 14,490,280	\$ 3,636,342
Due to Litigants, Heirs, and Others	2,552,580	8,082,726	8,016,792	2,618,514
Total Liabilities	\$ 6,280,056	\$ 22,481,872	\$ 22,507,072	\$ 6,254,856

# Dyer County School Department

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This section presents fund financial statements for the Dyer County School Department, a discretely presented component unit. The School Department uses a General Fund and three Special Revenue Funds.

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

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

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

School Transportation Fund – The School Transportation Fund is used to account for transportation of students in the school system.

Exhibit J-1

Dyer County, Tennessee  
Statement of Activities  
Discretely Presented Dyer County School Department  
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 20,186,240	\$ 5,400	\$ 2,173,314	\$ (18,007,526)
Support Services	10,938,268	38,164	935,697	(9,964,407)
Operation of Non-instructional Services	3,018,981	652,075	2,186,562	(180,344)
Total Governmental Activities	\$ 34,143,489	\$ 695,639	\$ 5,295,573	\$ (28,152,277)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 4,504,879
Local Option Sales Taxes				3,779,278
Wheel Tax				1,156,495
Interstate Telecommunications Tax				3,451
Grants and Contributions Not Restricted to Specific Programs				18,041,628
Unrestricted Investment Income				55,564
Miscellaneous				65,054
Total General Revenues				\$ 27,606,349
Change in Net Position				\$ (545,928)
Net Position, July 1, 2013				50,682,832
Net Position, June 30, 2014				\$ 50,136,904

Exhibit J-2

Dyer County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Dyer County School Department  
June 30, 2014

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Transpor - tation	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 880	\$ 880
Equity in Pooled Cash and Investments	5,095,009	1,073,912	849,094	7,018,015
Accounts Receivable	3,091	392	0	3,483
Due from Other Governments	978,039	0	119,590	1,097,629
Property Taxes Receivable	3,412,650	1,079,395	0	4,492,045
Allowance for Uncollectible Property Taxes	(52,049)	(17,360)	0	(69,409)
Total Assets	<u>\$ 9,436,740</u>	<u>\$ 2,136,339</u>	<u>\$ 969,564</u>	<u>\$ 12,542,643</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 89,376	\$ 7,292	\$ 64	\$ 96,732
Accrued Payroll	692	0	0	692
Payroll Deductions Payable	722,472	13,115	0	735,587
Total Liabilities	<u>\$ 812,540</u>	<u>\$ 20,407</u>	<u>\$ 64</u>	<u>\$ 833,011</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 3,208,951	\$ 1,008,856	\$ 0	\$ 4,217,807
Deferred Delinquent Property Taxes	133,880	47,539	0	181,419
Other Deferred/Unavailable Revenue	327,795	0	0	327,795
Total Deferred Inflows of Resources	<u>\$ 3,670,626</u>	<u>\$ 1,056,395</u>	<u>\$ 0</u>	<u>\$ 4,727,021</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 3,934	\$ 0	\$ 5,579	\$ 9,513
Restricted for Operation of Non-instructional Services	0	0	813,921	813,921
Committed:				
Committed for Support Services	0	1,059,537	0	1,059,537
Assigned:				
Assigned for Education	414,605	0	150,000	564,605
Unassigned	4,535,035	0	0	4,535,035
Total Fund Balances	<u>\$ 4,953,574</u>	<u>\$ 1,059,537</u>	<u>\$ 969,500</u>	<u>\$ 6,982,611</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,436,740</u>	<u>\$ 2,136,339</u>	<u>\$ 969,564</u>	<u>\$ 12,542,643</u>

Exhibit J-3

Dyer County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
Discretely Presented Dyer County School Department  
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 6,982,611
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,134,829	
Add: buildings and improvements net of accumulated depreciation	41,603,662	
Add: other capital assets net of accumulated depreciation	<u>3,686,045</u>	46,424,536
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (113,512)	
Less: other postemployment benefits liability	<u>(3,665,945)</u>	(3,779,457)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>509,214</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 50,136,904</u></u>

Exhibit J-4

Dyer County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Dyer County School Department  
For the Year Ended June 30, 2014

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Transpor -</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>tation</u>	<u>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	
<u>Revenues</u>				
Local Taxes	\$ 8,014,817	\$ 1,341,567	\$ 0	\$ 9,356,384
Licenses and Permits	2,426	0	0	2,426
Charges for Current Services	48,479	32,403	615,891	696,773
Other Local Revenues	102,747	6,807	11,758	121,312
State of Tennessee	18,397,826	1,115,303	22,222	19,535,351
Federal Government	123,989	0	3,673,400	3,797,389
Total Revenues	<u>\$ 26,690,284</u>	<u>\$ 2,496,080</u>	<u>\$ 4,323,271</u>	<u>\$ 33,509,635</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 15,982,830	\$ 0	\$ 1,406,024	\$ 17,388,854
Support Services	7,966,383	2,993,240	812,341	11,771,964
Operation of Non-instructional Services	750,201	0	2,092,719	2,842,920
Capital Outlay	1,731,686	0	0	1,731,686
Total Expenditures	<u>\$ 26,431,100</u>	<u>\$ 2,993,240</u>	<u>\$ 4,311,084</u>	<u>\$ 33,735,424</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ 259,184</u>	<u>\$ (497,160)</u>	<u>\$ 12,187</u>	<u>\$ (225,789)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 4,671	\$ 15,770	\$ 0	\$ 20,441
Transfers In	14,506	0	0	14,506
Transfers Out	0	0	(14,506)	(14,506)
Total Other Financing Sources (Uses)	<u>\$ 19,177</u>	<u>\$ 15,770</u>	<u>\$ (14,506)</u>	<u>\$ 20,441</u>
Net Change in Fund Balances	\$ 278,361	\$ (481,390)	\$ (2,319)	\$ (205,348)
Fund Balance, July 1, 2013	<u>4,675,213</u>	<u>1,540,927</u>	<u>971,819</u>	<u>7,187,959</u>
Fund Balance, June 30, 2014	<u>\$ 4,953,574</u>	<u>\$ 1,059,537</u>	<u>\$ 969,500</u>	<u>\$ 6,982,611</u>

Exhibit J-5

Dyer County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Dyer County School Department  
For the Year Ended June 30, 2014

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ (205,348)
(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	\$ 1,419,518	
Less: current-year depreciation expense	<u>(1,530,765)</u>	(111,247)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$ 509,214	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(421,288)</u>	87,926
(3) 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 governmental funds.		
Change in compensated absences payable	\$ (12,006)	
Change in other postemployment benefits liability	<u>(305,253)</u>	<u>(317,259)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (545,928)</u>

Exhibit J-6

Dyer County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Dyer County School Department  
June 30, 2014

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 880	\$ 880
Equity in Pooled Cash and Investments	36,053	813,041	849,094
Due from Other Governments	119,590	0	119,590
Total Assets	<u>\$ 155,643</u>	<u>\$ 813,921</u>	<u>\$ 969,564</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 64	\$ 0	\$ 64
Total Liabilities	<u>\$ 64</u>	<u>\$ 0</u>	<u>\$ 64</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 5,579	\$ 0	\$ 5,579
Restricted for Operation of Non-instructional Services	0	813,921	813,921
Assigned:			
Assigned for Education	150,000	0	150,000
Total Fund Balances	<u>\$ 155,579</u>	<u>\$ 813,921</u>	<u>\$ 969,500</u>
Total Liabilities and Fund Balances	<u>\$ 155,643</u>	<u>\$ 813,921</u>	<u>\$ 969,564</u>

Exhibit J-7

Dyer County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Dyer County School Department  
For the Year Ended June 30, 2014

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 615,891	\$ 615,891
Other Local Revenues	0	11,758	11,758
State of Tennessee	0	22,222	22,222
Federal Government	2,238,450	1,434,950	3,673,400
Total Revenues	<u>\$ 2,238,450</u>	<u>\$ 2,084,821</u>	<u>\$ 4,323,271</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,406,024	\$ 0	\$ 1,406,024
Support Services	812,341	0	812,341
Operation of Non-instructional Services	0	2,092,719	2,092,719
Total Expenditures	<u>\$ 2,218,365</u>	<u>\$ 2,092,719</u>	<u>\$ 4,311,084</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 20,085</u>	<u>\$ (7,898)</u>	<u>\$ 12,187</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (14,506)	\$ 0	\$ (14,506)
Total Other Financing Sources (Uses)	<u>\$ (14,506)</u>	<u>\$ 0</u>	<u>\$ (14,506)</u>
Net Change in Fund Balances	\$ 5,579	\$ (7,898)	\$ (2,319)
Fund Balance, July 1, 2013	150,000	821,819	971,819
Fund Balance, June 30, 2014	<u>\$ 155,579</u>	<u>\$ 813,921</u>	<u>\$ 969,500</u>

Exhibit J-8

Dyer County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Dyer County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 8,014,817	\$ 0	\$ 0	\$ 8,014,817	\$ 7,765,334	\$ 7,765,334	\$ 249,483
Licenses and Permits	2,426	0	0	2,426	2,000	2,000	426
Charges for Current Services	48,479	0	0	48,479	53,161	53,161	(4,682)
Other Local Revenues	102,747	0	0	102,747	89,150	89,150	13,597
State of Tennessee	18,397,826	0	0	18,397,826	18,194,916	18,613,363	(215,537)
Federal Government	123,989	0	0	123,989	139,303	139,303	(15,314)
<b>Total Revenues</b>	<b>\$ 26,690,284</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 26,690,284</b>	<b>\$ 26,243,864</b>	<b>\$ 26,662,311</b>	<b>\$ 27,973</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 13,624,706	\$ (102,501)	\$ 113,976	\$ 13,636,181	\$ 13,740,197	\$ 13,740,196	\$ 104,015
Special Education Program	1,787,512	0	0	1,787,512	1,837,229	1,837,230	49,718
Vocational Education Program	559,929	(3,600)	0	556,329	556,627	556,627	298
Student Body Education Program	10,683	(1,698)	0	8,985	9,800	9,800	815
<u>Support Services</u>							
Attendance	101,303	0	0	101,303	101,881	101,880	577
Health Services	269,794	(1,340)	0	268,454	269,748	269,747	1,293
Other Student Support	364,476	0	0	364,476	374,576	374,576	10,100
Regular Instruction Program	766,187	(63,489)	34,844	737,542	826,952	826,952	89,410
Special Education Program	118,916	0	0	118,916	124,500	124,500	5,584
Vocational Education Program	61,289	(525)	0	60,764	60,872	60,873	109
Other Programs	148,609	0	0	148,609	0	148,609	0
Board of Education	567,176	0	0	567,176	698,470	698,470	131,294
Director of Schools	216,311	(9,929)	0	206,382	299,904	299,904	93,522
Office of the Principal	1,585,880	(13,121)	16,378	1,589,137	1,639,307	1,639,307	50,170
Fiscal Services	302,919	0	278	303,197	305,610	305,610	2,413
Operation of Plant	2,300,909	(2,000)	5,417	2,304,326	2,445,551	2,445,551	141,225
Maintenance of Plant	1,162,614	(14,721)	10,303	1,158,196	1,181,378	1,181,379	23,183

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Operation of Non-instructional Services</u>							
Food Service	\$ 6,162	\$ 0	\$ 105	\$ 6,267	\$ 9,549	\$ 9,550	\$ 3,283
Community Services	81,623	(250)	0	81,373	88,610	88,611	7,238
Early Childhood Education	662,416	(14,635)	26,973	674,754	686,052	686,051	11,297
<u>Capital Outlay</u>							
Regular Capital Outlay	1,731,686	(690,586)	206,331	1,247,431	1,002,000	1,271,837	24,406
Total Expenditures	\$ 26,431,100	\$ (918,395)	\$ 414,605	\$ 25,927,310	\$ 26,258,815	\$ 26,677,260	\$ 749,950
Excess (Deficiency) of Revenues Over Expenditures	\$ 259,184	\$ 918,395	\$ (414,605)	\$ 762,974	\$ (14,951)	\$ (14,949)	\$ 777,923
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 4,671	\$ 0	\$ 0	\$ 4,671	\$ 0	\$ 0	\$ 4,671
Transfers In	14,506	0	0	14,506	14,951	14,951	(445)
Total Other Financing Sources	\$ 19,177	\$ 0	\$ 0	\$ 19,177	\$ 14,951	\$ 14,951	\$ 4,226
Net Change in Fund Balance	\$ 278,361	\$ 918,395	\$ (414,605)	\$ 782,151	\$ 0	\$ 2	\$ 782,149
Fund Balance, July 1, 2013	4,675,213	(918,395)	0	3,756,818	2,981,960	2,981,960	774,858
Fund Balance, June 30, 2014	\$ 4,953,574	\$ 0	\$ (414,605)	\$ 4,538,969	\$ 2,981,960	\$ 2,981,962	\$ 1,557,007

Exhibit J-9

Dyer County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Dyer County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 0	\$ 0	\$ 0	(41,691)	\$ 0	\$ 0
Federal Government	2,238,450	0	2,238,450	2,269,469	2,396,357	(157,907)
Total Revenues	\$ 2,238,450	\$ 0	\$ 2,238,450	\$ 2,227,778	\$ 2,396,357	\$ (157,907)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 810,861	\$ 0	\$ 810,861	\$ 813,177	\$ 828,576	\$ 17,715
Special Education Program	568,064	5,579	573,643	581,033	593,123	19,480
Vocational Education Program	27,099	0	27,099	24,422	27,099	0
<u>Support Services</u>						
Other Student Support	415,441	0	415,441	413,620	422,216	6,775
Regular Instruction Program	153,784	0	153,784	167,460	228,730	74,946
Special Education Program	241,201	0	241,201	211,267	280,142	38,941
Vocational Education Program	1,915	0	1,915	2,053	1,915	0
Total Expenditures	\$ 2,218,365	\$ 5,579	\$ 2,223,944	\$ 2,213,032	\$ 2,381,801	\$ 157,857
Excess (Deficiency) of Revenues Over Expenditures	\$ 20,085	\$ (5,579)	\$ 14,506	\$ 14,746	\$ 14,556	\$ (50)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (14,506)	\$ 0	\$ (14,506)	\$ (14,748)	\$ (14,558)	\$ 52
Total Other Financing Sources	\$ (14,506)	\$ 0	\$ (14,506)	\$ (14,748)	\$ (14,558)	\$ 52
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 5,579	\$ (5,579)	\$ 0	\$ (2)	\$ (2)	\$ 2
Fund Balance, June 30, 2014	\$ 150,000	\$ 0	\$ 150,000	\$ 150,000	\$ 150,000	\$ 0
Fund Balance, June 30, 2014	\$ 155,579	\$ (5,579)	\$ 150,000	\$ 149,998	\$ 149,998	\$ 2

Exhibit J-10

Dyer County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Dyer County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 615,891	\$ 0	\$ 0	\$ 615,891	\$ 705,000	\$ 705,000	\$ (89,109)
Other Local Revenues	11,758	0	0	11,758	15,000	15,000	(3,242)
State of Tennessee	22,222	0	0	22,222	22,500	22,500	(278)
Federal Government	1,434,950	0	0	1,434,950	1,543,587	1,543,587	(108,637)
Total Revenues	\$ 2,084,821	\$ 0	\$ 0	\$ 2,084,821	\$ 2,286,087	\$ 2,286,087	\$ (201,266)
<u>Expenditures</u>							
Operation of Non-instructional Services							
Food Service	\$ 2,092,719	\$ (109,695)	\$ 99,498	\$ 2,082,522	\$ 2,286,087	\$ 2,286,087	\$ 203,565
Total Expenditures	\$ 2,092,719	\$ (109,695)	\$ 99,498	\$ 2,082,522	\$ 2,286,087	\$ 2,286,087	\$ 203,565
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,898)	\$ 109,695	\$ (99,498)	\$ 2,299	\$ 0	\$ 0	\$ 2,299
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (7,898)	\$ 109,695	\$ (99,498)	\$ 2,299	\$ 0	\$ 0	\$ 2,299
	\$ 821,819	\$ (109,695)	\$ 0	\$ 712,124	\$ 789,387	\$ 789,387	\$ (77,263)
Fund Balance, June 30, 2014	\$ 813,921	\$ 0	\$ (99,498)	\$ 714,423	\$ 789,387	\$ 789,387	\$ (74,964)

Exhibit J-11

Dyer County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Dyer County School Department  
School Transportation Fund  
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,341,567	\$ 0	\$ 0	\$ 1,341,567	\$ 1,344,287	\$ 1,344,287	\$ (2,720)
Charges for Current Services	32,403	0	0	32,403	30,520	30,520	1,883
Other Local Revenues	6,807	0	0	6,807	1,500	1,500	5,307
State of Tennessee	1,115,303	0	0	1,115,303	1,094,524	1,094,524	20,779
Total Revenues	\$ 2,496,080	\$ 0	\$ 0	\$ 2,496,080	\$ 2,470,831	\$ 2,470,831	\$ 25,249
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 24,145	\$ 0	\$ 0	\$ 24,145	\$ 33,000	\$ 33,000	\$ 8,855
Operation of Plant	20,503	0	0	20,503	20,650	20,650	147
Transportation	2,948,592	(561,648)	105,828	2,492,772	2,534,112	2,534,112	41,340
Total Expenditures	\$ 2,993,240	\$ (561,648)	\$ 105,828	\$ 2,537,420	\$ 2,587,762	\$ 2,587,762	\$ 50,342
Excess (Deficiency) of Revenues Over Expenditures	\$ (497,160)	\$ 561,648	\$ (105,828)	\$ (41,340)	\$ (116,931)	\$ (116,931)	\$ 75,591
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 15,770	\$ 0	\$ 0	\$ 15,770	\$ 0	\$ 0	\$ 15,770
Total Other Financing Sources	\$ 15,770	\$ 0	\$ 0	\$ 15,770	\$ 0	\$ 0	\$ 15,770
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (481,390)	\$ 561,648	\$ (105,828)	\$ (25,570)	\$ (116,931)	\$ (116,931)	\$ 91,361
Fund Balance, July 1, 2013	1,540,927	(561,648)	0	979,279	116,931	116,931	862,348
Fund Balance, June 30, 2014	\$ 1,059,537	\$ 0	\$ (105,828)	\$ 953,709	\$ 0	\$ 0	\$ 953,709

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## MISCELLANEOUS SCHEDULES

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Exhibit K-1

Dyer County, Tennessee  
Schedule of Changes in Long-term Capital Leases, Other Loans, and Bonds  
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or Mated During Period	Outstanding 6-30-14
<b>CAPITAL LEASES PAYABLE</b>								
Payable through General Fund								
Sheriff's Patrol Cars	\$ 46,236	2.85%	11-21-11	11-21-13	\$ 15,410	0 \$	15,410 \$	0
"	18,046	2.85	12-16-11	12-16-13	6,014	0	6,014	0
"	87,831	2.79	11-5-12	10-18-14	57,738	0	28,466	29,272
"	80,793	2.49	10-17-13	10-18-15	0	80,793	27,601	53,192
"	22,438	2.49	12-23-13	10-18-15	0	22,438	7,666	14,772
Total Capital Leases Payable					\$ 79,162	103,231 \$	85,157 \$	97,236
<b>OTHER LOANS PAYABLE</b>								
Payable through General Debt Service Fund								
Qualified School Construction Bonds, Series 2009	8,960,000	1.515	12-1-09	9-15-26	\$ 7,336,463	0 \$	485,122 \$	6,851,341
Qualified School Construction Bonds, Series 2010	5,673,000	(1)	9-1-10	9-15-27	4,994,527	0	324,270	4,670,257
Total Other Loans Payable					\$ 12,330,990	0 \$	809,392 \$	11,521,598
<b>BONDS PAYABLE</b>								
Payable through General Debt Service Fund								
General Obligation Refunding Bonds, Series 2005	7,980,000	3 to 4.45	4-21-05	6-1-26	\$ 6,735,000	0 \$	330,000 \$	6,405,000
School Refunding Bonds, Series 2009A	19,910,000	2 to 4.1	6-4-09	6-1-26	18,110,000	0	900,000	17,210,000
School Refunding Bonds, Series 2009B	10,330,000	2 to 4.1	7-28-09	6-1-26	9,555,000	0	470,000	9,085,000
Total Bonds Payable					\$ 34,400,000	0 \$	1,700,000 \$	32,700,000

(1) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy, resulting in a net interest rate of zero percent.

Exhibit K-2

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

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2015	\$ 62,899	\$ 2,475	\$ 65,374
2016	34,337	887	35,224
Total	<u>\$ 97,236</u>	<u>\$ 3,362</u>	<u>\$ 100,598</u>

Year Ending June 30	Other Loans			Total
	Principal	Interest (1)	Other Fees	
2015	\$ 913,076	\$ 410,771	\$ 13,498	\$ 1,337,345
2016	913,076	410,771	13,498	1,337,345
2017	913,076	410,771	13,498	1,337,345
2018	913,076	410,771	13,498	1,337,345
2019	913,076	410,771	13,498	1,337,345
2020	913,076	410,771	13,498	1,337,345
2021	913,076	410,771	13,498	1,337,345
2022	913,076	410,771	13,498	1,337,345
2023	913,076	410,771	13,498	1,337,345
2024	913,076	410,771	13,498	1,337,345
2025	913,076	410,771	13,498	1,337,345
2026	913,085	410,771	13,498	1,337,354
2027	534,957	275,027	4,538	814,522
2028	29,720	2,083	763	32,566
Total	<u>\$ 11,521,598</u>	<u>\$ 5,206,362</u>	<u>\$ 167,277</u>	<u>\$ 16,895,237</u>

(Continued)

Exhibit K-2

Dyer County, Tennessee

Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bonds		Total
	Principal	Interest	
2015	\$ 1,755,000	\$ 1,241,189	\$ 2,996,189
2016	1,810,000	1,185,689	2,995,689
2017	1,870,000	1,128,201	2,998,201
2018	1,940,000	1,067,851	3,007,851
2019	2,085,000	1,002,989	3,087,989
2020	2,180,000	930,272	3,110,272
2021	2,215,000	849,817	3,064,817
2022	2,305,000	765,545	3,070,545
2023	3,950,000	675,435	4,625,435
2024	4,020,000	515,620	4,535,620
2025	4,195,000	352,720	4,547,720
2026	4,375,000	182,140	4,557,140
Total	<u>\$ 32,700,000</u>	<u>\$ 9,897,468</u>	<u>\$ 42,597,468</u>

(1) Includes interest requirements on Qualified School Construction Bonds, Series 2010, before federal interest rate subsidy.

Exhibit K-3

Dyer County, Tennessee  
Schedule of Notes Receivable  
June 30, 2014

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-14
General Fund	Dyer County Industrial Development Board	\$ 3,744,016	6-2-03	7-5-18	6%	\$ 1,359,353
Total Notes Receivable						<u>\$ 1,359,353</u>

Exhibit K-4

Dyer County, Tennessee  
Schedule of Transfers  
Discretely Presented Dyer County School Department  
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect costs	\$ 14,506
Total Transfers			<u>\$ 14,506</u>

Exhibit K-5

Dyer County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Dyer County School Department  
For the Year Ended June 30, 2014

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 85,060	\$ 50,000	Travelers Casualty and Surety Company of America
Road Supervisor	Section 8-24-102, TCA	78,208	100,000	"
Director of Schools	State Board of Education and County Board of Education	112,773 (1)	50,000	"
Trustee	Section 8-24-102, TCA	67,973	1,226,140	"
Assessor of Property	Section 8-24-102, TCA	67,973	50,000	"
County Clerk	Section 8-24-102, TCA	67,973	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	67,973	50,000	"
Clerk and Master	Section 8-24-102, TCA	67,973	85,000	"
Register of Deeds	Section 8-24-102, TCA	67,973	25,000	"
Sheriff	Section 8-24-102, TCA	78,524 (2)	25,000	"
General County/Highway Department Employees			150,000	Local Government Property and Casualty Fund
All School Employees			150,000	The Netherlands Insurance Company

(1) Does not include benefits for medical and life insurance premiums of \$905.

(2) Does not include \$600 for a law enforcement training supplement.

Exhibit K-6

Dyer County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2014

	Special Revenue Funds				
	General	Law Library	Solid Waste / Sanitation	Drug Control	Highway / Public Works
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 5,013,557	\$ 0	\$ 0	\$ 0	1,680,727
Trustee's Collections - Prior Year	141,253	0	0	0	47,353
Trustee's Collections - Bankruptcy	3,863	0	0	0	1,303
Circuit/Clerk and Master Collections - Prior Years	53,293	0	0	0	17,866
Interest and Penalty	31,186	0	0	0	10,452
Payments in-Lieu-of Taxes - Local Utilities	79,520	0	74,143	0	0
Payments in-Lieu-of Taxes - Other	0	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	0
Litigation Tax - General	166,325	0	0	0	0
Litigation Tax - Special Purpose	0	2,337	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	362,242	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	37,506	0	0	0	0
Wholesale Beer Tax	79,423	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 5,968,168</b>	<b>\$ 2,337</b>	<b>\$ 74,143</b>	<b>\$ 0</b>	<b>\$ 1,757,701</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	8,474	0	0	0	0
Cable TV Franchise	42,051	0	0	0	0
<u>Permits</u>					
Beer Permits	1,188	0	0	0	0
Building Permits	0	0	0	0	11,665

(Continued)

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

	Special Revenue Funds				
	General	Law Library	Solid Waste / Sanitation	Drug Control	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>					
<u>Permits (Cont.)</u>					
Other Permits	28,878 \$	0 \$	0 \$	0 \$	0
Total Licenses and Permits	80,591 \$	0 \$	0 \$	0 \$	11,665
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	3,154 \$	0 \$	0 \$	0 \$	0
Officers Costs	4,562	0	0	0	0
Drug Control Fines	0	0	0	2,655	0
Drug Court Fees	4,852	0	0	0	0
Data Entry Fee - Circuit Court	1,038	0	0	0	0
<u>General Sessions Court</u>					
Fines	23,819	0	0	0	0
Officers Costs	14,377	0	0	0	0
Game and Fish Fines	556	0	0	0	0
Drug Control Fines	3,885	0	0	0	0
Drug Court Fees	3,722	0	0	0	0
Jail Fees	5,331	0	0	0	0
DUI Treatment Fines	5,549	0	0	0	0
Data Entry Fee - General Sessions Court	16,050	0	0	0	0
<u>Juvenile Court</u>					
Fines	1,601	0	0	0	0
Data Entry Fee - Juvenile Court	699	0	0	0	0
Courtroom Security Fee	150	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	6,276	0	0	0	0
Data Entry Fee - Chancery Court	6,048	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Law Library	Solid Waste / Sanitation	Drug Control	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Other Courts - In-county</u>					
Drug Control Fines	\$ 1,530	\$ 0	\$ 0	\$ 0	\$ 0
Drug Court Fees	3,870	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Other Fines, Forfeitures, and Penalties	62,800	0	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 169,869</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,655</b>	<b>\$ 0</b>
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Solid Waste Disposal Fee	\$ 0	\$ 0	\$ 9,448	\$ 0	\$ 0
Patient Charges	4,503	0	0	0	0
Other General Service Charges	8,361	0	0	0	0
<u>Fees</u>					
Greenbelt Late Application Fee	100	0	0	0	0
Telephone Commissions	92,455	0	0	0	0
Vending Machine Collections	90	0	0	0	0
Data Processing Fee - Register	10,896	0	0	0	0
Data Processing Fee - Sheriff	2,428	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,400	0	0	0	0
Data Processing Fee - County Clerk	3,903	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 124,136</b>	<b>\$ 0</b>	<b>\$ 9,448</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 10,005	\$ 0	\$ 0	\$ 0	\$ 15,078
Lease/Rentals	56,740	0	150	0	20,580

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Drug Control	Highway / Public Works	
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Sale of Materials and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,714	
Commissary Sales	52,398	0	0	0	0	0
Miscellaneous Refunds	91,204	0	0	7,042	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	875	0	0	0	0	0
Sale of Property	7,608	0	0	0	0	0
Damages Recovered from Individuals	6,619	0	0	0	1,515	
Contributions and Gifts	6,000	0	0	15,217	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	2,490	0	0	0	0	0
<u>Total Other Local Revenues</u>	\$ 233,939	\$ 0	\$ 150	\$ 22,259	\$ 39,887	
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 335,881	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	69,404	0	0	0	0	0
General Sessions Court Clerk	249,852	0	0	0	0	0
Clerk and Master	203,185	0	0	0	0	0
Juvenile Court Clerk	13,108	0	0	0	0	0
Register	123,079	0	0	0	0	0
Sheriff	11,115	0	0	0	0	0
Trustee	550,703	0	0	0	0	0
<u>Total Fees Received from County Officials</u>	\$ 1,556,327	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Highway / Public Works
	General	Law Library	Solid Waste / Sanitation	Drug Control		
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Aging Programs	\$ 316,226	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	0	26,355	0	0	0
Other General Government Grants	253,401	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	18,600	0	0	0	0	0
Drug Control Grants	57,306	0	0	0	0	0
Other Public Safety Grants	5,010	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	63,200	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	29,694	0	0	0	0	0
Tennessee Industrial Infrastructure Program	665,205	0	0	0	0	0
Other Public Works Grants	0	0	0	0	0	20,260
<u>Other State Revenues</u>						
Income Tax	59,870	0	0	0	0	0
Beer Tax	17,806	0	0	0	0	0
Vehicle Certificate of Title Fees	8,399	0	0	0	0	0
Alcoholic Beverage Tax	69,501	0	0	0	0	0
Child Support Collections	345	0	0	0	0	0
Contracted Prisoner Boarding	1,354,718	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,832,863
Petroleum Special Tax	0	0	0	0	0	27,660
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	10,618	0	0	0	0	0
Other State Revenues	95,894	0	0	0	0	0
Total State of Tennessee	\$ 3,040,957	\$ 0	\$ 26,355	\$ 0	\$ 0	\$ 1,880,783

(Continued)

Exhibit K-6

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

	Special Revenue Funds				
	General	Law Library	Solid Waste / Sanitation	Drug Control	Highway / Public Works
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA - Other	\$ 53,993	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	19,000	0	0	0	0
Homeland Security Grants	17,519	0	0	0	0
Other Federal through State	194,578	0	0	0	0
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	0	0	0	0	0
Other Direct Federal Revenue	7,200	0	0	0	0
Total Federal Government	\$ 292,290	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 2,800	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	27,985	0	0	0	0
Total Other Governments and Citizens Groups	\$ 30,785	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 11,497,062	\$ 2,337	\$ 110,096	\$ 24,914	\$ 3,690,036

(Continued)

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

	Debt Service Fund		Total
	General	Debt Service	
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 1,956,580	\$	8,650,864
Trustee's Collections - Prior Year	59,573		248,179
Trustee's Collections - Bankruptcy	1,563		6,729
Circuit/Clerk and Master Collections - Prior Years	20,798		91,957
Interest and Penalty	12,505		54,143
Payments in-Lieu-of Taxes - Local Utilities	0		153,663
Payments in-Lieu-of Taxes - Other	883,141		883,141
<u>County Local Option Taxes</u>			
Local Option Sales Tax	105,541		105,541
Litigation Tax - General	0		166,325
Litigation Tax - Special Purpose	0		2,337
Litigation Tax - Jail, Workhouse, or Courthouse	109,458		109,458
Business Tax	0		362,242
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0		37,506
Wholesale Beer Tax	0		79,423
Total Local Taxes	\$ 3,149,159	\$	10,951,508
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Animal Registration	0	\$	8,474
Cable TV Franchise	0		42,051
<u>Permits</u>			
Beer Permits	0		1,188
Building Permits	0		11,665

(Continued)

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

	Debt Service Fund		Total
	General	Debt	Service
<u>Licenses and Permits (Cont.)</u>			
<u>Permits (Cont.)</u>			
Other Permits	0	0	28,878
Total Licenses and Permits	0	0	92,256
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	0	0	3,154
Officers Costs	0	0	4,562
Drug Control Fines	0	0	2,655
Drug Court Fees	0	0	4,852
Data Entry Fee - Circuit Court	0	0	1,038
<u>General Sessions Court</u>			
Fines	0	0	23,819
Officers Costs	0	0	14,377
Game and Fish Fines	0	0	556
Drug Control Fines	0	0	3,885
Drug Court Fees	0	0	3,722
Jail Fees	0	0	5,331
DUI Treatment Fines	0	0	5,549
Data Entry Fee - General Sessions Court	0	0	16,050
<u>Juvenile Court</u>			
Fines	0	0	1,601
Data Entry Fee - Juvenile Court	0	0	699
Courtroom Security Fee	0	0	150
<u>Chancery Court</u>			
Officers Costs	0	0	6,276
Data Entry Fee - Chancery Court	0	0	6,048

(Continued)

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

	<u>Debt Service</u>		
	<u>Fund</u>		
	General	Debt	Total
	Service	Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>Other Courts - In-county</u>			
Drug Control Fines	0	\$	1,530
Drug Court Fees	0		3,870
<u>Other Fines, Forfeitures, and Penalties</u>			
Other Fines, Forfeitures, and Penalties	0		62,800
Total Fines, Forfeitures, and Penalties	<u>0</u>	<u>\$</u>	<u>172,524</u>
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Solid Waste Disposal Fee	0	\$	9,448
Patient Charges	0		4,503
Other General Service Charges	0		8,361
<u>Fees</u>			
Greenbelt Late Application Fee	0		100
Telephone Commissions	0		92,455
Vending Machine Collections	0		90
Data Processing Fee - Register	0		10,896
Data Processing Fee - Sheriff	0		2,428
Sexual Offender Registration Fee - Sheriff	0		1,400
Data Processing Fee - County Clerk	0		3,903
Total Charges for Current Services	<u>0</u>	<u>\$</u>	<u>133,584</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	761,641	\$	786,724
Lease/Rentals	0		77,470

(Continued)

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

	Debt Service Fund		Total
	General	Debt Service	
<u>Other Local Revenues (Cont.)</u>			
<u>Recurring Items (Cont.)</u>			
Sale of Materials and Supplies	0	\$	2,714
Commissary Sales	0		52,398
Miscellaneous Refunds	0		98,246
<u>Nonrecurring Items</u>			
Sale of Equipment	0		875
Sale of Property	0		7,608
Damages Recovered from Individuals	0		8,134
Contributions and Gifts	0		21,217
<u>Other Local Revenues</u>			
Other Local Revenues	0		2,490
<u>Total Other Local Revenues</u>	<u>0</u>	<u>\$</u>	<u>1,057,876</u>
<u>Fees Received from County Officials</u>			
<u>Fees in-Lieu-of Salary</u>			
County Clerk	0	\$	335,881
Circuit Court Clerk	0		69,404
General Sessions Court Clerk	0		249,852
Clerk and Master	0		203,185
Juvenile Court Clerk	0		13,108
Register	0		123,079
Sheriff	0		11,115
Trustee	0		550,703
<u>Total Fees Received from County Officials</u>	<u>0</u>	<u>\$</u>	<u>1,556,327</u>

(Continued)

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

	Debt Service Fund		Total
	General	Debt Service	
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Aging Programs	0	\$	316,226
Solid Waste Grants	0		26,355
Other General Government Grants	0		253,401
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0		18,600
Drug Control Grants	0		57,306
Other Public Safety Grants	0		5,010
<u>Health and Welfare Grants</u>			
Health Department Programs	0		63,200
<u>Public Works Grants</u>			
Litter Program	0		29,694
Tennessee Industrial Infrastructure Program	0		665,205
Other Public Works Grants	0		20,260
<u>Other State Revenues</u>			
Income Tax	0		59,870
Beer Tax	0		17,806
Vehicle Certificate of Title Fees	0		8,399
Alcoholic Beverage Tax	0		69,501
Child Support Collections	0		345
Contracted Prisoner Boarding	0		1,354,718
Gasoline and Motor Fuel Tax	0		1,832,863
Petroleum Special Tax	0		27,660
Registrar's Salary Supplement	0		15,164
Other State Grants	0		10,618
Other State Revenues	0		95,894
Total State of Tennessee	0	\$	4,948,095

(Continued)

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

	Debt Service Fund	Total
	General Debt Service	Total
<u>Federal Government</u>		
<u>Federal Through State</u>		
USDA - Other	0 \$	53,993
Disaster Relief	0	19,000
Homeland Security Grants	0	17,519
Other Federal through State	0	194,578
<u>Direct Federal Revenue</u>		
Tax Credit Bond Rebate	253,162	253,162
Other Direct Federal Revenue	0	7,200
Total Federal Government	<u>253,162 \$</u>	<u>545,452</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Prisoner Board	0 \$	2,800
Contracted Services	0	27,985
Total Other Governments and Citizens Groups	<u>0 \$</u>	<u>30,785</u>
Total	<u>4,163,962 \$</u>	<u>19,488,407</u>

Dyer County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Dyer County School Department  
For the Year Ended June 30, 2014

	General Purpose School	Special Revenue Funds				Total
		School Federal Projects	Central Cafeteria	School Transportation		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,239,046	\$ 0	\$ 0	\$ 1,027,923	\$ 4,266,969	
Trustee's Collections - Prior Year	90,521	0	0	27,477	117,998	
Trustee's Collections - Bankruptcy	2,053	0	0	805	2,858	
Circuit/Clerk and Master Collections - Prior Years	34,471	0	0	10,927	45,398	
Interest and Penalty	20,090	0	0	6,285	26,375	
Payments in-Lieu-of Taxes - T.V.A.	207	0	0	0	207	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	3,736,773	0	0	0	3,736,773	
Wheel Tax	888,345	0	0	268,150	1,156,495	
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	3,311	0	0	0	3,311	
Total Local Taxes	\$ 8,014,817	\$ 0	\$ 0	\$ 1,341,567	\$ 9,356,384	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	2,116	0	0	0	2,116	
<u>Permits</u>						
Other Permits	310	0	0	0	310	
Total Licenses and Permits	\$ 2,426	\$ 0	\$ 0	\$ 0	\$ 2,426	
<u>Charges for Current Services</u>						
<u>Fees</u>						
Vending Machine Collections	580	0	0	554	1,134	

(Continued)

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

	General Purpose School	Special Revenue Funds				Total
		School Federal Projects	Central Cafeteria	School Transportation		
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges</u>						
Tuition - Regular Day Students	\$ 4,700	\$ 0	\$ 0	\$ 0	\$ 0	4,700
Tuition - Summer School	700	0	0	0	0	700
Lunch Payments - Children	0	0	326,863	0	0	326,863
Lunch Payments - Adults	0	0	42,803	0	0	42,803
Income from Breakfast	0	0	33,065	0	0	33,065
A la carte Sales	0	0	208,901	0	0	208,901
Contract for Administrative Services with Other LEAs	38,164	0	0	0	0	38,164
Receipts from Individual Schools	4,335	0	4,259	31,849	0	40,443
Total Charges for Current Services	\$ 48,479	\$ 0	\$ 615,891	\$ 32,403	\$ 0	\$ 696,773
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 50,985	\$ 0	\$ 4,579	\$ 0	\$ 0	55,564
Sale of Materials and Supplies	1,127	0	0	0	0	1,127
E-Rate Funding	29,616	0	0	0	0	29,616
Miscellaneous Refunds	19,740	0	7,179	6,742	0	33,661
<u>Nonrecurring Items</u>						
Sale of Property	500	0	0	0	0	500
Damages Recovered from Individuals	85	0	0	65	0	150
Contributions and Gifts	694	0	0	0	0	694
Total Other Local Revenues	\$ 102,747	\$ 0	\$ 11,758	\$ 6,807	\$ 0	\$ 121,312

(Continued)

Exhibit K-7

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

	General Purpose School	Special Revenue Funds				Total
		School Federal Projects	Central Cafeteria	School Transportation		
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 148,609	\$ 0	\$ 0	\$ 0	\$ 0	148,609
<u>State Education Funds</u>						
Basic Education Program	16,204,696	0	0	1,094,303	0	17,298,999
Early Childhood Education	675,912	0	0	0	0	675,912
School Food Service	0	0	22,222	0	0	22,222
Energy Efficient School Initiative	13,608	0	0	0	0	13,608
Driver Education	18,525	0	0	0	0	18,525
Other State Education Funds	470,226	0	0	21,000	0	491,226
Career Ladder Program	88,978	0	0	0	0	88,978
Career Ladder - Extended Contract	37,270	0	0	0	0	37,270
<u>Other State Revenues</u>						
State Revenue Sharing - T. V.A.	739,302	0	0	0	0	739,302
Other State Grants	700	0	0	0	0	700
<b>Total State of Tennessee</b>	<b>\$ 18,397,826</b>	<b>\$ 0</b>	<b>\$ 22,222</b>	<b>\$ 1,115,303</b>	<b>\$ 0</b>	<b>\$ 19,535,351</b>
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	0	0	992,135	0	0	992,135
USDA - Commodities	0	0	136,034	0	0	136,034
Breakfast	0	0	298,287	0	0	298,287
USDA - Other	0	0	8,494	0	0	8,494
Vocational Education - Basic Grants to States	0	47,030	0	0	0	47,030
Title I Grants to Local Education Agencies	0	728,714	0	0	0	728,714
Innovative Education Program Strategies	0	5,000	0	0	0	5,000

(Continued)

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

	General Purpose School	Special Revenue Funds				Total
		School Federal Projects	Central Cafeteria	School Transportation		
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Special Education - Grants to States	\$ 27,041	\$ 793,520	\$ 0	\$ 0	\$ 0	820,561
Special Education Preschool Grants	26,501	29,273	0	0	0	55,774
Safe and Drug-free Schools - State Grants	0	290,830	0	0	0	290,830
Rural Education	0	52,028	0	0	0	52,028
Eisenhower Professional Development State Grants	0	131,167	0	0	0	131,167
Race-to-the-Top - ARRA	0	160,888	0	0	0	160,888
Other Federal through State	10,703	0	0	0	0	10,703
<u>Direct Federal Revenue</u>	59,744	0	0	0	0	59,744
ROTC Reimbursement	123,989	2,238,450	1,434,950	0	0	3,797,389
Total Federal Government	\$ 26,690,284	\$ 2,238,450	\$ 2,084,821	\$ 2,496,080	\$ 0	\$ 33,509,635

Exhibit K-8

Dyer County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2014

General Fund

General Government

County Commission

Other Per Diem and Fees	\$	71,662	
Social Security		4,293	
Employer Medicare		1,004	
Audit Services		11,501	
Total County Commission			\$ 88,460

Board of Equalization

Board and Committee Members Fees	\$	4,483	
Total Board of Equalization			4,483

Other Boards and Committees

Board and Committee Members Fees	\$	2,520	
Total Other Boards and Committees			2,520

County Mayor/Executive

County Official/Administrative Officer	\$	85,060	
Secretary(ies)		84,090	
Other Per Diem and Fees		8,400	
Social Security		9,388	
Medical Insurance		9,361	
Local Retirement		6,275	
Employer Medicare		2,196	
Advertising		5,490	
Maintenance and Repair Services - Office Equipment		3,288	
Postal Charges		1,773	
Printing, Stationery, and Forms		1,449	
Other Contracted Services		6,053	
Office Supplies		5,123	
Total County Mayor/Executive			227,946

County Attorney

Other Salaries and Wages	\$	350	
Social Security		71	
Employer Medicare		17	
Legal Services		49,379	
Total County Attorney			49,817

Election Commission

Supervisor/Director	\$	61,254	
Deputy(ies)		41,528	
Part-time Personnel		68,952	
Election Commission		8,867	
Election Workers		6,144	
Social Security		11,836	
Medical Insurance		18,809	
Local Retirement		1,587	
Employer Medicare		2,777	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Legal Notices, Recording, and Court Costs	\$	1,114	
Maintenance and Repair Services - Equipment		14,737	
Postal Charges		4,836	
Printing, Stationery, and Forms		2,088	
Travel		4,968	
Office Supplies		1,958	
Other Charges		592	
Office Equipment		5,613	
Voting Machines		67,734	
Total Election Commission			\$ 325,394

Register of Deeds

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		68,921	
Social Security		7,768	
Medical Insurance		9,893	
Local Retirement		6,426	
Employer Medicare		1,817	
Dues and Memberships		537	
Postal Charges		245	
Printing, Stationery, and Forms		2,306	
Travel		1,069	
Other Contracted Services		639	
Data Processing Supplies		13,551	
Office Supplies		1,141	
In Service/Staff Development		175	
Office Equipment		1,200	
Total Register of Deeds			183,661

Planning

Supervisor/Director	\$	49,761	
Secretary(ies)		30,416	
Other Salaries and Wages		1,314	
Other Per Diem and Fees		8,400	
Social Security		4,164	
Medical Insurance		9,881	
Local Retirement		2,004	
Employer Medicare		974	
Contracts with Private Agencies		1,300	
Dues and Memberships		125	
Legal Notices, Recording, and Court Costs		38	
Postal Charges		450	
Other Contracted Services		17,200	
Office Supplies		1,054	
In Service/Staff Development		700	
Other Charges		96	
Office Equipment		262	
Total Planning			128,139

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Custodial Personnel	\$	44,127	
Social Security		2,803	
Medical Insurance		3,474	
Employer Medicare		656	
Janitorial Services		24,700	
Maintenance and Repair Services - Buildings		22,921	
Pest Control		1,084	
Custodial Supplies		11,229	
Drugs and Medical Supplies		83	
Liability Insurance		103,753	
Other Charges		785	
Office Equipment		4,678	
Other Capital Outlay		56,137	
Total County Buildings			\$ 276,430

Other General Administration

Communication	\$	19,201	
Contracts with Other Public Agencies		40,500	
Dues and Memberships		5,218	
Maintenance Agreements		6,792	
Maintenance and Repair Services - Buildings		7,184	
Maintenance and Repair Services - Office Equipment		2,007	
Pest Control		780	
Electricity		23,489	
Utilities		6,761	
Workers' Compensation Insurance		29,212	
Liability Claims		500	
Other Capital Outlay		1,074,700	
Total Other General Administration			1,216,344

Preservation of Records

Travel	\$	240	
Other Contracted Services		11	
Office Supplies		1,227	
Other Supplies and Materials		10,321	
Office Equipment		10,374	
Total Preservation of Records			22,173

Finance

Accounting and Budgeting

Supervisor/Director	\$	123,618	
Social Security		7,090	
Medical Insurance		10,024	
Local Retirement		3,090	
Employer Medicare		1,658	
Postal Charges		250	
Travel		144	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Other Contracted Services	\$	9,716	
Data Processing Supplies		65	
Premiums on Corporate Surety Bonds		100	
Office Equipment		11,777	
Total Accounting and Budgeting			\$ 167,532

Property Assessor's Office

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		114,027	
Other Per Diem and Fees		4,800	
Social Security		10,884	
Medical Insurance		16,583	
Local Retirement		7,616	
Employer Medicare		2,545	
Contracts with Private Agencies		39,670	
Data Processing Services		11,251	
Dues and Memberships		1,700	
Legal Notices, Recording, and Court Costs		99	
Postal Charges		1,925	
Rentals		4,155	
Travel		828	
Other Contracted Services		475	
Data Processing Supplies		3,000	
Office Supplies		3,299	
Premiums on Corporate Surety Bonds		14	
In Service/Staff Development		405	
Other Charges		377	
Office Equipment		490	
Total Property Assessor's Office			292,116

Reappraisal Program

Deputy(ies)	\$	31,132	
Other Per Diem and Fees		8,400	
Social Security		1,709	
Medical Insurance		3,564	
Local Retirement		778	
Employer Medicare		400	
Data Processing Services		385	
Postal Charges		11,348	
Other Charges		15	
Total Reappraisal Program			57,731

County Trustee's Office

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		78,014	
Social Security		8,242	
Medical Insurance		9,328	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Local Retirement	\$	6,387	
Employer Medicare		1,928	
Legal Notices, Recording, and Court Costs		277	
Maintenance and Repair Services - Office Equipment		540	
Postal Charges		10,999	
Printing, Stationery, and Forms		924	
Travel		1,320	
Other Contracted Services		17,307	
Data Processing Supplies		738	
Office Supplies		804	
In Service/Staff Development		750	
Office Equipment		6,000	
Total County Trustee's Office			\$ 211,531

County Clerk's Office

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		187,115	
Other Salaries and Wages		1,044	
Social Security		14,536	
Medical Insurance		29,184	
Local Retirement		7,776	
Employer Medicare		3,400	
Dues and Memberships		672	
Postal Charges		7,000	
Printing, Stationery, and Forms		1,790	
Rentals		1,352	
Other Contracted Services		1,865	
Data Processing Supplies		23,235	
Other Supplies and Materials		4,606	
Other Charges		1,175	
Office Equipment		429	
Total County Clerk's Office			353,152

Other Finance

Communication	\$	8,254	
Maintenance and Repair Services - Buildings		4,624	
Maintenance and Repair Services - Office Equipment		1,226	
Pest Control		540	
Electricity		14,127	
Utilities		5,297	
Refunds		6,027	
Total Other Finance			40,095

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		229,826	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Jury and Witness Expense	\$	15,455	
Other Per Diem and Fees		2,842	
Social Security		16,293	
Medical Insurance		40,783	
Local Retirement		10,980	
Employer Medicare		3,857	
Maintenance and Repair Services - Office Equipment		10,456	
Postal Charges		3,496	
Printing, Stationery, and Forms		10,039	
Travel		4,202	
Data Processing Supplies		11,159	
Office Supplies		5,396	
Total Circuit Court			\$ 432,757

General Sessions Court

Judge(s)	\$	148,603	
Clerical Personnel		25,339	
Social Security		8,638	
Medical Insurance		3,547	
Local Retirement		10,358	
Employer Medicare		2,504	
Dues and Memberships		1,564	
Travel		1,390	
Other Contracted Services		577	
Office Supplies		254	
Other Charges		426	
Total General Sessions Court			203,200

Drug Court

Supervisor/Director	\$	11,998	
Probation Officer(s)		7,200	
Social Security		1,129	
Employer Medicare		264	
Travel		4,955	
Drug Treatment		34,410	
Other Supplies and Materials		719	
Total Drug Court			60,675

Chancery Court

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		138,273	
Social Security		13,969	
Medical Insurance		16,417	
Local Retirement		11,015	
Employer Medicare		2,813	
Advertising		3,200	
Maintenance and Repair Services - Office Equipment		1,800	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Postal Charges	\$	1,500	
Printing, Stationery, and Forms		5,220	
Rentals		1,000	
Travel		957	
Other Contracted Services		1,000	
Data Processing Supplies		17,657	
Office Supplies		2,500	
Office Equipment		2,000	
Total Chancery Court			\$ 287,294

Juvenile Court

Probation Officer(s)	\$	103,545	
Youth Service Officer(s)		41,362	
Social Security		8,352	
Medical Insurance		26,898	
Local Retirement		1,590	
Employer Medicare		1,953	
Contracts with Government Agencies		87,145	
Contracts with Other Public Agencies		8,548	
Maintenance and Repair Services - Office Equipment		1,503	
Postal Charges		207	
Printing, Stationery, and Forms		170	
Law Enforcement Supplies		343	
Office Supplies		1,532	
Office Equipment		3,258	
Total Juvenile Court			286,406

Other Administration of Justice

Communication	\$	13,510	
Maintenance and Repair Services - Buildings		7,470	
Maintenance and Repair Services - Office Equipment		1,496	
Pest Control		240	
Other Contracted Services		15,640	
Electricity		29,203	
Office Supplies		666	
Utilities		8,995	
Office Equipment		40	
Total Other Administration of Justice			77,260

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	78,524	
Deputy(ies)		572,658	
Investigator(s)		179,127	
Captain(s)		48,872	
Lieutenant(s)		85,085	
Sergeant(s)		160,393	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Accountants/Bookkeepers	\$	57,999	
Salary Supplements		18,000	
Dispatchers/Radio Operators		218,353	
Other Salaries and Wages		42,499	
Social Security		85,113	
Medical Insurance		140,926	
Unemployment Compensation		2,573	
Local Retirement		15,172	
Employer Medicare		19,906	
Communication		30,643	
Contracts with Government Agencies		13,529	
Contracts with Private Agencies		14,609	
Dues and Memberships		878	
Maintenance and Repair Services - Office Equipment		469	
Maintenance and Repair Services - Vehicles		38,461	
Pest Control		900	
Postal Charges		4,663	
Printing, Stationery, and Forms		6,291	
Rentals		4,002	
Transportation - Other than Students		3,338	
Travel		1,299	
Data Processing Supplies		5,808	
Gasoline		130,816	
Law Enforcement Supplies		35,981	
Lubricants		2,994	
Office Supplies		8,680	
Tires and Tubes		14,548	
Uniforms		14,130	
Vehicle and Equipment Insurance		9,000	
In Service/Staff Development		26,992	
Motor Vehicles		103,231	
Total Sheriff's Department			\$ 2,196,462

Drug Enforcement

Temporary Personnel	\$	1,920	
Social Security		119	
Employer Medicare		28	
Travel		1,782	
Drug Treatment		700	
Other Supplies and Materials		1,918	
Total Drug Enforcement			6,467

Jail

Assistant(s)	\$	48,910	
Deputy(ies)		240,775	
Lieutenant(s)		43,604	
Sergeant(s)		95,262	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Accountants/Bookkeepers	\$	88,695	
Medical Personnel		32,703	
Attendants		627,560	
Cafeteria Personnel		67,993	
Other Salaries and Wages		56,451	
Social Security		75,063	
Medical Insurance		124,791	
Local Retirement		6,654	
Employer Medicare		17,555	
Laundry Service		2,301	
Maintenance and Repair Services - Buildings		79,825	
Maintenance and Repair Services - Equipment		19,155	
Medical and Dental Services		65,823	
Pest Control		480	
Drug Treatment		16,673	
Other Contracted Services		36,671	
Custodial Supplies		18,218	
Drugs and Medical Supplies		39,927	
Electricity		89,517	
Food Preparation Supplies		10,516	
Food Supplies		155,273	
Prisoners Clothing		7,483	
Uniforms		5,967	
Utilities		52,809	
Building and Contents Insurance		60,000	
Liability Insurance		44,342	
In Service/Staff Development		1,608	
Furniture and Fixtures		11,057	
Law Enforcement Equipment		24,854	
Total Jail			\$ 2,268,515

Fire Prevention and Control

Supervisor/Director	\$	42,408
Part-time Personnel		16,000
Social Security		3,461
Disability Insurance		5,447
Local Retirement		963
Employer Medicare		809
Communication		3,773
Contracts with Other Public Agencies		29,569
Dues and Memberships		295
Maintenance and Repair Services - Buildings		116
Maintenance and Repair Services - Equipment		15,544
Maintenance and Repair Services - Vehicles		5,899
Postal Charges		100
Electricity		696
Uniforms		185

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Utilities	\$	572	
Other Supplies and Materials		1,750	
Vehicle and Equipment Insurance		5,650	
Workers' Compensation Insurance		3,891	
Other Charges		944	
Motor Vehicles		127,860	
Office Equipment		500	
Other Equipment		7,482	
Total Fire Prevention and Control			\$ 273,914

Disaster Relief

Supervisor/Director	\$	7,291	
Other Salaries and Wages		7,291	
In-service Training		999	
Social Security		852	
Local Retirement		256	
Employer Medicare		199	
Communication		3,050	
Maintenance and Repair Services - Equipment		199	
Postal Charges		200	
Instructional Supplies and Materials		198	
Office Supplies		621	
In Service/Staff Development		1,930	
Other Charges		1,690	
Office Equipment		77	
State Aid Projects		19,383	
Total Disaster Relief			44,236

County Coroner/Medical Examiner

Contracts with Private Agencies	\$	9,362	
Other Contracted Services		3,352	
Total County Coroner/Medical Examiner			12,714

Other Public Safety

Contributions	\$	7,519	
Electricity		1,908	
Total Other Public Safety			9,427

Public Health and Welfare

Local Health Center

Salary Supplements	\$	20,710	
Communication		3,452	
Janitorial Services		9,480	
Maintenance Agreements		2,592	
Maintenance and Repair Services - Buildings		2,080	
Maintenance and Repair Services - Office Equipment		618	
Postal Charges		1,113	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Drugs and Medical Supplies	\$	1,359	
Electricity		15,580	
Office Supplies		8,112	
Utilities		4,689	
Other Supplies and Materials		2,245	
Office Equipment		4,658	
Total Local Health Center			\$ 76,688

Rabies and Animal Control

Contracts with Other Public Agencies	\$	84,750	
Total Rabies and Animal Control			84,750

Crippled Children Services

Contributions	\$	1,240	
Total Crippled Children Services			1,240

Other Local Health Services

Medical Personnel	\$	53,937	
Social Security		3,324	
Medical Insurance		530	
Employer Medicare		777	
Travel		3,613	
Total Other Local Health Services			62,181

General Welfare Assistance

Supervisor/Director	\$	27,925	
Equipment Operators		24,351	
Social Security		2,915	
Medical Insurance		12,833	
Local Retirement		601	
Employer Medicare		682	
Communication		3,649	
Maintenance and Repair Services - Vehicles		231	
Electricity		9,540	
Gasoline		3,024	
Office Supplies		1,218	
Utilities		3,555	
Total General Welfare Assistance			90,524

Aid to Dependent Children

Educational Assistants	\$	40,352	
Communication		1,463	
Maintenance and Repair Services - Buildings		729	
Rentals		5,200	
Travel		2,341	
Electricity		2,672	
Food Supplies		87,091	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Aid to Dependent Children (Cont.)

Office Supplies	\$	1,626	
Other Supplies and Materials		646	
Total Aid to Dependent Children			\$ 142,120

Sanitation Education/Information

Guards	\$	58,366	
Social Security		3,489	
Medical Insurance		10,224	
Employer Medicare		816	
Communication		1,275	
Consultants		6,600	
Maintenance and Repair Services - Vehicles		600	
Gasoline		4,675	
Other Supplies and Materials		350	
Other Charges		70	
Total Sanitation Education/Information			86,465

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$	37,133	
Clerical Personnel		37,862	
Social Security		4,553	
Unemployment Compensation		399	
Local Retirement		928	
Employer Medicare		1,065	
Dues and Memberships		155	
Maintenance and Repair Services - Office Equipment		200	
Maintenance and Repair Services - Vehicles		373	
Postal Charges		309	
Travel		1,846	
Other Contracted Services		550	
Gasoline		3,978	
Office Supplies		1,741	
Other Supplies and Materials		21,201	
Liability Insurance		798	
Other Charges		1,501	
Office Equipment		1,260	
Total Adult Activities			115,852

Senior Citizens Assistance

Assistant(s)	\$	26,734	
Supervisor/Director		31,594	
Other Salaries and Wages		126,449	
Social Security		10,247	
Medical Insurance		7,145	
Unemployment Compensation		1,040	
Local Retirement		1,578	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Employer Medicare	\$	2,733	
Communication		678	
Dues and Memberships		934	
Maintenance and Repair Services - Office Equipment		1,374	
Maintenance and Repair Services - Vehicles		62	
Travel		1,433	
Other Contracted Services		8,925	
Gasoline		301	
Office Supplies		409	
Other Supplies and Materials		58	
Tax Relief Program		99,234	
Total Senior Citizens Assistance			\$ 320,928

Libraries

Contracts with Other Public Agencies	\$	137,000	
Total Libraries			137,000

Parks and Fair Boards

Contributions	\$	2,295	
Total Parks and Fair Boards			2,295

Other Social, Cultural, and Recreational

Communication	\$	7,633	
Contributions		70,500	
Dues and Memberships		651	
Maintenance and Repair Services - Buildings		4,400	
Maintenance and Repair Services - Office Equipment		1,225	
Electricity		16,881	
Utilities		7,370	
Total Other Social, Cultural, and Recreational			108,660

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	126,173	
Communication		1,885	
Maintenance and Repair Services - Buildings		6,242	
Maintenance and Repair Services - Office Equipment		3,054	
Pest Control		1,000	
Travel		1,726	
Electricity		3,029	
Office Supplies		1,116	
Utilities		3,625	
Office Equipment		1,000	
Total Agricultural Extension Service			148,850

Soil Conservation

Secretary(ies)	\$	24,370	
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(Continued)

Exhibit K-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Social Security	\$	1,449	
Local Retirement		609	
Employer Medicare		339	
Total Soil Conservation			\$ 26,767

Flood Control

Contracts with Other Public Agencies	\$	31,699	
Total Flood Control			31,699

Other Operations

Industrial Development

Site Development	\$	2,700	
Total Industrial Development			2,700

Contributions to Other Agencies

Contributions	\$	28,160	
Total Contributions to Other Agencies			28,160

Miscellaneous

Bonus Payments	\$	35,500	
Medical Insurance		107,647	
Trustee's Commission		121,740	
Other Charges		7,000	
Total Miscellaneous			271,887

Principal on Debt

General Government

Principal on Capital Leases	\$	85,157	
Total General Government			85,157

Interest on Debt

General Government

Interest on Capital Leases	\$	2,297	
Total General Government			2,297

Total General Fund \$ 11,633,071

Law Library Fund

Administration of Justice

Other Administration of Justice

Library Books/Media	\$	3,768	
Trustee's Commission		23	
Total Other Administration of Justice			\$ 3,791

Total Law Library Fund 3,791

(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Attendants	\$	9,560	
Social Security		593	
Employer Medicare		139	
Communication		345	
Contracts with Government Agencies		18,479	
Contracts with Private Agencies		92,010	
Utilities		1,232	
Trustee's Commission		868	
Other Charges		135	
Total Sanitation Management			\$ 123,361

Total Solid Waste/Sanitation Fund \$ 123,361

Drug Control Fund

Public Safety

Drug Enforcement

Salary Supplements	\$	600	
Temporary Personnel		35,328	
Social Security		2,021	
Medical Insurance		1,654	
Local Retirement		873	
Employer Medicare		473	
Confidential Drug Enforcement Payments		500	
Trustee's Commission		26	
Other Charges		500	
Law Enforcement Equipment		935	
Total Drug Enforcement			\$ 42,910

Total Drug Control Fund 42,910

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	78,208	
Accountants/Bookkeepers		39,305	
Bonus Payments		500	
Communication		5,821	
Data Processing Services		5,778	
Dues and Memberships		5,617	
Evaluation and Testing		795	
Legal Notices, Recording, and Court Costs		805	
Maintenance Agreements		1,242	
Postal Charges		469	
Printing, Stationery, and Forms		518	
Travel		1,069	
Electricity		8,221	
Natural Gas		465	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Office Supplies	\$	1,005	
Uniforms		3,672	
Water and Sewer		3,212	
Other Supplies and Materials		3,292	
Total Administration			\$ 159,994

Highway and Bridge Maintenance

Foremen	\$	41,205	
Equipment Operators		291,570	
Equipment Operators - Light		92,618	
Truck Drivers		161,416	
Laborers		119,981	
Overtime Pay		28,756	
Bonus Payments		10,250	
Contracts with Private Agencies		386,221	
Rentals		421	
Asphalt - Cold Mix		16,837	
Asphalt - Hot Mix		1,288,082	
Asphalt - Liquid		24,121	
Concrete		12,586	
Crushed Stone		100,843	
Fertilizer, Lime, and Seed		3,925	
General Construction Materials		1,987	
Other Road Materials		19,509	
Pipe - Metal		171,940	
Road Signs		2,611	
Sand		6,143	
Wood Products		20,561	
Gravel and Chert		60,000	
Other Supplies and Materials		1,941	
Total Highway and Bridge Maintenance			2,863,524

Operation and Maintenance of Equipment

Mechanic(s)	\$	111,571	
Laborers		33,530	
Bonus Payments		2,000	
Diesel Fuel		219,909	
Equipment and Machinery Parts		120,921	
Garage Supplies		12,644	
Gasoline		24,998	
Lubricants		20,433	
Small Tools		4,284	
Tires and Tubes		26,677	
Other Supplies and Materials		3,170	
Total Operation and Maintenance of Equipment			580,137

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Liability Insurance	\$	24,705	
Trustee's Commission		54,289	
Vehicle and Equipment Insurance		45,592	
Workers' Compensation Insurance		19,129	
Total Other Charges			\$ 143,715

Employee Benefits

Social Security	\$	59,320	
Employee and Dependent Insurance		131,467	
Local Retirement		12,999	
Employer Medicare		13,873	
Total Employee Benefits			217,659

Capital Outlay

Engineering Services	\$	6,299	
Building Improvements		5,500	
Other Equipment		45,950	
Total Capital Outlay			<u>57,749</u>

Total Highway/Public Works Fund \$ 4,022,778

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	330,000	
Principal on Notes		12,813	
Total General Government			\$ 342,813

Education

Principal on Bonds	\$	1,370,000	
Principal on Other Loans		809,392	
Total Education			2,179,392

Interest on Debt

General Government

Interest on Bonds	\$	279,930	
Total General Government			279,930

Education

Interest on Bonds	\$	1,014,404	
Interest on Other Loans		410,639	
Total Education			1,425,043

Other Debt Service

General Government

Financial Advisory Services	\$	15,000	
Trustee's Commission		56,826	
Other Debt Service		795	
Total General Government			72,621

(Continued)

Exhibit K-8

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

<u>General Debt Service Fund (Cont.)</u>			
<u>Other Debt Service (Cont.)</u>			
<u>Education</u>			
Other Debt Service	\$	<u>13,748</u>	
Total Education			<u>\$ 13,748</u>
 Total General Debt Service Fund			 <u>\$ 4,313,547</u>
 Total Governmental Funds - Primary Government			 <u><u>\$ 20,139,458</u></u>

Exhibit K-9

Dyer County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Dyer County School Department  
For the Year Ended June 30, 2014

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 8,537,544	
Career Ladder Program	46,469	
Career Ladder Extended Contracts	18,950	
Educational Assistants	647,485	
Other Salaries and Wages	2,500	
Certified Substitute Teachers	29,596	
Non-certified Substitute Teachers	60,976	
Social Security	531,546	
State Retirement	752,874	
Life Insurance	10,727	
Medical Insurance	1,393,971	
Unemployment Compensation	7,366	
Local Retirement	5,728	
Employer Medicare	126,103	
Other Fringe Benefits	5,800	
Contracts with Other School Systems	230,482	
Contracts with Private Agencies	11,646	
Maintenance and Repair Services - Equipment	4,674	
Instructional Supplies and Materials	514,104	
Textbooks	341,985	
Regular Instruction Equipment	344,180	
Total Regular Instruction Program		\$ 13,624,706

Special Education Program

Teachers	\$ 976,415	
Career Ladder Program	7,000	
Clerical Personnel	34,928	
Educational Assistants	223,502	
Speech Pathologist	84,483	
Social Security	75,387	
State Retirement	94,213	
Life Insurance	1,919	
Medical Insurance	239,159	
Local Retirement	1,672	
Employer Medicare	17,640	
Other Fringe Benefits	625	
Contracts with Private Agencies	14,592	
Maintenance and Repair Services - Equipment	1,614	
Instructional Supplies and Materials	6,592	
Other Supplies and Materials	225	
Special Education Equipment	7,546	
Total Special Education Program		1,787,512

Vocational Education Program

Teachers	\$ 370,465	
Career Ladder Program	3,000	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Educational Assistants	\$	15,771	
Social Security		22,628	
State Retirement		33,164	
Life Insurance		411	
Medical Insurance		59,629	
Employer Medicare		5,292	
Other Fringe Benefits		225	
Other Contracted Services		2,401	
Instructional Supplies and Materials		43,343	
Vocational Instruction Equipment		3,600	
Total Vocational Education Program			\$ 559,929

Student Body Education Program

Instructional Supplies and Materials	\$	5,638	
Other Supplies and Materials		5,045	
Total Student Body Education Program			10,683

Support Services

Attendance

Supervisor/Director	\$	42,012	
Career Ladder Program		1,000	
Social Security		2,390	
State Retirement		3,819	
Life Insurance		33	
Medical Insurance		7,440	
Employer Medicare		559	
Communication		22,214	
Maintenance and Repair Services - Equipment		76	
Travel		1,134	
Other Contracted Services		20,102	
Other Supplies and Materials		524	
Total Attendance			101,303

Health Services

Medical Personnel	\$	103,145	
Other Salaries and Wages		74,787	
Social Security		10,599	
State Retirement		15,801	
Life Insurance		205	
Medical Insurance		11,901	
Employer Medicare		2,479	
Communication		2,888	
Postal Charges		782	
Travel		6,026	
Other Contracted Services		3,107	
Drugs and Medical Supplies		11,221	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Other Supplies and Materials	\$ 21,855	
Health Equipment	4,998	
Total Health Services		\$ 269,794

Other Student Support

Career Ladder Program	\$ 1,000	
Guidance Personnel	198,808	
Clerical Personnel	20,865	
Social Security	12,513	
State Retirement	17,743	
Life Insurance	257	
Medical Insurance	38,975	
Employer Medicare	2,926	
Contracts with Government Agencies	47,001	
Evaluation and Testing	20,217	
Travel	1,303	
Other Supplies and Materials	712	
Other Equipment	2,156	
Total Other Student Support		364,476

Regular Instruction Program

Supervisor/Director	\$ 74,159	
Career Ladder Program	4,000	
Librarians	49,560	
Materials Supervisor	34,928	
Instructional Computer Personnel	127,964	
Secretary(ies)	34,267	
Other Salaries and Wages	32,100	
Social Security	20,396	
State Retirement	14,192	
Life Insurance	380	
Medical Insurance	60,150	
Local Retirement	4,303	
Employer Medicare	4,770	
Communication	5,282	
Consultants	14,021	
Contracts with Other School Systems	18,534	
Maintenance and Repair Services - Equipment	22	
Travel	35,740	
Other Contracted Services	30,431	
Library Books/Media	44,670	
Other Supplies and Materials	104,276	
In Service/Staff Development	36,902	
Other Equipment	15,140	
Total Regular Instruction Program		766,187

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	73,274	
Career Ladder Program		1,000	
Clerical Personnel		17,589	
Social Security		5,617	
State Retirement		6,596	
Life Insurance		68	
Medical Insurance		2,220	
Employer Medicare		1,314	
Communication		2,157	
Maintenance and Repair Services - Equipment		13	
Postal Charges		1,600	
Travel		2,297	
Other Contracted Services		49	
Other Supplies and Materials		40	
In Service/Staff Development		5,082	
Total Special Education Program			\$ 118,916

Vocational Education Program

Supervisor/Director	\$	7,403	
Accountants/Bookkeepers		4,106	
Clerical Personnel		17,339	
Social Security		1,717	
State Retirement		657	
Life Insurance		26	
Medical Insurance		2,220	
Employer Medicare		401	
Communication		72	
Maintenance and Repair Services - Equipment		248	
Postal Charges		130	
Travel		11,088	
Other Contracted Services		3,868	
Other Supplies and Materials		11,107	
In Service/Staff Development		907	
Total Vocational Education Program			61,289

Other Programs

On-behalf Payments to OPEB	\$	148,609	
Total Other Programs			148,609

Board of Education

Secretary to Board	\$	2,354	
Board and Committee Members Fees		25,338	
Social Security		1,717	
Employer Medicare		402	
Audit Services		11,400	
Dues and Memberships		9,663	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Legal Services	\$	117,342	
Other Contracted Services		45,805	
Liability Insurance		108,230	
Premiums on Corporate Surety Bonds		1,057	
Trustee's Commission		159,468	
Workers' Compensation Insurance		71,582	
In Service/Staff Development		7,738	
Criminal Investigation of Applicants - TBI		5,080	
Total Board of Education			\$ 567,176

Director of Schools

County Official/Administrative Officer	\$	112,773	
Secretary(ies)		34,928	
Social Security		2,166	
Life Insurance		51	
Local Retirement		931	
Employer Medicare		2,145	
Other Fringe Benefits		905	
Communication		9,411	
Dues and Memberships		3,386	
Maintenance and Repair Services - Equipment		974	
Postal Charges		8,297	
Travel		6,736	
Other Contracted Services		7,809	
Office Supplies		6,582	
Administration Equipment		19,217	
Total Director of Schools			216,311

Office of the Principal

Principals	\$	602,105	
Career Ladder Program		14,000	
Career Ladder Extended Contracts		13,320	
Assistant Principals		297,347	
Secretary(ies)		202,959	
Other Salaries and Wages		3,828	
Social Security		66,220	
State Retirement		82,298	
Life Insurance		936	
Medical Insurance		148,777	
Local Retirement		3,815	
Employer Medicare		15,488	
Communication		46,123	
Maintenance and Repair Services - Equipment		2,257	
Travel		11,594	
Other Contracted Services		19,086	
Office Supplies		18,632	
Other Equipment		37,095	
Total Office of the Principal			1,585,880

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Accountants/Bookkeepers	\$	103,189	
Purchasing Personnel		55,433	
Clerical Personnel		51,936	
Social Security		12,631	
Life Insurance		158	
Medical Insurance		25,874	
Local Retirement		5,280	
Employer Medicare		2,954	
Communication		1,740	
Dues and Memberships		476	
Maintenance and Repair Services - Equipment		2,546	
Travel		4,545	
Other Contracted Services		23,521	
Office Supplies		11,736	
Administration Equipment		900	
Total Fiscal Services			\$ 302,919

Operation of Plant

Custodial Personnel	\$	531,100	
Other Salaries and Wages		378	
Social Security		29,779	
Life Insurance		1,285	
Medical Insurance		123,797	
Local Retirement		6,491	
Employer Medicare		6,964	
Pest Control		11,184	
Disposal Fees		43,756	
Other Contracted Services		124,058	
Custodial Supplies		101,387	
Electricity		738,371	
Natural Gas		182,583	
Water and Sewer		22,170	
Other Supplies and Materials		5,435	
Building and Contents Insurance		354,275	
Plant Operation Equipment		17,896	
Total Operation of Plant			2,300,909

Maintenance of Plant

Supervisor/Director	\$	55,433	
Secretary(ies)		34,267	
Other Salaries and Wages		319,498	
Social Security		23,579	
Life Insurance		470	
Medical Insurance		64,933	
Local Retirement		7,475	
Employer Medicare		5,515	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Communication	\$	3,111	
Maintenance and Repair Services - Buildings		275,849	
Maintenance and Repair Services - Equipment		68,213	
Other Contracted Services		106,666	
Equipment and Machinery Parts		21,437	
Gasoline		25,358	
Other Supplies and Materials		138,432	
Maintenance Equipment		12,378	
Total Maintenance of Plant			\$ 1,162,614

Operation of Non-instructional Services

Food Service

Career Ladder Program	\$	1,000	
Social Security		62	
State Retirement		89	
Employer Medicare		15	
Food Supplies		4,996	
Total Food Service			6,162

Community Services

Supervisor/Director	\$	3,232	
Other Salaries and Wages		48,843	
Social Security		2,907	
State Retirement		287	
Life Insurance		92	
Medical Insurance		9,168	
Employer Medicare		680	
Communication		1,109	
Maintenance and Repair Services - Equipment		19	
Postal Charges		450	
Printing, Stationery, and Forms		324	
Travel		5,358	
Other Supplies and Materials		9,154	
Total Community Services			81,623

Early Childhood Education

Supervisor/Director	\$	19,390	
Teachers		306,664	
Educational Assistants		113,972	
Certified Substitute Teachers		1,769	
Non-certified Substitute Teachers		3,812	
Social Security		24,812	
State Retirement		28,425	
Life Insurance		640	
Medical Insurance		91,481	
Local Retirement		398	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Early Childhood Education (Cont.)

Employer Medicare	\$	5,810	
Communication		3,795	
Maintenance and Repair Services - Equipment		914	
Other Contracted Services		150	
Other Supplies and Materials		49,870	
In Service/Staff Development		8,615	
Other Equipment		1,899	
Total Early Childhood Education			\$ 662,416

Capital Outlay

Regular Capital Outlay

Architects	\$	31,535	
Other Contracted Services		69,411	
Building Construction		320	
Building Improvements		891,472	
Communication Equipment		173,660	
Land		85,378	
Regular Instruction Equipment		311,350	
Site Development		77,714	
Building Purchases		90,846	
Total Regular Capital Outlay			<u>1,731,686</u>

Total General Purpose School Fund \$ 26,431,100

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	231,705	
Educational Assistants		223,358	
Other Salaries and Wages		137,067	
Social Security		30,097	
State Retirement		27,429	
Life Insurance		925	
Medical Insurance		98,304	
Unemployment Compensation		3,717	
Employer Medicare		7,906	
Other Fringe Benefits		1,226	
Instructional Supplies and Materials		6,053	
Other Supplies and Materials		383	
Other Charges		187	
Regular Instruction Equipment		42,504	
Total Regular Instruction Program			\$ 810,861

Special Education Program

Teachers	\$	125,090	
Educational Assistants		202,888	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Speech Pathologist	\$	42,923	
Certified Substitute Teachers		58	
Non-certified Substitute Teachers		2,461	
Social Security		19,934	
State Retirement		14,920	
Life Insurance		836	
Medical Insurance		127,249	
Unemployment Compensation		1,756	
Employer Medicare		4,663	
Other Fringe Benefits		2,330	
Maintenance and Repair Services - Equipment		1,649	
Instructional Supplies and Materials		5,541	
Other Supplies and Materials		11,728	
Special Education Equipment		4,038	
Total Special Education Program			\$ 568,064

Vocational Education Program

Other Supplies and Materials	\$	4,422	
Vocational Instruction Equipment		22,677	
Total Vocational Education Program			27,099

Support Services

Other Student Support

Assessment Personnel	\$	62,964	
Clerical Personnel		11,384	
Educational Assistants		36,190	
Other Salaries and Wages		147,524	
Social Security		13,667	
State Retirement		15,497	
Life Insurance		118	
Medical Insurance		11,446	
Unemployment Compensation		1,747	
Employer Medicare		3,662	
Communication		23	
Maintenance and Repair Services - Equipment		1,000	
Travel		20,017	
Other Contracted Services		4,951	
Other Supplies and Materials		78,748	
In Service/Staff Development		1,000	
Other Charges		5,503	
Total Other Student Support			415,441

Regular Instruction Program

Supervisor/Director	\$	47,776	
Other Salaries and Wages		38,069	
In-service Training		32,325	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Social Security	\$	5,269	
State Retirement		7,527	
Life Insurance		31	
Medical Insurance		6,868	
Unemployment Compensation		779	
Employer Medicare		1,665	
Maintenance and Repair Services - Equipment		75	
Travel		931	
Other Supplies and Materials		1,136	
In Service/Staff Development		11,333	
Total Regular Instruction Program			\$ 153,784

Special Education Program

Psychological Personnel	\$	53,042	
Speech Pathologist		9,542	
Other Salaries and Wages		37,095	
Social Security		5,458	
State Retirement		4,710	
Life Insurance		103	
Medical Insurance		4,345	
Unemployment Compensation		275	
Employer Medicare		1,415	
Other Fringe Benefits		875	
Communication		1,303	
Travel		13,856	
Other Contracted Services		94,457	
Other Supplies and Materials		1,000	
In Service/Staff Development		12,828	
Other Equipment		897	
Total Special Education Program			241,201

Vocational Education Program

Travel	\$	441	
In Service/Staff Development		1,474	
Total Vocational Education Program			1,915

Total School Federal Projects Fund \$ 2,218,365

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	66,871	
Accountants/Bookkeepers		33,438	
Cafeteria Personnel		665,132	
Other Salaries and Wages		27,504	
Social Security		45,906	

(Continued)

Exhibit K-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Food Service (Cont.)

State Retirement	\$	5,938	
Life Insurance		2,515	
Medical Insurance		100,576	
Local Retirement		2,544	
Employer Medicare		10,736	
Other Fringe Benefits		2,025	
Communication		3,600	
Data Processing Services		21,197	
Dues and Memberships		421	
Printing, Stationery, and Forms		1,183	
Transportation - Other than Students		7,263	
Travel		3,362	
Disposal Fees		1,689	
Permits		640	
Custodial Supplies		8,382	
Food Supplies		742,892	
Uniforms		70	
USDA - Commodities		136,034	
Other Supplies and Materials		36,770	
In Service/Staff Development		4,701	
Food Service Equipment		161,330	
Total Food Service			\$ 2,092,719

Total Central Cafeteria Fund

\$ 2,092,719

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$	24,145	
Total Board of Education			\$ 24,145

Operation of Plant

Disposal Fees	\$	2,304	
Electricity		14,149	
Natural Gas		3,439	
Water and Sewer		611	
Total Operation of Plant			20,503

Transportation

Supervisor/Director	\$	55,433	
Mechanic(s)		179,709	
Bus Drivers		795,666	
Clerical Personnel		34,017	
Other Salaries and Wages		17,158	
Social Security		64,701	
Life Insurance		2,727	

(Continued)

Exhibit K-9

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

School Transportation Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Medical Insurance	\$	83,427	
Local Retirement		7,111	
Employer Medicare		15,140	
Communication		3,410	
Maintenance and Repair Services - Equipment		299	
Maintenance and Repair Services - Vehicles		39,735	
Other Contracted Services		44,556	
Diesel Fuel		327,224	
Food Supplies		567	
Lubricants		9,293	
Tires and Tubes		35,431	
Vehicle Parts		72,552	
Other Supplies and Materials		37,584	
Vehicle and Equipment Insurance		68,541	
In Service/Staff Development		3,953	
Transportation Equipment		1,050,358	
Total Transportation			<u>\$ 2,948,592</u>

Total School Transportation Fund \$ 2,993,240

Total Governmental Funds - Dyer County School Department \$ 33,735,424

Exhibit K-10

Dyer County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balances - City Agency Funds  
For the Year Ended June 30, 2014

	Cities - Sales Tax Fund	Cities - Property Tax Fund	City School ADA - Dyersburg Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 0	\$ 2,294,403	\$ 2,294,403
Trustee's Collections - Prior Years	0	0	83,706	83,706
Trustee's Collections - Bankruptcy	0	0	1,958	1,958
Circuit/Clerk and Master Collections - Prior Years	0	1,411	24,473	25,884
Interest and Penalty	0	254	14,867	15,121
Local Option Sales Tax	3,286,105	0	4,655,074	7,941,179
Wheel Tax	0	0	631,170	631,170
Interstate Telecommunications Tax	0	0	2,335	2,335
Marriage Licenses	0	0	1,503	1,503
Other Permits	0	0	217	217
<b>Total Cash Receipts</b>	<b>\$ 3,286,105</b>	<b>\$ 1,665</b>	<b>\$ 7,709,706</b>	<b>\$ 10,997,476</b>
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 3,253,244	\$ 1,632	\$ 7,608,633	\$ 10,863,509
Trustee's Commission	32,861	33	101,085	133,979
<b>Total Cash Disbursements</b>	<b>\$ 3,286,105</b>	<b>\$ 1,665</b>	<b>\$ 7,709,718</b>	<b>\$ 10,997,488</b>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 0	\$ (12)	\$ (12)
Cash Balance, July 1, 2013	0	0	123,421	123,421
<b>Cash Balance, June 30, 2014</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 123,409</b>	<b>\$ 123,409</b>

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## **SINGLE AUDIT SECTION**

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

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

Independent Auditor's Report

Dyer County Mayor and  
Board of County Commissioners  
Dyer 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 Dyer County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Dyer County's basic financial statements, and have issued our report thereon dated October 31, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Dyer 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 Dyer County's internal control. Accordingly, we do not express an opinion on the effectiveness of Dyer 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 a significant deficiencies: 2014-001, 2014-004, 2014-006, 2014-007(A,B), and 2014-010.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Dyer County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-002, 2014-003, 2014-005, 2014-007(C), 2014-008, and 2014-009.

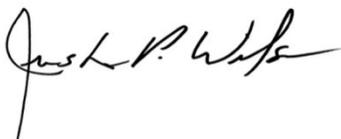
### **Dyer County's Responses to Findings**

Dyer County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Dyer 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 Dyer 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 31, 2014

JPW/sb



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

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

Independent Auditor's Report

Dyer County Mayor and  
Board of County Commissioners  
Dyer County, Tennessee

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Dyer County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Dyer County's major federal programs for the year ended June 30, 2014. Dyer 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 Dyer County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan

and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Dyer 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 Dyer County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Dyer 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, 2014.

### **Report on Internal Control Over Compliance**

Management of Dyer 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 Dyer County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dyer County's internal control over compliance.

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

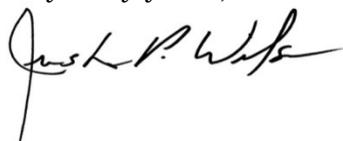
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dyer County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Dyer County's basic financial statements. We issued our report thereon dated October 31, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 31, 2014

JPW/sb

Dyer County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2014

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Child Nutrition Cluster:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 136,034 (5)
Passed-through State Department of Education:			
School Breakfast Program	10.553	N/A	298,287
National School Lunch Program	10.555	N/A	992,135 (5)
Passed-through State Department of Human Services:			
Summer Food Service Program for Children	10.559	N/A	194,578
Passed-through State Department of Education:			
Child and Adult Care Food Program	10.558	N/A	8,494
Passed-through State Department of Health:			
Commodity Supplemental Food Program	10.565	GG143829300	53,993
Total U.S. Department of Agriculture			<u>\$ 1,683,521</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program	12.unknown	N/A	\$ 398,638
Total U.S. Department of Defense			<u>\$ 398,638</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	GG1135289	\$ 217,935
Total U.S. Department of Housing and Urban Development			<u>\$ 217,935</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	090140	\$ 20,260
Passed-through State Department of Environment and Conservation:			
Recreational Trails Program	20.219	32701-00909	16,283
Total U.S. Department of Transportation			<u>\$ 36,543</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 728,714
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	814,981
Special Education - Preschool Grants	84.173	N/A	55,774
Career and Technical Education - Basic Grants to States	84.048	N/A	47,030
Twenty-first Century Community Learning Centers	84.287	N/A	290,830
Rural Education	84.358	N/A	52,028
Improving Teacher Quality State Grants	84.367	N/A	131,167
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	165,889
Total U.S. Department of Education			<u>\$ 2,286,413</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	\$ 65,810
Total U.S. Election Assistance Commission			<u>\$ 65,810</u>
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(3)	\$ 59,105
Total U.S. Department of Health and Human Services			<u>\$ 59,105</u>

(Continued)

Dyer County, Tennessee

Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	34101-0000005410	\$ 19,000
Hazard Mitigation Grant	97.039	GG1135003	12,486
Homeland Security Grant Program	97.067	34101-16614	17,519
Total U.S. Department of Homeland Security			<u>\$ 49,005</u>
Total Expenditures of Federal Awards			<u>\$ 4,796,970</u>
		Contract Number	
<u>State Grants:</u>			
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	(3)	\$ 26,355
Drug Court Treatment Resources Grant - State Department of Finance and Administration	N/A	(3)	57,306
Preventive Health and Human Services - State Department of Health	N/A	GG1467689	63,200
Litter Program - State Department of Transportation	N/A	40100-15314	29,694
FastTrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	33006-27014	665,205
Help America Vote Act Payments - Tennessee Secretary of State	N/A	(4)	3,464
Project Diabetes Initiative Services - State Department of Health	N/A	(3)	3,318
State and National Archival Partnership Grant - Tennessee Secretary of State	N/A	(3)	7,300
Early Childhood Education - State Department of Education	N/A	(3)	675,912
Energy Efficient School Initiative - State Department of Education	N/A	(3)	13,608
ACT/Explore - Internet Connectivity - State Department of Education	N/A	(3)	4,916
Statewide Student Management System - State Department of Education	N/A	(3)	9,912
ConnecTenn - State Department of Education	N/A	(3)	10,865
Family Resource Center - State Department of Education	N/A	(3)	57,912
Coordinated School Health - State Department of Education	N/A	(3)	115,000
ARTS Student Ticket Subsidy - Tennessee Arts Commission	N/A	(3)	700
Safe Schools - State Department of Education	N/A	(3)	<u>21,000</u>
Total State Grants			<u>\$ 1,765,667</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) 30510-00213-15: \$64,347; 30510-00113-23: \$1,463.

(3) Information not available.

(4) 30510-00213-15: \$3,387; 30510-00113-23: \$77.

(5) Total for CFDA No. 10.555 is \$1,128,169.

Dyer County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2014

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Dyer County, Tennessee, for the year ended June 30, 2013, which have not been corrected.

**OFFICE OF COUNTY MAYOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-001	151	Compensation was paid in-lieu-of insurance to some employees
2013-002	151	Bonus payments to county employees were not made through the payroll system

**OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-003	152	Unclaimed funds were not reported and paid to the state
2013-004	152	The office did not implement adequate controls to protect its information resources

**OFFICES OF ROAD SUPERVISOR, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, AND SHERIFF**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-005	153	Duties were not segregated adequately

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**DYER COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2014**

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

1. Our report on the financial statements of Dyer County is unmodified.
2. The audit of the financial statements of Dyer County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Dyer County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173); and Section 1033 Excess Property Program (CFDA No. 12.Unknown) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Dyer County did not qualify as a low-risk auditee.

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The county mayor's written responses are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

### OFFICE OF COUNTY MAYOR

#### FINDING 2014-001

#### **BONUS PAYMENTS TO COUNTY EMPLOYEES WERE NOT MADE THROUGH THE PAYROLL SYSTEM**

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

County employees received bonus payments ranging from \$75 to \$250 in December 2013 that were not paid through the county's payroll system and were in addition to their regular salaries. Since these supplemental payments were not paid through the county's payroll system, the payments were not subjected to income tax, social security, and Medicare deductions. Also, the county did not report and pay its required matching portions of social security and Medicare associated with these supplemental payments. This compensation was not reported to the federal government on Forms 1099 or W-2. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

#### RECOMMENDATION

All payroll related payments to county employees should be made through the county's payroll system to properly reflect the employee's total compensation. Also, all wages should be subject to the proper employee payroll taxes, the county's matching portions, and properly reported to the federal government.

#### MANAGEMENT'S RESPONSE – COUNTY MAYOR

I made the decision to give these bonuses with no tax withheld.

#### AUDITOR'S COMMENT

Since these supplemental payments were not paid through the county's payroll system, the payments were not subjected to income tax, social security, and Medicare deductions, which is a violation of federal wage laws.

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#### FINDING 2014-002

#### **EXPENDITURES EXCEEDED APPROPRIATIONS**

(Noncompliance Under *Government Auditing Standards*)

We noted the following deficiencies in budget operations:

- A. Expenditures exceeded appropriations approved by the County Commission in five of 51 major appropriation categories (the legal level of control) of the General Fund as reflected in the following table:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Other General Administration	\$ 146,566
Sheriff's Department	2,409
Other Public Safety	108
Agricultural Extension Service	1,550
Contributions to Other Agencies	28,160

- B. Salaries in three of 83 line-items exceeded appropriations approved by the County Commission in the General Fund by amounts ranging from \$329 to \$4,373. Salaries in one of two line-items exceeded appropriations by \$600 in the Drug Control Fund. The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county shall not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies." These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures.

**RECOMMENDATION**

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

**OFFICES OF COUNTY MAYOR AND ROAD SUPERVISOR**

**FINDING 2014-003**

**COMPENSATION WAS PAID IN-LIEU-OF INSURANCE  
BENEFITS TO SOME EMPLOYEES**  
(Noncompliance Under *Government Auditing Standards*)

It is the policy of Dyer County to provide health insurance coverage for employees and their dependents. Dyer County pays additional compensation of up to \$400 per month to employees if they or their spouses become eligible for Medicare coverage and end participation in the county's health insurance plan. The state attorney general has opined (Opinion 04-162) that "Counties do not have the authority to make a cash payment to an

official or employee who elects not to participate in the county insurance plan.” This deficiency is the result of management’s failure to correct the finding noted in the prior-year audit report.

**RECOMMENDATION**

The county should not pay employees additional compensation to cover their insurance costs under another health plan.

**MANAGEMENT’S RESPONSE – COUNTY MAYOR**

This was done in an effort to reduce the county’s experience rating; therefore helping lower the costs of our plan, which helps save money to the taxpayer and the employee.

**AUDITOR’S COMMENT**

The state attorney general has opined that counties do not have the authority to make a cash payment to an official or employee who elects not to participate in the county’s insurance plan.

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**OFFICE OF ROAD SUPERVISOR**

**FINDING 2014-004**

**SOME PURCHASE ORDERS WERE NOT PROPERLY COMPLETED**

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

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 36 disbursements totaling \$1,513,073 from a population of 996 vendor checks totaling \$2,996,596. Our sample revealed that in eight of 28 applicable purchases, the purchase orders did not include descriptions or amounts. The dollar amounts and descriptions of items on purchase orders are necessary to quantify purchasing commitments and to identify the items purchased. This deficiency can be attributed to a lack of oversight by management. The failure to list descriptions and dollar amounts on purchase orders increases the risk of unauthorized purchases.

**RECOMMENDATION**

The office should improve purchasing procedures by including the dollar amounts and descriptions of items on all purchase orders.

**OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

**FINDING 2014-005**

**UNCLAIMED FUNDS WERE NOT REPORTED AND PAID TO THE STATE**

(Noncompliance Under *Government Auditing Standards*)

The clerk did not report and pay to the state unclaimed funds (old outstanding checks) totaling \$22,981. At June 30, 2014, Circuit Court had 329 outstanding checks totaling \$18,031, and General Sessions Court had 79 outstanding checks totaling \$4,950 that were all issued before July 1, 2013. The Unclaimed Property Act, Section 66-29-101, et seq., *Tennessee Code Annotated*, provides that any funds held by the court for more than one year and unclaimed by the owner are considered abandoned. This statute further provides for the funds to be reported and paid to the state Treasurer's Office. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

**RECOMMENDATION**

The clerk should report and pay to the state unclaimed funds held for more than one year as required by state statute.

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**FINDING 2014-006**

**THE OFFICE DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES**

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

The office did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Sound business practices dictate that proper controls be implemented. Without these controls, unauthorized system activity could occur. This deficiency was the result of a lack of management oversight and management's failure to correct the finding noted in the prior-year audit report.

**RECOMMENDATION**

The office should ensure that adequate controls over its information systems and the resources associated with those systems are implemented.

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## OFFICE OF SHERIFF

### FINDING 2014-007

### **THE OFFICE HAD ACCOUNTING DEFICIENCIES**

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

The following deficiencies were noted during our examination of the accounting records. These deficiencies can be attributed to a lack of management oversight.

- A. Bank statements had not been reconciled with the general ledger, and lists of outstanding checks had not been prepared since July 2013. We requested the completion of these records several times during the audit. Management finally reconciled the office bank account and presented the records to us in August 2014. As of the date of this report, the commissary bank account still had not been reconciled, and a list of outstanding checks had not been prepared. The reconciliation of bank statements and the monthly preparation of accurate lists of outstanding checks are necessary procedures to ensure that all cash collections and disbursements are recorded accurately on the accounting records.
- B. The official cash journal and the annual financial report did not properly reflect the operations of the office. Receipts (\$375,189) and disbursements (\$341,074) for commissary operations were not posted to the cash journal. The commissary operations were included on the annual financial report; however, the amounts were incorrect. Also, the cash journal and annual financial report did not reflect an inmate account, which included disbursements of \$36 and a balance of \$5,049 at June 30, 2014. These operations were determined by substantive testing and alternative auditing procedures and have been included in the financial statements of this report. The official cash journal is the primary cash control record of the office that summarizes financial operations; therefore, the proper maintenance of the cash journal is necessary for the official to determine the financial position of the office. The annual financial report should reflect all financial activity of the office.
- C. During the year, fees collected by the office and the profits from commissary operations were not reported and paid to the county monthly. Section 8-24-103, *Tennessee Code Annotated*, provides that all funds earned by the Sheriff's Department should be reported to the county trustee monthly. The fees were only remitted three times during the year (March, May, and June 2014), and commissary profits were only remitted in June 2014.

### RECOMMENDATION

Bank statements should be reconciled monthly with cash journal accounts, and accurate lists of outstanding checks should be prepared. The official cash journal and the annual financial report should accurately reflect all operations of the Sheriff's Department. All fees

collected by the office and profits earned from the jail commissary operation should be reported and paid to the county trustee monthly in compliance with state statute.

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FINDING 2014-008

**THE OFFICE DID NOT DEPOSIT SOME FUNDS  
WITHIN THREE DAYS OF COLLECTION**

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected receipts for the months of December 2013 through February 2014 to trace to deposits. During this period, six receipts were held from four-to-ten days before being deposited to the office bank account. This deficiency was the result of a lack of management oversight. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

RECOMMENDATION

All funds should be deposited to the office bank account within three days of collection as required by state statute.

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FINDING 2014-009

**THE COUNTY'S BUDGETARY AND PURCHASING  
PROCESSES WERE CIRCUMVENTED**

(Noncompliance Under *Government Auditing Standards*)

During the year, the Sheriff's Department received a contribution of \$24,637 from the Dyer County Emergency Communications District. These funds were used by the department to purchase dispatch radios from a local vendor. These purchases should have been made through the county's General Fund's budgetary and purchasing processes. Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies." Management stated that they were unaware of these requirements and thought that the purchase was allowed since they had received the funding at no cost to the county.

RECOMMENDATION

All general government purchases should be made by warrants issued by the County Mayor's Office through the county's budgetary and purchasing processes.

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**OFFICES OF ROAD SUPERVISOR, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, AND SHERIFF**

**FINDING 2014-010**

**DUTIES WERE NOT SEGREGATED ADEQUATELY**

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

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

**RECOMMENDATION**

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

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

There were no findings and questioned costs for federal awards.

## **BEST PRACTICE**

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

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

### **DYER COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Dyer 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. 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.

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

At this time, the Dyer County Legislative Body does not wish to set up a central system of accounting, budgeting, and purchasing.

**DYER COUNTY, TENNESSEE**  
**AUDITEE REPORTING RESPONSIBILITIES**  
**For the Year Ended June 30, 2014**

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