
ANNUAL FINANCIAL REPORT DYER COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2007



ANNUAL FINANCIAL REPORT
DYER COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2007

DEPARTMENT OF AUDIT
JOHN G. MORGAN
Comptroller of the Treasury

DIVISION OF COUNTY AUDIT
RICHARD V. NORMENT
Assistant to the Comptroller

JAMES R. ARNETTE
Director

NORMAN R. NORMENT, CGFM
Audit Manager

HORACE B. WISEMAN, CGFM
Auditor 4

KATHLEEN P. BURRISS, CGFM, CFE
MARVIN BOND, CGFM
SHAREE BREWER, CPA, CGFM, CFE
CHARLES GROVE
ELISHA CROWELL, CFE
State Auditors

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DYER COUNTY, TENNESSEE

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Audit Highlights

Annual Financial Report
Dyer County, Tennessee
For the Year Ended June 30, 2007

Scope

We have audited the basic financial statements of Dyer County as of and for the year ended June 30, 2007.

Results

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

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 courthouse custodial services contract has not been bid since July 1, 2002.
- ◆ Dyer County did not report fringe benefits provided for the county mayor to the Internal Revenue Service.

OFFICE OF ROAD SUPERVISOR

- ◆ A county road list was not submitted to the County Commission for approval as required by state statute.
- ◆ The economic benefit derived from the use of employer provided vehicles was not calculated and reported on federal Forms W-2.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ The office had deficiencies in computer system backup procedures.
-

OFFICE OF SHERIFF

- ◆ In some instances, collections were not deposited to the office bank account within three days of collection as required by state statute.
-

OTHER FINDINGS

- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.
- ◆ Duties were not segregated adequately among officials and employees in the Offices of Circuit and General Sessions Courts Clerk and Sheriff.

INTRODUCTORY SECTION

Dyer County Officials

June 30, 2007

Officials

Richard Hill, County Mayor
Jeff Jones, Road Supervisor
Dwight Hedge, Director of Schools
Judy Patton, Trustee
Janie Gregson, Assessor of Property
Diane Moore, County Clerk
Tom Jones, Circuit and General Sessions Courts Clerk
John Hoff, Clerk and Master
Danny Fowlkes, Register
Jeffrey Holt, Sheriff

Board of County Commissioners

Milton Magee, Chairman Pro-Tem	Terry McCreight
David Agee	Tom Reasons
Alan Burchfiel	Kyle Reynolds
Bill Cloar	Al Seward
Connie Evans	Bennie Spain
John Flatt	John Uitendaal
Debbie Bradshaw Hart	Steve Walker
Ralph Henson	Jimmy Wells
Jimmy Hester	Adam Williams
Larry Maupin	Chris Young

Budget Committee

Debbie Bradshaw Hart, Chairman
Richard Hill
David Agee
Bill Cloar
Terry McCreight
Tom Reasons

Board of Education

Ross Maldonado, Chairman	William May
Steve Dodds	Mike McLaughlin
Carol Feather	Herman Reed
Jim Horn	Le Ann Shell
Bruce Kerr	Maria Starks

FINANCIAL SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841**

INDEPENDENT AUDITOR'S REPORT

February 26, 2008

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dyer County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Dyer County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Dyer County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Dyer County Emergency Communications District, which represent 3.18 percent and 1.59 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dyer County Emergency Communications District, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, 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, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 26, 2008, on our consideration of Dyer County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management of Dyer County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

The budgetary comparison and pension information on pages 65 through 71 are not required parts of the basic financial statements but they do provide supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on it.

Very truly yours,



John G. Morgan
Comptroller of the Treasury

JGM/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Dyer County, Tennessee
Statement of Net Assets
June 30, 2007

	Primary Governmental Activities	Component Units	
		Dyer County School Department	Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 1,080	\$ 0	\$ 723,278
Equity in Pooled Cash and Investments	24,862,407	3,578,600	0
Accounts Receivable	42,475	2,183	26,853
Prepaid Items	0	0	8,177
Due from Other Governments	489,699	780,069	0
Property Taxes Receivable	6,803,225	4,522,700	0
Allowance for Uncollectible Property Taxes	(81,052)	(53,882)	0
Accrued Interest Receivable	218,759	15,986	3,440
Notes Receivable - Long-term	3,048,311	0	0
Deferred Charges - Debt Issuance Cost	115,929	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	3,554,709	703,268	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	10,203,435	29,352,956	0
Infrastructure	6,508,391	0	0
Other Capital Assets	3,279,443	2,416,901	594,651
Total Assets	<u>\$ 59,046,811</u>	<u>\$ 41,318,781</u>	<u>\$ 1,356,399</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 6,179	\$ 77,967	\$ 18,196
Accrued Payroll	0	11,567	0
Payroll Deductions Payable	0	604,956	0
Accrued Interest Payable	140,476	0	0
Deferred Revenue - Current Property Taxes	6,488,509	4,313,481	0
Noncurrent Liabilities:			
Due Within One Year	1,649,339	19,778	0
Due in More Than One Year (net of deferred amount on refunding and unamortized discount on debt)	38,717,163	79,113	0
Total Liabilities	<u>\$ 47,001,666</u>	<u>\$ 5,106,862</u>	<u>\$ 18,196</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 14,409,138	\$ 0	\$ 0
Invested in Capital Assets	0	32,473,125	594,651
Restricted for:			
Long-term Notes Receivable	3,048,311	0	0
Highway/Public Works	2,810,116	0	0
Workers' Compensation	669,999	0	0
Debt Service	4,983,525	0	0
Restricted for Other Purposes	219,697	0	0
Driver Education	0	25,724	0

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units	
		Dyer County School Department	Emergency Communications District
<u>NET ASSETS (Cont.)</u>			
Restricted for (Cont.):			
Career Ladder - Extended Contract	\$ 0	\$ 20,528	0
Career Ladder Program	0	10,725	0
Other State Education	0	10,723	0
School Federal Projects	0	495	0
Central Cafeteria	0	346,491	0
School Transportation	0	411,661	0
Unrestricted	<u>(14,095,641)</u>	<u>2,912,447</u>	<u>743,552</u>
Total Net Assets	<u>\$ 12,045,145</u>	<u>\$ 36,211,919</u>	<u>\$ 1,338,203</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, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units		
					Government	Dyer County School Department	Emergency Communications District	
				Total Governmental Activities				
Primary Government:								
Governmental Activities:								
General Government	\$ 1,625,149	\$ 315,342	\$ 25,675	\$ 228,300	\$ (1,055,832)	\$ 0	\$ 0	0
Finance	1,114,479	870,171	12,780	0	(231,528)	0	0	0
Administration of Justice	1,201,087	915,739	9,000	0	(276,348)	0	0	0
Public Safety	4,179,411	1,068,759	97,548	53,811	(2,959,293)	0	0	0
Public Health and Welfare	660,199	51,211	179,181	0	(429,807)	0	0	0
Social, Cultural, and Recreational Services	605,643	37,007	247,571	0	(321,065)	0	0	0
Agriculture and Natural Resources	189,292	5,541	0	0	(183,751)	0	0	0
Other Operations	169,446	6,300	1,467	32,150	(129,529)	0	0	0
Highways/Public Works	3,364,791	1,439	1,841,703	0	(1,521,649)	0	0	0
Education	157,675	164,434	0	0	6,759	0	0	0
Interest on Long-term Debt	1,741,944	0	0	0	(1,741,944)	0	0	0
Other Debt Service	77,159	0	0	0	(77,159)	0	0	0
Total Primary Government	\$ 15,086,275	\$ 3,435,943	\$ 2,414,925	\$ 314,261	\$ (8,921,146)	\$ 0	\$ 0	0
Component Units:								
Dyer County School Department	\$ 25,978,440	\$ 748,688	\$ 3,445,120	\$ 0	\$ 0	\$ (21,784,632)	\$ 0	0
Emergency Communications District	264,090	351,832	47,480	0	0	0	135,222	
Total Component Units	\$ 26,242,530	\$ 1,100,520	\$ 3,492,600	\$ 0	\$ 0	\$ (21,784,632)	\$ 135,222	

(Continued)

Exhibit B

Dyer County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units	
					Government	Dyer County School Department	Emergency Communications District
				Total Governmental Activities			
General Revenues:							
Property Taxes Levied for General Purposes					\$ 4,682,582	\$ 4,336,625	\$ 0
Property Taxes Levied for Debt Service					1,882,555	0	0
Local Option Sales Taxes					63,389	2,828,930	0
Other Local Taxes					806,937	1,036,957	0
Grants and Contributions Not Restricted to Specific Programs					1,385,592	12,996,553	0
Interest Income					1,539,982	0	16,343
Unrestricted Investment Earnings					0	235,469	0
Miscellaneous					124,332	77,305	0
Total General Revenues					\$ 10,485,369	\$ 21,511,839	\$ 16,343
Change in Net Assets					\$ 1,564,223	\$ (272,793)	\$ 151,565
Net Assets, July 1, 2006					4,002,992	36,484,712	1,186,638
Prior-Period Adjustment					6,477,930	0	0
Net Assets, June 30, 2007					\$ 12,045,145	\$ 36,211,919	\$ 1,338,203

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, 2007

	Major Funds				Nonmajor	Total
	General	Special Purpose	Highway / Public Works	General Debt Service	Other Governmental Funds	
ASSETS						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,080	\$ 1,080
Equity in Pooled Cash and Investments	1,710,290	15,442,192	2,405,533	4,509,998	124,395	24,192,408
Accounts Receivable	35,135	0	7,340	0	0	42,475
Due from Other Governments	134,723	0	339,096	11,214	4,666	489,699
Due from Other Funds	1,080	0	0	0	0	1,080
Property Taxes Receivable	3,064,262	0	1,787,955	1,951,008	0	6,803,225
Allowance for Uncollectible Property Taxes	(36,507)	0	(21,301)	(23,244)	0	(81,052)
Accrued Interest Receivable	1,651	0	0	217,108	0	218,759
Notes Receivable - Long-term	0	3,048,311	0	0	0	3,048,311
Total Assets	\$ 4,910,634	\$ 18,490,503	\$ 4,518,623	\$ 6,666,084	\$ 130,141	\$ 34,715,985
LIABILITIES AND FUND BALANCES						
<u>Liabilities</u>						
Accounts Payable	\$ 6,179	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,179
Due to Other Funds	0	0	0	0	1,080	1,080
Deferred Revenue - Current Property Taxes	2,922,510	0	1,705,245	1,860,754	0	6,488,509
Deferred Revenue - Delinquent Property Taxes	83,987	0	49,006	53,475	0	186,468
Other Deferred Revenues	81,000	0	176,548	5,788	0	263,336
Total Liabilities	\$ 3,093,676	\$ 0	\$ 1,930,799	\$ 1,920,017	\$ 1,080	\$ 6,945,572
<u>Fund Balances</u>						
Reserved for Alcohol and Drug Treatment	\$ 39,342	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,342
Reserved for Sexual Offender Registration	1,670	0	0	0	0	1,670
Reserved for Courtroom Security	3,926	0	0	0	0	3,926
Reserved for Automation Purposes - General Sessions Court	45,744	0	0	0	0	45,744
Reserved for Long-term Notes Receivable	0	3,048,311	0	0	0	3,048,311
Unreserved, Reported In:						
General Fund	1,726,276	0	0	0	0	1,726,276
Special Revenue Funds	0	15,442,192	2,587,824	0	129,061	18,159,077
Debt Service Funds	0	0	0	4,746,067	0	4,746,067
Total Fund Balances	\$ 1,816,958	\$ 18,490,503	\$ 2,587,824	\$ 4,746,067	\$ 129,061	\$ 27,770,413
Total Liabilities and Fund Balances	\$ 4,910,634	\$ 18,490,503	\$ 4,518,623	\$ 6,666,084	\$ 130,141	\$ 34,715,985

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 Assets
June 30, 2007

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 27,770,413
(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	10,203,435	
Add: infrastructure net of accumulated depreciation	6,508,391	
Add: other capital assets net of accumulated depreciation	<u>3,279,443</u>	23,545,978
(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 assets.		669,999
(3) Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.		
Less: notes payable	\$ (1,315,928)	
Less: capital leases payable	(627,340)	
Less: other loans payable	(30,350,000)	
Less: bonds payable	(8,430,000)	
Add: deferred amount on unamortized debt discount	45,499	
Add: deferred amount on refunding	311,267	
Add: deferred charges - debt issuance costs	115,929	
Less: accrued interest on notes, capital leases, and bonds	<u>(140,476)</u>	(40,391,049)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>449,804</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 12,045,145</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, 2007

	Major Funds				Nonmajor	Total
	General	Special Purpose	Highway / Public Works	General Debt Service	Other Governmental Funds	
Revenues						
Local Taxes	\$ 4,960,558	\$ 0	\$ 1,724,011	\$ 2,082,352	\$ 2,842	\$ 8,769,763
Licenses and Permits	123,157	0	0	0	0	123,157
Fines, Forfeitures, and Penalties	120,977	0	0	0	18,510	139,487
Charges for Current Services	36,633	0	0	0	2,611	39,244
Other Local Revenues	237,553	0	158,337	1,288,067	14,978	1,698,935
Fees Received from County Officials	1,833,128	0	0	0	0	1,833,128
State of Tennessee	1,522,236	0	1,900,529	0	1,025,689	4,448,454
Federal Government	234,302	0	94,895	0	32,150	361,347
Other Governments and Citizens Groups	19,723	0	0	0	0	19,723
Total Revenues	\$ 9,088,267	\$ 0	\$ 3,877,772	\$ 3,370,419	\$ 1,096,780	\$ 17,433,238
Expenditures						
Current:						
General Government	\$ 1,716,173	\$ 0	\$ 0	\$ 0	\$ 29	\$ 1,716,202
Finance	1,063,978	0	0	0	139	1,064,117
Administration of Justice	1,171,894	0	0	0	11,437	1,183,331
Public Safety	3,978,146	0	0	0	8,890	3,987,036
Public Health and Welfare	464,652	0	0	0	93,960	558,612
Social, Cultural, and Recreational Services	590,739	0	0	0	0	590,739
Agriculture and Natural Resources	188,617	0	0	0	0	188,617
Other Operations	135,829	0	0	0	0	135,829
Highways	0	0	4,092,791	0	0	4,092,791
Debt Service:						
Principal on Debt	124,308	0	551,533	1,375,000	5,221	2,056,062
Interest on Debt	14,587	0	28,384	1,728,427	267	1,771,665
Other Debt Service	0	0	0	77,159	0	77,159
Capital Projects	0	0	0	0	1,636,820	1,636,820
Total Expenditures	\$ 9,448,923	\$ 0	\$ 4,672,708	\$ 3,180,586	\$ 1,756,763	\$ 19,058,980
Excess (Deficiency) of Revenues Over Expenditures	\$ (360,656)	\$ 0	\$ (794,936)	\$ 189,833	\$ (659,983)	\$ (1,625,742)
Other Financing Sources (Uses)						
Capital Leases Issued	\$ 61,785	\$ 0	\$ 390,612	\$ 0	\$ 0	\$ 452,397
Proceeds from Sale of Capital Assets	0	0	454,997	0	0	454,997

(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	Special Purpose	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Other Financing Sources (Uses) (Cont.)</u>						
Insurance Recovery	\$ 6,455	\$ 0	\$ 128,833	\$ 0	\$ 0	\$ 135,288
Transfers In	96,069	0	0	0	67,533	163,602
Transfers Out	(67,533)	0	0	0	(96,069)	(163,602)
Total Other Financing Sources (Uses)	<u>\$ 96,776</u>	<u>\$ 0</u>	<u>\$ 974,442</u>	<u>\$ 0</u>	<u>\$ (28,536)</u>	<u>\$ 1,042,682</u>
Net Change in Fund Balances	\$ (263,880)	\$ 0	\$ 179,506	\$ 189,833	\$ (688,519)	\$ (583,060)
Fund Balance, July 1, 2006	2,080,838	18,490,503	2,408,318	4,556,234	817,580	28,353,473
Fund Balance, June 30, 2007	<u>\$ 1,816,958</u>	<u>\$ 18,490,503</u>	<u>\$ 2,587,824</u>	<u>\$ 4,746,067</u>	<u>\$ 129,061</u>	<u>\$ 27,770,413</u>

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, 2007

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)		\$ (583,060)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those 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	\$ 3,207,975	
Less: current year depreciation expense	<u>(1,356,072)</u>	1,851,903
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is itemized as follows:		
Add: gain on disposal of capital assets	\$ 92,009	
Less: proceeds received from disposal of capital assets	<u>(454,997)</u>	(362,988)
(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, 2007	\$ 449,804	
Less: deferred delinquent property taxes and other deferred June 30, 2006	<u>(1,488,987)</u>	(1,039,183)
(4) The issuance of long-term debt (e.g. notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: capital lease proceeds	\$ (452,397)	
Less: change in deferred debt issuance costs	(8,987)	
Less: discount on debt issuances	(3,527)	
Less: deferred amount on refunding	(23,962)	
Add: principal payments on notes	1,132,824	
Add: principal payments on capital leases	578,238	
Add: principal payments on other loans	165,000	
Add: principal payments on bonds	<u>180,000</u>	1,567,189
(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 governmental funds.		
Change in accrued interest payable		66,197
(6) Internal service funds are used by management to charge the costs of workers' benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>64,165</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,564,223</u>

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

Exhibit D-1

Dyer County, Tennessee
Statement of Net Assets
Proprietary Fund
June 30, 2007

	<u>Governmental Activities - Internal Service Fund Workers' Compensation</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 669,999
Total Assets	<u>\$ 669,999</u>
<u>NET ASSETS</u>	
Unrestricted	<u>\$ 669,999</u>
Total Net Assets	<u><u>\$ 669,999</u></u>

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

Exhibit D-2

Dyer County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2007

	Governmental Activities - Internal Service Fund
	<u>Workers' Compensation</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums	\$ 241,169
Total Operating Revenues	<u>\$ 241,169</u>
<u>Operating Expenses</u>	
Workers' Compensation Insurance	\$ 141,598
Other Self-Insured Claims	35,117
Drugs	289
Total Operating Expenses	<u>\$ 177,004</u>
Operating Income (Loss)	<u>\$ 64,165</u>
Change in Net Assets	\$ 64,165
Net Assets, July 1, 2006	<u>605,834</u>
Net Assets, June 30, 2007	<u><u>\$ 669,999</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, 2007

	Governmental Activities - Internal Service Fund
	<u>Workers' Compensation</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from self-insurance premiums	\$ 241,169
Payments for claims	(35,406)
Payments for workers' compensation insurance	(141,598)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 64,165</u>
Net Increase (Decrease) in Cash	\$ 64,165
Cash, July 1, 2006	<u>605,834</u>
Cash, June 30, 2007	<u><u>\$ 669,999</u></u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	<u>\$ 64,165</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 64,165</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, 2007

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 3,735,366
Equity in Pooled Cash and Investments	400,150
Accounts Receivable	1,705
Due from Other Governments	1,315,470
Property Taxes Receivable	3,180,125
Allowance for Uncollectible Property Taxes	<u>(37,887)</u>
Total Assets	<u>\$ 8,594,929</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 4,859,563
Due to Litigants, Heirs, and Others	<u>3,735,366</u>
Total Liabilities	<u>\$ 8,594,929</u>

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

DYER COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

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.

Blended Component Units – There are no legally separate component units of Dyer County that meet the criteria for being reported as part of the primary government by the blending method.

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 without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

the table of contents. 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
1165 Harrell Avenue
Dyersburg, TN 38024

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the statement of activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of 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.

Separate financial statements are provided for governmental funds, proprietary funds (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 funds and fiduciary fund 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, liabilities, 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 fund 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.

Special Purpose Fund – This fund is used to account for the proceeds from the sale of the county’s hospital.

Highway Public Works Fund – This fund accounts for transactions of the county’s Highway Department.

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:

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major facilities.

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 county 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, 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 fund is used to account for the transportation of students in the school system.

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

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

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 includes workers' compensation claims and administrative charges.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

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; bonds of any state or political subdivision rated A or higher by any

nationally recognized rating service; the county's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

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 assets 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 Dyer County 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 and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

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 .62 percent of total taxes levied.

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

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

an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

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 three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

4. 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.

5. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources, while discounts on debt issuances are reported as other financing uses. 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, are recognized to the extent that the liabilities have matured (come due for payment) each period.

6. Net Assets and Fund Equity

In the government-wide financial statements and the proprietary fund (internal service fund) in the fund financial statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

As of June 30, 2007, Dyer County had \$31,425,000 in outstanding debt issued for capital purposes for the discretely presented Dyer County School Department. In accordance with state statutes, certain 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 assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

7. Prior-period Adjustments

Net capital assets were restated \$6,477,930 from the prior year. The prior-period adjustment resulted from the recognition of infrastructure assets acquired between July 1, 1980, and June 30, 2002.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

Discretely Presented 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 assets.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the changes in net assets 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 assets 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 District Attorney General Fund (special revenue fund) and the Constitutional Officers - Fees Fund (special revenue fund) which are not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

The budgetary level of control is at the major category level established by the State 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 Board 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 the GAAP basis is presented on the face of each budgetary schedule.

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 assets as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net assets 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; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; 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 director of Local Finance 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 market value of the securities on the day of purchase.

Investment Balances. As of June 30, 2007, 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
Federal Home Loan Mortgage Corporation	11-28-08	\$ 491,595
Federal Home Loan Mortgage Corporation	11-28-08	491,595
Federal Home Loan Mortgage Corporation	9-24-07	996,920
Federal Home Loan Mortgage Corporation	4-9-09	746,955
Federal Home Loan Mortgage Corporation	3-25-08	986,890
Federal Farm Credit Bank	11-9-07	1,587,008
Federal Farm Credit Bank	2-25-10	995,310
Federal Home Loan Bank Board	12-12-08	1,489,695
Federal Home Loan Bank Board	12-22-11	492,500
Federal Home Loan Bank Board	1-25-11	945,545
Federal Home Loan Bank Board	7-27-07	349,454
Federal Home Loan Bank Board	11-13-07	382,113
Federal Home Loan Bank Board	9-9-11	990,310
Federal Home Loan Bank Board	6-3-08	591,186
Federal Home Loan Bank Board	8-27-08	844,160
Federal Home Loan Bank Board	3-29-10	491,250
Federal Home Loan Bank Board	3-29-10	638,625
Federal Home Loan Bank Board	7-7-08	743,437
Federal Home Loan Bank Board	10-6-11	744,375
Federal Home Loan Bank Board	12-18-09	993,130
Federal National Mortgage Association	3-9-09	985,310
United States Treasury Bonds	11-15-12	<u>2,038,120</u>
Total		<u>\$ 19,015,483</u>

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's investments with Federal Farm Credit Bank, Federal Home Loan Bank Board, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association are government sponsored enterprises that are independent organizations not backed by the full faith and credit of the federal government, and therefore, the county could lose its investments if these enterprises were to fail. Dyer County investments in Federal Farm Credit Bank, Federal Home Loan Bank Board, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association were rated AAA by Moody's Investor's Service and AAA by Standard and Poor's and Fitch 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 the Federal Farm Credit Bank (13.58%), Federal Home Loan Bank Board (50.99%), Federal Home Loan Mortgage Corporation (19.53%), and Federal National Mortgage Association (5.18%). These investments are 89.28 percent of the county's total investments.

B. Notes Receivable

Notes receivable in the Special Purpose Fund represent a long-term loan made to the Dyer County Industrial Development Board (\$3,048,311) for industrial purposes and are offset by a reservation of fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2007, was as follows:

Primary Government

Governmental Activities:

	Prior				Balance 6-30-07
	Balance 7-1-06	Period Adjustment	Increases	Decreases	
Capital Assets Not Depreciated:					
Land	\$ 973,780	\$ 2,580,929	\$ 0	\$ 0	\$ 3,554,709
Construction in Progress	97,228	0	0	(97,228)	0
Total Capital Assets Not Depreciated	\$ 1,071,008	\$ 2,580,929	\$ 0	\$ (97,228)	\$ 3,554,709

Capital Assets Depreciated:

Buildings and Improvements	\$ 10,241,050	\$ 1	\$ 1,630,707	\$ 0	\$ 11,871,758
Infrastructure	3,107,805	12,320,327	415,271	0	15,843,403
Other Capital Assets	5,474,325	0	1,259,225	(608,367)	6,125,183
Total Capital Assets Depreciated	\$ 18,823,180	\$ 12,320,328	\$ 3,305,203	\$ (608,367)	\$ 33,840,344

Governmental Activities (Cont.):

	Balance 7-1-06	Prior Period Adjustment	Increases	Decreases	Balance 6-30-07
Less Accumulated Depreciation For: Buildings and Improvements	\$ 1,461,067	\$ 0	\$ 207,256	\$ 0	\$ 1,668,323
Infrastructure	251,903	8,423,327	659,782	0	9,335,012
Other Capital Assets	2,602,085	0	489,034	(245,379)	2,845,740
Total Accumulated Depreciation	\$ 4,315,055	\$ 8,423,327	\$ 1,356,072	\$ (245,379)	\$ 13,849,075
Total Capital Assets Depreciated, Net	\$ 14,508,125	\$ 3,897,001	\$ 1,949,131	\$ (362,988)	\$ 19,991,269
Governmental Activities Capital Assets, Net	\$ 15,579,133	\$ 6,477,930	\$ 1,949,131	\$ (460,216)	\$ 23,545,978

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

Governmental Activities:

General Government	\$ 19,833
Finance	1,896
Administration of Justice	3,350
Public Safety	264,918
Public Health and Welfare	5,436
Social, Cultural, and Recreational Services	14,904
Agriculture and Natural Resources	675
Highways	1,045,060
Total Depreciation Expense - Governmental Activities	\$ 1,356,072

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

	Balance 7-1-06	Increases	Balance 6-30-07
Capital Assets Not Depreciated:			
Land	\$ 703,268	\$ 0	\$ 703,268
Total Capital Assets Not Depreciated	\$ 703,268	\$ 0	\$ 703,268

Governmental Activities (Cont.):

	Balance 7-1-06	Increases	Balance 6-30-07
Capital Assets Depreciated:			
Buildings and Improvements	\$ 36,092,005	\$ 160,000	\$ 36,252,005
Other Capital Assets	4,476,466	554,393	5,030,859
Total Capital Assets Depreciated	<u>\$ 40,568,471</u>	<u>\$ 714,393</u>	<u>\$ 41,282,864</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 6,184,141	\$ 714,908	\$ 6,899,049
Other Capital Assets	2,268,585	345,373	2,613,958
Total Accumulated Depreciation	<u>\$ 8,452,726</u>	<u>\$ 1,060,281</u>	<u>\$ 9,513,007</u>
Total Capital Assets Depreciated, Net	<u>\$ 32,115,745</u>	<u>\$ (345,888)</u>	<u>\$ 31,769,857</u>
Governmental Activities Capital Assets, Net	<u>\$ 32,819,013</u>	<u>\$ (345,888)</u>	<u>\$ 32,473,125</u>

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

Governmental Activities:

Instruction	\$ 635,090
Support Services	369,419
Operation of Non-Instructional Services	<u>55,772</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,060,281</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2007, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government: General	Nonmajor governmental	\$ 1,080

Due to/from Other Funds (Cont.)

Receivable Fund	Payable Fund	Amount
Discretely Presented		
Dyer County School Department:		
General Purpose School	Nonmajor governmental	\$ 14,643

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, 2007, consisted of the following amounts:

Primary Government

Transfers Out	<u>Transfers In</u>	
	General Fund	Nonmajor Governmental Fund
General Fund	\$ 0	\$ 67,533
Nonmajor governmental fund	96,069	0
Total	<u>\$ 96,069</u>	<u>\$ 67,533</u>

Discretely Presented Dyer County School Department

Transfers Out	<u>Transfers In</u>
	General Purpose School Fund
Nonmajor governmental fund	<u>\$ 15,046</u>
Total	<u>\$ 15,046</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Capital Leases

Terms of capital lease obligations outstanding at June 30, 2007, are as follows:

<u>Description</u>	<u>Date of Lease</u>	<u>Length of Lease</u>	<u>Total Payments</u>	<u>Interest Rate</u>
Sheriff's Patrol Car	9-17-03	4 Years	\$ 23,381	4.25 %
Graders	6-20-05	5 Years	360,139	3.89
Sheriff's Patrol Cars	2-5-07	2 Years	64,474	4.4
Dump Trucks	3-12-07	5 Years	457,197	4.39

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

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2007, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2008	\$ 146,404
2009	144,958
2010	123,467
2011	51,440
2012	238,580
Total Minimum Lease Payments	\$ 704,849
Amount Representing Interest	<u>(77,509)</u>
Present Value of Minimum Lease Payments	<u>\$ 627,340</u>

F. Long-term Debt

Primary Government

General Obligation Bonds, Other Loans, and Notes

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 21 years for bonds, nine years for notes, and 25 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2007, will be retired from the General Debt Service Fund or the General Fund.

General obligation bonds, capital outlay notes, other loans, and capital leases outstanding as of June 30, 2007, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
General Obligation Bonds	3.4 to 4.95 %	\$ 8,500,000	\$ 650,000
General Obligation Bonds – Refunding	3 to 4.45	7,980,000	7,780,000
Capital Outlay Notes	3.45 to 4.45	7,056,598	1,315,928
Other Loans	Variable	14,780,000	14,130,000
Other Loans - Synthetic			
Fixed Rate by Swap	Variable	16,220,000	16,220,000
Capital Leases	3.89 to 4.4	801,033	627,340

During the 1998-99 year, Dyer County entered into two variable rate loan agreements with the Sevier County Public Building Authority for \$10,000,000 and \$21,000,000. Subsequently, Dyer County entered into interest rate swap agreements for the \$10,000,000 issue and for a portion (\$6,220,000) of the \$21,000,000 issue as discussed in the following paragraphs. The variable interest rate for the remaining amount of \$14,130,000 as of June 30, 2007, is based on the Bond Market Association Municipal Index (BMA). In addition to the variable interest rate, the county pays various other fees (liquidity, remarketing, administrative, issuer, and quarterly) in connection with the loan. The variable interest rate was 3.74 percent based on the BMA rate, and other fees totaled approximately .51 percent (\$10,000,000) and .54 percent (\$21,000,000) of the outstanding loan principal at June 30, 2007.

The annual requirements to amortize the bonds, notes, and other loans outstanding as of June 30, 2007, including interest payments and other loan fees, are presented in the following table:

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2008	\$ 230,000	\$ 345,045	\$ 1,157,594	\$ 31,896
2009	230,000	335,345	158,334	6,571
2010	285,000	325,570	0	0
2011	285,000	313,345	0	0
2012	335,000	303,370	0	0
2013-2017	1,840,000	1,332,293	0	0
2018-2022	2,535,000	916,205	0	0
2023-2026	2,690,000	310,575	0	0
Total	\$ 8,430,000	\$ 4,181,748	\$ 1,315,928	\$ 38,467

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2008	\$ 170,000	\$ 1,150,152	\$ 160,698	\$ 1,480,850
2009	1,275,000	1,143,794	159,778	2,578,572
2010	1,335,000	1,096,109	152,880	2,583,989
2011	1,395,000	1,046,180	145,657	2,586,837
2012	1,465,000	994,007	138,109	2,597,116
2013-2017	8,490,000	4,092,444	563,586	13,146,030
2018-2022	10,980,000	2,292,443	309,671	13,582,114
2023-2024	5,240,000	297,980	40,095	5,578,075
Total	\$ 30,350,000	\$ 12,113,109	\$ 1,670,474	\$ 44,133,583

There is \$4,746,067 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$226, based on the 2000 federal census. Debt per capita, including notes, capital leases, other loans, and bonds totaled \$1,092, based on the 2000 federal census.

Swap Agreements

Under its loan agreement, the Public Building Authority of Sevier County, Tennessee, at the request of the county, entered into an interest rate swap agreement for all of the outstanding Local Government Improvement Bonds, Series III-G-1.

Objective of the interest rate swap. To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an interest rate swap in connection with its \$10 million Series III-G-1 variable-rate bonds. The intention of the swap was to effectively change the county's variable interest rate on the bonds to a synthetic fixed rate.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 4.245 percent and receives a variable payment computed as 70 percent of the three-month London Interbank Offered Rate (LIBOR). The swap has a notional amount of \$10 million, and the associated variable-rate bond has a \$10 million principal amount. The interest rate swap agreement is based on the same amortization schedule as the outstanding principal of the Series III-G-1 Bonds. The bonds' variable-rates have historically approximated the Bond Market Association Municipal Index™ (BMA). The bonds and the related swap agreement mature on June 1, 2024. As of June 30, 2007, rates were as follows:

	<u>Terms</u>	<u>Rates</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	4.245 %
Variable payment from counterparty	70% of LIBOR	<u>-3.371</u>
Net interest rate swap payments		0.874 %
Variable-rate bond payments		<u>3.810</u>
Synthetic interest rate on bonds		<u><u>4.684 %</u></u>

Fair value. As of June 30, 2007, the swap had a negative fair value of \$502,803. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2007, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty was unrated at the time of the swap. To mitigate the potential for credit risk, the authority, on behalf of the county, received a Financial Guarantee Insurance Policy for the swap agreement from Ambac Assurance Corporation, which was rated AAA by Standard and Poor's and Fitch and Aaa by Moody's Investor Service as of June 30, 2007. If Ambac's credit rating is downgraded, the counterparty is required to post collateral with a third-party custodian.

Basis risk. As noted above, the swap exposes the county to basis risk if BMA increases to above 70 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the BMA to be below 70 percent of LIBOR, then the synthetic rate on the bonds will decrease.

Termination risk. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination

events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an “additional termination provision.” The authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap’s fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap’s fair value.

Swap payments and associated debt. As of June 30, 2007, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest Rate Swap	Total
	Principal	Interest	Payment	
2008	\$ 0	\$ 381,000	\$ 87,420	\$ 468,420
2009	0	381,000	87,420	468,420
2010	0	381,000	87,420	468,420
2011	0	381,000	87,420	468,420
2012	0	381,000	87,420	468,420
2013-2017	0	1,905,000	437,100	2,342,100
2018-2022	4,760,000	1,816,608	416,819	6,993,427
2023-2024	5,240,000	301,943	69,279	5,611,222
Total	\$ 10,000,000	\$ 5,928,551	\$ 1,360,298	\$ 17,288,849

Under its loan agreement, the Public Building Authority of Sevier County, Tennessee, at the request of the county, entered into an interest rate swap agreement for a portion of the outstanding Local Government Improvement Bonds, Series IV-B-1.

Objective of the interest rate swap. To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an interest rate swap in connection with \$39 million Series IV-B-1 variable-rate bonds. The intention of the swap was to effectively change the county’s variable interest rate on the bonds to a synthetic fixed rate.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 4.21 percent and receives a variable payment computed as 70 percent of the three-month London Interbank Offered Rate (LIBOR). The

swap has a notional amount of \$6.22 million, and the associated variable-rate bond has a \$6.22 million principal amount. The interest rate swap agreement is based on the same amortization schedule as the outstanding swapped principal of the Series IV-B-1 Bonds. The bonds' variable-rates have historically approximated the Bond Market Association Municipal Index™ (BMA). The bonds and the related swap agreement mature on June 1, 2020. As of June 30, 2007, rates were as follows:

	<u>Terms</u>	<u>Rates</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	4.21 %
Variable payment from counterparty	70% of LIBOR	<u>-3.36</u>
Net interest rate swap payments		0.85 %
Variable-rate bond payments		<u>3.81</u>
Synthetic interest rate on bonds		<u><u>4.66</u> %</u>

Fair value. As of June 30, 2007, the swap had a negative fair value of \$263,845. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2007, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty was unrated at the time of the swap. To mitigate the potential for credit risk, the authority, on behalf of the county, received a Financial Guarantee Insurance Policy for the swap agreement from Ambac Assurance Corporation, which was rated AAA by Standard and Poor's and Fitch and Aaa by Moody's Investor Service as of June 30, 2007. If Ambac's credit rating is downgraded, the counterparty is required to post collateral with a third-party custodian.

Basis risk. As noted above, the swap exposes the county to basis risk if BMA increases to above 70 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the BMA to be below 70 percent of LIBOR, then the synthetic rate on the bonds will decrease.

Termination risk. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an "additional termination provision." The authority or the counterparty may terminate the swap if the other party fails to perform

under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap's fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap's fair value.

Swap payments and associated debt. As of June 30, 2007, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest Rate Swap Payment	Total
	Principal	Interest		
2008	\$ 0	\$ 236,982	\$ 52,693	\$ 289,675
2009	0	236,982	52,693	289,675
2010	0	236,982	52,693	289,675
2011	0	236,982	52,693	289,675
2012	0	236,982	52,693	289,675
2013-2017	0	1,184,910	263,464	1,448,374
2018-2020	6,220,000	481,965	107,163	6,809,128
Total	\$ 6,220,000	\$ 2,851,785	\$ 634,092	\$ 9,705,877

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2007, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2006	\$ 8,610,000	\$ 2,448,752
Deductions	(180,000)	(1,132,824)
Balance, June 30, 2007	\$ 8,430,000	\$ 1,315,928
Balance Due Within One year	\$ 230,000	\$ 1,157,594

Governmental Activities (Cont.):

	Capital Leases	Other Loans
Balance, July 1, 2006	\$ 753,181	\$ 30,515,000
Additions	452,397	0
Deductions	(578,238)	(165,000)
Balance, June 30, 2007	<u>\$ 627,340</u>	<u>\$ 30,350,000</u>
Balance Due Within One year	<u>\$ 121,745</u>	<u>\$ 170,000</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 40,723,268
Less: Balance Due Within One Year	(1,649,339)
Unamortized Discount on Debt	(45,499)
Deferred Amount on Refunding	<u>(311,267)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 38,717,163</u>

Defeasance of Prior Debt

On April 21, 2005, Dyer County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust fund to provide for all future debt service payments on the old bonds until they are called on June 1, 2010. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2007, the following outstanding bonds are considered defeased:

	<u>Amount</u>
General Obligation Bonds, Series 2001	\$ 7,400,000

Discretely Presented Dyer County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Dyer County School Department for the year ended June 30, 2007, was as follows:

	<u>Compensated Absences</u>
Balance, July 1, 2006	\$ 82,126
Additions	70,686
Deductions	<u>(53,921)</u>
Balance, June 30, 2007	<u>\$ 98,891</u>
Balance Due Within One Year	<u>\$ 19,778</u>

Compensated absences will be paid from the employing fund, primarily the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Dyer County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, Tennessee Code Annotated (TCA), all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF 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. The state statute provides for the LGGIF to be self-sustaining through member premiums.

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
2005-06	\$ 0	\$ 188,868	\$ 188,868	0
2006-07	0	177,004	177,004	0

The discretely presented Dyer County School Department is a member of 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 8-27-207, 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. The state statute provides for the LEGIF to be self-sustaining through member premiums.

In the 2006-07 year, the discretely presented Dyer County School Department purchased 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 during the current fiscal year.

B. Contingent Liabilities

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

C. **Joint Venture**

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 of whom 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 \$88,509 to the operations of the board during the year ended June 30, 2007. 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 March, 2007, the port authority borrowed \$2.2 million at 4.15 percent interest for the construction costs of the port. Interest payments are to begin in September 2007 and conclude with a lump-sum principal retirement in March 2012. In April 2007, the port authority borrowed an additional \$410,000 without interest for additional construction costs of the port with payments of \$4,271 due in 96 monthly installments beginning in April 2009. The Dyer County Commission has approved paying the interest payments on 25 percent of these debt issuances until such time as the port authority has revenue to make the payments, estimated to be at least two years. This entity has yet to begin operations; therefore, there is no financial activity to report.

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.

D. Retirement Commitments

Employees

Plan Description

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

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

Funding Policy

Dyer County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2007, was 8.08 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Dyer County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2007, Dyer County's annual pension cost of \$56,936 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2005, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Dyer County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was 15 years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-07	\$56,936	100%	\$0
6-30-06	49,380	100	0
6-30-05	47,616	100	0

School Teachers

Plan Description

The Dyer County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Dyer County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2007, was 6.13 percent of annual covered payroll. The employer contribution requirement for the Dyer County School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2007, 2006, and 2005, were \$671,628, \$578,092, and \$558,615, respectively, equal to the required contributions for each year.

E. Other Post-employment Benefits

In addition to the retirement commitments described above, the Dyer County School Department provides post-retirement health care benefits, in accordance with contract provisions, to 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, 29 retirees meet those eligibility requirements. The School Department pays medical insurance in full for former certified employees at single individual coverage rates until Medicare becomes available. The School Department pays medical insurance at the employer

rate for other former (non-certified) employees with the former employee continuing contributions at their opted level of coverage until Medicare becomes available. Expenditures for post-retirement health care benefits are recognized as premiums and are paid monthly. During the year, expenditures totaling \$79,147 were recognized for post-employment health care.

F. 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 \$5,000 (\$10,000 effective May 10, 2007) 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.

VI. OTHER NOTES – DISCRETELY PRESENTED EMERGENCY COMMUNICATIONS DISTRICT

A. Significant Accounting Policies

The Dyer County Emergency Communications District, a component unit of Dyer County, was formed under the provisions of the Emergency Communication District Law of the State of Tennessee. The district has a board of directors appointed by the Dyer County Commission.

The district provides a uniform emergency number to shorten the time required for a citizen to request and receive emergency aid.

The district's operations are financed in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis can be financed or recovered primarily through user charges. The accounting policies of the district conform to generally accepted accounting principles as applicable to governmental entities. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless these pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB), in which case GASB prevails. The district has elected not to apply Financial Accounting Standards Board statements and interpretations, Accounting Principles Board opinions and Accounting Research Bulletins of the Committee on Accounting Procedures after November 30, 1989, and will apply only GASB pronouncements. The following is a summary of the more significant policies:

1. Reporting Entity

The district includes only the funds relevant to the operation of the Dyer County Emergency Communications District. The district is a component unit of the primary government of Dyer County. Therefore, the financial statements of the district include only those funds controlled and administered by the district and the governing board of directors. Control is determined on the basis of budget adoption, taxing authority, funding, and appointing of the governing board. The Dyer County Commission must approve the issuance of debt for the district. They also have the ability to adjust the service charges of the district.

2. Cash and Cash Equivalents

For purposes of the statement of cash flows, only investments with original maturities of less than three months are considered to be cash equivalents.

3. Basis of Accounting

The books and records of the Dyer County Emergency Communications District are maintained on a full accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

4. Property and Equipment

Capital assets, including infrastructure assets, are recorded at cost and depreciation is computed using the straight-line method over the

estimated useful lives of the assets. Any construction period interest is added to the cost of the related asset.

Capital assets include \$91,800 of equipment not in service at year end.

The following is a summary of capital assets at June 30, 2007.

	Balance 7-1-06	Additions	Balance 6-30-07
Equipment	\$ 1,139,093	\$ 147,909	\$ 1,287,002
Less: Accumulated Depreciation	<u>(595,109)</u>	<u>(97,242)</u>	<u>(692,351)</u>
Net Capital Assets	<u>\$ 543,984</u>	<u>\$ 50,667</u>	<u>\$ 594,651</u>

5. Investments

Investments of the district consist of certificates of deposit at banks. Investments are valued at cost. The district is allowed to invest in the following: bonds, notes, or treasury bills of the United States; Federal Farm Credit Bank, and Student Loan Marketing Association; and other obligations which are guaranteed as to principal and interest by the United States or any of its agencies; certificate of deposit at state and federal chartered banks and savings and loans.

6. Collateralization of Deposits

All bank balances of the district were completely insured either by the Federal Deposit Insurance Corporation or through the Bank Collateral Pool with the State of Tennessee.

B. Concentration of Credit Risk

The district bills all telephone customers within its boundaries by a surcharge on the telephone bills. The telephone companies then remit the collections on a regular basis to the district. At June 30, 2007, these telephone companies are indebted to the district for \$26,853. There is no collateral or bonds securing these debts.

C. Revenue Recognition

Revenue is recorded at the time earned.

D. Operating Lease

The district obtained an operating lease of some emergency telephone equipment from BellSouth. There is no pre-arranged lease term on this

lease. The district is required to make monthly lease payments using an established rate for as long as the equipment is used by the district. At any time, the district may return the equipment to BellSouth and thus terminate the operating lease.

E. Net Working Capital

At June 30, 2007, net working capital was \$743,552.

F. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Risk Management

The district manages the various types of risk that apply through the use of commercial insurance. The district insures against the risk of loss of property and director's misappropriation of funds. There were no settlements in excess of insurance coverage in any of the past three years.

H. Contracts with Government Agencies

The district paid \$17,600 for a local government entity to provide technical consulting and mapping/addressing services to the district.

I. Non-operating Revenue

The district received a \$37,480 reimbursement from the State Communications Board for Rural Dispatchers Assistance grants to assist with the costs of employing additional emergency dispatchers and \$10,000 for mapping and related expenditures to enhance wireless 911 services.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Dyer County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,960,558	\$ 5,014,097	\$ 5,014,097	\$ (53,539)
Licenses and Permits	123,157	156,050	156,050	(32,893)
Fines, Forfeitures, and Penalties	120,977	112,110	112,110	8,867
Charges for Current Services	36,633	57,072	57,072	(20,439)
Other Local Revenues	237,553	145,149	145,322	92,231
Fees Received from County Officials	1,833,128	1,619,000	1,619,000	214,128
State of Tennessee	1,522,236	1,547,780	1,823,703	(301,467)
Federal Government	234,302	559,806	592,481	(358,179)
Other Governments and Citizens Groups	19,723	27,500	37,041	(17,318)
Total Revenues	\$ 9,088,267	\$ 9,238,564	\$ 9,556,876	\$ (468,609)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 80,529	\$ 81,311	\$ 81,311	\$ 782
Board of Equalization	2,070	3,150	3,150	1,080
Other Boards and Committees	3,800	5,000	5,000	1,200
County Mayor/Executive	186,287	192,319	192,319	6,032
County Attorney	43,999	51,292	51,292	7,293
Election Commission	569,314	344,255	587,892	18,578
Register of Deeds	181,631	200,918	200,918	19,287
Planning	145,300	149,202	149,202	3,902
County Buildings	308,916	307,446	336,932	28,016
Other General Administration	194,327	225,923	203,618	9,291
<u>Finance</u>				
Accounting and Budgeting	131,333	134,192	134,192	2,859
Property Assessor's Office	312,148	321,904	321,904	9,756
Reappraisal Program	49,012	49,736	49,736	724
County Trustee's Office	197,520	199,108	199,108	1,588
County Clerk's Office	340,252	364,328	364,328	24,076
Other Finance	33,713	42,316	38,636	4,923
<u>Administration of Justice</u>				
Circuit Court	401,816	415,219	415,219	13,403
General Sessions Court	188,608	174,020	191,728	3,120
Drug Court	26,361	0	60,000	33,639
Chancery Court	265,677	279,209	279,209	13,532
Juvenile Court	237,147	279,493	279,493	42,346
Other Administration of Justice	52,285	58,632	59,803	7,518
<u>Public Safety</u>				
Sheriff's Department	1,672,525	1,751,323	1,809,310	136,785
Jail	1,728,402	1,737,391	1,753,242	24,840
Fire Prevention and Control	153,314	152,925	168,809	15,495
Disaster Relief	259,030	475,576	474,826	215,796
County Coroner/Medical Examiner	11,668	15,500	15,500	3,832
Other Public Safety	153,207	154,573	154,573	1,366

(Continued)

Exhibit F-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 147,145	\$ 155,690	\$ 155,690	\$ 8,545
Rabies and Animal Control	64,800	64,800	64,800	0
Crippled Children Services	2,027	2,027	2,027	0
Other Local Health Services	1,000	1,000	1,000	0
General Welfare Assistance	80,124	79,615	80,965	841
Aid to Dependent Children	83,301	61,000	93,675	10,374
Sanitation Education/Information	56,674	62,413	62,413	5,739
Other Public Health and Welfare	29,581	29,582	29,582	1
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	98,481	92,563	99,302	821
Senior Citizens Assistance	227,934	196,342	250,063	22,129
Libraries	122,196	122,196	122,196	0
Parks and Fair Boards	2,750	2,750	2,750	0
Other Social, Cultural, and Recreational	139,378	175,256	169,157	29,779
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	132,206	133,255	133,255	1,049
Soil Conservation	24,061	24,081	24,081	20
Flood Control	31,699	33,619	33,619	1,920
Other Agriculture and Natural Resources	651	651	651	0
<u>Other Operations</u>				
Industrial Development	39,544	60,000	40,000	456
Miscellaneous	96,285	98,600	98,600	2,315
<u>Principal on Debt</u>				
General Government	124,308	122,849	124,309	1
<u>Interest on Debt</u>				
General Government	14,587	20,948	19,488	4,901
Total Expenditures	\$ 9,448,923	\$ 9,705,498	\$ 10,188,873	\$ 739,950
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (360,656)	\$ (466,934)	\$ (631,997)	\$ 271,341
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 61,785	\$ 0	\$ 61,785	\$ 0
Insurance Recovery	6,455	0	6,255	200
Transfers In	96,069	0	0	96,069
Transfers Out	(67,533)	(67,533)	(67,533)	0
Total Other Financing Sources (Uses)	\$ 96,776	\$ (67,533)	\$ 507	\$ 96,269
Net Change in Fund Balance				
Fund Balance, July 1, 2006	\$ 2,080,838	\$ 1,759,370	\$ 1,856,393	\$ 224,445
Fund Balance, June 30, 2007	\$ 1,816,958	\$ 1,224,903	\$ 1,224,903	\$ 592,055

Exhibit F-2

Dyer County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2006	18,490,503	18,490,503	18,490,503	0
Fund Balance, June 30, 2007	\$ 18,490,503	\$ 18,490,503	\$ 18,490,503	\$ 0

Exhibit F-3

Dyer County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,724,011	\$ 1,695,104	\$ 1,695,104	\$ 28,907
Other Local Revenues	158,337	41,100	169,933	(11,596)
State of Tennessee	1,900,529	2,477,157	2,477,157	(576,628)
Federal Government	94,895	0	0	94,895
Total Revenues	<u>\$ 3,877,772</u>	<u>\$ 4,213,361</u>	<u>\$ 4,342,194</u>	<u>\$ (464,422)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 146,072	\$ 157,366	\$ 157,366	\$ 11,294
Highway and Bridge Maintenance	1,856,302	2,497,800	2,456,385	600,083
Operation and Maintenance of Equipment	464,901	519,000	498,000	33,099
Other Charges	111,935	167,000	137,000	25,065
Employee Benefits	243,695	286,400	269,726	26,031
Capital Outlay	1,269,886	940,508	1,565,864	295,978
<u>Principal on Debt</u>				
Highways and Streets	551,533	501,205	556,005	4,472
<u>Interest on Debt</u>				
Highways and Streets	28,384	24,210	28,522	138
Total Expenditures	<u>\$ 4,672,708</u>	<u>\$ 5,093,489</u>	<u>\$ 5,668,868</u>	<u>\$ 996,160</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (794,936)</u>	<u>\$ (880,128)</u>	<u>\$ (1,326,674)</u>	<u>\$ 531,738</u>
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 390,612	\$ 0	\$ 0	\$ 390,612
Proceeds from Sale of Capital Assets	454,997	378,496	378,496	76,501
Insurance Recovery	128,833	0	0	128,833
Total Other Financing Sources (Uses)	<u>\$ 974,442</u>	<u>\$ 378,496</u>	<u>\$ 378,496</u>	<u>\$ 595,946</u>
Net Change in Fund Balance	\$ 179,506	\$ (501,632)	\$ (948,178)	\$ 1,127,684
Fund Balance, July 1, 2006	2,408,318	1,113,153	1,113,153	1,295,165
Fund Balance, June 30, 2007	<u>\$ 2,587,824</u>	<u>\$ 611,521</u>	<u>\$ 164,975</u>	<u>\$ 2,422,849</u>

Exhibit F-4

Dyer County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2007

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-05	\$ 1,085	\$ 1,131	46	95.89 %	\$ 652	7.13 %
6-30-03	895	944	49	94.81	496	9.88
6-30-01	705	762	57	92.52	512	11.13

DYER COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2007

BUDGETARY INFORMATION

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Dyer 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 State 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 Dyer County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

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

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

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.

District Attorney General Fund – The District Attorney General Fund is used to account for revenues received for the benefit of the Office of District Attorney General.

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

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

HUD Grant Projects Fund – The HUD Grant Projects Fund is used to account for a Community Development Block Grant for housing improvements for low-income households. This fund was closed during the year.

Other Capital Projects Fund – The Other Capital Projects Fund accounts for the construction of a new health department building. This fund was closed during the year.

Exhibit G-1

Dyer County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

Special Revenue Funds

	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,080	\$ 1,080
Equity in Pooled Cash and Investments	29,412	4,726	69,155	21,102	0	124,395
Due from Other Governments	0	4,322	0	344	0	4,666
Total Assets	\$ 29,412	\$ 9,048	\$ 69,155	\$ 21,446	\$ 1,080	\$ 130,141
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,080	\$ 1,080
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,080	\$ 1,080
<u>Fund Balances</u>						
Unreserved	\$ 29,412	\$ 9,048	\$ 69,155	\$ 21,446	\$ 0	\$ 129,061
Total Fund Balances	\$ 29,412	\$ 9,048	\$ 69,155	\$ 21,446	\$ 0	\$ 129,061
Total Liabilities and Fund Balances	\$ 29,412	\$ 9,048	\$ 69,155	\$ 21,446	\$ 1,080	\$ 130,141

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, 2007

	Special Revenue Funds					Total
	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees	
<u>Revenues</u>						
Local Taxes	\$ 2,842	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,842
Fines, Forfeitures, and Penalties	0	0	9,326	9,184	0	18,510
Charges for Current Services	0	0	0	0	2,611	2,611
Other Local Revenues	0	2,902	10,609	0	0	13,511
State of Tennessee	0	25,689	0	0	0	25,689
Federal Government	0	0	0	0	0	0
Total Revenues	\$ 2,842	\$ 28,591	\$ 19,935	\$ 9,184	\$ 2,611	\$ 63,163
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29	\$ 29
Finance	0	0	0	0	139	139
Administration of Justice	3,060	0	0	5,934	2,443	11,437
Public Safety	0	0	8,890	0	0	8,890
Public Health and Welfare	0	93,960	0	0	0	93,960
Debt Service:						
Principal on Debt	0	0	5,221	0	0	5,221
Interest on Debt	0	0	267	0	0	267
Capital Projects	0	0	0	0	0	0
Total Expenditures	\$ 3,060	\$ 93,960	\$ 14,378	\$ 5,934	\$ 2,611	\$ 119,943
Excess (Deficiency) of Revenues Over Expenditures	\$ (218)	\$ (65,369)	\$ 5,557	\$ 3,250	\$ 0	\$ (56,780)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 67,533	\$ 0	\$ 0	\$ 0	\$ 67,533
Transfers Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 67,533	\$ 0	\$ 0	\$ 0	\$ 67,533
Net Change in Fund Balances	\$ (218)	\$ 2,164	\$ 5,557	\$ 3,250	\$ 0	\$ 10,753
Fund Balance, July 1, 2006	29,630	6,884	63,598	18,196	0	118,308
Fund Balance, June 30, 2007	\$ 29,412	\$ 9,048	\$ 69,155	\$ 21,446	\$ 0	\$ 129,061

(Continued)

Exhibit G-2

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

	Capital Projects Funds			Total Nonmajor Governmental Funds
	HUD Grant Projects	Other Capital Projects	Total	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 2,842
Fines, Forfeitures, and Penalties	0	0	0	18,510
Charges for Current Services	0	0	0	2,611
Other Local Revenues	1,467	0	1,467	14,978
State of Tennessee	0	1,000,000	1,000,000	1,025,689
Federal Government	32,150	0	32,150	32,150
Total Revenues	\$ 33,617	\$ 1,000,000	\$ 1,033,617	\$ 1,096,780
<u>Expenditures</u>				
Current:				
General Government	\$ 0	\$ 0	\$ 0	\$ 29
Finance	0	0	0	139
Administration of Justice	0	0	0	11,437
Public Safety	0	0	0	8,890
Public Health and Welfare	0	0	0	93,960
Debt Service:				
Principal on Debt	0	0	0	5,221
Interest on Debt	0	0	0	267
Capital Projects	33,617	1,603,203	1,636,820	1,636,820
Total Expenditures	\$ 33,617	\$ 1,603,203	\$ 1,636,820	\$ 1,756,763
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (603,203)	\$ (603,203)	\$ (659,983)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 0	\$ 67,533
Transfers Out	0	(96,069)	(96,069)	(96,069)
Total Other Financing Sources (Uses)	\$ 0	\$ (96,069)	\$ (96,069)	\$ (28,536)
Net Change in Fund Balances	\$ 0	\$ (699,272)	\$ (699,272)	\$ (688,519)
Fund Balance, July 1, 2006	0	699,272	699,272	817,580
Fund Balance, June 30, 2007	\$ 0	\$ 0	\$ 0	\$ 129,061

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,842	\$ 2,500	\$ 2,500	\$ 342
Total Revenues	\$ 2,842	\$ 2,500	\$ 2,500	\$ 342
<u>Expenditures</u>				
<u>Administration of Justice</u>				
Other Administration of Justice	\$ 3,060	\$ 5,026	\$ 5,026	\$ 1,966
Total Expenditures	\$ 3,060	\$ 5,026	\$ 5,026	\$ 1,966
Excess (Deficiency) of Revenues Over Expenditures	\$ (218)	\$ (2,526)	\$ (2,526)	\$ 2,308
Net Change in Fund Balance	\$ (218)	\$ (2,526)	\$ (2,526)	\$ 2,308
Fund Balance, July 1, 2006	29,630	28,326	28,326	1,304
Fund Balance, June 30, 2007	\$ 29,412	\$ 25,800	\$ 25,800	\$ 3,612

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 2,902	\$ 1,350	\$ 1,350	\$ 1,552
State of Tennessee	25,689	28,000	28,000	(2,311)
Total Revenues	<u>\$ 28,591</u>	<u>\$ 29,350</u>	<u>\$ 29,350</u>	<u>\$ (759)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 93,960	\$ 98,143	\$ 98,143	\$ 4,183
Total Expenditures	<u>\$ 93,960</u>	<u>\$ 98,143</u>	<u>\$ 98,143</u>	<u>\$ 4,183</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (65,369)</u>	<u>\$ (68,793)</u>	<u>\$ (68,793)</u>	<u>\$ 3,424</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 67,533	\$ 67,533	\$ 67,533	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 67,533</u>	<u>\$ 67,533</u>	<u>\$ 67,533</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 2,164	\$ (1,260)	\$ (1,260)	\$ 3,424
Fund Balance, July 1, 2006	<u>6,884</u>	<u>11,047</u>	<u>11,047</u>	<u>(4,163)</u>
Fund Balance, June 30, 2007	<u><u>\$ 9,048</u></u>	<u><u>\$ 9,787</u></u>	<u><u>\$ 9,787</u></u>	<u><u>\$ (739)</u></u>

Exhibit G-5

Dyer County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 9,326	\$ 14,500	\$ 14,500	\$ (5,174)
Other Local Revenues	10,609	5,000	5,000	5,609
Total Revenues	<u>\$ 19,935</u>	<u>\$ 19,500</u>	<u>\$ 19,500</u>	<u>\$ 435</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 8,890	\$ 25,100	\$ 25,100	\$ 16,210
<u>Principal on Debt</u>				
General Government	5,221	5,489	5,222	1
<u>Interest on Debt</u>				
General Government	267	0	267	0
Total Expenditures	<u>\$ 14,378</u>	<u>\$ 30,589</u>	<u>\$ 30,589</u>	<u>\$ 16,211</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,557</u>	<u>\$ (11,089)</u>	<u>\$ (11,089)</u>	<u>\$ 16,646</u>
Net Change in Fund Balance	\$ 5,557	\$ (11,089)	\$ (11,089)	16,646
Fund Balance, July 1, 2006	<u>63,598</u>	<u>46,486</u>	<u>46,486</u>	<u>17,112</u>
Fund Balance, June 30, 2007	<u><u>\$ 69,155</u></u>	<u><u>\$ 35,397</u></u>	<u><u>\$ 35,397</u></u>	<u><u>\$ 33,758</u></u>

Major Governmental Fund

General Debt Service Fund

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

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,082,352	\$ 2,039,689	\$ 2,039,689	\$ 42,663
Other Local Revenues	1,288,067	1,075,000	1,075,000	213,067
Total Revenues	<u>\$ 3,370,419</u>	<u>\$ 3,114,689</u>	<u>\$ 3,114,689</u>	<u>\$ 255,730</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 180,000	\$ 180,000	\$ 180,000	\$ 0
Education	1,195,000	1,195,000	1,195,000	0
<u>Interest on Debt</u>				
General Government	352,545	352,545	352,545	0
Education	1,375,882	1,549,338	1,549,338	173,456
<u>Other Debt Service</u>				
General Government	76,891	77,000	77,700	809
Education	268	1,000	300	32
Total Expenditures	<u>\$ 3,180,586</u>	<u>\$ 3,354,883</u>	<u>\$ 3,354,883</u>	<u>\$ 174,297</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 189,833</u>	<u>\$ (240,194)</u>	<u>\$ (240,194)</u>	<u>\$ 430,027</u>
Net Change in Fund Balance	\$ 189,833	\$ (240,194)	\$ (240,194)	\$ 430,027
Fund Balance, July 1, 2006	<u>4,556,234</u>	<u>4,803,389</u>	<u>4,803,389</u>	<u>(247,155)</u>
Fund Balance, June 30, 2007	<u>\$ 4,746,067</u>	<u>\$ 4,563,195</u>	<u>\$ 4,563,195</u>	<u>\$ 182,872</u>

Fiduciary Funds

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.

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 made 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, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit I-1

Dyer County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2007

	Agency Funds				Total
	Cities - Sales Tax	Watershed District	City School ADA - Dyersburg	Constitu- tional Officers - Agency	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 3,735,366	\$ 3,735,366
Equity in Pooled Cash and Investments	0	238,682	161,468	0	400,150
Accounts Receivable	0	0	1,705	0	1,705
Due from Other Governments	516,942	0	798,528	0	1,315,470
Property Taxes Receivable	0	0	3,180,125	0	3,180,125
Allowance for Uncollectible Property Taxes	0	0	(37,887)	0	(37,887)
Total Assets	<u>\$ 516,942</u>	<u>\$ 238,682</u>	<u>\$ 3,942,471</u>	<u>\$ 3,735,366</u>	<u>\$ 8,594,929</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 516,942	\$ 238,682	\$ 4,103,939	\$ 0	\$ 4,859,563
Due to Litigants, Heirs, and Others	0	0	0	3,735,366	3,735,366
Total Liabilities	<u>\$ 516,942</u>	<u>\$ 238,682</u>	<u>\$ 4,103,939</u>	<u>\$ 3,735,366</u>	<u>\$ 8,594,929</u>

Exhibit I-2

Dyer County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2007

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,151,408	\$ 3,151,408	\$ 0
Due from Other Governments	533,863	516,942	533,863	516,942
Total Assets	\$ 533,863	\$ 3,668,350	\$ 3,685,271	\$ 516,942
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 533,863	\$ 3,668,350	\$ 3,685,271	\$ 516,942
Total Liabilities	\$ 533,863	\$ 3,668,350	\$ 3,685,271	\$ 516,942
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,058	\$ 1,058	\$ 0
Total Assets	\$ 0	\$ 1,058	\$ 1,058	\$ 0
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 0	\$ 1,058	\$ 1,058	\$ 0
Total Liabilities	\$ 0	\$ 1,058	\$ 1,058	\$ 0
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 222,181	\$ 238,682	\$ 222,181	\$ 238,682
Total Assets	\$ 222,181	\$ 238,682	\$ 222,181	\$ 238,682
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 222,181	\$ 238,682	\$ 222,181	\$ 238,682
Total Liabilities	\$ 222,181	\$ 238,682	\$ 222,181	\$ 238,682
<u>City School ADA - Dyersburg Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 169,957	\$ 8,734,812	\$ 8,743,301	\$ 161,468
Accounts Receivable	1,473	1,705	1,473	1,705
Due from Other Governments	837,348	798,528	837,348	798,528
Property Taxes Receivable	3,154,341	3,180,125	3,154,341	3,180,125
Allowance for Uncollectible Property Taxes	(52,316)	(37,887)	(52,316)	(37,887)
Total Assets	\$ 4,110,803	\$ 12,677,283	\$ 12,684,147	\$ 4,103,939
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 4,110,803	\$ 12,677,283	\$ 12,684,147	\$ 4,103,939
Total Liabilities	\$ 4,110,803	\$ 12,677,283	\$ 12,684,147	\$ 4,103,939

(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	\$ 3,383,729	\$ 8,643,515	\$ 8,291,878	\$ 3,735,366
Total Assets	\$ 3,383,729	\$ 8,643,515	\$ 8,291,878	\$ 3,735,366
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 3,383,729	\$ 8,643,515	\$ 8,291,878	\$ 3,735,366
Total Liabilities	\$ 3,383,729	\$ 8,643,515	\$ 8,291,878	\$ 3,735,366
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 3,383,729	\$ 8,643,515	\$ 8,291,878	\$ 3,735,366
Equity in Pooled Cash and Investments	392,138	12,125,960	12,117,948	400,150
Accounts Receivable	1,473	1,705	1,473	1,705
Due from Other Governments	1,371,211	1,315,470	1,371,211	1,315,470
Property Taxes Receivable	3,154,341	3,180,125	3,154,341	3,180,125
Allowance for Uncollectible Property Taxes	(52,316)	(37,887)	(52,316)	(37,887)
Total Assets	\$ 8,250,576	\$ 25,228,888	\$ 24,884,535	\$ 8,594,929
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 4,866,847	\$ 16,585,373	\$ 16,592,657	\$ 4,859,563
Due to Litigants, Heirs, and Others	3,383,729	8,643,515	8,291,878	3,735,366
Total Liabilities	\$ 8,250,576	\$ 25,228,888	\$ 24,884,535	\$ 8,594,929

Dyer County School Department

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.

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, 2007

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets Total Governmental Activities
Governmental Activities:				
Instruction	\$ 14,487,804	\$ 18,795	\$ 2,025,512	\$ (12,443,497)
Support Services	8,813,866	17,734	194,338	(8,601,794)
Operation of Non-Instructional Services	2,676,770	712,159	1,225,270	(739,341)
Total Governmental Activities	<u>\$ 25,978,440</u>	<u>\$ 748,688</u>	<u>\$ 3,445,120</u>	<u>\$ (21,784,632)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 4,366,625
Local Option Sales Taxes				2,828,930
Other Local Taxes				1,036,957
Grants and Contributions Not Restricted to Specific Programs				12,966,553
Unrestricted Investment Earnings				235,469
Miscellaneous				77,305
Total General Revenues				<u>\$ 21,511,839</u>
Change in Net Assets				\$ (272,793)
Net Assets, July 1, 2006				<u>36,484,712</u>
Net Assets, June 30, 2007				<u>\$ 36,211,919</u>

Exhibit J-2

Dyer County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Dyer County School Department
June 30, 2007

	Major Funds		Nonmajor	Total
	General Purpose School	School Transportation	Funds	
			Other Governmental Funds	
				Governmental Funds
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 2,850,258	\$ 370,089	\$ 358,253	\$ 3,578,600
Accounts Receivable	1,424	759	0	2,183
Due from Other Governments	755,769	0	24,300	780,069
Due from Other Funds	14,643	0	0	14,643
Property Taxes Receivable	3,105,830	1,416,870	0	4,522,700
Allowance for Uncollectible Property Taxes	(37,002)	(16,880)	0	(53,882)
Accrued Interest Receivable	15,986	0	0	15,986
Total Assets	\$ 6,706,908	\$ 1,770,838	\$ 382,553	\$ 8,860,299
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 75,270	\$ 2,161	\$ 536	\$ 77,967
Accrued Payroll	11,567	0	0	11,567
Payroll Deductions Payable	578,878	5,690	20,388	604,956
Due to Other Funds	0	0	14,643	14,643
Deferred Revenue - Current Property Taxes	2,962,155	1,351,326	0	4,313,481
Deferred Revenue - Delinquent Property Taxes	85,127	38,835	0	123,962
Other Deferred Revenues	230,093	0	0	230,093
Total Liabilities	\$ 3,943,090	\$ 1,398,012	\$ 35,567	\$ 5,376,669
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 431,497	\$ 0	\$ 28,942	\$ 460,439
Reserved for Driver Education	25,724	0	0	25,724
Reserved for Career Ladder - Extended Contract	20,528	0	0	20,528
Reserved for Career Ladder Program	10,725	0	0	10,725
Other State Education Reserves	10,723	0	0	10,723
Unreserved, Reported In:				
General Fund	2,264,621	0	0	2,264,621
Special Revenue Funds	0	372,826	318,044	690,870
Total Fund Balances	\$ 2,763,818	\$ 372,826	\$ 346,986	\$ 3,483,630
Total Liabilities and Fund Balances	\$ 6,706,908	\$ 1,770,838	\$ 382,553	\$ 8,860,299

Exhibit J-3

Dyer County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Dyer County School Department
June 30, 2007

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	3,483,630
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	703,268	
Add: buildings and improvements net of accumulated depreciation		29,352,956	
Add: other capital assets net of accumulated depreciation		<u>2,416,901</u>	32,473,125
(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			(98,891)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>354,055</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>36,211,919</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, 2007

	<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>Govern-</u>	<u>Funds</u>
			<u>mental</u>	<u>Governmental</u>
			<u>Funds</u>	<u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 6,614,669	\$ 1,639,456	\$ 0	\$ 8,254,125
Licenses and Permits	1,830	0	0	1,830
Charges for Current Services	9,291	27,524	711,741	748,556
Other Local Revenues	305,608	1,672	22,347	329,627
State of Tennessee	13,650,567	158,082	20,516	13,829,165
Federal Government	282,812	0	2,284,009	2,566,821
Total Revenues	<u>\$ 20,864,777</u>	<u>\$ 1,826,734</u>	<u>\$ 3,038,613</u>	<u>\$ 25,730,124</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 12,703,005	\$ 0	\$ 1,050,397	\$ 13,753,402
Support Services	6,712,025	2,148,214	270,466	9,130,705
Operation of Non-Instructional Services	815,681	0	1,728,693	2,544,374
Capital Outlay	306,177	0	0	306,177
Total Expenditures	<u>\$ 20,536,888</u>	<u>\$ 2,148,214</u>	<u>\$ 3,049,556</u>	<u>\$ 25,734,658</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ 327,889</u>	<u>\$ (321,480)</u>	<u>\$ (10,943)</u>	<u>\$ (4,534)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 191,720	\$ 1,582	\$ 0	\$ 193,302
Transfers In	15,046	0	0	15,046
Transfers Out	0	0	(15,046)	(15,046)
Total Other Financing Sources (Uses)	<u>\$ 206,766</u>	<u>\$ 1,582</u>	<u>\$ (15,046)</u>	<u>\$ 193,302</u>
Net Change in Fund Balances	\$ 534,655	\$ (319,898)	\$ (25,989)	\$ 188,768
Fund Balance, July 1, 2006	<u>2,229,163</u>	<u>692,724</u>	<u>372,975</u>	<u>3,294,862</u>
Fund Balance, June 30, 2007	<u>\$ 2,763,818</u>	<u>\$ 372,826</u>	<u>\$ 346,986</u>	<u>\$ 3,483,630</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, 2007

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)		\$	188,768
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those 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	\$	714,393	
Less: current year depreciation expense		<u>(1,060,281)</u>	(345,888)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2007	\$	354,055	
Less: deferred delinquent property taxes and other deferred June 30, 2006		<u>(452,963)</u>	(98,908)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Change in compensated absences			<u>(16,765)</u>
Change in net assets of governmental activities (Exhibit B)		\$	<u><u>(272,793)</u></u>

Exhibit J-6

Dyer County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Dyer County School Department
June 30, 2007

	<u>Special Revenue Funds</u>		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 756	\$ 357,497	\$ 358,253
Due from Other Governments	24,300	0	24,300
Total Assets	<u>\$ 25,056</u>	<u>\$ 357,497</u>	<u>\$ 382,553</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 497	\$ 39	\$ 536
Payroll Deductions Payable	9,421	10,967	20,388
Due to Other Funds	14,643	0	14,643
Total Liabilities	<u>\$ 24,561</u>	<u>\$ 11,006</u>	<u>\$ 35,567</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 495	\$ 28,447	\$ 28,942
Unreserved	0	318,044	318,044
Total Fund Balances	<u>\$ 495</u>	<u>\$ 346,491</u>	<u>\$ 346,986</u>
Total Liabilities and Fund Balances	<u>\$ 25,056</u>	<u>\$ 357,497</u>	<u>\$ 382,553</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, 2007

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 711,741	\$ 711,741
Other Local Revenues	0	22,347	22,347
State of Tennessee	0	20,516	20,516
Federal Government	1,335,857	948,152	2,284,009
Total Revenues	<u>\$ 1,335,857</u>	<u>\$ 1,702,756</u>	<u>\$ 3,038,613</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,050,397	\$ 0	\$ 1,050,397
Support Services	270,466	0	270,466
Operation of Non-Instructional Services	0	1,728,693	1,728,693
Total Expenditures	<u>\$ 1,320,863</u>	<u>\$ 1,728,693</u>	<u>\$ 3,049,556</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 14,994</u>	<u>\$ (25,937)</u>	<u>\$ (10,943)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (15,046)	\$ 0	\$ (15,046)
Total Other Financing Sources (Uses)	<u>\$ (15,046)</u>	<u>\$ 0</u>	<u>\$ (15,046)</u>
Net Change in Fund Balances	\$ (52)	\$ (25,937)	\$ (25,989)
Fund Balance, July 1, 2006	547	372,428	372,975
Fund Balance, June 30, 2007	<u>\$ 495</u>	<u>\$ 346,491</u>	<u>\$ 346,986</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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,614,669	\$ 0	\$ 0	\$ 6,614,669	\$ 6,431,795	\$ 6,431,795	\$ 182,874
Licenses and Permits	1,830	0	0	1,830	1,368	1,368	462
Charges for Current Services	9,291	0	0	9,291	19,802	19,802	(10,511)
Other Local Revenues	305,608	0	0	305,608	199,740	199,740	105,868
State of Tennessee	13,650,567	0	0	13,650,567	13,429,859	13,553,571	96,996
Federal Government	282,812	0	0	282,812	287,338	287,338	(4,526)
Total Revenues	\$ 20,864,777	\$ 0	\$ 0	\$ 20,864,777	\$ 20,369,902	\$ 20,493,614	\$ 371,163
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 10,403,370	\$ (152,983)	\$ 257,901	\$ 10,508,288	\$ 10,411,473	\$ 10,516,146	\$ 7,858
Special Education Program	1,780,452	(2,423)	0	1,778,029	1,844,990	1,853,777	75,748
Vocational Education Program	510,334	0	8,424	518,758	518,746	521,382	2,624
Student Body Education Program	8,849	0	0	8,849	9,800	9,800	951
<u>Support Services</u>							
Attendance	87,014	0	0	87,014	87,689	87,982	968
Health Services	135,525	0	3,968	139,493	146,893	146,893	7,400
Other Student Support	307,929	0	3,777	311,706	315,271	316,443	4,737
Regular Instruction Program	745,886	(239)	4,200	749,847	769,900	771,362	21,515
Special Education Program	124,915	(1,599)	1,477	124,793	132,534	132,827	8,034
Vocational Education Program	40,989	0	5,000	45,989	46,311	46,311	322
Board of Education	483,151	0	0	483,151	483,360	483,360	209
Director of Schools	236,960	0	57	237,017	258,597	258,889	21,872
Office of the Principal	1,427,834	(2,120)	0	1,425,714	1,424,074	1,428,174	2,460
Fiscal Services	227,227	(3,985)	7,757	230,999	234,294	234,294	3,295
Operation of Plant	1,943,835	(7,060)	0	1,936,775	2,056,159	2,056,159	119,384

(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 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 950,760	\$ (1,275)	\$ 22,897	\$ 972,382	\$ 1,041,824	\$ 1,041,825	\$ 69,443
<u>Operation of Non-Instructional Services</u>							
Food Service	13,206	0	0	13,206	14,350	14,350	1,144
Community Services	315,351	0	756	316,107	324,616	324,617	8,510
Early Childhood Education	487,124	0	33,851	520,975	521,630	521,630	655
<u>Capital Outlay</u>							
Regular Capital Outlay	306,177	(107,642)	81,432	279,967	280,000	280,000	33
Total Expenditures	\$ 20,536,888	\$ (279,326)	\$ 431,497	\$ 20,689,059	\$ 20,922,511	\$ 21,046,221	\$ 357,162
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 327,889	\$ 279,326	\$ (431,497)	\$ 175,718	\$ (552,609)	\$ (552,607)	\$ 728,325
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 191,720	\$ 0	\$ 0	\$ 191,720	\$ 0	\$ 0	\$ 191,720
Transfers In	15,046	0	0	15,046	18,561	18,561	(3,515)
Total Other Financing Sources (Uses)	\$ 206,766	\$ 0	\$ 0	\$ 206,766	\$ 18,561	\$ 18,561	\$ 188,205
Net Change in Fund Balance	\$ 534,655	\$ 279,326	\$ (431,497)	\$ 382,484	\$ (534,048)	\$ (534,046)	\$ 916,530
Fund Balance, July 1, 2006	2,229,163	(279,326)	0	1,949,837	1,916,337	1,916,337	33,500
Fund Balance, June 30, 2007	\$ 2,763,818	\$ 0	\$ (431,497)	\$ 2,332,321	\$ 1,382,289	\$ 1,382,291	\$ 950,030

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, 2007

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 1,335,857	\$ 0	\$ 1,335,857	\$ 1,442,665	\$ 1,446,673	\$ (110,816)
Total Revenues	\$ 1,335,857	\$ 0	\$ 1,335,857	\$ 1,442,665	\$ 1,446,673	\$ (110,816)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 360,091	\$ 0	\$ 360,091	\$ 345,120	\$ 389,366	\$ 29,275
Special Education Program	645,296	0	645,296	661,143	669,508	24,212
Vocational Education Program	45,010	0	45,010	47,363	45,010	0
<u>Support Services</u>						
Other Student Support	19,380	0	19,380	16,688	19,380	0
Regular Instruction Program	160,969	495	161,464	205,672	206,922	45,458
Special Education Program	87,456	0	87,456	103,378	98,512	11,056
Vocational Education Program	2,661	0	2,661	3,000	2,661	0
Transportation	0	0	0	3,500	0	0
Total Expenditures	\$ 1,320,863	\$ 495	\$ 1,321,358	\$ 1,385,864	\$ 1,431,359	\$ 110,001
Excess (Deficiency) of Revenues Over Expenditures	\$ 14,994	\$ (495)	\$ 14,499	\$ 56,801	\$ 15,314	\$ (815)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (15,046)	\$ 0	\$ (15,046)	\$ (57,348)	\$ (15,861)	\$ 815
Total Other Financing Sources (Uses)	\$ (15,046)	\$ 0	\$ (15,046)	\$ (57,348)	\$ (15,861)	\$ 815
Net Change in Fund Balance	\$ (52)	\$ (495)	\$ (547)	\$ (547)	\$ (547)	\$ 0
Fund Balance, July 1, 2006	547	0	547	547	547	0
Fund Balance, June 30, 2007	\$ 495	\$ (495)	\$ 0	\$ 0	\$ 0	\$ 0

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 711,741	\$ 0	\$ 0	\$ 711,741	\$ 739,500	\$ 739,500	\$ (27,759)
Other Local Revenues	22,347	0	0	22,347	15,500	15,500	6,847
State of Tennessee	20,516	0	0	20,516	21,000	21,000	(484)
Federal Government	948,152	0	0	948,152	903,200	903,200	44,952
Total Revenues	\$ 1,702,756	\$ 0	\$ 0	\$ 1,702,756	\$ 1,679,200	\$ 1,679,200	\$ 23,556
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 1,728,693	\$ (79,861)	\$ 28,447	\$ 1,677,279	\$ 1,679,200	\$ 1,679,200	\$ 1,921
Total Expenditures	\$ 1,728,693	\$ (79,861)	\$ 28,447	\$ 1,677,279	\$ 1,679,200	\$ 1,679,200	\$ 1,921
Excess (Deficiency) of Revenues Over Expenditures	\$ (25,937)	\$ 79,861	\$ (28,447)	\$ 25,477	\$ 0	\$ 0	\$ 25,477
Net Change in Fund Balance	\$ (25,937)	\$ 79,861	\$ (28,447)	\$ 25,477	\$ 0	\$ 0	\$ 25,477
Fund Balance, July 1, 2006	372,428	(79,861)	0	292,567	294,991	294,991	(2,424)
Fund Balance, June 30, 2007	\$ 346,491	\$ 0	\$ (28,447)	\$ 318,044	\$ 294,991	\$ 294,991	\$ 23,053

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,639,456	\$ 0	\$ 1,639,456	\$ 1,617,789	\$ 1,617,789	\$ 21,667
Charges for Current Services	27,524	0	27,524	30,094	30,094	(2,570)
Other Local Revenues	1,672	0	1,672	3,137	3,137	(1,465)
State of Tennessee	158,082	0	158,082	176,901	176,901	(18,819)
Total Revenues	<u>\$ 1,826,734</u>	<u>\$ 0</u>	<u>\$ 1,826,734</u>	<u>\$ 1,827,921</u>	<u>\$ 1,827,921</u>	<u>\$ (1,187)</u>
<u>Expenditures</u>						
<u>Support Services</u>						
Board of Education	\$ 30,011	\$ 0	\$ 30,011	\$ 31,000	\$ 31,000	\$ 989
Operation of Plant	17,561	0	17,561	18,384	18,384	823
Transportation	2,100,642	(268,745)	1,831,897	2,008,131	2,008,131	176,234
Total Expenditures	<u>\$ 2,148,214</u>	<u>\$ (268,745)</u>	<u>\$ 1,879,469</u>	<u>\$ 2,057,515</u>	<u>\$ 2,057,515</u>	<u>\$ 178,046</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (321,480)</u>	<u>\$ 268,745</u>	<u>\$ (52,735)</u>	<u>\$ (229,594)</u>	<u>\$ (229,594)</u>	<u>\$ 176,859</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 1,582	\$ 0	\$ 1,582	\$ 0	\$ 0	\$ 1,582
Total Other Financing Sources (Uses)	<u>\$ 1,582</u>	<u>\$ 0</u>	<u>\$ 1,582</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,582</u>
Net Change in Fund Balance	\$ (319,898)	\$ 268,745	\$ (51,153)	\$ (229,594)	\$ (229,594)	\$ 178,441
Fund Balance, July 1, 2006	692,724	(268,745)	423,979	386,593	386,593	37,386
Fund Balance, June 30, 2007	<u>\$ 372,826</u>	<u>\$ 0</u>	<u>\$ 372,826</u>	<u>\$ 156,999</u>	<u>\$ 156,999</u>	<u>\$ 215,827</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Dyer County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds
For the Year Ended June 30, 2007

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-06	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-07
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Capital Outlay Refunding Note, Series 1998	\$ 6,690,000	3.45 to 4.05%	12-1-1998	7-15-07	\$ 2,105,000	\$ 0	\$ 1,030,000	\$ 1,075,000
Total Payable through General Debt Service Fund					\$ 2,105,000	\$ 0	\$ 1,030,000	\$ 1,075,000
<u>Payable through General Fund</u>								
Sheriff's Patrol Cars	65,508	5	8-12-04	8-13-06	\$ 22,063	\$ 0	\$ 22,063	0
Sheriff's Department Vehicles	129,098	4.45	10-21-05	10-21-07	84,189	0	41,178	43,011
Edenton-Lamb Building	237,500	4.15	3-30-06	3-29-09	237,500	0	39,583	197,917
Total Payable through General Fund					\$ 343,752	\$ 0	\$ 102,824	\$ 240,928
Total Notes Payable					\$ 2,448,752	\$ 0	\$ 1,132,824	\$ 1,315,928
<u>CAPITAL LEASES PAYABLE</u>								
<u>Payable through General Fund</u>								
Sheriff's Patrol Cars	61,785	4.4	2-5-07	2-6-09	\$ 0	\$ 61,785	\$ 21,484	\$ 40,301
Total Payable through General Fund					\$ 0	\$ 61,785	\$ 21,484	\$ 40,301
<u>Payable through Drug Control Fund</u>								
Sheriff's Patrol Car	21,836	4.25	9-17-03	9-18-07	\$ 6,612	\$ 0	\$ 5,221	\$ 1,391
Total Payable through Drug Control Fund					\$ 6,612	\$ 0	\$ 5,221	\$ 1,391
<u>Payable through Highway/Public Works Fund</u>								
Excavators	287,800	3.29	3-10-03	5-18-07	\$ 101,657	\$ 0	\$ 101,657	0
Graders	326,800	3.89	6-20-05	6-20-10	266,416	0	62,776	203,640
Dump Trucks	378,496	3.5	4-20-06	3-1-07	378,496	0	378,496	0
Dump Trucks	390,612	4.39	3-12-07	4-20-12	0	390,612	8,604	382,008
Total Payable through Highway/Public Works Fund					\$ 746,569	\$ 390,612	\$ 551,533	\$ 585,648
Total Capital Leases Payable					\$ 753,181	\$ 452,397	\$ 578,238	\$ 627,340

(Continued)

Exhibit K-1

Dyer County, Tennessee

Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-06	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-07
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Construction (Series III-G-1)	\$ 10,000,000	Variable (1)	7-15-1999	6-1-24	\$ 10,000,000	\$ 0	\$ 0	10,000,000
School Construction (Series IV-B-1)	14,780,000	Variable	1-1-00	6-1-17	14,295,000	0	165,000	14,130,000
School Construction (Series IV-B-1)	6,220,000	Variable (1)	1-1-00	6-1-20	6,220,000	0	0	6,220,000
Total Other Loans Payable					<u>\$ 30,515,000</u>	<u>\$ 0</u>	<u>\$ 165,000</u>	<u>\$ 30,350,000</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Bonds, Series 2001	8,500,000	3.4 to 4.95%	7-9-01	6-1-10	\$ 800,000	\$ 0	\$ 150,000	\$ 650,000
General Obligation Refunding Bonds, Series 2005	7,980,000	3 to 4.45	4-21-05	6-1-26	7,810,000	0	30,000	7,780,000
Total Bonds Payable					<u>\$ 8,610,000</u>	<u>\$ 0</u>	<u>\$ 180,000</u>	<u>\$ 8,430,000</u>

(1) These issues were swapped from variable to a synthetic fixed rate by execution of swap agreements.

Exhibit K-2

Dyer County, Tennessee
Schedule of Bond and Interest Requirements by Year

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2008	\$ 230,000	\$ 345,045	\$ 575,045
2009	230,000	335,345	565,345
2010	285,000	325,570	610,570
2011	285,000	313,345	598,345
2012	335,000	303,370	638,370
2013	330,000	291,645	621,645
2014	330,000	279,930	609,930
2015	380,000	267,885	647,885
2016	375,000	253,635	628,635
2017	425,000	239,198	664,198
2018	425,000	222,197	647,197
2019	520,000	205,198	725,198
2020	515,000	184,137	699,137
2021	515,000	163,023	678,023
2022	560,000	141,650	701,650
2023	605,000	117,850	722,850
2024	600,000	91,835	691,835
2025	695,000	65,735	760,735
2026	790,000	35,155	825,155
Total	<u>\$ 8,430,000</u>	<u>\$ 4,181,748</u>	<u>\$ 12,611,748</u>

Exhibit K-3

Dyer County, Tennessee
Schedule of Notes Receivable
June 30, 2007

Description	Debtor	Original Amount of Note	Interest Rate	Date of Issue	Date of Maturity	Balance 6-30-07
Special Purpose Fund	Dyer County Industrial Development Board	\$ 3,744,016	6%	6-2-03	7-5-18	<u>\$ 3,048,311</u>
Total Notes Receivable						<u><u>\$ 3,048,311</u></u>

Exhibit K-4

Dyer County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Dyer County School Department
For the Year Ended June 30, 2007

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>Primary Government</u>			
General	Solid Waste/Sanitation	Funds for operations	\$ 67,533
Other Capital Projects	General	Close fund	<u>96,069</u>
Total Transfers Primary Government			<u>\$ 163,602</u>
<u>Discretely Presented Dyer</u>			
<u>County School Department</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 15,046</u>
Total Transfers Discretely Presented Dyer County School Department			<u>\$ 15,046</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, 2007

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 76,484	\$ 50,000	United States Fidelity and Guaranty Company
Road Supervisor	Section 8-24-102, <u>TCA</u>	69,659	100,000	"
Director of Schools	State Board of Education and County Board of Education	140,886 (1)	50,000	Fidelity and Deposit Company of Maryland
Trustee	Section 8-24-102, <u>TCA</u>	61,120	785,900	United States Fidelity and Guaranty Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	61,120	10,000	Fidelity and Deposit Company of Maryland
County Clerk	Section 8-24-102, <u>TCA</u>	61,120	50,000	United States Fidelity and Guaranty Company
Circuit and General Sessions Clerk and Master	Section 8-24-102, <u>TCA</u>	61,120	65,000	"
Register	Section 8-24-102, <u>TCA</u>	61,120	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u>	67,845 (2)	25,000	"
General County/Highway Department Employees			150,000	Local Government Property and Casualty Fund
All School Employees			150,000	Indiana Insurance

(1) Includes chief executive officer training supplement of \$1,000, life insurance premium of \$1,582, and tax shelter annuity payments of \$8,520.

(2) Includes law enforcement training supplement of \$600.

Exhibit K-6

Dyer County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2007

	Special Revenue Funds				
	General	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 2,821,147	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	85,771	0	0	0	0
Trustee's Collections - Bankruptcy	3,194	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	28,439	0	0	0	0
Interest and Penalty	19,539	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	150,500	0	0	0	0
Payments in-Lieu-of Taxes - Other	1,155,174	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	0
Litigation Tax - General	231,830	0	0	0	0
Litigation Tax - Special Purpose	0	2,842	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	328,129	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	28,583	0	0	0	0
Wholesale Beer Tax	108,252	0	0	0	0
Total Local Taxes	\$ 4,960,558	\$ 2,842	\$ 0	\$ 0	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 9,960	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	63,334	0	0	0	0
<u>Permits</u>					
Beer Permits	2,042	0	0	0	0
Building Permits	20,096	0	0	0	0
Other Permits	27,725	0	0	0	0
Total Licenses and Permits	\$ 123,157	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 12,056	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	5,114	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	District Attorney General
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Circuit Court (Cont.)</u>					
Drug Control Fines	\$ 0	\$ 0	\$ 0	\$ 4,949	\$ 0
Data Entry Fee - Circuit Court	755	0	0	0	0
<u>General Sessions Court</u>					
Fines	25,426	0	0	0	0
Officers Costs	27,528	0	0	0	0
Game and Fish Fines	2,353	0	0	0	0
Drug Control Fines	8,210	0	0	4,377	0
Drug Court Fees	4,634	0	0	0	0
Jail Fees	579	0	0	0	0
District Attorney General Fees	0	0	0	0	6,521
DUI Treatment Fines	7,920	0	0	0	0
Data Entry Fee - General Sessions Court	12,420	0	0	0	0
<u>Juvenile Court</u>					
Fines	2,816	0	0	0	0
Courtroom Security Fee	3,026	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	3,646	0	0	0	0
Data Entry Fee - Chancery Court	4,494	0	0	0	0
<u>Courts in Other District Counties</u>					
District Attorney General Fees	0	0	0	0	2,663
Total Fines, Forfeitures, and Penalties	\$ 120,977	\$ 0	\$ 0	\$ 9,326	\$ 9,184
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$ 1,167	\$ 0	\$ 0	\$ 0	\$ 0
Other General Service Charges	746	0	0	0	0
<u>Fees</u>					
Copy Fees	1,575	0	0	0	0
Telephone Commissions	7,228	0	0	0	0
Vending Machine Collections	1,732	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Data Processing Fee - Register	14,157	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	District Attorney General
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Data Processing Fee - Sheriff	\$ 9,038	\$ 0	\$ 0	\$ 0	\$ 0
Sexual Offender Registration Fees - Sheriff	990	0	0	0	0
Total Charges for Current Services	\$ 36,633	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 111,089	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	77,246	0	2,902	0	0
Sale of Materials and Supplies	0	0	0	0	0
Commissary Sales	27,708	0	0	0	0
Miscellaneous Refunds	3,051	0	0	1,444	0
<u>Nonrecurring Items</u>					
Sale of Equipment	1,022	0	0	0	0
Sale of Property	5,815	0	0	0	0
Damages Recovered from Individuals	670	0	0	0	0
Contributions and Gifts	250	0	0	9,165	0
<u>Other Local Revenues</u>					
Other Local Revenues	10,702	0	0	0	0
Total Other Local Revenues	\$ 237,553	\$ 0	\$ 2,902	\$ 10,609	\$ 0
<u>Fees Received from County Officials</u>					
<u>Fees-In-Lieu of Salary</u>					
County Clerk	\$ 333,967	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	152,172	0	0	0	0
General Sessions Court Clerk	337,690	0	0	0	0
Clerk and Master	290,252	0	0	0	0
Register	196,132	0	0	0	0
Sheriff	12,043	0	0	0	0
Trustee	510,872	0	0	0	0
Total Fees Received from County Officials	\$ 1,833,128	\$ 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	District Attorney General
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	0
Aging Programs	207,024	0	0	0	0
State Reappraisal Grant	9,585	0	0	0	0
Solid Waste Grants	0	0	25,689	0	0
Other General Government Grants	237,595	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	8,282	0	0	0	0
<u>Public Works Grants</u>					
Litter Program	30,784	0	0	0	0
<u>Other State Revenues</u>					
Beer Tax	18,753	0	0	0	0
Alcoholic Beverage Tax	53,659	0	0	0	0
Contracted Prisoner Boarding	889,630	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Reappraisal Program Reimbursement	3,195	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0
Other State Grants	38,349	0	0	0	0
Total State of Tennessee	\$ 1,522,236	\$ 0	\$ 25,689	\$ 0	0
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA - Other	\$ 42,675	\$ 0	\$ 0	\$ 0	0
Community Development	0	0	0	0	0
Disaster Relief	17,690	0	0	0	0
Homeland Security Grants	53,811	0	0	0	0
Other Federal through State	114,926	0	0	0	0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	5,200	0	0	0	0
Total Federal Government	\$ 234,302	\$ 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	District Attorney General
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 10,182	\$ 0	\$ 0	\$ 0	0
Contributions	9,541	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 19,723</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Total	<u>\$ 9,088,267</u>	<u>\$ 2,842</u>	<u>\$ 28,591</u>	<u>\$ 19,935</u>	<u>\$ 9,184</u>

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	HUD Grant Projects	Other Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 1,646,105	\$ 1,796,216	\$ 0	\$ 0	\$ 6,263,468
Trustee's Collections - Prior Year	0	50,046	54,610	0	0	190,427
Trustee's Collections - Bankruptcy	0	1,864	2,034	0	0	7,092
Circuit/Clerk & Master Collections - Prior Years	0	15,552	18,107	0	0	62,098
Interest and Penalty	0	10,444	11,395	0	0	41,378
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	150,500
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	1,155,174
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	64,106	0	0	64,106
Litigation Tax - General	0	0	0	0	0	231,830
Litigation Tax - Special Purpose	0	0	0	0	0	2,842
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	135,884	0	0	135,884
Business Tax	0	0	0	0	0	328,129
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	28,583
Wholesale Beer Tax	0	0	0	0	0	108,252
Total Local Taxes	\$ 0	\$ 1,724,011	\$ 2,082,352	\$ 0	\$ 0	\$ 8,769,763
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,960
Cable TV Franchise	0	0	0	0	0	63,334
<u>Permits</u>						
Beer Permits	0	0	0	0	0	2,042
Building Permits	0	0	0	0	0	20,096
Other Permits	0	0	0	0	0	27,725
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 123,157
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,056
Officers Costs	0	0	0	0	0	5,114

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	HUD Grant Projects	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Circuit Court (Cont.)</u>						
Drug Control Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,949
Data Entry Fee - Circuit Court	0	0	0	0	0	755
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	25,426
Officers Costs	0	0	0	0	0	27,528
Game and Fish Fines	0	0	0	0	0	2,353
Drug Control Fines	0	0	0	0	0	12,587
Drug Court Fees	0	0	0	0	0	4,634
Jail Fees	0	0	0	0	0	579
District Attorney General Fees	0	0	0	0	0	6,521
DUI Treatment Fines	0	0	0	0	0	7,920
Data Entry Fee - General Sessions Court	0	0	0	0	0	12,420
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	2,816
Courtroom Security Fee	0	0	0	0	0	3,026
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	3,646
Data Entry Fee - Chancery Court	0	0	0	0	0	4,494
<u>Courts in Other District Counties</u>						
District Attorney General Fees	0	0	0	0	0	2,663
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	139,487
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,167
Other General Service Charges	0	0	0	0	0	746
<u>Fees</u>						
Copy Fees	0	0	0	0	0	1,575
Telephone Commissions	0	0	0	0	0	7,228
Vending Machine Collections	0	0	0	0	0	1,732
Constitutional Officers' Fees and Commissions	2,611	0	0	0	0	2,611
Data Processing Fee - Register	0	0	0	0	0	14,157

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total
	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service	HUD Grant Projects	Other Capital Projects	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - Sheriff	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,038
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	990
Total Charges for Current Services	\$ 2,611	\$ 0	\$ 0	\$ 0	\$ 0	39,244
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 140,826	\$ 1,288,067	\$ 0	\$ 0	1,539,982
Lease/Rentals	0	0	0	0	0	80,148
Sale of Materials and Supplies	0	1,439	0	0	0	1,439
Commissary Sales	0	0	0	0	0	27,708
Miscellaneous Refunds	0	3,479	0	0	0	7,974
<u>Nonrecurring Items</u>						
Sale of Equipment	0	5,095	0	0	0	6,117
Sale of Property	0	0	0	0	0	5,815
Damages Recovered from Individuals	0	160	0	0	0	830
Contributions and Gifts	0	0	0	0	0	9,415
<u>Other Local Revenues</u>						
Other Local Revenues	0	7,338	0	1,467	0	19,507
Total Other Local Revenues	\$ 0	\$ 158,337	\$ 1,288,067	\$ 1,467	\$ 0	1,698,935
<u>Fees Received from County Officials</u>						
<u>Fees-In-Lieu of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	333,967
Circuit Court Clerk	0	0	0	0	0	152,172
General Sessions Court Clerk	0	0	0	0	0	337,690
Clerk and Master	0	0	0	0	0	290,252
Register	0	0	0	0	0	196,132
Sheriff	0	0	0	0	0	12,043
Trustee	0	0	0	0	0	510,872
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,833,128

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	HUD Grant Projects	Other Capital Projects	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,000
Aging Programs	0	0	0	0	0	207,024
State Reappraisal Grant	0	0	0	0	0	9,585
Solid Waste Grants	0	0	0	0	0	25,689
Other General Government Grants	0	0	0	0	0	237,595
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	1,000,000	1,008,282
<u>Public Works Grants</u>						
Litter Program	0	0	0	0	0	30,784
<u>Other State Revenues</u>						
Beer Tax	0	0	0	0	0	18,753
Alcoholic Beverage Tax	0	0	0	0	0	53,659
Contracted Prisoner Boarding	0	0	0	0	0	889,630
Gasoline and Motor Fuel Tax	0	1,870,541	0	0	0	1,870,541
Petroleum Special Tax	0	29,988	0	0	0	29,988
Reappraisal Program Reimbursement	0	0	0	0	0	3,195
Registrar's Salary Supplement	0	0	0	0	0	16,380
Other State Grants	0	0	0	0	0	38,349
Total State of Tennessee	\$ 0	\$ 1,900,529	\$ 0	\$ 0	\$ 1,000,000	\$ 4,448,454
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	42,675
Community Development	0	0	0	32,150	0	32,150
Disaster Relief	0	94,895	0	0	0	112,585
Homeland Security Grants	0	0	0	0	0	53,811
Other Federal through State	0	0	0	0	0	114,926
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	0	0	0	0	0	5,200
Total Federal Government	\$ 0	\$ 94,895	\$ 0	\$ 32,150	\$ 0	\$ 361,347

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>			
	<u>Constitu - tional Officers - Fees</u>	<u>Highway / Public Works</u>	<u>General Debt Service</u>	<u>HUD Grant Projects</u>	<u>Other Capital Projects</u>		<u>Total</u>
<hr/>							
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		10,182
Contributions	0	0	0	0	0		9,541
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		19,723
<hr/>							
Total	\$ 2,611	\$ 3,877,772	\$ 3,370,419	\$ 33,617	\$ 1,000,000		\$ 17,433,238

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, 2007

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 2,840,236	\$ 0	\$ 0	\$ 1,295,714	\$ 4,135,950
Trustee's Collections - Prior Year	106,089	0	0	48,399	154,488
Trustee's Collections - Bankruptcy	3,237	0	0	1,477	4,714
Circuit/Clerk & Master Collections - Prior Years	28,842	0	0	13,149	41,991
Interest and Penalty	19,572	0	0	9,037	28,609
Payments in-Lieu-of Taxes - T.V.A.	207	0	0	0	207
<u>County Local Option Taxes</u>					
Local Option Sales Tax	2,851,108	0	0	0	2,851,108
Wheel Tax	761,009	0	0	271,680	1,032,689
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	4,369	0	0	0	4,369
Total Local Taxes	\$ 6,614,669	\$ 0	\$ 0	\$ 1,639,456	\$ 8,254,125
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,395	\$ 0	\$ 0	\$ 0	\$ 1,395
<u>Permits</u>					
Other Permits	435	0	0	0	435
Total Licenses and Permits	\$ 1,830	\$ 0	\$ 0	\$ 0	\$ 1,830
<u>Charges for Current Services</u>					
<u>Fees</u>					
Vending Machine Collections	\$ 643	\$ 0	\$ 0	\$ 499	\$ 1,142
<u>Education Charges</u>					
Tuition - Summer School	3,187	0	0	0	3,187
Lunch Payments - Children	0	0	394,776	0	394,776
Lunch Payments - Adults	0	0	49,136	0	49,136
Income from Breakfast	0	0	53,467	0	53,467
Special Milk Sales	0	0	3,454	0	3,454
A la carte Sales	0	0	210,585	0	210,585
Contract for Student Support Services with Other LEAs	0	0	0	7,546	7,546
Receipts from Individual Schools	5,461	0	323	19,479	25,263
Total Charges for Current Services	\$ 9,291	\$ 0	\$ 711,741	\$ 27,524	\$ 748,556
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 233,021	\$ 0	\$ 18,462	\$ 0	\$ 251,483
Sale of Materials and Supplies	614	0	0	0	614
Retirees' Insurance Payments	1,659	0	0	1,659	3,318
Miscellaneous Refunds	68,462	0	3,885	0	72,347
<u>Nonrecurring Items</u>					
Damages Recovered from Individuals	1,013	0	0	13	1,026
<u>Other Local Revenues</u>					
Other Local Revenues	839	0	0	0	839
Total Other Local Revenues	\$ 305,608	\$ 0	\$ 22,347	\$ 1,672	\$ 329,627
<u>State of Tennessee</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 11,924,884	\$ 0	\$ 0	\$ 158,082	\$ 12,082,966
Early Childhood Education	520,821	0	0	0	520,821
School Food Service	0	0	20,516	0	20,516
Driver Education	13,016	0	0	0	13,016
Other State Education Funds	192,343	0	0	0	192,343
Career Ladder Program	216,134	0	0	0	216,134
Career Ladder - Extended Contract	120,208	0	0	0	120,208
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	528,867	0	0	0	528,867
Other State Grants	80,000	0	0	0	80,000
Other State Revenues	54,294	0	0	0	54,294
Total State of Tennessee	\$ 13,650,567	\$ 0	\$ 20,516	\$ 158,082	\$ 13,829,165

(Continued)

Exhibit K-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor- tation	Total
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 699,794	\$ 0	\$ 699,794
Breakfast	0	0	248,358	0	248,358
Vocational Education - Basic Grants to States	0	56,238	0	0	56,238
Title I Grants to Local Education Agencies	0	376,869	0	0	376,869
Innovative Education Program Strategies	0	4,618	0	0	4,618
Special Education - Grants to States	65,697	709,918	0	0	775,615
Special Education Preschool Grants	0	32,139	0	0	32,139
Eisenhower Professional Development State Grants	0	137,839	0	0	137,839
Other Federal through State	164,305	18,236	0	0	182,541
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	52,810	0	0	0	52,810
Total Federal Government	\$ 282,812	\$ 1,335,857	\$ 948,152	\$ 0	\$ 2,566,821
Total	\$ 20,864,777	\$ 1,335,857	\$ 1,702,756	\$ 1,826,734	\$ 25,730,124

Exhibit K-8

Dyer County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2007

General Fund

General Government

County Commission

Other Per Diem and Fees	\$	67,375	
Social Security		3,729	
Employer Medicare		872	
Audit Services		8,553	
Total County Commission			\$ 80,529

Board of Equalization

Board and Committee Members Fees	\$	2,070	
Total Board of Equalization			2,070

Other Boards and Committees

Board and Committee Members Fees	\$	3,800	
Total Other Boards and Committees			3,800

County Mayor/Executive

County Official/Administrative Officer	\$	76,484	
Secretary(ies)		64,615	
Other Per Diem and Fees		8,400	
Social Security		7,887	
Local Retirement		7,323	
Employer Medicare		1,845	
Legal Notices, Recording, and Court Costs		757	
Maintenance and Repair Services - Office Equipment		3,262	
Postal Charges		1,280	
Printing, Stationery, and Forms		1,709	
Travel		2,392	
Other Contracted Services		6,496	
Office Supplies		3,592	
In Service/Staff Development		245	
Total County Mayor/Executive			186,287

County Attorney

County Official/Administrative Officer	\$	1,200	
Social Security		74	
Employer Medicare		17	
Legal Services		42,708	
Total County Attorney			43,999

Election Commission

County Official/Administrative Officer	\$	57,445	
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(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.)

Deputy(ies)	\$	60,814	
Part-time Personnel		44,164	
Election Commission		16,082	
Election Workers		49,197	
Social Security		8,908	
Medical Insurance		19,061	
Local Retirement		2,933	
Employer Medicare		2,083	
Audit Services		10,405	
Legal Notices, Recording, and Court Costs		9,545	
Maintenance and Repair Services - Equipment		23,452	
Postal Charges		5,195	
Printing, Stationery, and Forms		5,682	
Travel		7,140	
Office Supplies		6,985	
Other Charges		4,935	
Office Equipment		6,988	
Voting Machines		228,300	
Total Election Commission			\$ 569,314

Register of Deeds

County Official/Administrative Officer	\$	61,120	
Deputy(ies)		62,063	
Educational Incentive - Official/Admin Officer		1,475	
Social Security		6,577	
Medical Insurance		15,271	
Local Retirement		6,609	
Employer Medicare		1,538	
Dues and Memberships		649	
Postal Charges		549	
Printing, Stationery, and Forms		4,094	
Travel		1,717	
Other Contracted Services		592	
Data Processing Supplies		17,026	
Office Supplies		1,768	
In Service/Staff Development		425	
Other Charges		124	
Office Equipment		34	
Total Register of Deeds			181,631

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Planning

County Official/Administrative Officer	\$	44,744	
Assistant(s)		15,053	
Secretary(ies)		27,349	
Other Salaries and Wages		280	
Other Per Diem and Fees		16,800	
Social Security		4,549	
Medical Insurance		19,342	
Local Retirement		2,179	
Employer Medicare		1,064	
Contracts with Private Agencies		515	
Dues and Memberships		100	
Legal Notices, Recording, and Court Costs		330	
Postal Charges		200	
Other Contracted Services		8,500	
Office Supplies		1,195	
In Service/Staff Development		626	
Other Charges		96	
Office Equipment		2,378	
Total Planning			\$ 145,300

County Buildings

Custodial Personnel	\$	43,093	
Social Security		2,388	
Medical Insurance		6,986	
Employer Medicare		558	
Janitorial Services		50,228	
Maintenance and Repair Services - Buildings		4,454	
Custodial Supplies		12,059	
Drugs and Medical Supplies		650	
Liability Insurance		101,857	
Other Charges		990	
Office Equipment		7,535	
Other Capital Outlay		78,118	
Total County Buildings			308,916

Other General Administration

Communication	\$	17,725	
Contributions		62,000	
Dues and Memberships		5,018	
Maintenance Agreements		9,332	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration (Cont.)

Maintenance and Repair Services - Buildings	\$	6,033	
Maintenance and Repair Services - Office Equipment		1,757	
Pest Control		927	
Electricity		19,171	
Utilities		8,684	
Workers' Compensation Insurance		60,000	
Liability Claims		3,680	
Total Other General Administration			\$ 194,327

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	51,598	
Assistant(s)		46,160	
Social Security		5,546	
Medical Insurance		11,741	
Local Retirement		2,444	
Employer Medicare		1,297	
Dues and Memberships		100	
Legal Notices, Recording, and Court Costs		218	
Postal Charges		1,341	
Printing, Stationery, and Forms		918	
Travel		564	
Other Contracted Services		5,769	
Data Processing Supplies		681	
Office Supplies		187	
In Service/Staff Development		225	
Office Equipment		2,544	
Total Accounting and Budgeting			131,333

Property Assessor's Office

County Official/Administrative Officer	\$	61,120	
Deputy(ies)		134,531	
Other Per Diem and Fees		1,800	
Social Security		10,765	
Medical Insurance		32,115	
Local Retirement		7,958	
Employer Medicare		2,518	
Contracts with Private Agencies		41,312	
Data Processing Services		10,294	
Dues and Memberships		1,295	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Legal Notices, Recording, and Court Costs	\$	91	
Postal Charges		1,500	
Rentals		2,666	
Travel		1,191	
Office Supplies		1,730	
Premiums on Corporate Surety Bonds		100	
In Service/Staff Development		769	
Other Charges		393	
Total Property Assessor's Office			\$ 312,148

Reappraisal Program

Other Salaries and Wages	\$	27,994	
Other Per Diem and Fees		8,400	
Social Security		1,622	
Medical Insurance		3,639	
Local Retirement		700	
Employer Medicare		379	
Data Processing Services		3,539	
Postal Charges		2,499	
Office Supplies		233	
Other Charges		7	
Total Reappraisal Program			49,012

County Trustee's Office

County Official/Administrative Officer	\$	61,120	
Deputy(ies)		74,197	
Social Security		7,530	
Medical Insurance		18,835	
Local Retirement		5,749	
Employer Medicare		1,761	
Legal Notices, Recording, and Court Costs		266	
Maintenance and Repair Services - Office Equipment		786	
Postal Charges		11,988	
Printing, Stationery, and Forms		1,765	
Travel		1,650	
Other Contracted Services		7,203	
Data Processing Supplies		949	
Office Supplies		960	
In Service/Staff Development		749	
Office Equipment		2,012	
Total County Trustee's Office			197,520

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office

County Official/Administrative Officer	\$	61,120	
Deputy(ies)		170,128	
Social Security		13,284	
Medical Insurance		40,627	
Local Retirement		7,936	
Employer Medicare		3,107	
Dues and Memberships		575	
Legal Notices, Recording, and Court Costs		189	
Maintenance and Repair Services - Office Equipment		17,831	
Postal Charges		8,000	
Printing, Stationery, and Forms		2,495	
Rentals		3,020	
Travel		100	
Data Processing Supplies		5,538	
Other Supplies and Materials		4,268	
In Service/Staff Development		300	
Other Charges		699	
Office Equipment		1,035	
Total County Clerk's Office			\$ 340,252

Other Finance

Communication	\$	8,069	
Dues and Memberships		401	
Maintenance and Repair Services - Buildings		5,142	
Maintenance and Repair Services - Office Equipment		1,299	
Pest Control		530	
Electricity		13,353	
Utilities		4,602	
Refunds		317	
Total Other Finance			33,713

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	61,120
Deputy(ies)		206,267
Board and Committee Members Fees		690
Jury and Witness Fees		21,257
Other Per Diem and Fees		542
Social Security		15,073
Medical Insurance		42,999

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Local Retirement	\$	9,886	
Employer Medicare		3,525	
Legal Notices, Recording, and Court Costs		50	
Maintenance and Repair Services - Office Equipment		8,166	
Postal Charges		5,000	
Printing, Stationery, and Forms		8,822	
Travel		3,500	
Data Processing Supplies		9,622	
Office Supplies		4,971	
Other Charges		326	
Total Circuit Court			\$ 401,816

General Sessions Court

Judge(s)	\$	123,058	
Clerical Personnel		22,784	
Social Security		8,450	
Medical Insurance		6,158	
Local Retirement		11,422	
Employer Medicare		1,976	
Dues and Memberships		1,131	
Travel		1,479	
Other Contracted Services		10,000	
Office Supplies		1,250	
Other Charges		900	
Total General Sessions Court			188,608

Drug Court

Supervisor/Director	\$	7,200	
Probation Officer(s)		3,600	
Social Security		670	
Employer Medicare		157	
Legal Notices, Recording, and Court Costs		231	
Drug Treatment		12,310	
Other Supplies and Materials		610	
Office Equipment		1,583	
Total Drug Court			26,361

Chancery Court

County Official/Administrative Officer	\$	61,120	
Deputy(ies)		126,122	

(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.)

Other Salaries and Wages	\$	3,581	
Social Security		10,581	
Medical Insurance		32,402	
Local Retirement		7,761	
Employer Medicare		2,474	
Advertising		2,367	
Maintenance and Repair Services - Office Equipment		1,015	
Postal Charges		2,424	
Printing, Stationery, and Forms		6,946	
Rentals		2,148	
Travel		250	
Other Contracted Services		628	
Data Processing Supplies		3,336	
Office Supplies		2,440	
Office Equipment		82	
Total Chancery Court			\$ 265,677

Juvenile Court

Probation Officer(s)	\$	82,293	
Youth Service Officer(s)		37,192	
Social Security		6,846	
Medical Insurance		21,971	
Local Retirement		1,995	
Employer Medicare		1,601	
Contracts with Government Agencies		72,210	
Contracts with Other Public Agencies		4,574	
Contracts with Private Agencies		1,200	
Dues and Memberships		90	
Maintenance and Repair Services - Office Equipment		339	
Postal Charges		391	
Printing, Stationery, and Forms		428	
Law Enforcement Supplies		378	
Office Supplies		1,338	
In Service/Staff Development		2,320	
Office Equipment		1,981	
Total Juvenile Court			237,147

Other Administration of Justice

Communication	\$	11,292	
Dues and Memberships		267	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice (Cont.)

Maintenance and Repair Services - Buildings	\$	5,412	
Maintenance and Repair Services - Office Equipment		2,145	
Pest Control		190	
Electricity		19,745	
Utilities		13,234	
Total Other Administration of Justice			\$ 52,285

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	67,245
Deputy(ies)		333,856
Investigator(s)		141,877
Captain(s)		42,667
Lieutenant(s)		106,313
Sergeant(s)		110,322
Accountants/Bookkeepers		53,485
Salary Supplements		13,200
Dispatchers/Radio Operators		196,928
Other Salaries and Wages		33,860
Social Security		63,428
Medical Insurance		179,042
Local Retirement		18,927
Employer Medicare		14,834
Communication		11,963
Contracts with Government Agencies		6,208
Contracts with Private Agencies		15,956
Dues and Memberships		1,650
Maintenance and Repair Services - Office Equipment		919
Maintenance and Repair Services - Vehicles		27,346
Postal Charges		4,474
Printing, Stationery, and Forms		4,557
Rentals		3,785
Transportation - Other than Students		532
Travel		4,742
Data Processing Supplies		5,153
Gasoline		85,069
Law Enforcement Supplies		18,443
Lubricants		214
Office Supplies		6,231
Tires and Tubes		8,314

(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.)

Uniforms	\$	10,615	
Vehicle and Equipment Insurance		8,500	
In Service/Staff Development		10,085	
Motor Vehicles		61,785	
Total Sheriff's Department			\$ 1,672,525

Jail

Assistant(s)	\$	37,487	
Deputy(ies)		131,756	
Lieutenant(s)		36,747	
Sergeant(s)		34,100	
Accountants/Bookkeepers		74,815	
Attendants		578,349	
Cafeteria Personnel		52,663	
Other Salaries and Wages		27,937	
Social Security		57,404	
Medical Insurance		141,923	
Local Retirement		7,109	
Employer Medicare		13,425	
Laundry Service		7,167	
Maintenance and Repair Services - Buildings		19,792	
Maintenance and Repair Services - Equipment		7,518	
Medical and Dental Services		76,108	
Pest Control		2	
Drug Treatment		7,840	
Custodial Supplies		17,422	
Drugs and Medical Supplies		38,122	
Electricity		64,583	
Food Preparation Supplies		15,910	
Food Supplies		113,866	
Prisoners Clothing		8,716	
Uniforms		6,071	
Utilities		54,999	
Building and Contents Insurance		40,000	
Liability Insurance		51,000	
Law Enforcement Equipment		5,571	
Total Jail			1,728,402

Fire Prevention and Control

County Official/Administrative Officer	\$	34,133	
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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.)

Fire Prevention and Control (Cont.)

Investigator(s)	\$	15,053	
Social Security		2,693	
Medical Insurance		7,971	
Disability Insurance		5,095	
Local Retirement		1,230	
Employer Medicare		630	
Communication		3,663	
Contracts with Other Public Agencies		19,679	
Dues and Memberships		115	
Maintenance and Repair Services - Buildings		625	
Maintenance and Repair Services - Equipment		20,289	
Maintenance and Repair Services - Vehicles		3,408	
Other Contracted Services		437	
Electricity		695	
Uniforms		515	
Utilities		552	
Other Supplies and Materials		903	
Vehicle and Equipment Insurance		5,650	
Workers' Compensation Insurance		12,462	
Other Charges		1,995	
Office Equipment		188	
Other Equipment		15,333	
Total Fire Prevention and Control			\$ 153,314

Disaster Relief

Supervisor/Director	\$	6,556	
Other Salaries and Wages		6,556	
In-Service Training		595	
Social Security		723	
Medical Insurance		2,955	
Local Retirement		328	
Employer Medicare		169	
Communication		2,264	
Travel		310	
Office Supplies		204	
Other Supplies and Materials		362	
In Service/Staff Development		6,323	
Other Charges		2,184	
Office Equipment		500	
State Aid Projects		229,001	
Total Disaster Relief			259,030

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Contracts with Private Agencies	\$	9,680	
Other Contracted Services		1,988	
Total County Coroner/Medical Examiner			\$ 11,668

Other Public Safety

Social Security	\$	1,989	
Medical Insurance		11,384	
Employer Medicare		465	
Contracts with Government Agencies		40,000	
Contributions		37,288	
Other Contracted Services		60,916	
Electricity		1,165	
Total Other Public Safety			153,207

Public Health and Welfare

Local Health Center

Medical Personnel	\$	7,982	
Salary Supplements		43,872	
Custodial Personnel		16,705	
Social Security		1,457	
Employer Medicare		341	
Communication		5,512	
Maintenance and Repair Services - Buildings		2,357	
Maintenance and Repair Services - Office Equipment		3,856	
Pest Control		431	
Postal Charges		5,687	
Rentals		17,051	
Travel		1,352	
Drugs and Medical Supplies		4,876	
Electricity		10,369	
Office Supplies		13,327	
Utilities		6,059	
Other Supplies and Materials		569	
In Service/Staff Development		342	
Office Equipment		5,000	
Total Local Health Center			147,145

Rabies and Animal Control

Contributions	\$	64,800	
Total Rabies and Animal Control			64,800

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Crippled Children Services

Contributions	\$ 2,027	
Total Crippled Children Services		\$ 2,027

Other Local Health Services

Contributions	\$ 1,000	
Total Other Local Health Services		1,000

General Welfare Assistance

Supervisor/Director	\$ 25,111	
Equipment Operators	21,896	
Social Security	2,589	
Medical Insurance	15,008	
Local Retirement	547	
Employer Medicare	606	
Communication	3,084	
Maintenance and Repair Services - Buildings	100	
Maintenance and Repair Services - Vehicles	1,279	
Pest Control	372	
Electricity	5,104	
Office Supplies	1,061	
Utilities	3,367	
Total General Welfare Assistance		80,124

Aid to Dependent Children

Educational Assistants	\$ 21,424	
Communication	358	
Maintenance and Repair Services - Buildings	422	
Postal Charges	279	
Rentals	2,593	
Travel	2,400	
Electricity	768	
Food Supplies	53,959	
Office Supplies	394	
Other Supplies and Materials	704	
Total Aid to Dependent Children		83,301

Sanitation Education/Information

Guards	\$ 29,191
Social Security	1,650
Medical Insurance	7,749

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

Employer Medicare	\$	386	
Communication		573	
Consultants		6,000	
Maintenance and Repair Services - Vehicles		1,970	
Gasoline		5,042	
Other Supplies and Materials		1,285	
Other Charges		2,828	
Total Sanitation Education/Information			\$ 56,674

Other Public Health and Welfare

Other Per Diem and Fees	\$	600	
Social Security		1,669	
Employer Medicare		390	
Other Contracted Services		26,922	
Total Other Public Health and Welfare			29,581

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$	37,123	
Clerical Personnel		26,303	
Social Security		3,623	
Medical Insurance		10,647	
Unemployment Compensation		53	
Local Retirement		1,458	
Employer Medicare		847	
Dues and Memberships		156	
Postal Charges		100	
Travel		1,828	
Other Contracted Services		308	
Gasoline		1,968	
Office Supplies		1,284	
Other Supplies and Materials		4,100	
Liability Insurance		801	
Other Charges		1,999	
Office Equipment		2,815	
Transportation Equipment		3,068	
Total Adult Activities			98,481

Senior Citizens Assistance

Assistant(s)	\$	24,761	
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(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Supervisor/Director	\$	28,410	
Other Salaries and Wages		59,107	
Social Security		6,303	
Medical Insurance		15,251	
Local Retirement		1,329	
Employer Medicare		1,474	
Communication		357	
Dues and Memberships		112	
Maintenance and Repair Services - Office Equipment		1,283	
Maintenance and Repair Services - Vehicles		500	
Rentals		900	
Travel		10,476	
Other Contracted Services		11,815	
Gasoline		300	
Office Supplies		126	
Other Supplies and Materials		647	
Tax Relief Program		64,783	
Total Senior Citizens Assistance			\$ 227,934

Libraries

Contributions	\$	122,196	
Total Libraries			122,196

Parks and Fair Boards

Contributions	\$	2,750	
Total Parks and Fair Boards			2,750

Other Social, Cultural, and Recreational

Communication	\$	6,977	
Contributions		93,311	
Dues and Memberships		10,065	
Maintenance and Repair Services - Buildings		3,426	
Maintenance and Repair Services - Office Equipment		1,007	
Pest Control		698	
Electricity		13,274	
Utilities		10,620	
Total Other Social, Cultural, and Recreational			139,378

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	97,588	
Other Salaries and Wages		11,520	
Social Security		547	
Employer Medicare		128	
Communication		2,552	
Maintenance and Repair Services - Buildings		3,500	
Maintenance and Repair Services - Office Equipment		1,366	
Pest Control		1,174	
Travel		2,072	
Electricity		3,616	
Office Supplies		2,012	
Utilities		4,490	
Other Charges		<u>1,641</u>	
Total Agriculture Extension Service			\$ 132,206

Soil Conservation

Secretary(ies)	\$	21,913	
Social Security		1,297	
Local Retirement		548	
Employer Medicare		<u>303</u>	
Total Soil Conservation			24,061

Flood Control

Contracts with Other Public Agencies	\$	<u>31,699</u>	
Total Flood Control			31,699

Other Agriculture and Natural Resources

Dues and Memberships	\$	<u>651</u>	
Total Other Agriculture and Natural Resources			651

Other Operations

Industrial Development

Site Development	\$	<u>39,544</u>	
Total Industrial Development			39,544

Miscellaneous

Trustee's Commission	\$	87,677	
Other Charges		<u>8,608</u>	
Total Miscellaneous			96,285

(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 Notes	\$ 102,824	
Principal on Capital Leases	21,484	
Total General Government	<u>124,308</u>	\$ 124,308

Interest on Debt

General Government

Interest on Notes	\$ 14,580	
Interest on Capital Leases	7	
Total General Government	<u>14,587</u>	

Total General Fund \$ 9,448,923

Law Library Fund

Administration of Justice

Other Administration of Justice

Library Books/Media	\$ 3,031	
Trustee's Commission	29	
Total Other Administration of Justice	<u>3,060</u>	\$ 3,060

Total Law Library Fund 3,060

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Attendants	\$ 9,034	
Social Security	560	
Employer Medicare	131	
Communication	409	
Contracts with Government Agencies	14,843	
Contracts with Private Agencies	68,155	
Utilities	782	
Trustee's Commission	34	
Other Charges	12	
Total Sanitation Management	<u>93,960</u>	\$ 93,960

Total Solid Waste/Sanitation Fund 93,960

(Continued)

Exhibit K-8

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

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	1,000	
Law Enforcement Supplies		7,440	
Trustee's Commission		100	
Other Charges		350	
Total Drug Enforcement			\$ 8,890

Principal on Debt

General Government

Principal on Capital Leases	\$	5,221	
Total General Government			5,221

Interest on Debt

General Government

Interest on Capital Leases	\$	297	
Total General Government			267

Total Drug Control Fund \$ 14,378

District Attorney General Fund

Administration of Justice

District Attorney General

In-Service Training	\$	498	
Communication		1,891	
Dues and Memberships		1,735	
Travel		130	
Office Supplies		1,164	
Trustee's Commission		89	
Other Charges		427	
Total District Attorney General			\$ 5,934

Total District Attorney General Fund 5,934

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	29	
Total Register of Deeds			\$ 29

(Continued)

Exhibit K-8

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

Constitutional Officers - Fees Fund (Cont.)

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 139	
Total County Clerk's Office		\$ 139

Administration of Justice

Circuit Court Clerk

Constitutional Officers' Operating Expenses	\$ 1,071	
Total Circuit Court Clerk		1,071

General Sessions Court Clerk

Constitutional Officers' Operating Expenses	\$ 24	
Total General Sessions Court Clerk		24

Chancery Court

Constitutional Officers' Operating Expenses	\$ 1,348	
Total Chancery Court		<u>1,348</u>

Total Constitutional Officers - Fees Fund \$ 2,611

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 69,659	
Accountants/Bookkeepers	41,127	
Communication	3,143	
Data Processing Services	3,798	
Dues and Memberships	3,808	
Evaluation and Testing	810	
Legal Notices, Recording, and Court Costs	1,363	
Maintenance Agreements	1,980	
Postal Charges	598	
Printing, Stationery, and Forms	496	
Travel	949	
Electricity	5,446	
Natural Gas	596	
Office Supplies	1,822	
Uniforms	3,036	
Water and Sewer	2,449	
Other Supplies and Materials	<u>4,992</u>	
Total Administration		\$ 146,072

(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

Foremen	\$	66,153	
Equipment Operators		250,388	
Equipment Operators - Light		101,159	
Truck Drivers		185,293	
Laborers		106,388	
Overtime Pay		15,003	
Contracts with Private Agencies		301,923	
Rentals		2,869	
Asphalt - Cold Mix		1,582	
Asphalt - Hot Mix		219,695	
Asphalt - Liquid		20,532	
Concrete		9,696	
Crushed Stone		215,115	
Fertilizer, Lime, and Seed		415	
General Construction Materials		723	
Other Road Supplies		16,384	
Pipe - Metal		215,657	
Road Signs		8,215	
Sand		13,089	
Wood Products		5,815	
Gravel and Chert		97,449	
Other Supplies and Materials		2,759	
Total Highway and Bridge Maintenance			\$ 1,856,302

Operation and Maintenance of Equipment

Mechanic(s)	\$	92,082	
Laborers		28,974	
Diesel Fuel		170,727	
Equipment and Machinery Parts		104,440	
Garage Supplies		11,143	
Gasoline		19,541	
Lubricants		12,293	
Small Tools		1,518	
Tires and Tubes		19,226	
Other Supplies and Materials		4,957	
Total Operation and Maintenance of Equipment			464,901

Other Charges

Liability Insurance	\$	1,989
Trustee's Commission		55,276

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Vehicle and Equipment Insurance	\$	41,616	
Workers' Compensation Insurance		<u>13,054</u>	
Total Other Charges	\$		111,935

Employee Benefits

Social Security	\$	55,767	
Employee and Dependent Insurance		161,338	
Local Retirement		13,548	
Employer Medicare		<u>13,042</u>	
Total Employee Benefits			243,695

Capital Outlay

Engineering Services	\$	35,073	
Building Improvements		8,277	
Highway Equipment		1,217,789	
Office Equipment		<u>8,747</u>	
Total Capital Outlay			1,269,886

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$	<u>551,533</u>	
Total Highways and Streets			551,533

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$	<u>28,384</u>	
Total Highways and Streets			<u>28,384</u>

Total Highway/Public Works Fund \$ 4,672,708

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	<u>180,000</u>	
Total General Government	\$		180,000

Education

Principal on Notes	\$	1,030,000	
Principal on Other Loans		<u>165,000</u>	
Total Education			1,195,000

(Continued)

Exhibit K-8

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 352,545	
Total General Government		\$ 352,545

Education

Interest on Notes	\$ 64,138	
Interest on Other Loans	<u>1,311,744</u>	
Total Education		1,375,882

Other Debt Service

General Government

Financial Advisory Services	\$ 24,000	
Trustee's Commission	50,822	
Other Debt Service	<u>2,069</u>	
Total General Government		76,891

Education

Other Debt Service	\$ 268	
Total Education		<u>268</u>

Total General Debt Service Fund		\$ 3,180,586
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HUD Grant Projects Fund

Capital Projects

Other General Government Projects

Other Charges	\$ 33,617	
Total Other General Government Projects		<u>\$ 33,617</u>

Total HUD Grant Projects Fund		33,617
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Other Capital Projects Fund

Capital Projects

Public Health and Welfare Projects

Building Construction	\$ 1,603,203	
Total Public Health and Welfare Projects		<u>\$ 1,603,203</u>

Total Other Capital Projects Fund		<u>1,603,203</u>
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Total Governmental Funds - Primary Government		<u>\$ 19,058,980</u>
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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, 2007

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	6,837,901	
Career Ladder Program		120,504	
Career Ladder Extended Contracts		63,665	
Educational Assistants		470,728	
Certified Substitute Teachers		13,152	
Non-certified Substitute Teachers		65,650	
Social Security		432,647	
State Retirement		426,069	
Life Insurance		7,702	
Medical Insurance		1,019,275	
Unemployment Compensation		12,125	
Local Retirement		5,972	
Employer Medicare		101,184	
Contracts with Other School Systems		88,000	
Maintenance and Repair Services - Equipment		14,979	
Instructional Supplies and Materials		269,902	
Textbooks		241,612	
Other Charges		16,676	
Regular Instruction Equipment		195,627	
Total Regular Instruction Program			\$ 10,403,370

Special Education Program

Teachers	\$	1,075,810	
Career Ladder Program		17,999	
Career Ladder Extended Contracts		1,785	
Clerical Personnel		30,588	
Educational Assistants		277,879	
Social Security		80,611	
State Retirement		70,454	
Life Insurance		1,738	
Medical Insurance		188,181	
Local Retirement		3,466	
Employer Medicare		18,853	
Other Contracted Services		2,129	
Instructional Supplies and Materials		4,428	
Other Supplies and Materials		400	
Other Charges		1,600	
Special Education Equipment		4,531	
Total Special Education Program			1,780,452

(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	\$	345,191	
Career Ladder Program		4,000	
Career Ladder Extended Contracts		3,570	
Educational Assistants		15,724	
Social Security		21,547	
State Retirement		21,613	
Life Insurance		370	
Medical Insurance		44,259	
Local Retirement		393	
Employer Medicare		5,039	
Other Contracted Services		8,864	
Instructional Supplies and Materials		39,280	
Other Charges		484	
Total Vocational Education Program	\$		510,334

Student Body Education Program

Instructional Supplies and Materials	\$	5,363	
Other Supplies and Materials		3,486	
Total Student Body Education Program			8,849

Support Services

Attendance

Supervisor/Director	\$	57,786	
Career Ladder Program		1,000	
Social Security		3,388	
State Retirement		3,604	
Life Insurance		42	
Medical Insurance		8,566	
Employer Medicare		792	
Travel		2,077	
Other Contracted Services		9,500	
Other Supplies and Materials		259	
Total Attendance			87,014

Health Services

Medical Personnel	\$	86,905	
Social Security		5,153	
State Retirement		5,327	
Life Insurance		84	

(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.)

Medical Insurance	\$	7,851	
Employer Medicare		1,205	
Communication		1,136	
Travel		7,164	
Other Contracted Services		802	
Drugs and Medical Supplies		12,108	
Other Supplies and Materials		4,687	
Health Equipment		3,103	
Total Health Services			\$ 135,525

Other Student Support

Career Ladder Program	\$	6,000	
Guidance Personnel		192,912	
Social Security		11,885	
State Retirement		12,194	
Life Insurance		167	
Medical Insurance		13,352	
Employer Medicare		2,780	
Contracts with Government Agencies		46,222	
Evaluation and Testing		21,288	
Travel		852	
Other Supplies and Materials		277	
Total Other Student Support			307,929

Regular Instruction Program

Supervisor/Director	\$	67,375	
Career Ladder Program		10,000	
Career Ladder Extended Contracts		9,520	
Librarians		127,865	
Materials Supervisor		31,182	
Instructional Computer Personnel		114,234	
Secretary(ies)		30,588	
Educational Assistants		30,588	
Other Salaries and Wages		28,713	
Social Security		26,348	
State Retirement		14,925	
Life Insurance		418	
Medical Insurance		68,876	
Local Retirement		3,296	

(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.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	6,162	
Communication		2,289	
Consultants		4,200	
Contracts with Other School Systems		30,000	
Travel		23,372	
Other Contracted Services		15,684	
Library Books/Media		25,999	
Other Supplies and Materials		21,019	
In Service/Staff Development		14,227	
Other Charges		3,149	
Other Equipment		35,857	
Total Regular Instruction Program			\$ 745,886

Special Education Program

Supervisor/Director	\$	70,469	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		4,760	
Clerical Personnel		15,294	
Social Security		5,373	
State Retirement		4,796	
Life Insurance		63	
Medical Insurance		12,850	
Employer Medicare		1,256	
Communication		448	
Travel		939	
Other Contracted Services		1,882	
Other Charges		2,186	
Other Equipment		1,599	
Total Special Education Program			124,915

Vocational Education Program

Clerical Personnel	\$	15,294	
Social Security		824	
Life Insurance		21	
Medical Insurance		4,283	
Employer Medicare		193	
Maintenance and Repair Services - Equipment		1,006	
Travel		10,601	
Other Supplies and Materials		6,150	

(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.)

Vocational Education Program (Cont.)

In Service/Staff Development	\$	1,137	
Other Charges		1,480	
Total Vocational Education Program			\$ 40,989

Board of Education

Secretary to Board	\$	2,116	
Board and Committee Members Fees		24,000	
Social Security		1,619	
Employer Medicare		379	
Audit Services		9,400	
Dues and Memberships		9,222	
Legal Services		30,598	
Travel		4,472	
Other Contracted Services		10,385	
Liability Insurance		53,285	
Premiums on Corporate Surety Bonds		4,050	
Trustee's Commission		137,782	
Workers' Compensation Insurance		164,434	
In Service/Staff Development		2,547	
Criminal Investigation of Applicants - TBI		4,992	
Other Charges		23,870	
Total Board of Education			483,151

Director of Schools

County Official/Administrative Officer	\$	129,784	
Career Ladder Program		1,000	
Secretary(ies)		30,588	
Social Security		7,845	
State Retirement		8,636	
Life Insurance		84	
Local Retirement		817	
Employer Medicare		2,489	
Other Fringe Benefits		10,102	
Communication		10,163	
Dues and Memberships		3,036	
Postal Charges		8,748	
Travel		7,012	
Other Contracted Services		60	
Office Supplies		6,349	

(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.)

Director of Schools (Cont.)

Other Charges	\$	6,189	
Administration Equipment		<u>4,058</u>	
Total Director of Schools	\$		236,960

Office of the Principal

Principals	\$	545,191	
Career Ladder Program		20,000	
Career Ladder Extended Contracts		23,800	
Assistant Principals		285,450	
Secretary(ies)		179,264	
Other Salaries and Wages		4,390	
Social Security		61,874	
State Retirement		53,604	
Life Insurance		772	
Medical Insurance		131,651	
Local Retirement		3,020	
Employer Medicare		14,470	
Communication		11,776	
Travel		22,640	
Other Contracted Services		24,278	
Office Supplies		10,201	
Other Equipment		<u>35,453</u>	
Total Office of the Principal			1,427,834

Fiscal Services

Accountants/Bookkeepers	\$	36,934	
Purchasing Personnel		49,620	
Clerical Personnel		31,182	
Other Salaries and Wages		31,182	
Social Security		8,755	
Life Insurance		167	
Medical Insurance		14,347	
Local Retirement		3,720	
Employer Medicare		2,047	
Dues and Memberships		400	
Maintenance and Repair Services - Equipment		3,788	
Travel		4,889	
Other Contracted Services		18,670	
Office Supplies		8,570	

(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 (Cont.)

Other Charges	\$ 1,919	
Administration Equipment	11,037	
Total Fiscal Services	\$ 227,227	\$ 227,227

Operation of Plant

Custodial Personnel	\$ 441,545	
Other Salaries and Wages	419	
Social Security	24,404	
Life Insurance	861	
Medical Insurance	87,830	
Unemployment Compensation	624	
Local Retirement	4,800	
Employer Medicare	5,707	
Pest Control	9,067	
Disposal Fees	38,141	
Other Contracted Services	115,611	
Custodial Supplies	62,071	
Electricity	632,726	
Natural Gas	172,139	
Water and Sewer	38,818	
Other Supplies and Materials	3,584	
Building and Contents Insurance	288,113	
Other Charges	2,989	
Plant Operation Equipment	14,386	
Total Operation of Plant	1,943,835	1,943,835

Maintenance of Plant

Supervisor/Director	\$ 49,620
Secretary(ies)	30,588
Other Salaries and Wages	282,367
Social Security	21,355
Life Insurance	418
Medical Insurance	43,668
Local Retirement	6,071
Employer Medicare	4,994
Communication	4,193
Maintenance and Repair Services - Buildings	144,779
Maintenance and Repair Services - Equipment	19,963
Other Contracted Services	117,723

(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.)

Equipment and Machinery Parts	\$	11,249	
Gasoline		20,667	
Other Supplies and Materials		157,496	
Other Charges		2,638	
Maintenance Equipment		32,971	
Total Maintenance of Plant			\$ 950,760

Operation of Non-Instructional Services

Food Service

Career Ladder Program	\$	1,000	
Social Security		62	
State Retirement		4,414	
Employer Medicare		14	
Food Supplies		7,716	
Total Food Service			13,206

Community Services

Supervisor/Director	\$	59,531	
Teachers		63,053	
Other Salaries and Wages		70,791	
Social Security		12,216	
State Retirement		4,861	
Life Insurance		125	
Medical Insurance		16,497	
Local Retirement		1,403	
Employer Medicare		2,857	
Communication		2,636	
Maintenance and Repair Services - Equipment		1,963	
Postal Charges		64	
Travel		11,222	
Other Contracted Services		21,236	
Other Supplies and Materials		38,765	
Other Charges		8,131	
Total Community Services			315,351

Early Childhood Education

Teachers	\$	254,075	
Educational Assistants		97,748	
Certified Substitute Teachers		24	

(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	\$	1,938	
Social Security		20,473	
State Retirement		15,570	
Life Insurance		508	
Medical Insurance		53,565	
Local Retirement		697	
Employer Medicare		4,788	
Maintenance and Repair Services - Equipment		149	
Travel		1,141	
Other Supplies and Materials		35,673	
Other Equipment		<u>775</u>	
Total Early Childhood Education	\$		487,124

Capital Outlay

Regular Capital Outlay

Architects	\$	5,078	
Building Construction		261,185	
Building Improvements		31,417	
Site Development		<u>8,497</u>	
Total Regular Capital Outlay			<u>306,177</u>

Total General Purpose School Fund \$ 20,536,888

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	164,938	
Educational Assistants		91,470	
Other Salaries and Wages		400	
Social Security		13,443	
State Retirement		9,680	
Life Insurance		458	
Medical Insurance		63,827	
Unemployment Compensation		307	
Local Retirement		982	
Employer Medicare		3,144	
Other Contracted Services		1,602	
Instructional Supplies and Materials		8,631	
Other Supplies and Materials		<u>1,209</u>	
Total Regular Instruction Program	\$		360,091

(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	\$	105,731	
Homebound Teachers		9,658	
Educational Assistants		233,075	
Other Salaries and Wages		675	
Certified Substitute Teachers		2,490	
Non-certified Substitute Teachers		12,144	
Social Security		20,546	
State Retirement		7,098	
Life Insurance		691	
Medical Insurance		85,319	
Unemployment Compensation		663	
Employer Medicare		4,805	
Other Fringe Benefits		2,278	
Contracts with Private Agencies		97,621	
Maintenance and Repair Services - Equipment		1,171	
Instructional Supplies and Materials		45,204	
Other Supplies and Materials		16,127	
Total Special Education Program			\$ 645,296

Vocational Education Program

Travel	\$	4,000	
Instructional Supplies and Materials		14,083	
Vocational Instruction Equipment		26,927	
Total Vocational Education Program			45,010

Support Services

Other Student Support

Other Salaries and Wages	\$	7,025	
Social Security		467	
State Retirement		462	
Unemployment Compensation		2	
Employer Medicare		108	
Travel		570	
Other Contracted Services		9,496	
In Service/Staff Development		1,250	
Total Other Student Support			19,380

Regular Instruction Program

Supervisor/Director	\$	40,270	
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(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.)

Other Salaries and Wages	\$	59,163	
Social Security		5,638	
State Retirement		6,095	
Life Insurance		76	
Medical Insurance		15,326	
Unemployment Compensation		106	
Employer Medicare		1,319	
Travel		2,692	
Other Contracted Services		230	
Library Books/Media		4,726	
Other Supplies and Materials		3,158	
In Service/Staff Development		21,188	
Other Charges		982	
Total Regular Instruction Program			\$ 160,969

Special Education Program

Psychological Personnel	\$	43,689	
Social Security		2,618	
State Retirement		2,678	
Life Insurance		42	
Medical Insurance		3,168	
Unemployment Compensation		28	
Employer Medicare		612	
Communication		1,570	
Travel		17,032	
Other Supplies and Materials		66	
In Service/Staff Development		15,953	
Total Special Education Program			87,456

Vocational Education Program

Travel	\$	2,661	
Total Vocational Education Program			2,661

Total School Federal Projects Fund \$ 1,320,863

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	71,094	
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(Continued)

Exhibit K-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Accountants/Bookkeepers	\$	25,372	
Cafeteria Personnel		596,824	
Other Salaries and Wages		20,253	
Social Security		41,526	
Life Insurance		1,569	
Medical Insurance		94,511	
Unemployment Compensation		17	
Local Retirement		4,348	
Employer Medicare		9,712	
Communication		5,329	
Data Processing Services		11,072	
Dues and Memberships		238	
Printing, Stationery, and Forms		540	
Transportation - Other than Students		4,703	
Travel		4,349	
Disposal Fees		3,200	
Permits		1,280	
Custodial Supplies		14,468	
Food Supplies		655,435	
Uniforms		695	
Other Supplies and Materials		68,008	
In Service/Staff Development		3,110	
Food Service Equipment		91,040	
Total Food Service			\$ 1,728,693

Total Central Cafeteria Fund \$ 1,728,693

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$	30,011	
Total Board of Education			\$ 30,011

Operation of Plant

Electricity	\$	10,282	
Natural Gas		4,352	
Water and Sewer		2,927	
Total Operation of Plant			17,561

(Continued)

Exhibit K-9

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

School Transportation Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	49,620	
Mechanic(s)		163,882	
Bus Drivers		674,483	
Clerical Personnel		30,588	
Other Salaries and Wages		13,053	
Social Security		56,802	
Life Insurance		2,177	
Medical Insurance		46,687	
Unemployment Compensation		7	
Local Retirement		5,872	
Employer Medicare		13,284	
Communication		4,852	
Maintenance and Repair Services - Vehicles		14,659	
Other Contracted Services		29,673	
Food Supplies		406	
Gasoline		222,503	
Lubricants		8,818	
Tires and Tubes		31,947	
Vehicle Parts		86,416	
Other Supplies and Materials		48,510	
Vehicle and Equipment Insurance		31,402	
Other Charges		4,595	
Transportation Equipment		560,406	
Total Transportation			\$ 2,100,642

Total School Transportation Fund \$ 2,148,214

Total Governmental Funds - Dyer County School Department \$ 25,734,658

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, 2007

	Cities - Sales Tax Fund	Cities - Property Tax Fund	City School ADA - Dyersburg Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 0	\$ 2,905,891	\$ 2,905,891
Trustee's Collections - Prior Years	0	0	108,634	108,634
Trustee's Collections - Bankruptcy	0	0	3,314	3,314
Circuit/Clerk and Master Collections - Prior Years	0	886	29,497	30,383
Interest and Penalty	0	172	20,044	20,216
Local Option Sales Tax	3,151,408	0	4,882,460	8,033,868
Wheel Tax	0	0	778,515	778,515
Interstate Telecommunications Tax	0	0	4,549	4,549
Marriage Licenses	0	0	1,630	1,630
Other Permits	0	0	278	278
Total Cash Receipts	\$ 3,151,408	\$ 1,058	\$ 8,734,812	\$ 11,887,278
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 3,119,894	\$ 1,037	\$ 8,625,358	\$ 11,746,289
Trustee's Commission	31,514	21	117,943	149,478
Total Cash Disbursements	\$ 3,151,408	\$ 1,058	\$ 8,743,301	\$ 11,895,767
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 0	\$ (8,489)	\$ (8,489)
Cash Balance, July 1, 2006	0	0	169,957	169,957
Cash Balance, June 30, 2007	\$ 0	\$ 0	\$ 161,468	\$ 161,468

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269

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

February 26, 2008

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

To the County Mayor and County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dyer County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Dyer County's basic financial statements and have issued our report thereon dated February 26, 2008. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the discretely presented Dyer County Emergency Communications District as described in our report on Dyer County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 07.01, 07.05, and 07.08.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Dyer County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dyer County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 07.02, 07.03, 07.04, and 07.06.

We consider item 07.07 described in the accompanying Schedule of Findings and Questioned Costs to be a noteworthy control deficiency over financial operations. We also noted certain matters that we reported to management of Dyer County in separate communications.

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

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan". The signature is written in a cursive style with a long horizontal flourish at the end.

John G. Morgan
Comptroller of the Treasury

JGM/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

February 26, 2008

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Dyer County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Dyer County's management. Our responsibility is to express an opinion on Dyer County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination on Dyer County's compliance with those requirements.

In our opinion, Dyer County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Dyer County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Dyer County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the county's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dyer County, Tennessee, as of and for the year ended June 30, 2007, and have issued our report thereon dated February 26, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Dyer County's 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan". The signature is written in a cursive style with a long horizontal flourish at the end.

John G. Morgan
Comptroller of the Treasury

JGM/yu

Dyer County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2007

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Food Donation (Noncash Assistance)	10.550	N/A	\$ 74,431
Passed-through State Department of Education:			
Nutrition Cluster:			
School Breakfast Program	10.553	N/A	248,358
National School Lunch Program	10.555	N/A	699,794
Passed-through State Department of Human Services:			
Summer Food Service Program for Children	10.559	(3)	114,926
Passed-through State Department of Health:			
Commodity Supplemental Food Program	10.565	(4)	42,674
Total U.S. Department of Agriculture			<u>\$ 1,180,183</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants - State's Program	14.228	GG-07-20546-00	\$ 32,150
Total U.S. Department of Housing and Urban Development			<u>\$ 32,150</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	Z-07-036525-00	\$ 9,000
Total U.S. Department of Justice			<u>\$ 9,000</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 376,456
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	775,753
Special Education - Preschool Grants	84.173	N/A	32,139
Vocational Education - Basic Grants to States	84.048	N/A	56,238
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	11,216
Twenty-First Century Community Learning Centers	84.287	(2)	164,305
State Grants for Innovative Programs	84.298	N/A	4,618
Education Technology State Grants	84.318	(2)	4,225
Improving Teacher Quality State Grants	84.367	N/A	133,940
Hurricane Education Recovery	84.938	(2)	7,020
Total U.S. Department of Education			<u>\$ 1,565,910</u>
Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(5)	\$ 237,595
Total Election Assistance Commission			<u>\$ 237,595</u>
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development Area on Aging:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	\$ 112,502
Passed-through Methodist LeBonheur Healthcare Community Outreach:			
Rural Health Care Services Outreach and Rural Health Network Development Program	93.912	GR-06-17611-08	11,989

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services (Cont.):			
Passed-through State Department of Health:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	GG-07-12524-00	\$ 80,000
Total U.S. Department of Health and Human Services			<u>\$ 204,491</u>
U.S. Corporation for National and Community Services:			
Direct Programs:			
Retired and Senior Volunteer Program	94.002	N/A	\$ 64,622
Total U.S. Corporation for National and Community Services			<u>\$ 64,622</u>
U.S. Department of of Homeland Security:			
Passed-through State Department of Military:			
State Domestic Preparedness Equipment Support Program	97.004	Z-04-022437-00	\$ 43,410
Public Assistance Grant	97.036	(6)	112,585
Emergency Management Performance Grants	97.042	(7)	10,401
Total U.S. Department of Homeland Security			<u>\$ 166,396</u>
Total Federal Grants			<u>\$ 3,460,347</u>

State Grants:		Contract Number	
Safe Schools Act of 2003 - State Department of Education	N/A	(2)	\$ 18,054
Family Resource Center - State Department of Education	N/A	(2)	66,600
HIV Prevention Education - State Department of Education	N/A	(2)	6,000
Pilot Pre-K Program - State Department of Education	N/A	(2)	195,000
Lottery Pre-K Program - State Department of Education	N/A	(2)	325,821
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	9,585
Drug Court Treatment Resources Fund Grant - State Department of Finance and Administration	N/A	Z-05-025529-00	26,360
Local Health Services - State Department of Health	N/A	Z-07-031564-00	8,282
Litter Program - State Department of Transportation	N/A	Z-07-033791-00	30,784
Total State Grants			<u>\$ 686,486</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) DA06000110: \$57,730; DA07000143: \$57,196
(4) GG0612129: \$10,674; GG0712846: \$32,000
(5) Z-06-032938-00: \$228,300; Z-07-037409-00: \$9,295
(6) Z-06-034032-00: \$111,789; 1464-DR-TN: \$796
(7) Z-0720597-00: \$10,261; Z-06-032834-00: \$140

Dyer County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2007

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, 2006, which have not been corrected.

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.01	178	The courthouse custodial services contract has not been bid since July 1, 2002

OFFICE OF ROAD SUPERVISOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.02	178	A county road list was not submitted to the County Commission for approval
06.03	179	The economic benefit derived from the use of employer provided vehicles was not calculated and reported on federal Forms W-2

OTHER FINDINGS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.07	181	A central system of accounting, budgeting, and purchasing had not been adopted
06.08	181	Duties were not segregated adequately in the Offices of Circuit and General Sessions Courts Clerk and Sheriff

DYER COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2007

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Dyer County is unqualified.
2. The audit of the financial statements of Dyer County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Dyer County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Title I Grants to Local Educational Agencies (CFDA No. 84.010, and the Special Education Cluster: the Special Education – Grants to States and the Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Dyer County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

OFFICE OF COUNTY MAYOR

FINDING 07.01 THE COURTHOUSE CUSTODIAL SERVICES CONTRACT HAS NOT BEEN BID SINCE JULY 1, 2002
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Dyer County contracted for courthouse cleaning services effective July 1, 2002, for \$50,228 per year. This contract has been automatically renewed each year and has no expiration date. Good business practice would dictate that contracts have expiration dates and periodically be bid to ensure that the county obtains the most competitive price available.

RECOMMENDATION

Service contracts should have expiration dates and should be competitively bid on a periodic basis.

FINDING 07.02 DYER COUNTY DID NOT REPORT FRINGE BENEFITS PROVIDED FOR THE COUNTY MAYOR TO THE INTERNAL REVENUE SERVICE
(Noncompliance Under Government Auditing Standards)

Dyer County did not report fringe benefits provided for the county mayor to the Internal Revenue Service (IRS). These fringe benefits were a monthly travel allowance of \$700. IRS regulations require an employer to report fringe benefits provided to an employee as income on the employee's Form W-2.

RECOMMENDATION

Fringe benefits provided to the county mayor should be reported on the employee's Form W-2 in compliance with IRS regulations.

OFFICE OF ROAD SUPERVISOR

FINDING 07.03 A COUNTY ROAD LIST WAS NOT SUBMITTED TO THE COUNTY COMMISSION FOR APPROVAL
(Noncompliance Under Government Auditing Standards)

A list of all county roads was not submitted to the County Commission for approval. Section 54-10-103, Tennessee Code Annotated, requires the road supervisor to submit a list of county roads to the County Commission for approval at the January session each year. This list must include the classification; width and distance of each county road maintained; and a summary of changes from the prior year that provides the road name, date the change was approved by the County Commission, and the reason for the change. Highway Department officials need a current, approved list of county roads to determine which roads the department is authorized to work.

RECOMMENDATION

The road supervisor should submit to the County Commission a list of county roads that includes the classification, width and distance of each road, and a summary of changes as required by state statute.

FINDING 07.04 THE ECONOMIC BENEFIT DERIVED FROM THE USE OF EMPLOYER PROVIDED VEHICLES WAS NOT CALCULATED AND REPORTED ON FEDERAL FORMS W-2
(Noncompliance Under Government Auditing Standards)

The road supervisor and one Highway Department employee used department vehicles to commute to and from work. The economic benefit derived by these two employees from using department vehicles to commute to and from work was not calculated and reported to the federal government on their Forms W-2 as required by Internal Revenue Service (IRS) regulations.

RECOMMENDATION

The personal benefit received by these employees from using county vehicles to commute to and from work should be calculated and included on their Forms W-2 as required by IRS regulations.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURT CLERK

FINDING 07.05 **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The following weaknesses regarding computer system backup procedures in the office were identified:

- A. System backups were not stored off-site. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process.
- B. A backup log was not maintained. If system backups are not labeled and inventoried systematically, discrepancies may occur and affect the integrity of system backups in the event of a hardware or software failure.

RECOMMENDATION

Backups should be rotated off-site on a weekly basis. Some possibilities for an off-site storage location would be another county office building with a fireproof vault or a safe deposit box at a local bank. Furthermore, a current log of all backups that includes label descriptions, date of creation, contents, and storage location should be maintained.

OFFICE OF SHERIFF

FINDING 07.06 **COLLECTIONS WERE NOT DEPOSITED WITHIN THREE DAYS**
(Noncompliance Under Government Auditing Standards)

In some instances, collections were not deposited to the office bank account within three days of collection as required by Section 5-8-207, Tennessee Code Annotated.

RECOMMENDATION

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

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 07.07 **A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAD NOT BEEN ADOPTED**
(Internal Control – Control Deficiency Under Government Auditing Standards)

County officials had not adopted a central system of accounting, budgeting, and purchasing. Establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes.

RECOMMENDATION

County officials should consider adopting 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.

FINDING 07.08 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND SHERIFF**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Offices of Circuit and General Sessions Courts Clerk and Sheriff. Employees responsible for maintaining the accounting records in each of these offices were also involved in receipting, preparing bank deposits, depositing funds, preparing daily reconciliations of cash receipts, and/or reconciling monthly bank statements. We realize that due to limited resources and personnel, management may not be able to properly segregate duties among employees. However, our professional standards require that we bring this matter to the reader's attention in this report.

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

There were no findings and questioned costs for federal awards.

DYER COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2007

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