

# ANNUAL FINANCIAL REPORT

## DYER COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015



DIVISION OF LOCAL GOVERNMENT AUDIT



**ANNUAL FINANCIAL REPORT**  
**DYER COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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

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

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*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, 2015

## ***Scope***

We have audited the basic financial statements of Dyer County as of and for the year ended June 30, 2015.

## ***Results***

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

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

## ***Findings***

The following are summaries of the audit findings:

### **OFFICE OF COUNTY MAYOR**

- ◆ The office did not file a Report on Debt Obligation with the state Comptroller's Office in a timely manner.

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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 CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

- ◆ Unclaimed funds were not reported and paid to the state.
- ◆ The office did not review its software audit logs.

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### **OFFICE OF CLERK AND MASTER**

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

## **OFFICE OF SHERIFF**

- ◆ The annual financial report was not accurate.
  - ◆ Some receipts were not issued at the time of collection, and some funds were not deposited within three days of collection.
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## **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, 2015

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**Officials**

Chris Young, County Mayor  
Jeff Jones, Road Supervisor  
Dwight Hedge, Director of Schools  
Nancy Broadstone, 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**

John Uitendaal, Chairman	Steve Moore
Jeff Branham	Pamela Newell
James T. Cobb	Kim Peckenpaugh
Brandon Dodds	Debra Roberson
Rusty Grills	Steve Sartin
Debbie Bradshaw Hart	Larry Shawver
Jimmy Hester	Doug Singletary
Dob Johnson	Benny Spain
Robert Kirby	Vernita Turner
Terry McCreight	Greg Vestal

**Board of Education**

Mike McLaughlin, Chairman	Carol Feather
Keith Anderson	Jeremy Gatlin
Sherrell Armstrong	William May
LeAnn Childress	Wade Newbill
Steve Dodds	Maria Starks

**Audit Committee**

John Uitendaal, Chairman  
Brandon Dodds  
Debbie Bradshaw Hart  
Jimmy Hester  
Debra Roberson

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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, 2015, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof 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. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

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

We draw attention to Note I.D.9. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position by \$93,924 and the discretely presented Dyer County School Department net position by \$4,070,306 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

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

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension asset and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension asset, and schedule of funding progress - other postemployment benefits plan on pages 78-84 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 27, 2015, 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,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 27, 2015

JPW/sb

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Dyer County, Tennessee  
Statement of Net Position  
June 30, 2015

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Dyer County School Department</u>
<u>ASSETS</u>		
Cash	\$ 1,287	\$ 880
Equity in Pooled Cash and Investments	23,642,465	8,214,174
Accounts Receivable	2,850	1,884
Due from Other Governments	806,615	1,167,993
Property Taxes Receivable	9,263,770	3,511,713
Allowance for Uncollectible Property Taxes	(414,648)	(178,738)
Accrued Interest Receivable	92,519	0
Notes Receivable - Long-term	1,055,197	0
Net Pension Asset - Agent Plan	71,693	0
Net Pension Asset - Cost-Sharing Plan	0	52,616
Capital Assets:		
Assets Not Depreciated:		
Land	3,554,709	1,315,675
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	9,198,010	40,537,109
Infrastructure	7,286,742	0
Other Capital Assets	2,998,877	3,830,546
Total Assets	<u>\$ 57,560,086</u>	<u>\$ 58,453,852</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Amount on Refunding	\$ 201,662	\$ 0
Pension Changes in Experience	0	127,740
Pension Other Deferrals	0	111,197
Pension Contributions After Measurement Date	55,048	1,119,194
Total Deferred Outflows of Resources	<u>\$ 256,710</u>	<u>\$ 1,358,131</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 45,564
Accrued Payroll	0	15,179
Payroll Deductions Payable	22,071	746,086
Accrued Interest Payable	88,717	0
Cafeteria Salaries and Benefits	0	9,864
Noncurrent Liabilities:		
Due Within One Year	2,797,243	5,708
Due in More Than One Year (net of unamortized premium and discount on debt)	38,933,186	4,144,761
Total Liabilities	<u>\$ 41,841,217</u>	<u>\$ 4,967,162</u>

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Dyer County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 8,573,902	\$ 3,199,405
Pension Changes in Experience	1,647	0
Pension Changes in Investment Earnings	157,418	4,335,266
Total Deferred Inflows of Resources	<u>\$ 8,732,967</u>	<u>\$ 7,534,671</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 16,941,068	\$ 45,683,330
Restricted for:		
General Government	1,055,197	0
Finance	17,740	0
Administration of Justice	33,441	0
Public Safety	29,035	0
Highway/Public Works	3,525,531	0
Debt Service	170,994	0
Education	0	28,171
Support Services	0	27,530
Operation of Non-instructional Services	0	855,572
Unrestricted	<u>(14,530,394)</u>	<u>715,547</u>
Total Net Position	<u>\$ 7,242,612</u>	<u>\$ 47,310,150</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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Total Activities	Unit Dyer County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 3,517,671	\$ 335,515	\$ 20,439	\$ 1,505,587	\$ (1,656,130)	\$ 0
Finance	1,073,719	932,916	2,000	0	(138,803)	0
Administration of Justice	1,357,693	716,490	22,530	0	(618,673)	0
Public Safety	5,026,549	1,333,410	109,267	0	(3,583,872)	0
Public Health and Welfare	803,256	42,904	389,484	0	(370,868)	0
Social, Cultural, and Recreational Services	709,329	0	337,080	0	(372,249)	0
Agriculture and Natural Resources	212,321	0	0	0	(212,321)	0
Highways	3,634,665	47,234	1,965,893	0	(1,621,538)	0
Education	93,385	90,302	0	0	(3,083)	0
Interest on Long-term Debt	1,769,699	0	2,551	0	(1,767,148)	0
<b>Total Primary Government</b>	<b>\$ 18,198,287</b>	<b>\$ 3,498,771</b>	<b>\$ 2,849,244</b>	<b>\$ 1,505,587</b>	<b>\$ (10,344,685)</b>	<b>\$ 0</b>
Component Unit:						
Dyer County School Department	\$ 32,398,554	\$ 677,388	\$ 4,838,489	\$ 0	\$ 0	\$ (26,882,677)
<b>Total Component Unit</b>	<b>\$ 32,398,554</b>	<b>\$ 677,388</b>	<b>\$ 4,838,489</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (26,882,677)</b>

(Continued)

Exhibit B

Dyer County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Total Governmental Activities	Component Unit Dyer County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 6,941,024	\$ 4,475,367
Property Taxes Levied for Debt Service					2,272,529	0
Local Option Sales Taxes					73,099	3,803,597
Wheel Tax					0	1,177,574
Litigation Tax					243,142	0
Business Tax					416,939	0
Wholesale Beer Tax					76,183	0
Interstate Telecommunications Tax					0	3,111
Grants and Contributions Not Restricted to Specific Programs					1,306,176	18,517,450
Unrestricted Investment Income					739,792	59,467
Miscellaneous					166,132	63,070
Pension Income					6,552	26,593
<b>Total General Revenues</b>					<b>\$ 12,241,568</b>	<b>\$ 28,126,229</b>
Change in Net Position						
Net Position, July 1, 2014					\$ 1,896,883	\$ 1,243,552
Restatement - Pension Liability (see Note I.D.9)					5,439,653	50,136,904
					(93,924)	(4,070,306)
<b>Net Position, June 30, 2015</b>					<b>\$ 7,242,612</b>	<b>\$ 47,310,150</b>

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, 2015

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,287	\$ 1,287
Equity in Pooled Cash and Investments	18,060,704	3,183,518	1,632,133	85,683	22,962,038
Accounts Receivable	2,850	0	0	0	2,850
Due from Other Governments	440,987	354,117	11,511	0	806,615
Due from Other Funds	1,287	0	0	4,198	5,485
Property Taxes Receivable	5,293,390	1,732,646	2,237,734	0	9,263,770
Allowance for Uncollectible Property Taxes	(235,782)	(78,056)	(100,810)	0	(414,648)
Accrued Interest Receivable	0	0	92,519	0	92,519
Notes Receivable - Long-term	1,055,197	0	0	0	1,055,197
Total Assets	<u>\$ 24,618,633</u>	<u>\$ 5,192,225</u>	<u>\$ 3,873,087</u>	<u>\$ 91,168</u>	<u>\$ 33,775,113</u>
<u>LIABILITIES</u>					
Payroll Deductions Payable	\$ 22,007	\$ 0	\$ 0	\$ 64	\$ 22,071
Due to Other Funds	4,198	0	0	1,287	5,485
Total Liabilities	<u>\$ 26,205</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,351</u>	<u>\$ 27,556</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 4,901,907	\$ 1,602,433	\$ 2,069,562	\$ 0	\$ 8,573,902
Deferred Delinquent Property Taxes	134,164	44,942	58,049	0	237,155
Other Deferred/Unavailable Revenue	82,103	170,711	6,535	0	259,349
Total Deferred Inflows of Resources	<u>\$ 5,118,174</u>	<u>\$ 1,818,086</u>	<u>\$ 2,134,146</u>	<u>\$ 0</u>	<u>\$ 9,070,406</u>

(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 Govern- mental Funds	
<u>FUND BALANCES</u>					
Nonspendable:					
Long-term Notes Receivable	\$ 1,055,197	\$ 0	\$ 0	\$ 0	\$ 1,055,197
Restricted:					
Restricted for Finance	17,740	0	0	0	17,740
Restricted for Administration of Justice	3	0	0	33,438	33,441
Restricted for Public Safety	3,930	0	0	25,105	29,035
Restricted for Highways/Public Works	0	3,309,878	0	0	3,309,878
Committed:					
Committed for Public Health and Welfare	0	0	0	31,274	31,274
Committed for Highways/Public Works	0	64,261	0	0	64,261
Committed for Debt Service	0	0	1,738,941	0	1,738,941
Unassigned	18,397,384	0	0	0	18,397,384
Total Fund Balances	<u>\$ 19,474,254</u>	<u>\$ 3,374,139</u>	<u>\$ 1,738,941</u>	<u>\$ 89,817</u>	<u>\$ 24,677,151</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,618,633</u>	<u>\$ 5,192,225</u>	<u>\$ 3,873,087</u>	<u>\$ 91,168</u>	<u>\$ 33,775,113</u>

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, 2015

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)		\$ 24,677,151
(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	9,198,010	
Add: infrastructure net of accumulated depreciation	7,286,742	
Add: other capital assets net of accumulated depreciation	<u>2,998,877</u>	23,038,338
(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.		680,427
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: capital lease payable	\$ (4,167)	
Less: other loans payable	(10,747,088)	
Less: bonds payable	(30,735,000)	
Less: accrued interest on bonds	(88,717)	
Less: other deferred revenue - premium on debt	(278,103)	
Add: deferred amount on unamortized debt discount	33,929	
Add: deferred amount on refunding	<u>201,662</u>	(41,617,484)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 55,048	
Less: deferred inflows of resources related to pensions	<u>(159,065)</u>	(104,017)
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		71,693
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>496,504</u>
Net position of governmental activities (Exhibit A)		<u>\$ 7,242,612</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, 2015

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 6,014,850	\$ 1,761,356	\$ 3,331,140	\$ 81,813	\$ 11,189,159
Licenses and Permits	156,610	0	0	0	156,610
Fines, Forfeitures, and Penalties	157,983	0	0	5,370	163,353
Charges for Current Services	32,523	0	0	34,726	67,249
Other Local Revenues	209,795	244,667	455,070	33,241	942,773
Fees Received from County Officials	1,594,011	0	0	0	1,594,011
State of Tennessee	3,652,561	1,884,320	0	0	5,536,881
Federal Government	273,232	77,009	255,088	198	605,527
Other Governments and Citizens Groups	46,965	0	0	0	46,965
Total Revenues	<u>\$ 12,138,530</u>	<u>\$ 3,967,352</u>	<u>\$ 4,041,298</u>	<u>\$ 155,348</u>	<u>\$ 20,302,528</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 3,063,613	\$ 0	\$ 0	\$ 0	\$ 3,063,613
Finance	1,075,349	0	0	947	1,076,296
Administration of Justice	1,358,849	0	0	6,181	1,365,030
Public Safety	4,919,934	0	0	36,299	4,956,233
Public Health and Welfare	672,098	0	0	116,068	788,166
Social, Cultural, and Recreational Services	690,320	0	0	0	690,320
Agriculture and Natural Resources	211,346	0	0	0	211,346
Other Operations	304,812	0	0	0	304,812
Highways	0	3,460,421	0	0	3,460,421
Debt Service:					
Principal on Debt	164,292	0	2,542,322	0	2,706,614
Interest on Debt	56,874	0	1,651,846	0	1,708,720
Other Debt Service	0	0	158,722	0	158,722
Total Expenditures	<u>\$ 12,517,487</u>	<u>\$ 3,460,421</u>	<u>\$ 4,352,890</u>	<u>\$ 159,495</u>	<u>\$ 20,490,293</u>

(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 /	General	Other	
		Public Works	Debt Service	Govern- mental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ (378,957)	\$ 506,931	\$ (311,592)	\$ (4,147)	\$ (187,765)
<u>Other Financing Sources (Uses)</u>					
Capital Leases Issued	\$ 71,223	\$ 0	\$ 0	\$ 0	\$ 71,223
Refunding Debt Issued	0	0	5,815,000	0	5,815,000
Premiums on Debt Issued	0	0	280,654	0	280,654
Insurance Recovery	112,608	23,966	0	0	136,574
Payments to Refunded Debt Escrow Agent	0	0	(6,025,000)	0	(6,025,000)
Total Other Financing Sources (Uses)	\$ 183,831	\$ 23,966	\$ 70,654	\$ 0	\$ 278,451
Net Change in Fund Balances	\$ (195,126)	\$ 530,897	\$ (240,938)	\$ (4,147)	\$ 90,686
Fund Balance, July 1, 2014	19,669,380	2,843,242	1,979,879	93,964	24,586,465
Fund Balance, June 30, 2015	\$ 19,474,254	\$ 3,374,139	\$ 1,738,941	\$ 89,817	\$ 24,677,151

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, 2015

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)		\$ 90,686
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 1,216,274	
Less: current-year depreciation expense	<u>(1,683,261)</u>	(466,987)
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.</p>		
Less: net book value of assets disposed		(219,758)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$ 496,504	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(623,145)</u>	(126,641)
<p>(4) The issuance of long-term debt (e.g., capital leases and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Less: capital lease proceeds	\$ (71,223)	
Less: refunding bonds proceeds	(5,815,000)	
Less: change in deferred amount on refunding debt	(4,352)	
Less: change in discount on debt issuances	(3,113)	
Less: change in premium on debt issuances	(278,103)	
Add: principal payments on capital leases	164,292	
Add: principal payments on other loans	774,510	
Add: principal payments on bonds	1,755,000	
Add: payment to refunding agent	<u>6,025,000</u>	2,547,011
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in accrued interest payable	15,052	
Change in net pension asset	165,617	
Change in deferred outflows related to pensions	55,048	
Change in deferred inflows related to pensions	<u>(159,065)</u>	76,652
<p>(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.</p>		
		<u>(4,080)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,896,883</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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,014,850	\$ 5,991,190	\$ 5,991,190	\$ 23,660
Licenses and Permits	156,610	141,410	141,410	15,200
Fines, Forfeitures, and Penalties	157,983	195,067	246,049	(88,066)
Charges for Current Services	32,523	86,650	87,092	(54,569)
Other Local Revenues	209,795	232,590	346,562	(136,767)
Fees Received from County Officials	1,594,011	1,617,750	1,617,750	(23,739)
State of Tennessee	3,652,561	2,769,855	4,303,538	(650,977)
Federal Government	273,232	524,063	666,621	(393,389)
Other Governments and Citizens Groups	46,965	41,400	41,400	5,565
Total Revenues	<u>\$ 12,138,530</u>	<u>\$ 11,599,975</u>	<u>\$ 13,441,612</u>	<u>\$ (1,303,082)</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 97,023	\$ 96,971	\$ 97,401	\$ 378
Board of Equalization	984	3,000	3,000	2,016
Other Boards and Committees	3,060	3,500	3,500	440
County Mayor/Executive	216,140	197,883	219,751	3,611
County Attorney	49,032	51,293	51,293	2,261
Election Commission	343,633	374,353	374,353	30,720
Register of Deeds	176,029	205,838	205,838	29,809
Planning	126,908	131,510	131,510	4,602
County Buildings	315,580	287,489	317,573	1,993
Other General Administration	1,704,949	577,120	2,043,714	338,765
Preservation of Records	30,275	25,000	30,275	0
<u>Finance</u>				
Accounting and Budgeting	149,757	155,678	156,498	6,741
Property Assessor's Office	252,209	296,269	296,269	44,060
Reappraisal Program	51,379	53,084	53,084	1,705
County Trustee's Office	228,198	242,869	242,869	14,671
County Clerk's Office	355,539	421,915	423,915	68,376
Other Finance	38,267	46,290	45,010	6,743
<u>Administration of Justice</u>				
Circuit Court	438,686	442,946	450,568	11,882
General Sessions Court	206,469	206,392	206,392	(77)
Drug Court	55,770	70,000	70,000	14,230
Chancery Court	304,019	317,102	317,102	13,083
Juvenile Court	283,831	313,952	313,952	30,121
Other Administration of Justice	70,074	73,490	72,340	2,266

(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 Safety</u>				
Sheriff's Department	\$ 2,112,344	\$ 2,052,453	\$ 2,146,417	\$ 34,073
Drug Enforcement	6,011	8,085	9,445	3,434
Jail	2,383,365	2,575,333	2,591,809	208,444
Fire Prevention and Control	358,091	280,894	375,399	17,308
Disaster Relief	40,380	48,905	48,905	8,525
County Coroner/Medical Examiner	10,900	13,000	13,000	2,100
Other Public Safety	8,843	9,517	9,517	674
<u>Public Health and Welfare</u>				
Local Health Center	92,505	114,272	114,272	21,767
Rabies and Animal Control	89,750	89,750	89,750	0
Alcohol and Drug Programs	10,750	0	25,344	14,594
Crippled Children Services	1,240	1,240	1,240	0
Other Local Health Services	101,507	120,900	120,900	19,393
General Welfare Assistance	86,242	90,175	88,975	2,733
Aid to Dependent Children	150,412	153,100	158,749	8,337
Other Local Welfare Services	48,033	0	136,909	88,876
Sanitation Education/Information	91,659	97,728	97,728	6,069
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	91,436	98,556	98,556	7,120
Senior Citizens Assistance	346,349	347,404	377,404	31,055
Libraries	137,000	137,000	137,000	0
Parks and Fair Boards	2,295	2,295	2,295	0
Other Social, Cultural, and Recreational	113,240	113,346	115,446	2,206
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	152,880	152,900	152,900	20
Soil Conservation	26,767	26,825	26,825	58
Flood Control	31,699	33,619	33,619	1,920
<u>Other Operations</u>				
Industrial Development	582	3,500	583	1
Veterans' Services	15,516	21,035	21,035	5,519
Miscellaneous	288,714	276,000	314,040	25,326
<u>Principal on Debt</u>				
General Government	164,292	90,000	165,061	769
<u>Interest on Debt</u>				
General Government	56,874	57,548	56,785	(89)
Total Expenditures	\$ 12,517,487	\$ 11,609,324	\$ 13,656,115	\$ 1,138,628

(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	
Excess (Deficiency) of Revenues Over Expenditures	\$ (378,957)	\$ (9,349)	\$ (214,503)	\$ (164,454)
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 71,223	\$ 0	\$ 71,223	\$ 0
Insurance Recovery	112,608	0	133,110	(20,502)
Transfers In	0	100,085	100,085	(100,085)
Total Other Financing Sources	\$ 183,831	\$ 100,085	\$ 304,418	\$ (120,587)
Net Change in Fund Balance	\$ (195,126)	\$ 90,736	\$ 89,915	\$ (285,041)
Fund Balance, July 1, 2014	19,669,380	20,200,907	20,200,907	(531,527)
Fund Balance, June 30, 2015	\$ 19,474,254	\$ 20,291,643	\$ 20,290,822	\$ (816,568)

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,761,356	\$ 1,746,100	\$ 1,746,100	\$ 15,256
Other Local Revenues	244,667	67,799	232,921	11,746
State of Tennessee	1,884,320	2,374,901	2,374,901	(490,581)
Federal Government	77,009	0	0	77,009
Total Revenues	<u>\$ 3,967,352</u>	<u>\$ 4,188,800</u>	<u>\$ 4,353,922</u>	<u>\$ (386,570)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 167,173	\$ 201,077	\$ 201,077	\$ 33,904
Highway and Bridge Maintenance	1,651,280	3,436,117	3,204,915	1,553,635
Operation and Maintenance of Equipment	519,849	726,944	639,278	119,429
Other Charges	101,792	205,000	150,000	48,208
Employee Benefits	222,846	288,200	238,200	15,354
Capital Outlay	797,481	850,979	1,439,969	642,488
Total Expenditures	<u>\$ 3,460,421</u>	<u>\$ 5,708,317</u>	<u>\$ 5,873,439</u>	<u>\$ 2,413,018</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 506,931</u>	<u>\$ (1,519,517)</u>	<u>\$ (1,519,517)</u>	<u>\$ 2,026,448</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 23,966	\$ 0	\$ 0	\$ 23,966
Total Other Financing Sources	<u>\$ 23,966</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,966</u>
Net Change in Fund Balance	\$ 530,897	\$ (1,519,517)	\$ (1,519,517)	\$ 2,050,414
Fund Balance, July 1, 2014	<u>2,843,242</u>	<u>2,124,433</u>	<u>2,124,433</u>	<u>718,809</u>
Fund Balance, June 30, 2015	<u>\$ 3,374,139</u>	<u>\$ 604,916</u>	<u>\$ 604,916</u>	<u>\$ 2,769,223</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, 2015

	<u>Governmental Activities - Internal Service Fund</u> <u>Workers' Compensation Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 680,427
Total Assets	<u>\$ 680,427</u>
<u>NET POSITION</u>	
Unrestricted	\$ 680,427
Total Net Position	<u>\$ 680,427</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, 2015

	Governmental Activities - Internal Service Fund <u>Workers'</u> Compensation <u>Fund</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums	\$ 159,038
Total Operating Revenues	<u>\$ 159,038</u>
<u>Operating Expenses</u>	
Workers' Compensation Insurance	\$ 99,080
Other Self-Insured Claims	<u>64,038</u>
Total Operating Expenses	<u>\$ 163,118</u>
Operating Income (Loss)	<u>\$ (4,080)</u>
Change in Net Position	\$ (4,080)
Net Position, July 1, 2014	<u>684,507</u>
Net Position, June 30, 2015	<u><u>\$ 680,427</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, 2015

	Governmental Activities - Internal Service Fund Workers' Compensation Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Self-Insurance Premiums	\$ 159,038
Payments for Workers' Compensation Insurance	(99,080)
Payments for Claims	(64,038)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (4,080)</u>
Net Increase in Cash	\$ (4,080)
Cash, July 1, 2014	<u>684,507</u>
Cash, June 30, 2015	<u><u>\$ 680,427</u></u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	<u>\$ (4,080)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (4,080)</u></u>
<u>Reconciliation of Cash With the Statement of Net Position</u>	
Cash Per Net Position	<u>\$ 680,427</u>
Cash, June 30, 2015	<u><u>\$ 680,427</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, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,827,330
Equity in Pooled Cash and Investments	252,292
Due from Other Governments	1,011,963
Property Taxes Receivable	3,389,873
Allowance for Uncollectible Property Taxes	<u>(130,836)</u>
Total Assets	<u>\$ 6,350,622</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 4,520,031
Due to Litigants, Heirs, and Others	<u>1,830,591</u>
Total Liabilities	<u>\$ 6,350,622</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, 2015**

**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, 2015.

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

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

5. **Compensated Absences**

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, 2015, Dyer County had \$35,667,088 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, 2015. Of this amount, \$1,055,197 is a long-term note receivable and is offset by nonspendable fund balance. However, the remaining balance of \$16,944,803 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.

**9. Restatement**

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a new pension liability in their Statement of Net Position. Therefore, a restatement decreasing Dyer County's beginning net position by \$93,924, and the discretely presented Dyer County School Department's net position by \$4,070,306 has been recognized on the Statement of Activities.

**E. Pension Plans**

**Primary Government**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Dyer County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Dyer County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan.

For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

**Discretely Presented Dyer County School Department**

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

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

**Primary Government**

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

**Discretely Presented 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**

**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, 2015, the Dyer County School Department reported the following significant encumbrances:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
School Department:		
Major Fund:		
General Purpose School	Textbooks	\$ 153,398
"	Paving/Resurfacing	145,865
School Transportation	Buses	199,198

#### 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, 2015, 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.

Investment	Maturities	Fair Value
Municipal Bonds	3-1-17 to 8-1-29	\$ 9,496,233

**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 \$1,055,197 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, 2015, was as follows:

**Primary Government - Governmental Activities:**

	Balance 7-1-14		Increases	Decreases	Balance 6-30-15	
Capital Assets Not Depreciated:						
Land	\$ 3,554,709	\$	0	\$	0	\$ 3,554,709
Total Capital Assets Not Depreciated	\$ 3,554,709	\$	0	\$	0	\$ 3,554,709
Capital Assets Depreciated:						
Buildings and Improvements	\$ 13,082,050	\$	0	\$	0	\$ 13,082,050
Infrastructure	22,170,520		95,486		0	22,266,006
Other Capital Assets	7,808,809		1,120,788		816,910	8,112,687
Total Capital Assets Depreciated	\$ 43,061,379	\$	1,216,274	\$	816,910	\$ 43,460,743
Less Accumulated Depreciation For:						
Buildings and Improvements	\$ 3,542,977	\$	341,063	\$	0	\$ 3,884,040
Infrastructure	14,125,264		854,000		0	14,979,264
Other Capital Assets	5,222,764		488,198		597,152	5,113,810
Total Accumulated Depreciation	\$ 22,891,005	\$	1,683,261	\$	597,152	\$ 23,977,114
Total Capital Assets Depreciated, Net	\$ 20,170,374	\$	(466,987)	\$	219,758	\$ 19,483,629
Governmental Activities Capital Assets, Net	\$ 23,725,083	\$	(466,987)	\$	219,758	\$ 23,038,338

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

**Governmental Activities:**

General Government	\$ 153,913
Finance	1,896
Administration of Justice	3,350
Public Safety	341,295
Public Health and Welfare	32,614
Social, Cultural, and Recreational Services	16,905
Agriculture and Natural Resources	675
Highways	1,132,613
Total Depreciation Expense - Governmental Activities	\$ 1,683,261

**Discretely Presented Dyer County School Department -  
Governmental Activities**

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 1,134,829	\$ 180,846	\$ 0	\$ 1,315,675
Total Capital Assets Not Depreciated	\$ 1,134,829	\$ 180,846	\$ 0	\$ 1,315,675
Capital Assets Depreciated				
Buildings and Improvements	\$ 53,816,581	\$ 0	\$ 0	\$ 53,816,581
Other Capital Assets	7,161,407	681,617	93,440	7,749,584
Total Capital Assets Depreciated	\$ 60,977,988	\$ 681,617	\$ 93,440	\$ 61,566,165
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 12,212,919	\$ 1,066,553	\$ 0	\$ 13,279,472
Other Capital Assets	3,475,362	509,683	66,007	3,919,038
Total Accumulated Depreciation	\$ 15,688,281	\$ 1,576,236	\$ 66,007	\$ 17,198,510
Total Capital Assets Depreciated, Net	\$ 45,289,707	\$ (894,619)	\$ 27,433	\$ 44,367,655
Governmental Activities Capital Assets, Net	\$ 46,424,536	\$ (713,773)	\$ 27,433	\$ 45,683,330

Depreciation expense was charged to functions of the discretely presented Dyer County School Department as follows:

**Governmental Activities:**

Instruction	\$ 978,643
Support Services	508,199
Operation of Non-instructional Services	89,394
Total Depreciation Expense - Governmental Activities	<u>\$ 1,576,236</u>

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

The composition of interfund balances as of June 30, 2015, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 1,287
Nonmajor governmental	General	4,198

These balances 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, 2015, consisted of the following amount:

**Discretely Presented Dyer County School Department**

<u>Transfer Out</u>	<u>Transfer In</u>
	General Purpose School Fund
Nonmajor governmental fund	\$ 28,352

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

**E. Capital Lease**

On December 29, 2014, Dyer County entered into a two-year lease-purchase agreement for patrol cars for the Sheriff's Department. The county prepaid a portion of the principal requirements resulting in a shortened lease term. The terms of the agreement require total lease payments of \$71,223 plus interest payments of 2.5 percent. Title to the cars transfers to Dyer County at the end of the lease period. The lease payments are made from the General Fund.

The assets acquired through the capital lease are as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Sheriff's Patrol Cars	\$ 71,233
Less: Accumulated Depreciation	<u>(13,849)</u>
Total Book Value	<u>\$ 57,384</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2016	\$ 4,181
Total Minimum Lease Payments	\$ 4,181
Less: Amount Representing Interest	<u>(14)</u>
Present Value of Minimum Lease Payments	<u>\$ 4,167</u>

**F. 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 17 years. 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, 2015, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and the capital lease outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation Bonds –					
Refunding	2 to 4	%	6-1-26	\$ 5,815,000	\$ 5,815,000
School Refunding Bonds	2 to 4.1		6-1-26	30,240,000	24,920,000
Other Loans	0 to 1.515		9-15-27	14,633,000	10,747,088
Capital Lease	2.5		8-18-15	71,233	4,167

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, 2015, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 1,880,000	\$ 932,054	\$ 2,812,054
2017	1,905,000	889,004	2,794,004
2018	1,995,000	845,654	2,840,654
2019	2,065,000	797,791	2,862,791
2020	2,185,000	746,135	2,931,135
2021-2025	16,525,000	2,579,045	19,104,045
2026	4,180,000	146,985	4,326,985
Total	<u>\$ 30,735,000</u>	<u>\$ 6,936,668</u>	<u>\$ 37,671,668</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
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
2021-2025	4,565,380	2,053,855	67,490	6,686,725
2026-2028	1,616,328	806,054	22,158	2,444,540
Total	<u>\$ 10,747,088</u>	<u>\$ 4,913,764</u>	<u>\$ 157,138</u>	<u>\$ 15,817,990</u>

There is \$1,738,941 available in the General Debt Service Fund to service long-term debt. Debt per capita, including the capital lease, other loans, and bonds totaled \$1,082, based on the 2010 federal census.

### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

Governmental Activities:	Bonds	Other Loans	Capital Leases
	Balance, July 1, 2014	\$ 32,700,000	\$ 11,521,598
Additions	5,815,000	0	71,223
Reductions	(7,780,000)	(774,510)	(164,292)
Balance, June 30, 2015	<u>\$ 30,735,000</u>	<u>\$ 10,747,088</u>	<u>\$ 4,167</u>
Balance Due Within One Year	<u>\$ 1,880,000</u>	<u>\$ 913,076</u>	<u>\$ 4,167</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 41,486,255
Add: Unamortized Premium on Debt	278,103
Less: Unamortized Discount on Debt	(33,929)
Less: Balance Due Within One Year	<u>(2,797,243)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 38,933,186</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, 2015, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2014	\$ 113,512	\$ 3,665,945
Additions	97,646	701,777
Reductions	<u>(97,011)</u>	<u>(331,400)</u>
Balance, June 30, 2015	<u>\$ 114,147</u>	<u>\$ 4,036,322</u>
Balance Due Within One Year	<u>\$ 5,708</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 4,150,469
Less: Balance Due Within One Year	<u>(5,708)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,144,761</u>

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

Current Refunding

On May 27, 2015, Dyer County issued \$5,815,000 in general obligation refunding bonds for a current refunding of \$6,025,000 in Series 2005 general obligation refunding bonds. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt.

Also, as a result of the refunding, total debt service payments over the next ten years will be reduced by \$1,041,884, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$932,124 was obtained.

**G. 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, 2015, 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
2012-13	\$ 0	\$ 148,370	\$ 148,370	\$ 0
2013-14	0	141,391	141,391	0
2014-15	0	163,118	163,118	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. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**C. Contingent Liabilities**

The county is involved in two 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.

**D. Changes in Administration**

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.

**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, 2015. 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)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Dyer County are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

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

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

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	7
Inactive Employees Entitled to But Not Yet Receiving Benefits	3
Active Employees	<u>10</u>
Total	<u><u>20</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Dyer County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Dyer County were \$55,048 based on a rate of 6.74 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Dyer County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Net Pension Liability (Asset)**

Dyer County’s net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

**Changes in the Net Pension Liability (Asset)**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 2,309,611	\$ 2,160,009	\$ 149,602
Changes for the Year:			
Service Cost	\$ 60,604	\$ 0	\$ 60,604
Interest	174,769	0	174,769
Differences Between Expected and Actual Experience	(2,196)	0	(2,196)
Contributions-Employer	0	55,678	(55,678)
Contributions-Employees	0	39,942	(39,942)
Net Investment Income	0	359,343	(359,343)
Benefit Payments, Including Refunds of Employee Contributions	(79,914)	(79,914)	0
Administrative Expense	0	(491)	491
Net Changes	\$ 153,263	\$ 374,558	\$ (221,295)
Balance, June 30, 2014	\$ 2,462,874	\$ 2,534,567	\$ (71,693)

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

Dyer County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
-------------	------------------------	-------------------------------------	------------------------

Net Pension Liability    \$    218,205    \$    (71,693)    \$    (320,432)

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

*Pension Income.* For the year ended June 30, 2015, Dyer County recognized pension income of \$6,552.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, Dyer County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$            0	\$    1,647
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	157,418
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>55,048</u>	<u>N/A</u>
Total	<u>\$    55,048</u>	<u>\$    159,065</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ending June 30	Amount
2016	\$ (39,903)
2017	(39,903)
2018	(39,903)
2019	(39,354)
2020	0
Thereafter	0

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

**Discretely Presented Dyer County School Department**

**Teacher Retirement Plan**

**General Information About the Pension Plan**

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

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members of the Teachers Retirement Plan are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were \$18,815 which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities.* Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

*Pension Expense.* Since the measurement date is June 30, 2014, the Dyer County School Department did not recognize any pension expense at June 30, 2015.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, the Dyer County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 18,815	N/A

The Dyer County School Department’s employer contributions of \$18,815 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ending June 30, 2016.

**Teacher Legacy Pension Plan**

**General Information About the Pension Plan**

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

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members

are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Dyer County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$1,100,379, which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Assets.* At June 30, 2015, the Dyer County School Department reported an asset of \$52,616 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Dyer County School Department's proportion of the net pension asset was based on the Dyer County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Dyer County School

Department's proportion was .323803 percent. The proportion measured as of June 30, 2013, was .315920 percent.

*Pension Income.* For the year ended June 30, 2015, the Dyer County School Department recognized a pension income of \$26,593.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, the Dyer County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 127,740	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	4,335,266
Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions	111,197	0
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	<u>1,100,379</u>	<u>N/A</u>
Total	<u>\$ 1,339,316</u>	<u>\$ 4,335,266</u>

The Dyer County School Department's employer contributions of \$1,100,379 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (1,043,994)
2017	(1,043,994)
2018	(1,043,994)
2019	(1,043,994)
2020	39,823
Thereafter	39,824

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

*Actuarial Assumptions.* The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability    \$ 8,874,370    \$ (52,616)    \$ (7,443,193)

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

**2. Deferred Compensation**

The 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 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, 34 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, 2015, the Dyer County School Department contributed \$331,400 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 698,000
Interest on the NOPEBO	146,638
Adjustment to the ARC	(142,861)
Annual OPEB cost	<hr/> \$ 701,777
Less: Amount of contribution	(331,400)
Increase/decrease in NOPEBO	<hr/> \$ 370,377
Net OPEB obligation, 7-1-14	<hr/> 3,665,945
Net OPEB obligation, 6-30-15	<hr/> <hr/> \$ 4,036,322

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Education Group	\$ 881,043	40	% \$ 3,360,692
6-30-14	"	677,463	55	3,665,945
6-30-15	"	701,777	47	4,036,322

### Funded Status and Funding Progress

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

	<u>Local Education Group Plan</u>
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 seven percent for fiscal year 2015. The trend will decrease to 6.5 percent in fiscal year 2016 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 Changes in Net Pension Liability (Asset) and Related Ratios Based on  
Participation in the Public Employee Pension Plan of TCRS  
Primary Government  
For the Fiscal Year Ended June 30

	<u>2014</u>
<b>Total Pension Liability (Asset)</b>	
Service Cost	\$ 60,604
Interest	174,769
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(2,196)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(79,914)</u>
Net Change in Total Pension Liability (Asset)	\$ 153,263
Total Pension Liability (Asset), Beginning	<u>2,309,611</u>
 Total Pension Liability (Asset), Ending (a)	 <u>\$ 2,462,874</u>
 <b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 55,678
Contributions - Employee	39,942
Net Investment Income	359,343
Benefit Payments, Including Refunds of Employee Contributions	(79,914)
Administrative Expense	<u>(491)</u>
Net Change in Plan Fiduciary Net Position	\$ 374,558
Plan Fiduciary Net Position, Beginning	<u>2,160,009</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 2,534,567</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u>\$ (71,693)</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 102.91%
Covered Employee Payroll	\$ 798,831
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	8.97%

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

Exhibit F-2

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 55,678	\$ 55,048
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(55,678)</u>	<u>(55,048)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 798,831	\$ 816,729
Contributions as a Percentage of Covered Employee Payroll	6.97%	6.74%

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

Exhibit F-3

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 11,759
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(18,815)</u>
Contribution Deficiency (Excess)	<u>\$ (7,056)</u>
Covered Employee Payroll	\$ 470,375
Contributions as a Percentage of Covered Employee Payroll	4.00%

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

Exhibit F-4

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,128,581	\$ 1,100,379
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(1,128,581)</u>	<u>(1,100,379)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 12,709,247	\$ 12,521,443
Contributions as a Percentage of Covered Employee Payroll	8.88%	8.79%

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

Exhibit F-5

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

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.323803%
School Department's Proportionate Share of the Net Pension Asset	\$ 52,616
Covered Employee Payroll	\$ 12,709,247
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

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

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

Exhibit F-6

Dyer County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plan  
Discretely Presented Dyer County School Department  
June 30, 2015

(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, 2015**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Seven Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for 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, 2015

	<u>Special Revenue Funds</u>				Total Nonmajor Governmental Funds
	Law Library	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,287	\$ 1,287
Equity in Pooled Cash and Investments	33,438	31,274	20,971	0	85,683
Due from Other Funds	0	0	4,198	0	4,198
Total Assets	<u>\$ 33,438</u>	<u>\$ 31,274</u>	<u>\$ 25,169</u>	<u>\$ 1,287</u>	<u>\$ 91,168</u>
<u>LIABILITIES</u>					
Payroll Deductions Payable	\$ 0	\$ 0	\$ 64	\$ 0	\$ 64
Due to Other Funds	0	0	0	1,287	1,287
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 64</u>	<u>\$ 1,287</u>	<u>\$ 1,351</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Administration of Justice	\$ 33,438	\$ 0	\$ 0	\$ 0	\$ 33,438
Restricted for Public Safety	0	0	25,105	0	25,105
Committed:					
Committed for Public Health and Welfare	0	31,274	0	0	31,274
Total Fund Balances	<u>\$ 33,438</u>	<u>\$ 31,274</u>	<u>\$ 25,105</u>	<u>\$ 0</u>	<u>\$ 89,817</u>
Total Liabilities and Fund Balances	<u>\$ 33,438</u>	<u>\$ 31,274</u>	<u>\$ 25,169</u>	<u>\$ 1,287</u>	<u>\$ 91,168</u>

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, 2015

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Law Library	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	
<u>Revenues</u>					
Local Taxes	\$ 1,994	\$ 79,819	\$ 0	\$ 0	\$ 81,813
Fines, Forfeitures, and Penalties	0	0	5,370	0	5,370
Charges for Current Services	0	33,763	0	963	34,726
Other Local Revenues	0	130	33,111	0	33,241
Federal Government	0	0	198	0	198
Total Revenues	<u>\$ 1,994</u>	<u>\$ 113,712</u>	<u>\$ 38,679</u>	<u>\$ 963</u>	<u>\$ 155,348</u>
<u>Expenditures</u>					
Current:					
Finance	\$ 0	\$ 0	\$ 0	\$ 947	\$ 947
Administration of Justice	6,165	0	0	16	6,181
Public Safety	0	0	36,299	0	36,299
Public Health and Welfare	0	116,068	0	0	116,068
Total Expenditures	<u>\$ 6,165</u>	<u>\$ 116,068</u>	<u>\$ 36,299</u>	<u>\$ 963</u>	<u>\$ 159,495</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>\$ (4,171)</u>	<u>\$ (2,356)</u>	<u>\$ 2,380</u>	<u>\$ 0</u>	<u>\$ (4,147)</u>
Net Change in Fund Balances					
Fund Balance, July 1, 2014	<u>\$ 37,609</u>	<u>\$ 33,630</u>	<u>\$ 22,725</u>	<u>\$ 0</u>	<u>\$ 93,964</u>
Fund Balance, June 30, 2015	<u>\$ 33,438</u>	<u>\$ 31,274</u>	<u>\$ 25,105</u>	<u>\$ 0</u>	<u>\$ 89,817</u>

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,994	\$ 2,100	\$ 2,100	\$ (106)
Total Revenues	\$ 1,994	\$ 2,100	\$ 2,100	\$ (106)
<u>Expenditures</u>				
<u>Administration of Justice</u>				
Other Administration of Justice	\$ 6,165	\$ 6,900	\$ 6,900	\$ 735
Total Expenditures	\$ 6,165	\$ 6,900	\$ 6,900	\$ 735
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,171)	\$ (4,800)	\$ (4,800)	\$ 629
Net Change in Fund Balance	\$ (4,171)	\$ (4,800)	\$ (4,800)	\$ 629
Fund Balance, July 1, 2014	37,609	37,480	37,480	129
Fund Balance, June 30, 2015	\$ 33,438	\$ 32,680	\$ 32,680	\$ 758

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 79,819	\$ 80,000	\$ 80,000	\$ (181)
Charges for Current Services	33,763	8,000	39,000	(5,237)
Other Local Revenues	130	140	140	(10)
State of Tennessee	0	31,000	0	0
Total Revenues	<u>\$ 113,712</u>	<u>\$ 119,140</u>	<u>\$ 119,140</u>	<u>\$ (5,428)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 116,068	\$ 129,465	\$ 129,465	\$ 13,397
Total Expenditures	<u>\$ 116,068</u>	<u>\$ 129,465</u>	<u>\$ 129,465</u>	<u>\$ 13,397</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,356)</u>	<u>\$ (10,325)</u>	<u>\$ (10,325)</u>	<u>\$ 7,969</u>
Net Change in Fund Balance	\$ (2,356)	\$ (10,325)	\$ (10,325)	\$ 7,969
Fund Balance, July 1, 2014	<u>33,630</u>	<u>34,627</u>	<u>34,627</u>	<u>(997)</u>
Fund Balance, June 30, 2015	<u>\$ 31,274</u>	<u>\$ 24,302</u>	<u>\$ 24,302</u>	<u>\$ 6,972</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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 5,370	\$ 70,250	\$ 70,250	\$ (64,880)
Other Local Revenues	33,111	28,000	40,807	(7,696)
Federal Government	198	20,000	20,000	(19,802)
Total Revenues	<u>\$ 38,679</u>	<u>\$ 118,250</u>	<u>\$ 131,057</u>	<u>\$ (92,378)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 36,299	\$ 83,668	\$ 96,475	\$ 60,176
Total Expenditures	<u>\$ 36,299</u>	<u>\$ 83,668</u>	<u>\$ 96,475</u>	<u>\$ 60,176</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,380</u>	<u>\$ 34,582</u>	<u>\$ 34,582</u>	<u>\$ (32,202)</u>
Net Change in Fund Balance	\$ 2,380	\$ 34,582	\$ 34,582	\$ (32,202)
Fund Balance, July 1, 2014	<u>22,725</u>	<u>17,164</u>	<u>17,164</u>	<u>5,561</u>
Fund Balance, June 30, 2015	<u><u>\$ 25,105</u></u>	<u><u>\$ 51,746</u></u>	<u><u>\$ 51,746</u></u>	<u><u>\$ (26,641)</u></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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,331,140	\$ 3,370,166	\$ 3,370,166	\$ (39,026)
Other Local Revenues	455,070	518,500	518,500	(63,430)
Federal Government	255,088	0	253,163	1,925
Other Governments and Citizens Groups	0	253,163	0	0
Total Revenues	<u>\$ 4,041,298</u>	<u>\$ 4,141,829</u>	<u>\$ 4,141,829</u>	<u>\$ (100,531)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 392,812	\$ 392,813	\$ 392,813	\$ 1
Education	2,149,510	2,288,076	2,288,076	138,566
<u>Interest on Debt</u>				
General Government	267,885	267,885	267,885	0
Education	1,383,961	1,384,075	1,384,075	114
<u>Other Debt Service</u>				
General Government	144,724	85,000	153,066	8,342
Education	13,998	13,498	13,998	0
Total Expenditures	<u>\$ 4,352,890</u>	<u>\$ 4,431,347</u>	<u>\$ 4,499,913</u>	<u>\$ 147,023</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (311,592)</u>	<u>\$ (289,518)</u>	<u>\$ (358,084)</u>	<u>\$ 46,492</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 5,815,000	\$ 0	\$ 5,815,000	\$ 0
Premiums on Debt Issued	280,654	0	280,654	0
Payments to Refunded Debt Escrow Agent	(6,025,000)	0	(6,025,000)	0
Total Other Financing Sources	<u>\$ 70,654</u>	<u>\$ 0</u>	<u>\$ 70,654</u>	<u>\$ 0</u>
Net Change in Fund Balance	<u>\$ (240,938)</u>	<u>\$ (289,518)</u>	<u>\$ (287,430)</u>	<u>\$ 46,492</u>
Fund Balance, July 1, 2014	<u>1,979,879</u>	<u>1,548,653</u>	<u>1,548,653</u>	<u>431,226</u>
Fund Balance, June 30, 2015	<u>\$ 1,738,941</u>	<u>\$ 1,259,135</u>	<u>\$ 1,261,223</u>	<u>\$ 477,718</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, 2015

	Agency Funds					Total
	Cities - Sales Tax	Watershed District	City School ADA - Dyersburg	Constitu- tional Officers - Agency	District Attorney General	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 1,827,330	\$ 0	\$ 1,827,330
Equity in Pooled Cash and Investments	0	109,258	139,773	0	3,261	252,292
Due from Other Governments	604,209	0	407,754	0	0	1,011,963
Property Taxes Receivable	0	0	3,389,873	0	0	3,389,873
Allowance for Uncollectible Property Taxes	0	0	(130,836)	0	0	(130,836)
Total Assets	<u>\$ 604,209</u>	<u>\$ 109,258</u>	<u>\$ 3,806,564</u>	<u>\$ 1,827,330</u>	<u>\$ 3,261</u>	<u>\$ 6,350,622</u>
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 604,209	\$ 109,258	\$ 3,806,564	\$ 0	\$ 0	\$ 4,520,031
Due to Litigants, Heirs, and Others	0	0	0	1,827,330	3,261	1,830,591
Total Liabilities	<u>\$ 604,209</u>	<u>\$ 109,258</u>	<u>\$ 3,806,564</u>	<u>\$ 1,827,330</u>	<u>\$ 3,261</u>	<u>\$ 6,350,622</u>

Exhibit I-2

Dyer County, Tennessee  
Combining Statement of Changes in Assets and Liabilities - All Agency Funds  
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,554,199	\$ 3,554,199	\$ 0
Due from Other Governments	588,069	604,209	588,069	604,209
Total Assets	\$ 588,069	\$ 4,158,408	\$ 4,142,268	\$ 604,209
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 588,069	\$ 4,158,408	\$ 4,142,268	\$ 604,209
Total Liabilities	\$ 588,069	\$ 4,158,408	\$ 4,142,268	\$ 604,209
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,747	\$ 1,747	\$ 0
Total Assets	\$ 0	\$ 1,747	\$ 1,747	\$ 0
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 0	\$ 1,747	\$ 1,747	\$ 0
Total Liabilities	\$ 0	\$ 1,747	\$ 1,747	\$ 0
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 119,757	\$ 7,352	\$ 17,851	\$ 109,258
Total Assets	\$ 119,757	\$ 7,352	\$ 17,851	\$ 109,258
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 119,757	\$ 7,352	\$ 17,851	\$ 109,258
Total Liabilities	\$ 119,757	\$ 7,352	\$ 17,851	\$ 109,258
<u>City School ADA - Dyersburg Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 123,409	\$ 7,897,278	\$ 7,880,914	\$ 139,773
Due from Other Governments	412,063	407,754	412,063	407,754
Property Taxes Receivable	2,430,107	3,389,873	2,430,107	3,389,873
Allowance for Uncollectible Property Taxes	(37,063)	(130,836)	(37,063)	(130,836)
Total Assets	\$ 2,928,516	\$ 11,564,069	\$ 10,686,021	\$ 3,806,564
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,928,516	\$ 11,564,069	\$ 10,686,021	\$ 3,806,564
Total Liabilities	\$ 2,928,516	\$ 11,564,069	\$ 10,686,021	\$ 3,806,564

(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	\$ 2,613,874	\$ 7,999,101	\$ 8,785,645	\$ 1,827,330
Total Assets	\$ 2,613,874	\$ 7,999,101	\$ 8,785,645	\$ 1,827,330
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,613,874	\$ 7,999,101	\$ 8,785,645	\$ 1,827,330
Total Liabilities	\$ 2,613,874	\$ 7,999,101	\$ 8,785,645	\$ 1,827,330
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 4,640	\$ 4,148	\$ 5,527	\$ 3,261
Total Assets	\$ 4,640	\$ 4,148	\$ 5,527	\$ 3,261
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 4,640	\$ 4,148	\$ 5,527	\$ 3,261
Total Liabilities	\$ 4,640	\$ 4,148	\$ 5,527	\$ 3,261
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,613,874	\$ 7,999,101	\$ 8,785,645	\$ 1,827,330
Equity in Pooled Cash and Investments	247,806	11,464,724	11,460,238	252,292
Due from Other Governments	1,000,132	1,011,963	1,000,132	1,011,963
Property Taxes Receivable	2,430,107	3,389,873	2,430,107	3,389,873
Allowance for Uncollectible Property Taxes	(37,063)	(130,836)	(37,063)	(130,836)
Total Assets	\$ 6,254,856	\$ 23,734,825	\$ 23,639,059	\$ 6,350,622
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 3,636,342	\$ 15,731,576	\$ 14,847,887	\$ 4,520,031
Due to Litigants, Heirs, and Others	2,618,514	8,003,249	8,791,172	1,830,591
Total Liabilities	\$ 6,254,856	\$ 23,734,825	\$ 23,639,059	\$ 6,350,622

# 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, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 18,741,034	\$ 4,382	\$ 1,943,421	\$ (16,793,231)
Support Services	10,373,702	40,352	683,329	(9,650,021)
Operation of Non-instructional Services	3,283,818	632,654	2,211,739	(439,425)
<b>Total Governmental Activities</b>	<b>\$ 32,398,554</b>	<b>\$ 677,388</b>	<b>\$ 4,838,489</b>	<b>\$ (26,882,677)</b>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 4,475,367
Local Option Sales Taxes				3,803,597
Wheel Tax				1,177,574
Interstate Telecommunications Tax				3,111
Grants and Contributions Not Restricted to Specific Programs				18,517,450
Unrestricted Investment Income				59,467
Miscellaneous				63,070
Pension Income				26,593
<b>Total General Revenues</b>				<b>\$ 28,126,229</b>
Change in Net Position				\$ 1,243,552
Net Position, July 1, 2014				50,136,904
Restatement - Pension Liability (see Note I.D.9)				(4,070,306)
<b>Net Position, June 30, 2015</b>				<b>\$ 47,310,150</b>

Exhibit J-2

Dyer County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Dyer County School Department  
June 30, 2015

	<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>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 880	\$ 880
Equity in Pooled Cash and Investments	6,092,553	1,134,196	987,425	8,214,174
Accounts Receivable	538	1,346	0	1,884
Due from Other Governments	1,150,681	0	17,312	1,167,993
Property Taxes Receivable	2,450,388	1,061,325	0	3,511,713
Allowance for Uncollectible Property Taxes	(130,926)	(47,812)	0	(178,738)
Total Assets	<u>\$ 9,563,234</u>	<u>\$ 2,149,055</u>	<u>\$ 1,005,617</u>	<u>\$ 12,717,906</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 40,307	\$ 5,212	\$ 45	\$ 45,564
Accrued Payroll	11,766	3,413	0	15,179
Payroll Deductions Payable	734,488	11,598	0	746,086
Cafeteria Salaries and Benefits	9,864	0	0	9,864
Total Liabilities	<u>\$ 796,425</u>	<u>\$ 20,223</u>	<u>\$ 45</u>	<u>\$ 816,693</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 2,217,841	\$ 981,564	\$ 0	\$ 3,199,405
Deferred Delinquent Property Taxes	87,433	27,530	0	114,963
Other Deferred/Unavailable Revenue	290,150	0	0	290,150
Total Deferred Inflows of Resources	<u>\$ 2,595,424</u>	<u>\$ 1,009,094</u>	<u>\$ 0</u>	<u>\$ 3,604,518</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 9,356	\$ 0	\$ 0	\$ 9,356
Restricted for Operation of Non-instructional Services	0	0	855,572	855,572
Committed:				
Committed for Support Services	0	1,119,738	0	1,119,738
Assigned:				
Assigned for Education	492,450	0	150,000	642,450
Unassigned	5,669,579	0	0	5,669,579
Total Fund Balances	<u>\$ 6,171,385</u>	<u>\$ 1,119,738</u>	<u>\$ 1,005,572</u>	<u>\$ 8,296,695</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,563,234</u>	<u>\$ 2,149,055</u>	<u>\$ 1,005,617</u>	<u>\$ 12,717,906</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, 2015

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)		\$ 8,296,695
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,315,675	
Add: buildings and improvements net of accumulated depreciation	40,537,109	
Add: other capital assets net of accumulated depreciation	<u>3,830,546</u>	45,683,330
(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	\$ (114,147)	
Less: other postemployment benefits liability	<u>(4,036,322)</u>	(4,150,469)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 1,358,131	
Less: deferred inflows of resources related to pensions	<u>(4,335,266)</u>	(2,977,135)
(4) Net pension assets of the cost-sharing plan are not current financial resources and therefore are not reported in the governmental funds.		52,616
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>405,113</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 47,310,150</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, 2015

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
			<u>Other</u>	
	<u>Purpose</u>	<u>Transpor -</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>tation</u>	<u>mental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 8,213,990	\$ 1,349,967	\$ 0	\$ 9,563,957
Licenses and Permits	2,809	0	0	2,809
Charges for Current Services	50,267	34,664	592,457	677,388
Other Local Revenues	115,220	1,308	17,419	133,947
State of Tennessee	18,752,176	1,035,193	21,119	19,808,488
Federal Government	126,990	0	3,406,035	3,533,025
Total Revenues	<u>\$ 27,261,452</u>	<u>\$ 2,421,132</u>	<u>\$ 4,037,030</u>	<u>\$ 33,719,614</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 16,332,881	\$ 0	\$ 1,194,062	\$ 17,526,943
Support Services	7,827,090	2,394,623	474,731	10,696,444
Operation of Non-instructional Services	842,332	0	2,303,813	3,146,145
Capital Outlay	1,069,690	0	0	1,069,690
Total Expenditures	<u>\$ 26,071,993</u>	<u>\$ 2,394,623</u>	<u>\$ 3,972,606</u>	<u>\$ 32,439,222</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ 1,189,459</u>	<u>\$ 26,509</u>	<u>\$ 64,424</u>	<u>\$ 1,280,392</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 33,692	\$ 0	\$ 33,692
Transfers In	28,352	0	0	28,352
Transfers Out	0	0	(28,352)	(28,352)
Total Other Financing Sources (Uses)	<u>\$ 28,352</u>	<u>\$ 33,692</u>	<u>\$ (28,352)</u>	<u>\$ 33,692</u>
Net Change in Fund Balances	\$ 1,217,811	\$ 60,201	\$ 36,072	\$ 1,314,084
Fund Balance, July 1, 2014	<u>4,953,574</u>	<u>1,059,537</u>	<u>969,500</u>	<u>6,982,611</u>
Fund Balance, June 30, 2015	<u>\$ 6,171,385</u>	<u>\$ 1,119,738</u>	<u>\$ 1,005,572</u>	<u>\$ 8,296,695</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, 2015

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)		\$ 1,314,084
(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	\$ 862,463	
Less: current-year depreciation expense	<u>(1,576,236)</u>	(713,773)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: net book value of assets disposed		(27,433)
(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, 2015	\$ 405,113	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(509,214)</u>	(104,101)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in compensated absences payable	\$ (635)	
Change in other postemployment benefits liability	(370,377)	
Change in deferred outflows related to pensions	1,358,131	
Change in deferred inflows related to pensions	(4,335,266)	
Change in net pension asset	<u>4,122,922</u>	<u>774,775</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,243,552</u>

Exhibit J-6

Dyer County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Dyer County School Department  
June 30, 2015

	<u>Special Revenue</u>		
	<u>Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
	<hr/>		
<u>ASSETS</u>			
Cash	\$ 0	\$ 880	\$ 880
Equity in Pooled Cash and Investments	132,688	854,737	987,425
Due from Other Governments	17,312	0	17,312
	<hr/>		
Total Assets	<u>\$ 150,000</u>	<u>\$ 855,617</u>	<u>\$ 1,005,617</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 45	\$ 45
Total Liabilities	<u>\$ 0</u>	<u>\$ 45</u>	<u>\$ 45</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Operation of Non-instructional Services	\$ 0	\$ 855,572	\$ 855,572
Assigned:			
Assigned for Education	150,000	0	150,000
Total Fund Balances	<u>\$ 150,000</u>	<u>\$ 855,572</u>	<u>\$ 1,005,572</u>
Total Liabilities and Fund Balances	<u>\$ 150,000</u>	<u>\$ 855,617</u>	<u>\$ 1,005,617</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, 2015

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 592,457	\$ 592,457
Other Local Revenues	0	17,419	17,419
State of Tennessee	0	21,119	21,119
Federal Government	1,960,829	1,445,206	3,406,035
Total Revenues	<u>\$ 1,960,829</u>	<u>\$ 2,076,201</u>	<u>\$ 4,037,030</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,194,062	\$ 0	\$ 1,194,062
Support Services	474,731	0	474,731
Operation of Non-instructional Services	269,263	2,034,550	2,303,813
Total Expenditures	<u>\$ 1,938,056</u>	<u>\$ 2,034,550</u>	<u>\$ 3,972,606</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 22,773</u>	<u>\$ 41,651</u>	<u>\$ 64,424</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (28,352)	\$ 0	\$ (28,352)
Total Other Financing Sources (Uses)	<u>\$ (28,352)</u>	<u>\$ 0</u>	<u>\$ (28,352)</u>
Net Change in Fund Balances	\$ (5,579)	\$ 41,651	\$ 36,072
Fund Balance, July 1, 2014	155,579	813,921	969,500
Fund Balance, June 30, 2015	<u>\$ 150,000</u>	<u>\$ 855,572</u>	<u>\$ 1,005,572</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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 8,213,990	\$ 0	\$ 0	\$ 8,213,990	\$ 7,976,016	\$ 7,976,016	\$ 237,974
Licenses and Permits	2,809	0	0	2,809	2,000	2,000	809
Charges for Current Services	50,267	0	0	50,267	53,192	53,192	(2,925)
Other Local Revenues	115,220	0	0	115,220	82,005	82,005	33,215
State of Tennessee	18,752,176	0	0	18,752,176	18,138,672	18,287,281	464,895
Federal Government	126,990	0	0	126,990	114,050	114,050	12,940
Total Revenues	<u>\$ 27,261,452</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,261,452</u>	<u>\$ 26,365,935</u>	<u>\$ 26,514,544</u>	<u>\$ 746,908</u>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 14,010,171	\$ (113,976)	\$ 164,607	\$ 14,060,802	\$ 14,074,875	\$ 14,074,875	\$ 14,073
Special Education Program	1,742,239	0	200	1,742,439	1,841,895	1,841,895	99,456
Vocational Education Program	572,775	0	0	572,775	574,935	574,935	2,160
Student Body Education Program	7,696	0	1,303	8,999	9,800	9,800	801
<u>Support Services</u>							
Attendance	99,628	0	0	99,628	106,016	106,016	6,388
Health Services	273,771	0	6,095	279,866	285,611	285,611	5,745
Other Student Support	378,901	0	0	378,901	381,588	381,588	2,687
Regular Instruction Program	702,310	(34,844)	40,598	708,064	825,498	825,499	117,435
Special Education Program	122,006	0	0	122,006	124,292	124,292	2,286
Vocational Education Program	57,267	0	0	57,267	62,485	62,485	5,218
Other Programs	148,609	0	0	148,609	0	148,609	0
Board of Education	463,556	0	0	463,556	515,546	515,547	51,991
Director of Schools	207,251	0	0	207,251	304,550	304,549	97,298
Office of the Principal	1,608,207	(16,378)	0	1,591,829	1,657,633	1,657,632	65,803

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Fiscal Services	\$ 305,081	\$ (278)	\$ 303	\$ 305,106	\$ 319,066	\$ 319,067	\$ 13,961
Operation of Plant	2,290,406	(5,417)	9,589	2,294,578	2,462,547	2,322,547	27,969
Maintenance of Plant	1,170,097	(10,303)	9,623	1,169,417	1,200,534	1,200,533	31,116
<u>Operation of Non-instructional Services</u>							
Food Service	5,808	(105)	49	5,752	9,550	9,550	3,798
Community Services	137,869	0	0	137,869	150,357	150,358	12,489
Early Childhood Education	698,655	(26,973)	1,052	672,734	686,052	686,052	13,318
<u>Capital Outlay</u>							
Regular Capital Outlay	1,069,690	(206,331)	259,031	1,122,390	1,002,000	1,141,999	19,609
Total Expenditures	\$ 26,071,993	\$ (414,605)	\$ 492,450	\$ 26,149,838	\$ 26,594,830	\$ 26,743,439	\$ 593,601
<u>Excess (Deficiency) of Revenues Over Expenditures</u>							
	\$ 1,189,459	\$ 414,605	\$ (492,450)	\$ 1,111,614	\$ (228,895)	\$ (228,895)	\$ 1,340,509
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 28,352	\$ 0	\$ 0	\$ 28,352	\$ 29,404	\$ 29,404	\$ (1,052)
Total Other Financing Sources	\$ 28,352	\$ 0	\$ 0	\$ 28,352	\$ 29,404	\$ 29,404	\$ (1,052)
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2014	\$ 4,953,574	(414,605)	0	4,538,969	4,138,206	4,138,206	400,763
Fund Balance, June 30, 2015	\$ 6,171,385	\$ 0	\$ (492,450)	\$ 5,678,935	\$ 3,938,715	\$ 3,938,715	\$ 1,740,220

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 1,960,829	\$ 0	\$ 1,960,829	\$ 2,063,646	\$ 2,099,779	\$ (138,950)
Total Revenues	\$ 1,960,829	\$ 0	\$ 1,960,829	\$ 2,063,646	\$ 2,099,779	\$ (138,950)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 565,819	\$ 0	\$ 565,819	\$ 576,239	\$ 582,518	\$ 16,699
Special Education Program	605,278	(5,579)	599,699	631,762	634,289	34,590
Vocational Education Program	22,965	0	22,965	21,342	22,965	0
<u>Support Services</u>						
Other Student Support	112,067	0	112,067	113,629	112,099	32
Regular Instruction Program	135,223	0	135,223	135,921	163,248	28,025
Special Education Program	225,812	0	225,812	265,626	265,626	39,814
Vocational Education Program	1,629	0	1,629	1,722	1,629	0
<u>Operation of Non-instructional Services</u>						
Community Services	269,263	0	269,263	288,001	288,001	18,738
Total Expenditures	\$ 1,938,056	\$ (5,579)	\$ 1,932,477	\$ 2,034,242	\$ 2,070,375	\$ 137,898
Excess (Deficiency) of Revenues Over Expenditures	\$ 22,773	\$ 5,579	\$ 28,352	\$ 29,404	\$ 29,404	\$ (1,052)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (28,352)	\$ 0	\$ (28,352)	\$ (29,404)	\$ (29,404)	\$ 1,052
Total Other Financing Sources	\$ (28,352)	\$ 0	\$ (28,352)	\$ (29,404)	\$ (29,404)	\$ 1,052
Net Change in Fund Balance	\$ (5,579)	\$ 5,579	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2014	155,579	(5,579)	150,000	0	0	150,000
Fund Balance, June 30, 2015	\$ 150,000	\$ 0	\$ 150,000	\$ 0	\$ 0	\$ 150,000

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 592,457	\$ 0	\$ 0	\$ 592,457	\$ 668,000	\$ 668,000	\$ (75,543)
Other Local Revenues	17,419	0	0	17,419	13,000	13,000	4,419
State of Tennessee	21,119	0	0	21,119	20,000	20,000	1,119
Federal Government	1,445,206	0	0	1,445,206	1,515,963	1,515,963	(70,757)
<b>Total Revenues</b>	<b>\$ 2,076,201</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,076,201</b>	<b>\$ 2,216,963</b>	<b>\$ 2,216,963</b>	<b>\$ (140,762)</b>
<u>Expenditures</u>							
<u>Operation of Non-instructional Services</u>							
Food Service	\$ 2,034,550	\$ (99,498)	\$ 65,913	\$ 2,000,965	\$ 2,216,963	\$ 2,216,963	\$ 215,998
<b>Total Expenditures</b>	<b>\$ 2,034,550</b>	<b>\$ (99,498)</b>	<b>\$ 65,913</b>	<b>\$ 2,000,965</b>	<b>\$ 2,216,963</b>	<b>\$ 2,216,963</b>	<b>\$ 215,998</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 41,651	\$ 99,498	\$ (65,913)	\$ 75,236	\$ 0	\$ 0	\$ 75,236
Net Change in Fund Balance	\$ 41,651	\$ 99,498	\$ (65,913)	\$ 75,236	\$ 0	\$ 0	\$ 75,236
Fund Balance, July 1, 2014	813,921	(99,498)	0	714,423	0	0	714,423
<b>Fund Balance, June 30, 2015</b>	<b>\$ 855,572</b>	<b>\$ 0</b>	<b>\$ (65,913)</b>	<b>\$ 789,659</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 789,659</b>

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,349,967	\$ 0	\$ 0	\$ 1,349,967	\$ 1,344,287	\$ 1,344,287	\$ 5,680
Charges for Current Services	34,664	0	0	34,664	30,520	30,520	4,144
Other Local Revenues	1,308	0	0	1,308	1,500	1,500	(192)
State of Tennessee	1,035,193	0	0	1,035,193	1,081,000	1,081,000	(45,807)
<b>Total Revenues</b>	<b>\$ 2,421,132</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,421,132</b>	<b>\$ 2,457,307</b>	<b>\$ 2,457,307</b>	<b>\$ (36,175)</b>
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 24,137	\$ 0	\$ 0	\$ 24,137	\$ 33,000	\$ 33,000	\$ 8,863
Operation of Plant	19,975	0	0	19,975	20,650	20,650	675
Transportation	2,350,511	(105,828)	202,228	2,446,911	2,582,814	2,582,814	135,903
<b>Total Expenditures</b>	<b>\$ 2,394,623</b>	<b>\$ (105,828)</b>	<b>\$ 202,228</b>	<b>\$ 2,491,023</b>	<b>\$ 2,636,464</b>	<b>\$ 2,636,464</b>	<b>\$ 145,441</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 26,509	\$ 105,828	\$ (202,228)	\$ (69,891)	\$ (179,157)	\$ (179,157)	\$ 109,266
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 33,692	\$ 0	\$ 0	\$ 33,692	\$ 0	\$ 0	\$ 33,692
<b>Total Other Financing Sources</b>	<b>\$ 33,692</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 33,692</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 33,692</b>
Net Change in Fund Balance	\$ 60,201	\$ 105,828	\$ (202,228)	\$ (36,199)	\$ (179,157)	\$ (179,157)	\$ 142,958
Fund Balance, July 1, 2014	1,059,537	(105,828)	0	953,709	938,595	938,595	15,114
<b>Fund Balance, June 30, 2015</b>	<b>\$ 1,119,738</b>	<b>\$ 0</b>	<b>\$ (202,228)</b>	<b>\$ 917,510</b>	<b>\$ 759,438</b>	<b>\$ 759,438</b>	<b>\$ 158,072</b>

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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, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-15
<b><u>CAPITAL LEASES PAYABLE</u></b>									
<b><u>Payable through General Fund</u></b>									
Sheriff's Patrol Cars	\$ 87,831	2.79%	11-5-12	10-18-14	\$ 29,272	\$ 0	\$ 29,272	\$ 0	0
"	80,793	2.49	10-17-13	6-30-15	53,192	0	53,192	0	0
"	22,438	2.49	12-23-13	6-30-15	14,772	0	14,772	0	0
"	71,223	2.5	12-29-14	8-18-15	0	71,223	67,056	0	4,167
Total Capital Leases Payable					<u>\$ 97,236</u>	<u>\$ 71,223</u>	<u>\$ 164,292</u>	<u>\$ 0</u>	<u>4,167</u>
<b><u>OTHER LOANS PAYABLE</u></b>									
<b><u>Payable through General Debt Service Fund</u></b>									
Qualified School Construction Bonds, Series 2009	8,960,000	1.515	12-1-09	9-15-26	\$ 6,851,341	\$ 0	\$ 464,112	\$ 0	6,387,229
Qualified School Construction Bonds, Series 2010	5,673,000	(1)	9-1-10	9-15-27	4,670,257	0	310,398	0	4,359,859
Total Other Loans Payable					<u>\$ 11,521,598</u>	<u>\$ 0</u>	<u>\$ 774,510</u>	<u>\$ 0</u>	<u>10,747,088</u>
<b><u>BONDS PAYABLE</u></b>									
<b><u>Payable through General Debt Service Fund</u></b>									
General Obligation Refunding Bonds, Series 2005	7,980,000	3 to 4.45	4-21-05	5-27-15	\$ 6,405,000	\$ 0	\$ 380,000	\$ 6,025,000	0
School Refunding Bonds, Series 2009A	19,910,000	2 to 4.1	6-4-09	6-1-26	17,210,000	0	900,000	0	16,310,000
School Refunding Bonds, Series 2009B	10,330,000	2 to 4.1	7-28-09	6-1-26	9,085,000	0	475,000	0	8,610,000
General Obligation Refunding Bonds, Series 2015	5,815,000	2 to 4.0	5-27-15	6-1-26	0	5,815,000	0	0	5,815,000
Total Bonds Payable					<u>\$ 32,700,000</u>	<u>\$ 5,815,000</u>	<u>\$ 1,755,000</u>	<u>\$ 6,025,000</u>	<u>30,735,000</u>

(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 Lease		
	Principal	Interest	Total
2016	\$ 4,167	\$ 14	\$ 4,181
Total	\$ 4,167	\$ 14	\$ 4,181

Year Ending June 30	Other Loans			
	Principal	Interest (1)	Other Fees	Total
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	949,767	410,771	13,498	1,374,036
2027	581,638	320,275	7,525	909,438
2028	84,923	75,008	1,135	161,066
Total	\$ 10,747,088	\$ 4,913,764	\$ 157,138	\$ 15,817,990

Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 1,880,000	\$ 932,054	\$ 2,812,054
2017	1,905,000	889,004	2,794,004
2018	1,995,000	845,654	2,840,654
2019	2,065,000	797,791	2,862,791
2020	2,185,000	746,135	2,931,135
2021	2,240,000	686,795	2,926,795
2022	2,295,000	623,895	2,918,895
2023	3,910,000	557,585	4,467,585
2024	3,995,000	423,785	4,418,785
2025	4,085,000	286,985	4,371,985
2026	4,180,000	146,985	4,326,985
Total	\$ 30,735,000	\$ 6,936,668	\$ 37,671,668

(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, 2015

<u>Description</u>	<u>Debtor</u>	<u>Original Amount of Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance 6-30-15</u>
General Fund	Dyer County Industrial Development Board	\$ 3,744,016	6-2-03	7-5-18	6%	<u>\$ 1,055,197</u>
Total Notes Receivable						<u><u>\$ 1,055,197</u></u>

Exhibit K-4

Dyer County, Tennessee  
Schedule of Transfers  
Discretely Presented Dyer County School Department  
For the Year Ended June 30, 2015

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 28,352</u>
Total Transfers			<u><u>\$ 28,352</u></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, 2015

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Richard Hill (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	\$ 14,177	\$ 50,000	Travelers Casualty and Surety Company of America
Chris Young (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	70,883	100,000	Erie Insurance Company
Road Supervisor	Section 8-24-102, <i>TCA</i>	80,736	100,000	"
Director of Schools	State Board of Education and County Board of Education	118,419 (1)	50,000	Travelers Casualty and Surety Company of America
Trustee:				
Judy Patton (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	11,711	1,226,140	"
Nancy Broadstone (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	58,552	1,354,754	Erie Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	70,263	50,000	Travelers Casualty and Surety Company of America
County Clerk	Section 8-24-102, <i>TCA</i>	70,263	100,000	Erie Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	70,263	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	70,263	85,000	Travelers Casualty and Surety Company of America
Register of Deeds	Section 8-24-102, <i>TCA</i>	70,263	100,000	Erie Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i>	78,524 (2)	100,000	"
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 \$904.

(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, 2015

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,040,341	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,688,425
Trustee's Collections - Prior Year	115,456	0	0	0	0	38,705
Trustee's Collections - Bankruptcy	2,985	0	0	0	0	1,001
Circuit/Clerk and Master Collections - Prior Years	70,472	0	0	0	0	23,624
Interest and Penalty	28,646	0	0	0	0	9,601
Payments in-Lieu-of Taxes - Local Utilities	93,781	0	79,819	0	0	0
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Litigation Tax - General	145,345	0	0	0	0	0
Litigation Tax - Special Purpose	0	1,994	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Business Tax	416,939	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	24,702	0	0	0	0	0
Wholesale Beer Tax	76,183	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 6,014,850</b>	<b>\$ 1,994</b>	<b>\$ 79,819</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,761,356</b>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 9,006	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	105,146	0	0	0	0	0
<u>Permits</u>						
Beer Permits	2,304	0	0	0	0	0
Building Permits	14,204	0	0	0	0	0

(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	Constitu- tional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits (Cont.)</u>						
Other Permits	\$ 25,950	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 156,610	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 5,339	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	4,823	0	0	0	0	0
Drug Control Fines	0	0	0	5,370	0	0
Drug Court Fees	6,287	0	0	0	0	0
DUI Treatment Fines	119	0	0	0	0	0
Data Entry Fee - Circuit Court	1,604	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	26,733	0	0	0	0	0
Officers Costs	12,981	0	0	0	0	0
Game and Fish Fines	322	0	0	0	0	0
Drug Control Fines	2,446	0	0	0	0	0
Drug Court Fees	2,513	0	0	0	0	0
Jail Fees	4,826	0	0	0	0	0
DUI Treatment Fines	7,508	0	0	0	0	0
Data Entry Fee - General Sessions Court	13,941	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	3,173	0	0	0	0	0
Data Entry Fee - Juvenile Court	731	0	0	0	0	0
Courtroom Security Fee	75	0	0	0	0	0

(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	Constitu- tional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Officers Costs	\$ 5,326	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Chancery Court	6,436	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Control Fines	379	0	0	0	0	0
Drug Court Fees	3,782	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	339	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	48,300	0	0	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 157,983</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,370</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - General	\$ 5	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fee	0	0	4,968	0	0	0
Surcharge - Waste Tire Disposal	0	0	28,795	0	0	0
Other General Service Charges	484	0	0	0	0	0
<u>Fees</u>						
Greenbelt Late Application Fee	150	0	0	0	0	0
Telephone Commissions	13,807	0	0	0	0	0
Vending Machine Collections	87	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	963	0
Data Processing Fee - Register	10,888	0	0	0	0	0
Data Processing Fee - Sheriff	2,418	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,300	0	0	0	0	0
Data Processing Fee - County Clerk	3,384	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 32,523</b>	<b>\$ 0</b>	<b>\$ 33,763</b>	<b>\$ 0</b>	<b>\$ 963</b>	<b>\$ 0</b>

(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	Constitu- tional Officers - Fees	Highway / Public Works
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 12,545	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,089
Lease/Rentals	32,702	0	130	0	0	46,950
Sale of Materials and Supplies	0	0	0	0	0	284
Retirees' Insurance Payments	76	0	0	0	0	0
Miscellaneous Refunds	134,300	0	0	14,892	0	222
<u>Nonrecurring Items</u>						
Sale of Equipment	12,249	0	0	0	0	180,122
Sale of Property	4,386	0	0	0	0	0
Contributions and Gifts	10,838	0	0	18,219	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	2,699	0	0	0	0	0
Total Other Local Revenues	\$ 209,795	\$ 0	\$ 130	\$ 33,111	\$ 0	\$ 244,667
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 339,735	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	107,844	0	0	0	0	0
General Sessions Court Clerk	223,261	0	0	0	0	0
Clerk and Master	208,945	0	0	0	0	0
Juvenile Court Clerk	13,426	0	0	0	0	0
Register	126,746	0	0	0	0	0
Sheriff	11,304	0	0	0	0	0
Trustee	562,750	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,594,011	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(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	Constitu- tional Officers - Fees	Highway / Public Works
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 18,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	337,080	0	0	0	0	0
State Reappraisal Grant	7	0	0	0	0	0
Other General Government Grants	1,505,587	0	0	0	0	0
<u>Public Safety Grants</u>						
Drug Control Grants	55,770	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	121,332	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	37,400	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	103,049	0	0	0	0	0
Beer Tax	18,055	0	0	0	0	0
Vehicle Certificate of Title Fees	9,341	0	0	0	0	0
Alcoholic Beverage Tax	72,912	0	0	0	0	0
Child Support Collections	4,530	0	0	0	0	0
Contracted Prisoner Boarding	1,347,059	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,856,660
Petroleum Special Tax	0	0	0	0	0	27,660
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	5,275	0	0	0	0	0
Other State Revenues	2,000	0	0	0	0	0
Total State of Tennessee	\$ 3,652,561	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,884,320

(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	Constitu- tional Officers - Fees	Highway / Public Works
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 62,473	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	19,000	0	0	0	0	77,009
Homeland Security Grants	16,080	0	0	0	0	0
Other Federal through State	168,279	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	0	0	0	198	0	0
Tax Credit Bond Rebate	0	0	0	0	0	0
Other Direct Federal Revenue	7,400	0	0	0	0	0
Total Federal Government	<u>\$ 273,232</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 198</u>	<u>\$ 0</u>	<u>\$ 77,009</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 4,027	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	42,938	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 46,965</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 12,138,530</u>	<u>\$ 1,994</u>	<u>\$ 113,712</u>	<u>\$ 38,679</u>	<u>\$ 963</u>	<u>\$ 3,967,352</u>

(Continued)

Exhibit K-6

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

	<u>Debt Service</u> <u>Fund</u>		
	General Debt Service		Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 2,180,619	\$	8,909,385
Trustee's Collections - Prior Year	45,058		199,219
Trustee's Collections - Bankruptcy	1,196		5,182
Circuit/Clerk and Master Collections - Prior Years	27,502		121,598
Interest and Penalty	11,243		49,490
Payments in-Lieu-of Taxes - Local Utilities	0		173,600
Payments in-Lieu-of Taxes - Other	893,679		893,679
<u>County Local Option Taxes</u>			
Local Option Sales Tax	76,040		76,040
Litigation Tax - General	0		145,345
Litigation Tax - Special Purpose	0		1,994
Litigation Tax - Jail, Workhouse, or Courthouse	95,803		95,803
Business Tax	0		416,939
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0		24,702
Wholesale Beer Tax	0		76,183
Total Local Taxes	<u>\$ 3,331,140</u>	<u>\$</u>	<u>11,189,159</u>
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Animal Registration	\$ 0	\$	9,006
Cable TV Franchise	0		105,146
<u>Permits</u>			
Beer Permits	0		2,304
Building Permits	0		14,204

(Continued)

Exhibit K-6

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

	<u>Debt Service</u> <u>Fund</u>		<u>General</u> <u>Debt</u> <u>Service</u>	<u>Total</u>
<u>Licenses and Permits (Cont.)</u>				
<u>Permits (Cont.)</u>				
Other Permits	\$	0	\$	25,950
Total Licenses and Permits	\$	0	\$	156,610
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$	0	\$	5,339
Officers Costs		0		4,823
Drug Control Fines		0		5,370
Drug Court Fees		0		6,287
DUI Treatment Fines		0		119
Data Entry Fee - Circuit Court		0		1,604
<u>General Sessions Court</u>				
Fines		0		26,733
Officers Costs		0		12,981
Game and Fish Fines		0		322
Drug Control Fines		0		2,446
Drug Court Fees		0		2,513
Jail Fees		0		4,826
DUI Treatment Fines		0		7,508
Data Entry Fee - General Sessions Court		0		13,941
<u>Juvenile Court</u>				
Fines		0		3,173
Data Entry Fee - Juvenile Court		0		731
Courtroom Security Fee		0		75

(Continued)

Exhibit K-6

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

	<u>Debt Service</u> <u>Fund</u>		<u>General</u> <u>Debt</u> <u>Service</u>	<u>Total</u>
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Chancery Court</u>				
Officers Costs	\$	0	\$	5,326
Data Entry Fee - Chancery Court		0		6,436
<u>Other Courts - In-county</u>				
Drug Control Fines		0		379
Drug Court Fees		0		3,782
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property		0		339
Other Fines, Forfeitures, and Penalties		0		48,300
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>163,353</b>
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Surcharge - General	\$	0	\$	5
Solid Waste Disposal Fee		0		4,968
Surcharge - Waste Tire Disposal		0		28,795
Other General Service Charges		0		484
<u>Fees</u>				
Greenbelt Late Application Fee		0		150
Telephone Commissions		0		13,807
Vending Machine Collections		0		87
Constitutional Officers' Fees and Commissions		0		963
Data Processing Fee - Register		0		10,888
Data Processing Fee - Sheriff		0		2,418
Sexual Offender Registration Fee - Sheriff		0		1,300
Data Processing Fee - County Clerk		0		3,384
<b>Total Charges for Current Services</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>67,249</b>

(Continued)

Exhibit K-6

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

	<u>Debt Service</u> <u>Fund</u>		
	General Debt Service		Total
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 455,070	\$	484,704
Lease/Rentals	0		79,782
Sale of Materials and Supplies	0		284
Retirees' Insurance Payments	0		76
Miscellaneous Refunds	0		149,414
<u>Nonrecurring Items</u>			
Sale of Equipment	0		192,371
Sale of Property	0		4,386
Contributions and Gifts	0		29,057
<u>Other Local Revenues</u>			
Other Local Revenues	0		2,699
Total Other Local Revenues	<u>\$ 455,070</u>	<u>\$</u>	<u>942,773</u>
<u>Fees Received from County Officials</u>			
<u>Fees in-Lieu-of Salary</u>			
County Clerk	\$ 0	\$	339,735
Circuit Court Clerk	0		107,844
General Sessions Court Clerk	0		223,261
Clerk and Master	0		208,945
Juvenile Court Clerk	0		13,426
Register	0		126,746
Sheriff	0		11,304
Trustee	0		562,750
Total Fees Received from County Officials	<u>\$ 0</u>	<u>\$</u>	<u>1,594,011</u>

(Continued)

Exhibit K-6

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

	<u>Debt Service</u> <u>Fund</u>	
	General Debt Service	Total
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	\$ 0	\$ 18,000
Aging Programs	0	337,080
State Reappraisal Grant	0	7
Other General Government Grants	0	1,505,587
<u>Public Safety Grants</u>		
Drug Control Grants	0	55,770
<u>Health and Welfare Grants</u>		
Health Department Programs	0	121,332
<u>Public Works Grants</u>		
Litter Program	0	37,400
<u>Other State Revenues</u>		
Income Tax	0	103,049
Beer Tax	0	18,055
Vehicle Certificate of Title Fees	0	9,341
Alcoholic Beverage Tax	0	72,912
Child Support Collections	0	4,530
Contracted Prisoner Boarding	0	1,347,059
Gasoline and Motor Fuel Tax	0	1,856,660
Petroleum Special Tax	0	27,660
Registrar's Salary Supplement	0	15,164
Other State Grants	0	5,275
Other State Revenues	0	2,000
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 5,536,881</u>

(Continued)

Exhibit K-6

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

	<u>Debt Service</u> <u>Fund</u>		
	General Debt Service		Total
<u>Federal Government</u>			
<u>Federal Through State</u>			
USDA - Other	\$ 0	\$	62,473
Disaster Relief	0		96,009
Homeland Security Grants	0		16,080
Other Federal through State	0		168,279
<u>Direct Federal Revenue</u>			
Asset Forfeiture Funds	0		198
Tax Credit Bond Rebate	255,088		255,088
Other Direct Federal Revenue	0		7,400
Total Federal Government	<u>\$ 255,088</u>	<u>\$</u>	<u>605,527</u>
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Prisoner Board	\$ 0	\$	4,027
Contracted Services	0		42,938
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$</u>	<u>46,965</u>
Total	<u>\$ 4,041,298</u>	<u>\$</u>	<u>20,302,528</u>

Exhibit K-7

Dyer County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Dyer County School Department  
For the Year Ended June 30, 2015

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 3,320,875	\$ 0	\$ 0	\$ 1,034,240	\$ 4,355,115
Trustee's Collections - Prior Year	75,456	0	0	23,672	99,128
Trustee's Collections - Bankruptcy	1,947	0	0	628	2,575
Circuit/Clerk and Master Collections - Prior Years	45,979	0	0	14,449	60,428
Interest and Penalty	18,702	0	0	5,875	24,577
Payments in-Lieu-of Taxes - T.V.A.	207	0	0	0	207
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,841,102	0	0	0	3,841,102
Wheel Tax	906,471	0	0	271,103	1,177,574
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	3,251	0	0	0	3,251
Total Local Taxes	\$ 8,213,990	\$ 0	\$ 0	\$ 1,349,967	\$ 9,563,957
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,755	\$ 0	\$ 0	\$ 0	\$ 1,755
<u>Permits</u>					
Other Permits	1,054	0	0	0	1,054
Total Licenses and Permits	\$ 2,809	\$ 0	\$ 0	\$ 0	\$ 2,809
<u>Charges for Current Services</u>					
<u>Fees</u>					
Vending Machine Collections	\$ 458	\$ 0	\$ 0	\$ 364	\$ 822

(Continued)

Exhibit K-7

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges</u>					
Tuition - Regular Day Students	\$ 2,610	\$ 0	\$ 0	\$ 0	\$ 2,610
Tuition - Summer School	950	0	0	0	950
Lunch Payments - Children	0	0	318,415	0	318,415
Lunch Payments - Adults	0	0	36,241	0	36,241
Income from Breakfast	0	0	41,213	0	41,213
A la carte Sales	0	0	192,701	0	192,701
Contract for Administrative Services with Other LEAs	40,352	0	0	0	40,352
Receipts from Individual Schools	5,897	0	3,887	34,300	44,084
<b>Total Charges for Current Services</b>	<b>\$ 50,267</b>	<b>\$ 0</b>	<b>\$ 592,457</b>	<b>\$ 34,664</b>	<b>\$ 677,388</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 54,493	\$ 0	\$ 4,974	\$ 0	\$ 59,467
Sale of Materials and Supplies	854	0	0	0	854
E-Rate Funding	31,763	0	0	0	31,763
Retirees' Insurance Payments	11,248	0	0	0	11,248
Miscellaneous Refunds	5,302	0	12,445	1,208	18,955
<u>Nonrecurring Items</u>					
Damages Recovered from Individuals	150	0	0	100	250
<u>Other Local Revenues</u>					
Other Local Revenues	11,410	0	0	0	11,410
<b>Total Other Local Revenues</b>	<b>\$ 115,220</b>	<b>\$ 0</b>	<b>\$ 17,419</b>	<b>\$ 1,308</b>	<b>\$ 133,947</b>

(Continued)

Exhibit K-7

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 148,609	\$ 0	\$ 0	\$ 0	\$ 148,609
<u>Health and Welfare Grants</u>					
Other Health and Welfare Grants	54,683	0	0	0	54,683
<u>State Education Funds</u>					
Basic Education Program	16,702,307	0	0	1,035,193	17,737,500
Early Childhood Education	675,912	0	0	0	675,912
School Food Service	0	0	21,119	0	21,119
Energy Efficient School Initiative	2,336	0	0	0	2,336
Driver Education	21,996	0	0	0	21,996
Other State Education Funds	248,411	0	0	0	248,411
Career Ladder Program	83,718	0	0	0	83,718
Career Ladder - Extended Contract	37,270	0	0	0	37,270
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	776,934	0	0	0	776,934
Total State of Tennessee	<u>\$ 18,752,176</u>	<u>\$ 0</u>	<u>\$ 21,119</u>	<u>\$ 1,035,193</u>	<u>\$ 19,808,488</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,002,584	\$ 0	\$ 1,002,584
USDA - Commodities	0	0	109,186	0	109,186
Breakfast	0	0	318,305	0	318,305
USDA - Other	0	0	15,131	0	15,131
Vocational Education - Basic Grants to States	0	45,887	0	0	45,887
Title I Grants to Local Education Agencies	0	636,323	0	0	636,323

(Continued)

Exhibit K-7

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Special Education - Grants to States	\$ 67,435	\$ 785,842	\$ 0	\$ 0	\$ 853,277
Special Education Preschool Grants	0	54,805	0	0	54,805
Safe and Drug-free Schools - State Grants	0	269,265	0	0	269,265
Rural Education	0	30,791	0	0	30,791
Eisenhower Professional Development State Grants	0	110,243	0	0	110,243
Race-to-the-Top - ARRA	0	27,673	0	0	27,673
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	59,555	0	0	0	59,555
Total Federal Government	<u>\$ 126,990</u>	<u>\$ 1,960,829</u>	<u>\$ 1,445,206</u>	<u>\$ 0</u>	<u>\$ 3,533,025</u>
Total	<u>\$ 27,261,452</u>	<u>\$ 1,960,829</u>	<u>\$ 2,076,201</u>	<u>\$ 2,421,132</u>	<u>\$ 33,719,614</u>

Exhibit K-8

Dyer County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2015

General Fund

General Government

County Commission

Other Per Diem and Fees	\$ 79,625	
Social Security	4,779	
Employer Medicare	1,118	
Audit Services	11,501	
Total County Commission		\$ 97,023

Board of Equalization

Board and Committee Members Fees	\$ 984	
Total Board of Equalization		984

Other Boards and Committees

Board and Committee Members Fees	\$ 3,060	
Total Other Boards and Committees		3,060

County Mayor/Executive

County Official/Administrative Officer	\$ 85,060	
Secretary(ies)	64,017	
Other Per Diem and Fees	8,400	
Social Security	8,708	
Medical Insurance	11,907	
Local Retirement	5,956	
Employer Medicare	2,036	
Advertising	2,829	
Maintenance and Repair Services - Office Equipment	3,865	
Postal Charges	1,597	
Printing, Stationery, and Forms	2,008	
Other Contracted Services	14,612	
Office Supplies	5,145	
Total County Mayor/Executive		216,140

County Attorney

Other Salaries and Wages	\$ 1,200	
Social Security	74	
Employer Medicare	17	
Legal Services	47,741	
Total County Attorney		49,032

Election Commission

Supervisor/Director	\$ 63,237	
Deputy(ies)	41,528	
Part-time Personnel	72,590	
Election Commission	14,057	
Election Workers	59,020	
Social Security	10,886	
Medical Insurance	20,275	
Local Retirement	2,169	
Employer Medicare	2,546	

(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.)

Audit Services	\$	4,308	
Legal Notices, Recording, and Court Costs		8,609	
Maintenance and Repair Services - Equipment		22,894	
Postal Charges		4,000	
Printing, Stationery, and Forms		1,949	
Travel		4,920	
Office Supplies		1,675	
Other Charges		1,006	
Office Equipment		7,964	
Total Election Commission			\$ 343,633

Register of Deeds

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		47,453	
Social Security		6,632	
Medical Insurance		11,132	
Local Retirement		5,574	
Employer Medicare		1,551	
Dues and Memberships		732	
Postal Charges		245	
Printing, Stationery, and Forms		1,133	
Rentals		1,363	
Travel		1,116	
Other Contracted Services		163	
Data Processing Supplies		13,869	
Office Supplies		686	
In Service/Staff Development		275	
Other Charges		60	
Office Equipment		13,782	
Total Register of Deeds			176,029

Planning

Supervisor/Director	\$	49,761	
Secretary(ies)		30,416	
Other Salaries and Wages		632	
Other Per Diem and Fees		8,400	
Social Security		4,193	
Medical Insurance		7,758	
Local Retirement		2,004	
Employer Medicare		981	
Contracts with Private Agencies		825	
Dues and Memberships		135	
Legal Notices, Recording, and Court Costs		460	
Postal Charges		450	
Other Contracted Services		18,475	
Office Supplies		1,501	
In Service/Staff Development		698	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Other Charges	\$ 50	
Office Equipment	169	
Total Planning	\$ 126,908	

County Buildings

Custodial Personnel	\$ 44,371	
Social Security	2,801	
Medical Insurance	8,679	
Employer Medicare	655	
Janitorial Services	24,700	
Maintenance and Repair Services - Buildings	9,188	
Pest Control	1,305	
Custodial Supplies	11,797	
Drugs and Medical Supplies	211	
Liability Insurance	129,690	
Other Charges	982	
Office Equipment	6,954	
Other Capital Outlay	74,247	
Total County Buildings	315,580	

Other General Administration

Communication	\$ 19,850	
Contracts with Other Public Agencies	40,500	
Dues and Memberships	5,218	
Maintenance Agreements	6,900	
Maintenance and Repair Services - Buildings	6,647	
Maintenance and Repair Services - Office Equipment	1,749	
Pest Control	780	
Disposal Fees	315	
Electricity	24,646	
Utilities	7,393	
Premiums on Corporate Surety Bonds	5,096	
Workers' Compensation Insurance	63,736	
Liability Claims	5,000	
Other Capital Outlay	1,517,119	
Total Other General Administration	1,704,949	

Preservation of Records

Travel	\$ 1,842	
Data Processing Supplies	9,999	
Office Supplies	182	
Other Supplies and Materials	1,296	
Office Equipment	16,956	
Total Preservation of Records	30,275	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance

Accounting and Budgeting

Supervisor/Director	\$	120,446	
Social Security		6,955	
Medical Insurance		3,904	
Local Retirement		3,011	
Employer Medicare		1,626	
Dues and Memberships		410	
Legal Notices, Recording, and Court Costs		175	
Printing, Stationery, and Forms		178	
Travel		114	
Other Contracted Services		10,625	
Data Processing Supplies		172	
Office Supplies		131	
In Service/Staff Development		199	
Office Equipment		<u>1,811</u>	
Total Accounting and Budgeting	\$		149,757

Property Assessor's Office

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		106,256	
Other Per Diem and Fees		4,800	
Social Security		10,604	
Medical Insurance		14,724	
Local Retirement		6,611	
Employer Medicare		2,480	
Contracts with Private Agencies		10,300	
Data Processing Services		11,258	
Dues and Memberships		1,715	
Postal Charges		1,552	
Rentals		3,060	
Travel		795	
Data Processing Supplies		3,000	
Office Supplies		3,872	
Other Charges		528	
Office Equipment		<u>391</u>	
Total Property Assessor's Office			252,209

Reappraisal Program

Deputy(ies)	\$	31,132	
Other Per Diem and Fees		8,400	
Social Security		1,699	
Medical Insurance		3,879	
Local Retirement		778	
Employer Medicare		397	
Data Processing Services		3,621	
Postal Charges		1,374	
Other Charges		<u>99</u>	
Total Reappraisal Program			51,379

(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

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		77,850	
Educational Incentive - Official/Admin Officer		1,475	
Social Security		8,402	
Medical Insurance		18,434	
Local Retirement		6,338	
Employer Medicare		1,994	
Legal Notices, Recording, and Court Costs		166	
Maintenance and Repair Services - Office Equipment		495	
Postal Charges		12,727	
Printing, Stationery, and Forms		623	
Travel		2,373	
Other Contracted Services		21,450	
Data Processing Supplies		682	
Office Supplies		740	
In Service/Staff Development		916	
Office Equipment		3,270	
Total County Trustee's Office	\$		228,198

County Clerk's Office

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		183,651	
Other Salaries and Wages		2,980	
Social Security		14,357	
Medical Insurance		28,506	
Local Retirement		7,788	
Employer Medicare		3,358	
Dues and Memberships		672	
Legal Notices, Recording, and Court Costs		297	
Postal Charges		7,000	
Printing, Stationery, and Forms		2,015	
Rentals		1,352	
Other Contracted Services		2,212	
Data Processing Supplies		24,605	
Other Supplies and Materials		4,390	
In Service/Staff Development		100	
Other Charges		1,993	
Total County Clerk's Office			355,539

Other Finance

Communication	\$	8,613	
Maintenance and Repair Services - Buildings		4,787	
Maintenance and Repair Services - Office Equipment		1,989	
Pest Control		405	
Electricity		16,873	
Utilities		4,565	
Refunds		1,035	
Total Other Finance			38,267

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		229,398	
Jury and Witness Expense		17,740	
Other Per Diem and Fees		8,785	
Social Security		16,929	
Medical Insurance		30,554	
Local Retirement		8,675	
Employer Medicare		3,959	
Maintenance and Repair Services - Office Equipment		11,713	
Postal Charges		2,851	
Printing, Stationery, and Forms		8,628	
Travel		5,124	
Data Processing Supplies		18,817	
Office Supplies		5,250	
Total Circuit Court			\$ 438,686

General Sessions Court

Judge(s)	\$	150,832	
Clerical Personnel		25,339	
Social Security		8,878	
Medical Insurance		3,822	
Local Retirement		10,195	
Employer Medicare		2,551	
Dues and Memberships		1,705	
Travel		1,578	
Other Contracted Services		576	
Office Supplies		494	
Other Charges		499	
Total General Sessions Court			206,469

Drug Court

Supervisor/Director	\$	12,000	
Probation Officer(s)		7,200	
Social Security		1,068	
Employer Medicare		250	
Travel		1,093	
Drug Treatment		33,695	
Other Supplies and Materials		464	
Total Drug Court			55,770

Chancery Court

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		144,873	
Social Security		12,445	
Medical Insurance		22,418	
Local Retirement		7,228	
Employer Medicare		2,910	

(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.)

Advertising	\$	2,670	
Maintenance and Repair Services - Office Equipment		1,550	
Postal Charges		1,436	
Printing, Stationery, and Forms		5,567	
Rentals		419	
Travel		986	
Other Contracted Services		7,006	
Data Processing Supplies		20,568	
Office Supplies		2,823	
Office Equipment		857	
Total Chancery Court			\$ 304,019

Juvenile Court

Probation Officer(s)	\$	100,645	
Youth Service Officer(s)		41,361	
Social Security		7,926	
Medical Insurance		26,421	
Local Retirement		1,340	
Employer Medicare		1,854	
Contracts with Government Agencies		86,334	
Contracts with Other Public Agencies		8,316	
Contracts with Private Agencies		3,500	
Maintenance and Repair Services - Office Equipment		833	
Postal Charges		72	
Printing, Stationery, and Forms		185	
Law Enforcement Supplies		281	
Office Supplies		1,567	
Office Equipment		3,196	
Total Juvenile Court			283,831

Other Administration of Justice

Communication	\$	14,945	
Maintenance and Repair Services - Buildings		2,932	
Maintenance and Repair Services - Office Equipment		1,676	
Pest Control		240	
Other Contracted Services		15,600	
Electricity		25,806	
Office Supplies		499	
Utilities		7,925	
Office Equipment		451	
Total Other Administration of Justice			70,074

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	78,524	
Deputy(ies)		528,661	
Investigator(s)		205,246	

(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.)

Captain(s)	\$	48,872	
Lieutenant(s)		85,085	
Sergeant(s)		161,365	
Accountants/Bookkeepers		60,741	
Salary Supplements		15,860	
Dispatchers/Radio Operators		223,055	
Other Salaries and Wages		64,731	
Social Security		83,148	
Medical Insurance		145,661	
Unemployment Compensation		4,200	
Local Retirement		15,248	
Employer Medicare		19,978	
Communication		40,724	
Contracts with Government Agencies		11,736	
Contracts with Private Agencies		13,280	
Dues and Memberships		506	
Maintenance and Repair Services - Buildings		419	
Maintenance and Repair Services - Office Equipment		503	
Maintenance and Repair Services - Vehicles		29,447	
Pest Control		900	
Postal Charges		5,598	
Printing, Stationery, and Forms		5,888	
Rentals		1,841	
Transportation - Other than Students		1,778	
Travel		1,365	
Data Processing Supplies		5,002	
Gasoline		87,655	
Law Enforcement Supplies		30,507	
Lubricants		2,305	
Office Supplies		9,085	
Tires and Tubes		10,778	
Uniforms		13,111	
Vehicle and Equipment Insurance		9,000	
In Service/Staff Development		19,318	
Motor Vehicles		71,223	
Total Sheriff's Department			\$ 2,112,344

Drug Enforcement

Temporary Personnel	\$	3,180	
Social Security		197	
Employer Medicare		46	
Drug Treatment		268	
Other Supplies and Materials		2,320	
Total Drug Enforcement			6,011

Jail

Assistant(s)	\$	41,690	
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(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Deputy(ies)	\$	229,123	
Lieutenant(s)		43,604	
Sergeant(s)		95,262	
Accountants/Bookkeepers		94,806	
Medical Personnel		32,703	
Salary Supplements		3,000	
Attendants		670,912	
Cafeteria Personnel		67,993	
Other Salaries and Wages		56,454	
Social Security		77,282	
Medical Insurance		167,584	
Local Retirement		7,233	
Employer Medicare		18,074	
Laundry Service		7,679	
Maintenance and Repair Services - Buildings		47,443	
Maintenance and Repair Services - Equipment		84,688	
Medical and Dental Services		16,294	
Pest Control		480	
Drug Treatment		16,680	
Other Contracted Services		30,518	
Custodial Supplies		17,941	
Drugs and Medical Supplies		45,108	
Electricity		99,229	
Food Preparation Supplies		8,420	
Food Supplies		162,376	
Prisoners Clothing		3,836	
Uniforms		6,002	
Utilities		56,173	
Building and Contents Insurance		75,450	
Liability Insurance		47,128	
In Service/Staff Development		2,182	
Furniture and Fixtures		10,157	
Law Enforcement Equipment		39,861	
Total Jail			\$ 2,383,365

Fire Prevention and Control

Supervisor/Director	\$	42,408
Part-time Personnel		16,000
Social Security		3,473
Disability Insurance		5,447
Local Retirement		828
Employer Medicare		812
Communication		3,609
Contracts with Other Public Agencies		23,430
Dues and Memberships		175
Maintenance and Repair Services - Buildings		45
Maintenance and Repair Services - Equipment		15,889

(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.)

Maintenance and Repair Services - Vehicles	\$	4,749	
Postal Charges		100	
Electricity		836	
Uniforms		177	
Utilities		471	
Other Supplies and Materials		1,132	
Vehicle and Equipment Insurance		5,650	
Workers' Compensation Insurance		19,051	
Other Charges		988	
Motor Vehicles		204,504	
Other Equipment		8,317	
Total Fire Prevention and Control			\$ 358,091

Disaster Relief

Supervisor/Director	\$	7,291	
Other Salaries and Wages		7,291	
In-service Training		582	
Social Security		809	
Employer Medicare		189	
Communication		2,998	
Maintenance and Repair Services - Equipment		258	
Postal Charges		200	
Instructional Supplies and Materials		142	
Office Supplies		1,004	
In Service/Staff Development		2,326	
Other Charges		1,201	
State Aid Projects		16,089	
Total Disaster Relief			40,380

County Coroner/Medical Examiner

Contracts with Private Agencies	\$	8,125	
Other Contracted Services		2,775	
Total County Coroner/Medical Examiner			10,900

Other Public Safety

Contributions	\$	6,932	
Electricity		1,911	
Total Other Public Safety			8,843

Public Health and Welfare

Local Health Center

Salary Supplements	\$	43,872	
Communication		4,803	
Janitorial Services		9,480	
Maintenance Agreements		1,062	
Maintenance and Repair Services - Buildings		1,982	
Maintenance and Repair Services - Office Equipment		310	

(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.)

Postal Charges	\$	842	
Drugs and Medical Supplies		825	
Electricity		14,112	
Office Supplies		9,280	
Utilities		5,240	
Other Supplies and Materials		697	
Total Local Health Center			\$ 92,505

Rabies and Animal Control

Contracts with Other Public Agencies	\$	89,750	
Total Rabies and Animal Control			89,750

Alcohol and Drug Programs

Other Contracted Services	\$	3,600	
Office Supplies		7,150	
Total Alcohol and Drug Programs			10,750

Crippled Children Services

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

Other Local Health Services

Medical Personnel	\$	84,352	
Social Security		4,990	
Medical Insurance		6,432	
Employer Medicare		1,170	
Travel		4,563	
Total Other Local Health Services			101,507

General Welfare Assistance

Supervisor/Director	\$	27,926	
Equipment Operators		24,351	
Social Security		2,899	
Medical Insurance		10,311	
Local Retirement		472	
Employer Medicare		678	
Communication		3,619	
Maintenance and Repair Services - Buildings		130	
Maintenance and Repair Services - Vehicles		125	
Electricity		9,146	
Gasoline		2,348	
Office Supplies		990	
Utilities		3,247	
Total General Welfare Assistance			86,242

Aid to Dependent Children

Salary Supplements	\$	8,699	
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(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.)

Educational Assistants	\$	47,649	
Communication		995	
Maintenance and Repair Services - Buildings		77	
Rentals		6,400	
Travel		2,118	
Electricity		1,668	
Food Supplies		81,061	
Office Supplies		1,092	
Other Supplies and Materials		653	
Total Aid to Dependent Children			\$ 150,412

Other Local Welfare Services

Part-time Personnel	\$	20,658	
Communication		290	
Travel		806	
Food Supplies		25,919	
Office Supplies		25	
Other Supplies and Materials		335	
Total Other Local Welfare Services			48,033

Sanitation Education/Information

Guards	\$	60,101	
Other Salaries and Wages		524	
Social Security		3,838	
Medical Insurance		10,367	
Employer Medicare		898	
Consultants		7,200	
Gasoline		4,519	
Other Charges		4,212	
Total Sanitation Education/Information			91,659

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$	37,133	
Clerical Personnel		37,419	
Social Security		4,480	
Unemployment Compensation		196	
Local Retirement		928	
Employer Medicare		1,048	
Dues and Memberships		150	
Maintenance and Repair Services - Vehicles		267	
Postal Charges		211	
Travel		2,457	
Other Contracted Services		117	
Gasoline		2,327	
Office Supplies		1,499	
Other Supplies and Materials		507	

(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.)

Adult Activities (Cont.)

Liability Insurance	\$	797	
Other Charges		1,480	
Office Equipment		420	
Total Adult Activities			\$ 91,436

Senior Citizens Assistance

Assistant(s)	\$	26,734	
Supervisor/Director		31,594	
Other Salaries and Wages		153,401	
Social Security		13,197	
Medical Insurance		12,558	
Local Retirement		1,578	
Employer Medicare		3,086	
Communication		464	
Dues and Memberships		810	
Maintenance and Repair Services - Office Equipment		1,460	
Maintenance and Repair Services - Vehicles		218	
Travel		1,404	
Other Contracted Services		5,410	
Gasoline		90	
Other Supplies and Materials		492	
Tax Relief Program		93,853	
Total Senior Citizens Assistance			346,349

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	\$	7,995	
Contributions		60,316	
Dues and Memberships		14,836	
Maintenance and Repair Services - Buildings		2,975	
Maintenance and Repair Services - Office Equipment		1,175	
Electricity		17,643	
Utilities		8,300	
Total Other Social, Cultural, and Recreational			113,240

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	121,800	
Communication		2,000	
Maintenance and Repair Services - Buildings		11,756	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Maintenance and Repair Services - Office Equipment	\$	3,000	
Pest Control		1,000	
Travel		3,244	
Electricity		3,300	
Office Supplies		2,000	
Utilities		3,780	
Office Equipment		1,000	
Total Agricultural Extension Service			\$ 152,880

Soil Conservation

Secretary(ies)	\$	24,370	
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	\$	582	
Total Industrial Development			582

Veterans' Services

Other Salaries and Wages	\$	10,175	
Social Security		631	
Employer Medicare		148	
Communication		647	
Travel		839	
Other Contracted Services		399	
Office Supplies		796	
Office Equipment		1,881	
Total Veterans' Services			15,516

Miscellaneous

Bonus Payments	\$	37,087	
Social Security		2,302	
Medical Insurance		122,066	
Employer Medicare		535	
Trustee's Commission		121,609	
Other Charges		5,115	
Total Miscellaneous			288,714

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Principal on Debt

General Government

Principal on Capital Leases	\$ 164,292	
Total General Government		\$ 164,292

Interest on Debt

General Government

Interest on Notes	\$ 53,132	
Interest on Capital Leases	3,742	
Total General Government		<u>56,874</u>

Total General Fund		\$ 12,517,487
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Law Library Fund

Administration of Justice

Other Administration of Justice

Library Books/Media	\$ 6,145	
Trustee's Commission	20	
Total Other Administration of Justice		<u>\$ 6,165</u>

Total Law Library Fund		6,165
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Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Attendants	\$ 9,874	
Social Security	612	
Employer Medicare	143	
Communication	458	
Contracts with Government Agencies	18,119	
Contracts with Private Agencies	84,152	
Utilities	1,155	
Trustee's Commission	1,165	
Other Charges	390	
Total Sanitation Management		<u>\$ 116,068</u>

Total Solid Waste/Sanitation Fund		116,068
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Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$ 1,000	
Veterinary Services	622	
Law Enforcement Supplies	32,942	
Trustee's Commission	54	
Other Charges	1,681	
Total Drug Enforcement		<u>\$ 36,299</u>

Total Drug Control Fund		36,299
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(Continued)

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

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Dues and Memberships	\$ 947	
Total County Trustee's Office		\$ 947

Administration of Justice

Chancery Court

Printing, Stationery, and Forms	\$ 16	
Total Chancery Court		<u>16</u>

Total Constitutional Officers - Fees Fund \$ 963

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 80,736	
Accountants/Bookkeepers	40,492	
Bonus Payments	500	
Communication	6,537	
Data Processing Services	6,126	
Dues and Memberships	5,076	
Evaluation and Testing	587	
Legal Notices, Recording, and Court Costs	1,632	
Maintenance Agreements	1,427	
Postal Charges	495	
Printing, Stationery, and Forms	837	
Travel	1,500	
Electricity	8,722	
Natural Gas	467	
Office Supplies	430	
Uniforms	3,516	
Water and Sewer	3,335	
Other Supplies and Materials	<u>4,758</u>	
Total Administration		\$ 167,173

Highway and Bridge Maintenance

Foremen	\$ 42,432
Equipment Operators	300,874
Equipment Operators - Light	106,149
Truck Drivers	166,296
Laborers	111,105
Overtime Pay	26,181
Bonus Payments	10,500
Contracts with Private Agencies	267,230
Rentals	503
Asphalt - Cold Mix	12,549
Asphalt - Hot Mix	63,036
Asphalt - Liquid	160,748
Concrete	3,787

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Crushed Stone	\$	164,919	
Fertilizer, Lime, and Seed		942	
General Construction Materials		4,741	
Other Road Materials		59,782	
Pipe - Metal		88,628	
Road Signs		2,662	
Sand		9,373	
Wood Products		228	
Gravel and Chert		45,922	
Other Supplies and Materials		2,693	
Total Highway and Bridge Maintenance			\$ 1,651,280

Operation and Maintenance of Equipment

Mechanic(s)	\$	91,104	
Laborers		34,528	
Bonus Payments		1,500	
Diesel Fuel		164,259	
Equipment and Machinery Parts		151,005	
Garage Supplies		14,613	
Gasoline		12,876	
Lubricants		18,757	
Small Tools		2,419	
Tires and Tubes		25,548	
Other Supplies and Materials		3,240	
Total Operation and Maintenance of Equipment			519,849

Other Charges

Liability Insurance	\$	745	
Trustee's Commission		54,507	
Vehicle and Equipment Insurance		46,540	
Total Other Charges			101,792

Employee Benefits

Social Security	\$	59,932	
Employee and Dependent Insurance		135,639	
Local Retirement		13,259	
Employer Medicare		14,016	
Total Employee Benefits			222,846

Capital Outlay

Engineering Services	\$	36,465	
Highway Equipment		712,692	
Office Equipment		4,852	
Other Equipment		43,472	
Total Capital Outlay			797,481

Total Highway/Public Works Fund \$ 3,460,421

(Continued)

Exhibit K-8

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

<u>General Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Bonds	\$ 380,000	
Principal on Notes	12,812	
Total General Government		\$ 392,812
<u>Education</u>		
Principal on Bonds	\$ 1,375,000	
Principal on Other Loans	774,510	
Total Education		2,149,510
<u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Bonds	\$ 267,885	
Total General Government		267,885
<u>Education</u>		
Interest on Bonds	\$ 973,304	
Interest on Other Loans	410,657	
Total Education		1,383,961
<u>Other Debt Service</u>		
<u>General Government</u>		
Financial Advisory Services	\$ 15,000	
Trustee's Commission	61,158	
Underwriter's Discount	29,571	
Other Debt Issuance Charges	38,995	
Total General Government		144,724
<u>Education</u>		
Other Debt Service	\$ 13,998	
Total Education		13,998
Total General Debt Service Fund		\$ 4,352,890
Total Governmental Funds - Primary Government		\$ 20,490,293

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, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 8,662,306	
Career Ladder Program	37,399	
Career Ladder Extended Contracts	18,654	
Educational Assistants	661,438	
Other Salaries and Wages	69,360	
Certified Substitute Teachers	29,230	
Non-certified Substitute Teachers	66,552	
Social Security	544,880	
Pensions	786,706	
Life Insurance	10,820	
Medical Insurance	1,427,658	
Dental Insurance	10,837	
Unemployment Compensation	7,833	
Local Retirement	6,437	
Employer Medicare	128,300	
Other Fringe Benefits	5,925	
Contracts with Other School Systems	247,365	
Contracts with Private Agencies	9,756	
Maintenance and Repair Services - Equipment	16,104	
Instructional Supplies and Materials	433,647	
Textbooks	421,624	
Regular Instruction Equipment	407,340	
Total Regular Instruction Program		\$ 14,010,171

Special Education Program

Teachers	\$ 932,354	
Career Ladder Program	6,000	
Clerical Personnel	35,718	
Educational Assistants	237,703	
Speech Pathologist	84,457	
Other Salaries and Wages	9,200	
Social Security	74,369	
Pensions	92,090	
Life Insurance	1,828	
Medical Insurance	230,152	
Local Retirement	1,692	
Employer Medicare	17,428	
Other Fringe Benefits	650	
Contracts with Private Agencies	4,822	
Maintenance and Repair Services - Equipment	84	
Instructional Supplies and Materials	3,822	
Other Supplies and Materials	366	
Special Education Equipment	9,504	
Total Special Education Program		1,742,239

(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

Teachers	\$	372,494	
Career Ladder Program		3,000	
Educational Assistants		15,987	
Other Salaries and Wages		3,600	
Social Security		22,917	
Pensions		34,270	
Life Insurance		411	
Medical Insurance		61,405	
Employer Medicare		5,360	
Other Fringe Benefits		75	
Maintenance and Repair Services - Equipment		437	
Other Contracted Services		11,112	
Instructional Supplies and Materials		41,707	
Total Vocational Education Program	\$		572,775

Student Body Education Program

Instructional Supplies and Materials	\$	5,213	
Other Supplies and Materials		2,483	
Total Student Body Education Program			7,696

Support Services

Attendance

Supervisor/Director	\$	44,926	
Career Ladder Program		1,000	
Social Security		2,566	
Pensions		4,152	
Life Insurance		33	
Medical Insurance		7,603	
Employer Medicare		600	
Communication		22,414	
Maintenance and Repair Services - Equipment		53	
Travel		2,318	
Other Contracted Services		13,903	
Other Supplies and Materials		60	
Total Attendance			99,628

Health Services

Medical Personnel	\$	105,816	
Other Salaries and Wages		78,628	
Social Security		10,794	
Pensions		16,674	
Life Insurance		205	
Medical Insurance		18,501	
Employer Medicare		2,524	
Communication		3,440	
Maintenance and Repair Services - Equipment		13	

(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.)

Postal Charges	\$	300	
Travel		2,116	
Other Contracted Services		2,418	
Drugs and Medical Supplies		5,879	
Other Supplies and Materials		24,662	
In Service/Staff Development		1,801	
Total Health Services			\$ 273,771

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		190,210	
Clerical Personnel		21,238	
Social Security		12,004	
Pensions		17,285	
Life Insurance		257	
Medical Insurance		39,582	
Employer Medicare		2,807	
Contracts with Government Agencies		47,797	
Evaluation and Testing		43,640	
Travel		2,688	
Other Supplies and Materials		393	
Total Other Student Support			378,901

Regular Instruction Program

Supervisor/Director	\$	74,476	
Career Ladder Program		4,000	
Librarians		49,465	
Materials Supervisor		35,718	
Instructional Computer Personnel		131,027	
Secretary(ies)		37,059	
Other Salaries and Wages		31,996	
Social Security		20,943	
Pensions		14,458	
Life Insurance		380	
Medical Insurance		56,485	
Local Retirement		4,858	
Employer Medicare		4,898	
Communication		5,220	
Consultants		17,023	
Contracts with Other School Systems		13,969	
Maintenance and Repair Services - Equipment		1,381	
Travel		29,291	
Other Contracted Services		9,930	
Library Books/Media		45,313	
Other Supplies and Materials		40,837	
In Service/Staff Development		30,193	
Other Equipment		43,390	
Total Regular Instruction Program			702,310

(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	\$	73,567	
Career Ladder Program		1,000	
Clerical Personnel		17,859	
Social Security		5,447	
Pensions		6,741	
Life Insurance		68	
Medical Insurance		9,092	
Employer Medicare		1,274	
Communication		2,119	
Maintenance and Repair Services - Equipment		3	
Postal Charges		1,600	
Travel		2,932	
Other Supplies and Materials		63	
In Service/Staff Development		241	
Total Special Education Program			\$ 122,006

Vocational Education Program

Supervisor/Director	\$	7,615	
Career Ladder Program		100	
Accountants/Bookkeepers		4,229	
Clerical Personnel		17,859	
Social Security		1,791	
Pensions		697	
Life Insurance		23	
Medical Insurance		3,743	
Employer Medicare		419	
Communication		216	
Maintenance and Repair Services - Equipment		236	
Postal Charges		100	
Travel		12,172	
Other Contracted Services		5,418	
Other Supplies and Materials		2,649	
Total Vocational Education Program			57,267

Other Programs

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

Board of Education

Secretary to Board	\$	2,425	
Board and Committee Members Fees		25,338	
Social Security		1,721	
Employer Medicare		403	
Audit Services		11,400	
Dues and Memberships		9,761	
Legal Services		32,592	

(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.)

Travel	\$	34	
Other Contracted Services		13,974	
Liability Insurance		100,873	
Premiums on Corporate Surety Bonds		1,786	
Trustee's Commission		162,681	
Workers' Compensation Insurance		90,302	
In Service/Staff Development		6,226	
Criminal Investigation of Applicants - TBI		4,040	
Total Board of Education			\$ 463,556

Director of Schools

County Official/Administrative Officer	\$	118,419	
Secretary(ies)		35,718	
Social Security		2,215	
Life Insurance		671	
Local Retirement		954	
Employer Medicare		2,237	
Other Fringe Benefits		904	
Communication		10,797	
Dues and Memberships		949	
Maintenance and Repair Services - Equipment		1,266	
Postal Charges		7,126	
Travel		2,043	
Other Contracted Services		14,902	
Office Supplies		6,041	
Administration Equipment		3,009	
Total Director of Schools			207,251

Office of the Principal

Principals	\$	606,973	
Career Ladder Program		15,068	
Career Ladder Extended Contracts		13,320	
Assistant Principals		303,467	
Secretary(ies)		204,056	
Other Salaries and Wages		11,355	
Social Security		63,433	
Pensions		79,458	
Life Insurance		861	
Medical Insurance		140,550	
Local Retirement		3,896	
Employer Medicare		15,767	
Communication		52,365	
Maintenance and Repair Services - Equipment		6,042	
Travel		11,030	
Other Contracted Services		25,815	
Office Supplies		13,135	
Other Equipment		41,616	
Total Office of the Principal			1,608,207

(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	\$	98,734	
Purchasing Personnel		59,183	
Clerical Personnel		53,237	
Social Security		12,513	
Life Insurance		181	
Medical Insurance		29,812	
Local Retirement		4,723	
Employer Medicare		2,926	
Communication		2,079	
Dues and Memberships		314	
Maintenance and Repair Services - Equipment		2,725	
Travel		3,550	
Other Contracted Services		18,224	
Office Supplies		14,894	
Administration Equipment		1,986	
Total Fiscal Services			\$ 305,081

Operation of Plant

Custodial Personnel	\$	557,815	
Other Salaries and Wages		250	
Social Security		29,298	
Life Insurance		1,185	
Medical Insurance		138,148	
Local Retirement		6,274	
Employer Medicare		6,852	
Pest Control		6,834	
Disposal Fees		56,952	
Other Contracted Services		151,823	
Custodial Supplies		95,843	
Electricity		730,797	
Natural Gas		93,616	
Water and Sewer		42,584	
Other Supplies and Materials		2,167	
Building and Contents Insurance		361,615	
Plant Operation Equipment		8,353	
Total Operation of Plant			2,290,406

Maintenance of Plant

Supervisor/Director	\$	56,838
Secretary(ies)		35,038
Other Salaries and Wages		326,320
Social Security		24,085
Life Insurance		470
Medical Insurance		66,341
Local Retirement		7,760
Employer Medicare		5,633

(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	\$	3,110	
Maintenance and Repair Services - Buildings		292,203	
Maintenance and Repair Services - Equipment		63,298	
Other Contracted Services		82,936	
Equipment and Machinery Parts		14,839	
Gasoline		21,315	
Other Supplies and Materials		144,627	
Maintenance Equipment		25,284	
Total Maintenance of Plant			\$ 1,170,097

Operation of Non-Instructional Services

Food Service

Career Ladder Program	\$	900	
Social Security		56	
Pensions		81	
Employer Medicare		13	
Food Supplies		4,758	
Total Food Service			5,808

Community Services

Supervisor/Director	\$	3,456	
Other Salaries and Wages		59,831	
Social Security		3,593	
Pensions		312	
Life Insurance		105	
Medical Insurance		9,439	
Local Retirement		724	
Employer Medicare		840	
Advertising		12,026	
Communication		1,684	
Consultants		30,591	
Dues and Memberships		100	
Maintenance and Repair Services - Equipment		37	
Postal Charges		695	
Printing, Stationery, and Forms		50	
Rentals		3,600	
Travel		4,658	
Other Supplies and Materials		6,128	
Total Community Services			137,869

Early Childhood Education

Supervisor/Director	\$	20,735	
Teachers		310,533	
Educational Assistants		115,142	
Custodial Personnel		8,701	
Certified Substitute Teachers		232	

(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.)

Non-certified Substitute Teachers	\$	3,498	
Social Security		26,195	
Pensions		29,940	
Life Insurance		658	
Medical Insurance		79,348	
Local Retirement		404	
Employer Medicare		6,128	
Communication		4,348	
Maintenance and Repair Services - Equipment		293	
Other Supplies and Materials		45,138	
In Service/Staff Development		5,799	
Other Equipment		41,563	
Total Early Childhood Education			\$ 698,655

Capital Outlay

Regular Capital Outlay

Architects	\$	64,956	
Other Contracted Services		91,237	
Building Construction		205,473	
Building Improvements		210,199	
Furniture and Fixtures		54,321	
Land		199,309	
Motor Vehicles		64,824	
Site Development		179,371	
Total Regular Capital Outlay			<u>1,069,690</u>

Total General Purpose School Fund \$ 26,071,993

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	171,807	
Educational Assistants		233,829	
Social Security		20,407	
Pensions		13,558	
Life Insurance		853	
Medical Insurance		109,243	
Unemployment Compensation		2,127	
Local Retirement		1,125	
Employer Medicare		5,089	
Other Fringe Benefits		175	
Instructional Supplies and Materials		7,493	
Other Charges		113	
Total Regular Instruction Program			\$ 565,819

(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

Teachers	\$	128,318	
Educational Assistants		208,680	
Speech Pathologist		43,871	
Certified Substitute Teachers		480	
Non-certified Substitute Teachers		3,000	
Social Security		20,731	
Pensions		15,566	
Life Insurance		777	
Medical Insurance		114,207	
Unemployment Compensation		1,644	
Local Retirement		1,929	
Employer Medicare		4,852	
Other Fringe Benefits		475	
Maintenance and Repair Services - Equipment		673	
Instructional Supplies and Materials		15,679	
Other Supplies and Materials		8,542	
Special Education Equipment		35,854	
Total Special Education Program			\$ 605,278

Vocational Education Program

Instructional Supplies and Materials	\$	7,293	
Vocational Instruction Equipment		15,672	
Total Vocational Education Program			22,965

Support Services

Other Student Support

Assessment Personnel	\$	63,167	
Other Salaries and Wages		6,500	
Social Security		3,969	
Pensions		5,891	
Life Insurance		67	
Medical Insurance		11,697	
Unemployment Compensation		135	
Employer Medicare		928	
Travel		17,423	
Other Supplies and Materials		1,290	
In Service/Staff Development		1,000	
Total Other Student Support			112,067

Regular Instruction Program

Supervisor/Director	\$	47,996	
Other Salaries and Wages		20,100	
Certified Substitute Teachers		386	
Social Security		3,095	
Pensions		4,791	
Life Insurance		31	

(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.)

Medical Insurance	\$	7,160	
Unemployment Compensation		254	
Employer Medicare		943	
Travel		751	
Other Supplies and Materials		21,373	
In Service/Staff Development		28,343	
Total Regular Instruction Program			\$ 135,223

Special Education Program

Psychological Personnel	\$	54,005	
Speech Pathologist		12,975	
Other Salaries and Wages		26,574	
Social Security		4,861	
Pensions		4,882	
Life Insurance		94	
Medical Insurance		4,010	
Unemployment Compensation		359	
Employer Medicare		1,325	
Communication		1,243	
Travel		15,832	
Other Contracted Services		87,960	
Other Supplies and Materials		1,745	
In Service/Staff Development		9,697	
Other Equipment		250	
Total Special Education Program			225,812

Vocational Education Program

Travel	\$	503	
In Service/Staff Development		1,126	
Total Vocational Education Program			1,629

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	16,937	
Teachers		144,919	
Clerical Personnel		10,534	
Educational Assistants		39,369	
Social Security		12,048	
Pensions		12,815	
Life Insurance		51	
Unemployment Compensation		1,928	
Employer Medicare		3,065	
Other Fringe Benefits		344	
Travel		1,644	
Other Contracted Services		3,537	
Food Supplies		3,689	

(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.)

Operation of Non-instructional Services (Cont.)

Community Services (Cont.)

Instructional Supplies and Materials	\$	5,601	
Other Supplies and Materials		200	
In Service/Staff Development		4,786	
Other Charges		7,796	
Total Community Services			<u>\$ 269,263</u>

Total School Federal Projects Fund \$ 1,938,056

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	68,527	
Accountants/Bookkeepers		34,442	
Cafeteria Personnel		680,873	
Other Salaries and Wages		24,697	
Social Security		46,971	
Pensions		6,195	
Life Insurance		2,038	
Medical Insurance		93,057	
Unemployment Compensation		2,485	
Local Retirement		2,604	
Employer Medicare		10,985	
Other Fringe Benefits		1,000	
Communication		3,755	
Data Processing Services		21,535	
Dues and Memberships		525	
Printing, Stationery, and Forms		861	
Transportation - Other than Students		7,537	
Travel		3,204	
Disposal Fees		1,689	
Custodial Supplies		8,614	
Food Supplies		764,707	
Uniforms		150	
USDA - Commodities		109,186	
Other Supplies and Materials		46,763	
In Service/Staff Development		2,976	
Food Service Equipment		89,174	
Total Food Service			<u>\$ 2,034,550</u>

Total Central Cafeteria Fund 2,034,550

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$	24,137	
Total Board of Education			\$ 24,137

(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.)

Operation of Plant

Disposal Fees	\$	2,112	
Electricity		14,115	
Natural Gas		3,148	
Water and Sewer		600	
Total Operation of Plant			\$ 19,975

Transportation

Supervisor/Director	\$	56,838	
Mechanic(s)		185,038	
Bus Drivers		817,760	
Clerical Personnel		35,038	
Other Salaries and Wages		16,642	
Social Security		66,633	
Life Insurance		2,565	
Medical Insurance		79,185	
Local Retirement		7,396	
Employer Medicare		15,593	
Communication		4,349	
Maintenance and Repair Services - Equipment		48	
Maintenance and Repair Services - Vehicles		31,434	
Other Contracted Services		48,021	
Diesel Fuel		248,948	
Food Supplies		502	
Lubricants		14,345	
Tires and Tubes		33,346	
Vehicle Parts		67,364	
Other Supplies and Materials		26,806	
Vehicle and Equipment Insurance		76,972	
In Service/Staff Development		4,482	
Transportation Equipment		511,206	
Total Transportation			<u>2,350,511</u>

Total School Transportation Fund \$ 2,394,623

Total Governmental Funds - Dyer County School Department \$ 32,439,222

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, 2015

	Cities - Sales Tax Fund	Cities - Property Tax Fund	City School ADA - Dyersburg Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 0	\$ 2,302,210	\$ 2,302,210
Trustee's Collections - Prior Years	0	0	63,967	63,967
Trustee's Collections - Bankruptcy	0	0	1,347	1,347
Circuit/Clerk and Master Collections - Prior Years	0	1,432	31,965	33,397
Interest and Penalty	0	315	13,194	13,509
Local Option Sales Tax	3,554,199	0	4,850,740	8,404,939
Wheel Tax	0	0	629,780	629,780
Interstate Telecommunications Tax	0	0	2,183	2,183
Marriage Licenses	0	0	1,219	1,219
Other Permits	0	0	673	673
<b>Total Cash Receipts</b>	<b>\$ 3,554,199</b>	<b>\$ 1,747</b>	<b>\$ 7,897,278</b>	<b>\$ 11,453,224</b>
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 3,518,657	\$ 1,712	\$ 7,778,304	\$ 11,298,673
Trustee's Commission	35,542	35	102,610	138,187
<b>Total Cash Disbursements</b>	<b>\$ 3,554,199</b>	<b>\$ 1,747</b>	<b>\$ 7,880,914</b>	<b>\$ 11,436,860</b>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 0	\$ 16,364	\$ 16,364
Cash Balance, July 1, 2014	0	0	123,409	123,409
<b>Cash Balance, June 30, 2015</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 139,773</b>	<b>\$ 139,773</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, 2015, 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 27, 2015.

**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 significant deficiencies: 2015-004, 2015-005, 2015-006, 2015-007(A), and 2015-008.

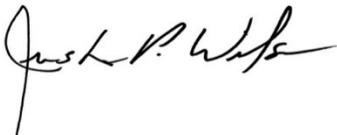
### **Compliance and Other Matters**

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 2015-001, 2015-002, 2015-003, and 2015-007(B).

### **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 27, 2015

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 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, 2015. 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, 2015.

### **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.

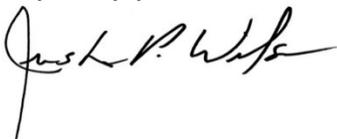
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2015, and the related notes to the financial statements, which collectively comprise Dyer County's basic financial statements. We issued our report thereon dated October 27, 2015, 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 27, 2015

JPW/sb

Dyer County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2015

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	\$ 109,186 (3)
Passed-through State Department of Education:			
School Breakfast Program	10.553	N/A	318,305
National School Lunch Program	10.555	N/A	1,002,584 (3)
Passed-through State Department of Human Services:			
Summer Food Service Program for Children	10.559	N/A	168,279
Passed-through State Department of Education:			
Child and Adult Care Food Program	10.558	N/A	15,131
Passed-through State Department of Health:			
Commodity Supplemental Food Program	10.565	GG143829300	62,473
Total U.S. Department of Agriculture			<u>\$ 1,675,958</u>
U.S. Department of Transportation:			
Passed-through State Department of Environment and Conservation:			
Recreational Trails Program	20.219	32701-00909	\$ 8,393
Total U.S. Department of Transportation			<u>\$ 8,393</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 636,323
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	858,856
Special Education - Preschool Grants	84.173	N/A	54,805
Career and Technical Education - Basic Grants to States	84.048	N/A	45,887
Twenty-first Century Community Learning Centers	84.287	N/A	269,265
Rural Education	84.358	N/A	30,791
Improving Teacher Quality State Grants	84.367	N/A	110,243
Teacher Incentive Fund	84.374	N/A	27,673
Total U.S. Department of Education			<u>\$ 2,033,843</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	(2)	\$ 56,057
Total U.S. Department of Health and Human Services			<u>\$ 56,057</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	34101-0000005410	\$ 96,009
Homeland Security Grant Program	97.067	34101-16614	16,080
Total U.S. Department of Homeland Security			<u>\$ 112,089</u>
Total Expenditures of Federal Awards			<u>\$ 3,886,340</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	Contract Number	Expenditures
<u>State Grants:</u>			
Juvenile Court Improvement Funds - State Department of Children's Services	N/A	GG1029733	\$ 18,000
Drug Court Treatment Resources Grant - State Department of Finance and Administration	N/A	(2)	55,770
Preventive Health and Human Services - State Department of Health	N/A	GG1467689	121,332
Litter Program - State Department of Transportation	N/A	40100-15314	37,400
FastTrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	33006-27014	1,107,147
State and National Archival Partnership Grant - Tennessee Secretary of State	N/A	(2)	5,275
Prevention Alliance of Dyersburg and Dyer County - State Department of Mental Health and Substance Abuse Services	N/A	(2)	54,683
Early Childhood Education - State Department of Education	N/A	(2)	675,912
Energy Efficient School Initiative - State Department of Education	N/A	(2)	2,336
ACT/Explore - Internet Connectivity - State Department of Education	N/A	(2)	5,938
ConnecTenn - State Department of Education	N/A	(2)	10,865
Family Resource Center - State Department of Education	N/A	(2)	59,223
Coordinated School Health - State Department of Education	N/A	(2)	115,000
Safe Schools - State Department of Education	N/A	(2)	20,320
Total State Grants			<u>\$ 2,289,201</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

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

(2) Information not available.

(3) Total for CFDA No. 10.555 is \$1,111,770.

Dyer County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2015

*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, 2014, which have not been corrected.

**OFFICES OF COUNTY MAYOR AND ROAD SUPERVISOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-003	162	Compensation was paid in-lieu-of insurance benefits to some employees

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

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-005	164	Unclaimed funds were not reported and paid to the state

**OFFICE OF SHERIFF**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-007 (B)	165	The office had accounting deficiencies
2014-008	166	The office did not deposit some funds within three days of collection

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

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-010	167	Duties were not segregated adequately

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**DYER COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2015**

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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 reported 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) 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 qualified as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

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

### **OFFICE OF COUNTY MAYOR**

#### **FINDING 2015-001**

#### **THE OFFICE DID NOT FILE A REPORT ON DEBT OBLIGATION WITH THE STATE COMPTROLLER'S OFFICE IN A TIMELY MANNER**

(Noncompliance Under *Government Auditing Standards*)

The office did not file a Report on Debt Obligation with the state Comptroller's Office for a \$71,223 lease-purchase in a timely manner. The county entered into the lease-purchase agreement on December 29, 2014; however, the county did not file a Report on Debt Obligation until we brought it to their attention during the audit. The county then filed the report on September 4, 2015. Section 9-21-151, *Tennessee Code Annotated*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt was issued, a description of the debt obligation, and an itemized description of the cost of issuance. This deficiency was the result of a lack of management oversight.

#### **RECOMMENDATION**

The office should file a Report on Debt Obligation with the state Comptroller's Office for each debt issuance within 45 days following the issuance of the debt as required by state statute.

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

#### **FINDING 2015-002**

#### **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.

---

## OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

### FINDING 2015-003

### **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 \$20,227. At June 30, 2015, Circuit Court had 184 outstanding checks totaling \$14,223 and General Sessions Court had 91 outstanding checks totaling \$6,004 that were all issued before July 1, 2014. 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 2015-004

### **THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS**

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

Restitution payments are sometimes collected outside of the court's normal receipting process. In these instances, the case information must be updated to reflect these transactions. However, because the funds are not deposited with the court, these transactions do not flow through the court's accounting records. In order to ensure inappropriate activity does not occur, the audit log that records these transactions should be routinely reviewed. Although the official was aware of the importance of this log, the log was not reviewed.

## RECOMMENDATION

Management should review the software audit log on a routine basis. Any unusual transactions should be investigated.

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## **OFFICE OF CLERK AND MASTER**

**FINDING 2015-005**

### **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**

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

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

### **RECOMMENDATION**

The clerk and master should assign each employee their own cash drawer.

---

## **OFFICE OF SHERIFF**

**FINDING 2015-006**

### **THE ANNUAL FINANCIAL REPORT WAS NOT ACCURATE**

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

The Sheriff Department's annual financial report did not properly reflect the operations of the office. Receipts and disbursements for operations were overstated on the annual financial report by \$172,206 and \$186,114, respectively. In addition, assets of \$207,906 at June 30, 2015, were not reflected on the annual financial report. These amounts were determined by substantive testing and alternative auditing procedures and have been properly included in the financial statements of this report. This deficiency was the result of a lack of management oversight and the failure of management to correct the finding noted in the prior-year audit report.

### **RECOMMENDATION**

The annual financial report should accurately reflect all operations of the Sheriff's Department.

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FINDING 2015-007

**SOME RECEIPTS WERE NOT ISSUED AT THE TIME OF COLLECTION, AND SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION**

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

As part of our audit procedures for obtaining reasonable assurance that funds were properly receipted and deposited, we judgmentally selected receipts for the months of October and November 2014, and February, March, and May 2015, to trace to deposits and to a log of mail received by the department. Our examination revealed the following deficiencies:

- A. Receipts were not always issued at the time of collection. Instead, checks were held in the office and up to 45 days lapsed between the dates checks were listed as received on the mail log until receipts were actually issued. The practice of issuing receipts subsequent to the actual collection increases the risk that collections will not be accounted for properly. This deficiency can be attributed to a lack of management oversight.
- B. Some funds were not deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*. During the months tested, 90 items were held from four to 12 business days after receipts were issued before being deposited to the office bank account. This delay in depositing was in addition to the time period noted in Part A. above where numerous checks had already been held without receipt. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Official receipts should be issued at the time of collection, and all collections should be deposited within three days as required by state statute.

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

FINDING 2015-008

**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. Effective internal controls should 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.

**DYER COUNTY, TENNESSEE**  
**AUDITEE REPORTING RESPONSIBILITIES**  
**For the Year Ended June 30, 2015**

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