ANNUAL FINANCIAL REPORT
DYER COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2009

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ANNUAL FINANCIAL REPORT

DYER COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2009

DEPARTMENT OF AUDIT
JUSTIN P. WILSON
Comptroller of the Treasury

DIVISION OF COUNTY AUDIT
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Audit Highlights

Annual Financial Report
Dyer County, Tennessee
For the Year Ended June 30, 2009

Scope

We have audited the basic financial statements of Dyer County as of and for the year ended June 30, 2009.

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements do not include one component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

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

Findings

The following are summaries of the audit findings:

DYER COUNTY AND DYER COUNTY SCHOOL DEPARTMENT

- Dyer County and the Dyer County School Department do not have the resources to produce financial statements and notes to the financial statements.

OFFICE OF COUNTY MAYOR

- The HUD Grants Projects Fund had a cash overdraft of $60,434 at June 30, 2009.
- Competitive bids have not been solicited for a custodial services contract since July 1, 2002.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- Unclaimed funds (numerous old outstanding checks) were not reported and paid to the state.

OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND CLERK AND MASTER

- Computer system backups were not stored off-site on a regular basis, and backup logs were not maintained.

OFFICE OF SHERIFF

- Computer system backups were not stored off-site until several months into the fiscal year.

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 Road Supervisor, Circuit and General Sessions Courts Clerk, and Sheriff.

Introductory Section

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Dyer County Officials
June 30, 2009

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
David Agee
Alan Burchfiel
Bill Cloar
Connie Evans
John Flatt
Debbie Bradshaw Hart
Ralph Henson
Jimmy Hester
Larry Maupin
Terry McCreight
Steve Moore
Tom Reasons
Kyle Reynolds
Al Seward
Benny Spain
John Uitendaal
Steve Walker
Jimmy Wells
Adam Williams

Board of Education

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

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Financial Section

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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INDEPENDENT AUDITOR'S REPORT

December 7, 2009

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, 2009, 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 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 provides a reasonable basis for our opinions.

The financial statements of the Dyer County Emergency Communications District, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the Dyer County Emergency Communications District, which should be included to conform with

accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Dyer County Emergency Communications District as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate discretely presented component units of Dyer County, Tennessee, at June 30, 2009, and the results of operations of the aggregate discretely presented component units, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Dyer County, Tennessee, as of June 30, 2009, 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 December 7, 2009, 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.

As described in Note V.B., Dyer County has implemented the provisions of Governmental Accounting Standards Board Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

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, pension, and other postemployment benefits information on pages 77 through 83 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 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,

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

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Basic Financial Statements

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Exhibit A

Dyer County, Tennessee
Statement of Net Assets
June 30, 2009

	Primary Government Governmental Activities	Component Unit Dyer County School Department
ASSETS		
Cash	$ 1,182	$ 0
Equity in Pooled Cash and Investments	24,251,453	4,787,864
Accounts Receivable	36,371	2,812
Due from Other Governments	846,731	855,593
Property Taxes Receivable	7,681,713	4,753,218
Allowance for Uncollectible Property Taxes	(100,453)	(62,188)
Accrued Interest Receivable	107,476	6,645
Deferred Charges - Debt Issuance Costs	529,635	0
Notes Receivable - Long-term	2,636,524	0
Capital Assets:		
Assets Not Depreciated:		
Land	3,554,709	1,042,322
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	9,734,567	28,326,461
Infrastructure	6,156,659	0
Other Capital Assets	3,019,447	2,333,948
Total Assets	$ 58,456,014	$ 42,046,675
LIABILITIES		
Accounts Payable	$ 26,455	$ 145,022
Accrued Payroll	2,684	29,889
Payroll Deductions Payable	458	611,330
Cash Overdraft	60,434	0
Accrued Interest Payable	83,644	0
Deferred Revenue - Current Property Taxes	7,254,661	4,488,729
Noncurrent Liabilities:		
Due Within One Year	410,719	4,987
Due in More Than One Year (net of deferred amount on refunding and unamortized discount on debt)	37,649,833	1,874,131
Total Liabilities	$ 45,488,888	$ 7,154,088
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	$ 14,128,551	$ 0
Invested in Capital Assets	0	31,702,731
Restricted for:		
Long-term Notes Receivable	2,636,524	0
Highway/Public Works	2,141,390	0
Central Cafeteria	0	394,696
School Transportation	0	623,664
Debt Service	5,066,694	0
Workers' Compensation	726,160	0
Other Purposes	186,326	77,327
Unrestricted	(11,918,519)	2,094,169
Total Net Assets	$ 12,967,126	$ 34,892,587

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, 2009

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Unit: Dyer County School Department
Primary Government:						
Governmental Activities:						
General Government	$ 1,531,755	$ 268,745	$ 10,817	$ 0	$ (1,252,193)	$ 0
Finance	1,090,312	900,067	13,689	0	(176,556)	0
Administration of Justice	1,224,543	739,320	9,000	0	(476,223)	0
Public Safety	4,607,078	1,395,115	85,214	46,127	(3,080,622)	0
Public Health and Welfare	1,041,948	17,530	277,734	425,603	(321,081)	0
Social, Cultural, and Recreational Services	717,599	51,996	254,642	0	(410,961)	0
Agriculture and Natural Resources	196,996	8,565	0	0	(188,431)	0
Other Operations	198,823	3,000	0	0	(195,823)	0
Highways	4,250,837	740	1,942,590	15,044	(2,292,463)	0
Education	106,100	149,161	0	0	43,061	0
Interest on Long-term Debt	1,915,232	0	0	0	(1,915,232)	0
Other Debt Service	83,243	0	0	0	(83,243)	0
Total Primary Government	$ 16,964,466	$ 3,534,239	$ 2,593,686	$ 486,774	$ (10,349,767)	$ 0
Component Unit:						
Dyer County School Department	$ 29,985,791	$ 834,527	$ 3,972,664	$ 0	$ 0	$ (25,178,600)
Total Component Unit	$ 29,985,791	$ 834,527	$ 3,972,664	$ 0	$ 0	$ (25,178,600)

(Continued)

Exhibit B

Dyer County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government Total Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Unit Dyer County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					$ 6,745,497	$ 4,503,918
Property Taxes Levied for Debt Service					525,624	0
Local Option Sales Taxes					79,369	2,974,915
Wheel Tax					0	1,065,222
Litigation Tax					306,424	0
Business Tax					317,806	0
Wholesale Beer Tax					89,847	0
Other Local Taxes					0	3,271
Grants and Contributions Not Restricted to Specific Programs					1,299,947	15,455,449
Unrestricted Investment Income					1,210,337	162,514
Miscellaneous					53,366	73,705
Gain on Disposal of Capital Assets					101,089	0
Total General Revenues					$ 10,729,306	$ 24,238,994
Change in Net Assets					$ 379,539	$ (939,606)
Net Assets, July 1, 2008					12,587,587	35,832,193
Net Assets, June 30, 2009					$ 12,967,126	$ 34,892,587

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, 2009

	Major Funds				Nonmajor Funds	
	General	Special Purpose	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS						
Cash	$ 0	$ 0	$ 0	$ 0	$ 1,182	$ 1,182
Equity in Pooled Cash and Investments	1,081,403	15,853,979	1,737,818	4,699,300	141,810	23,514,310
Accounts Receivable	31,900	0	803	243	3,425	36,371
Due from Other Governments	424,955	0	314,536	46,738	60,502	846,731
Due from Other Funds	1,182	0	10,983	0	0	12,165
Property Taxes Receivable	5,316,438	0	1,827,299	537,976	0	7,681,713
Allowance for Uncollectible Property Taxes	(69,530)	0	(23,898)	(7,025)	0	(100,453)
Accrued Interest Receivable	0	0	0	107,476	0	107,476
Notes Receivable - Long-term	0	2,636,524	0	0	0	2,636,524
Total Assets	$ 6,786,348	$ 18,490,503	$ 3,867,541	$ 5,384,708	$ 206,919	$ 34,736,019
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	$ 26,455	$ 0	$ 0	$ 0	$ 0	$ 26,455
Accrued Payroll	2,684	0	0	0	0	2,684
Payroll Deductions Payable	0	0	458	0	0	458
Cash Overdraft	0	0	0	0	60,434	60,434
Due to Other Funds	0	0	0	0	1,182	1,182
Deferred Revenue - Current Property Taxes	5,020,823	0	1,725,693	508,145	0	7,254,661
Deferred Revenue - Delinquent Property Taxes	194,956	0	67,009	19,666	0	281,631
Other Deferred Revenues	187,742	0	146,472	6,000	0	340,214
Total Liabilities	$ 5,432,660	$ 0	$ 1,939,632	$ 533,811	$ 61,616	$ 7,967,719
Fund Balances						
Reserved for Alcohol and Drug Treatment	$ 34,962	$ 0	$ 0	$ 0	$ 0	$ 34,962
Reserved for Sexual Offender Registration	3,195	0	0	0	0	3,195
Reserved for Automation Purposes - County Clerk	2,866	0	0	0	0	2,866
Reserved for Long-term Notes Receivable	0	2,636,524	0	0	0	2,636,524

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Special Purpose	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Govern-mental Funds
LIABILITIES AND FUND BALANCES (Cont.)						
Fund Balances (Cont.)						
Unreserved, Reported In:						
General Fund	$ 1,312,665	$ 0	$ 0	$ 0	$ 0	$ 1,312,665
Special Revenue Funds	0	15,853,979	1,927,909	0	145,303	17,927,191
Debt Service Funds	0	0	0	4,850,897	0	4,850,897
Total Fund Balances	$ 1,353,688	$ 18,490,503	$ 1,927,909	$ 4,850,897	$ 145,303	$ 26,768,300
Total Liabilities and Fund Balances	$ 6,786,348	$ 18,490,503	$ 3,867,541	$ 5,384,708	$ 206,919	$ 34,736,019

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, 2009

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)		$ 26,768,300
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 3,554,709	
Add: buildings and improvements net of accumulated depreciation	9,734,567	
Add: infrastructure net of accumulated depreciation	6,156,659	
Add: other capital assets net of accumulated depreciation	3,019,447	22,465,382
(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.		726,160
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	$ (118,751)	
Less: capital leases payable	(384,480)	
Less: other loans payable	(10,000,000)	
Less: bonds payable	(27,880,000)	
Add: deferred amount on unamortized debt discount	51,761	
Add: deferred amount on refunding	270,918	
Add: deferred charges - debt issuance costs	529,635	
Less: accrued interest on notes, capital leases, and bonds	(83,644)	(37,614,561)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		621,845
Net assets of governmental activities (Exhibit A)		$ 12,967,126

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, 2009

	Major Funds				Nonmajor Funds	
	General	Special Purpose	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Revenues						
Local Taxes	$ 5,726,043	$ 0	$ 1,728,442	$ 1,714,477	$ 2,909	$ 9,171,871
Licenses and Permits	132,263	0	10,983	0	0	143,246
Fines, Forfeitures, and Penalties	101,821	0	0	0	53,772	155,593
Charges for Current Services	62,642	0	0	0	3,279	65,921
Other Local Revenues	202,288	0	39,813	1,141,187	5,362	1,388,650
Fees Received from County Officials	1,632,554	0	0	0	0	1,632,554
State of Tennessee	1,710,702	0	1,835,433	0	31,059	3,577,194
Federal Government	248,369	0	133,411	0	425,603	807,383
Other Governments and Citizens Groups	31,742	0	0	0	0	31,742
Total Revenues	$ 9,848,424	$ 0	$ 3,748,082	$ 2,855,664	$ 521,984	$ 16,974,154
Expenditures						
Current:						
General Government	$ 1,654,809	$ 0	$ 0	$ 0	$ 0	$ 1,654,809
Finance	1,087,747	0	0	0	669	1,088,416
Administration of Justice	1,197,000	0	0	0	24,193	1,221,193
Public Safety	4,276,421	0	0	0	15,867	4,292,288
Public Health and Welfare	481,668	0	0	0	100,567	582,235
Social, Cultural, and Recreational Services	678,593	0	0	0	0	678,593
Agriculture and Natural Resources	196,146	0	0	0	0	196,146
Other Operations	198,824	0	0	0	0	198,824
Highways	0	0	4,453,605	0	0	4,453,605
Debt Service:						
Principal on Debt	108,168	0	175,339	955,000	0	1,238,507
Interest on Debt	9,408	0	16,165	1,896,115	0	1,921,688
Other Debt Service	0	0	0	505,936	0	505,936
Capital Projects	0	0	0	0	425,603	425,603
Total Expenditures	$ 9,888,784	$ 0	$ 4,645,109	$ 3,357,051	$ 566,899	$ 18,457,843
Excess (Deficiency) of Revenues Over Expenditures	$ (40,360)	$ 0	$ (897,027)	$ (501,387)	$ (44,915)	$ (1,483,689)

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Special Purpose	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Other Financing Sources (Uses)						
Capital Leases Issued	$ 81,877	$ 0	$ 0	$ 0	$ 0	$ 81,877
Refunding Debt Issued	0	0	0	19,910,000	0	19,910,000
Proceeds from Sale of Capital Assets	0	0	522,500	0	0	522,500
Transfers In	0	0	0	0	67,533	67,533
Transfers Out	(67,533)	0	0	0	0	(67,533)
Discounts on Debt Issued	0	0	0	(13,395)	0	(13,395)
Payments to Refunded Debt Escrow Agent	0	0	0	(19,462,371)	0	(19,462,371)
Total Other Financing Sources (Uses)	$ 14,344	$ 0	$ 522,500	$ 434,234	$ 67,533	$ 1,038,611
Net Change in Fund Balances	$ (26,016)	$ 0	$ (374,527)	$ (67,153)	$ 22,618	$ (445,078)
Fund Balance, July 1, 2008	1,379,704	18,490,503	2,302,436	4,918,050	122,685	27,213,378
Fund Balance, June 30, 2009	$ 1,353,688	$ 18,490,503	$ 1,927,909	$ 4,850,897	$ 145,303	$ 26,768,300

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, 2009

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)		$ (445,078)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	$ 1,395,659	
Less: current year depreciation expense	(1,485,239)	(89,580)
(2) The net effect of various miscellaneous transactions involving capital assets (donations) is to decrease net assets.		
Less: Proceeds received from the disposal of capital assets		(421,411)
(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, 2009	$ 621,845	
Less: deferred delinquent property taxes and other deferred June 30, 2008	(502,244)	119,601
(4) The issuance of long-term debt (e.g. capital leases, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net 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	$ (81,877)	
Less: bond proceeds	(19,910,000)	
Add: change in deferred debt issuance costs	422,693	
Add: change in discount on debt issuances	9,789	
Less: change in deferred amount on refunding debt	(23,826)	
Add: payment to refunding agent	19,462,371	
Add: principal payments on notes	39,583	
Add: principal payments on capital leases	243,924	
Add: principal payments on other loans	725,000	
Add: principal payments on bonds	230,000	1,117,657

(Continued)

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 (Cont.)

(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	$	33,888
(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.		64,462
Change in net assets of governmental activities (Exhibit B)	$	379,539

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, 2009

	Governmental Activities - Internal Service Fund
	Workers' Compensation
ASSETS	
Current Assets:	
Equity in Pooled Cash and Investments	$ 721,670
Due From Other Funds	4,490
Total Assets	$ 726,160
NET ASSETS	
Unrestricted	$ 726,160
Total Net Assets	$ 726,160

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, 2009

	Governmental Activities - Internal Service Fund
	Workers' Compensation
Operating Revenues	
Self-Insurance Premiums	$ 288,231
Total Operating Revenues	$ 288,231
Operating Expenses	
Workers' Compensation Insurance	$ 144,868
Other Self-Insured Claims	78,901
Total Operating Expenses	$ 223,769
Operating Income (Loss)	$ 64,462
Change in Net Assets	$ 64,462
Net Assets, July 1, 2008	661,698
Net Assets, June 30, 2009	$ 726,160

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, 2009

	Governmental Activities - Internal Service Fund
	Workers' Compensation
Cash Flows from Operating Activities	
Receipts from Self-insurance Premiums	$ 283,741
Payments for Claims	(78,901)
Payments for Workers' Compensation Insurance	(144,868)
Net Cash Provided By (Used In) Operating Activities	$ 59,972
Net Increase (Decrease) in Cash	$ 59,972
Cash, July 1, 2008	661,698
Cash, June 30, 2009	$ 721,670
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	$ 64,462
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Change in Assets:	
(Increase) Decrease in Due From Other Funds	(4,490)
Net Cash Provided By (Used In) Operating Activities	$ 59,972

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, 2009

	Agency Funds
ASSETS	
Cash	$ 2,815,745
Equity in Pooled Cash and Investments	351,760
Accounts Receivable	1,534
Due from Other Governments	1,248,124
Property Taxes Receivable	3,119,494
Allowance for Uncollectible Property Taxes	(40,810)
Total Assets	$ 7,495,847
LIABILITIES	
Due to Other Taxing Units	$ 4,680,102
Due to Litigants, Heirs, and Others	2,815,745
Total Liabilities	$ 7,495,847

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, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The following are the more significant accounting policies of Dyer County:

A. Reporting Entity

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

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

The Dyer County School Department operates the public school system in the county, and the voters of Dyer County elect its board. The School Department is fiscally dependent on the county because it may not issue debt 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 financial statements of the Dyer County Emergency Communications District were not available from other auditors in time for inclusion in this report.

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

inclusion, as previously mentioned. Complete financial statements of the Dyer County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Dyer County Emergency Communications District
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 fund and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Dyer County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, 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 funds financial statements are reported using the economic resources measurement focus (except for agency funds, which have no measurement focus) and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Dyer County reports the following major governmental funds:

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

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 Fund – The HUD Grant Projects Fund is used to account for a Community Development Block Grant for sewer improvements in a local community.

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Dyer County, the city school system's share of educational revenues, 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; deposit accounts at state and federal chartered banks and savings and

loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Dyer County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net 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 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. <u>Receivables and Payables</u>

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

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

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

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

Assets	Years
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 and other postemployment benefits, 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, 2009, Dyer County had $29,910,000 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.

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

A. 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 fund, which adopts project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be

sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the 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 County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Cash Overdraft

The HUD Grant Projects Fund had a cash overdraft of $60,434 at June 30, 2009. This cash overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2009.

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; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state 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, 2009, 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	12-11-12	$ 994,360
Federal Home Loan Bank Board	2-25-10	1,029,690
Federal Home Loan Bank Board	3-29-10	515,000
Federal Home Loan Bank Board	3-29-10	669,500
Federal Home Loan Bank Board	9-9-11	1,069,060
Federal Home Loan Bank Board	12-22-11	510,155
Federal Home Loan Bank Board	10-1-12	1,032,500
Federal Home Loan Bank Board	12-13-17	2,065,000
Federal Home Loan Bank Board	11-13-12	1,625,008
Federal Home Loan Bank Board	4-14-11	1,035,630
Federal Home Loan Bank Board	10-14-11	1,041,560
Federal Home Loan Bank Board	6-10-13	617,628
Federal Home Loan Bank Board	8-8-11	1,004,380
Total		$ 13,209,471

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 it 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 Home Loan Bank Board and Federal Home Loan Mortgage Corporation 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 Home Loan Bank Board and Federal Home Loan Mortgage Corporation 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 Home Loan Bank Board (92.47%), and Federal Home Loan Mortgage Corporation (7.53%). These investments are 100 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 ($2,636,524) for industrial purposes and are offset by a reservation of fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2009, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	$ 3,554,709	$ 0	$ 0	$ 3,554,709
Total Capital Assets Not Depreciated	$ 3,554,709	$ 0	$ 0	$ 3,554,709
Capital Assets Depreciated:				
Buildings and Improvements	$ 11,871,758	$ 0	$ 0	$ 11,871,758
Infrastructure	16,330,779	523,117	0	16,853,896
Other Capital Assets	6,492,558	872,542	690,002	6,675,098
Total Capital Assets Depreciated	$ 34,695,095	$ 1,395,659	$ 690,002	$ 35,400,752
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 1,902,757	$ 234,434	$ 0	$ 2,137,191
Infrastructure	10,005,079	692,158	0	10,697,237
Other Capital Assets	3,365,595	558,647	268,591	3,655,651
Total Accumulated Depreciation	$ 15,273,431	$ 1,485,239	$ 268,591	$ 16,490,079
Total Capital Assets Depreciated, Net	$ 19,421,664	$ (89,580)	$ 421,411	$ 18,910,673
Governmental Activities Capital Assets, Net	$ 22,976,373	$ (89,580)	$ 421,411	$ 22,465,382

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		301,673
Public Health and Welfare		32,614
Social, Cultural, and Recreational Services		21,806
Agriculture and Natural Resources		675
Highways		1,103,392
Total Depreciation Expense - Governmental Activities	$	1,485,239

Discretely Presented Dyer County School Department

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	$ 791,268	$ 251,054	$ 0	$ 1,042,322
Total Capital Assets Not Depreciated	$ 791,268	$ 251,054	$ 0	$ 1,042,322
Capital Assets Depreciated				
Buildings and Improvements	$ 36,563,693	$ 108,440	$ 0	$ 36,672,133
Other Capital Assets	5,290,833	329,139	458,898	5,161,074
Total Capital Assets Depreciated	$ 41,854,526	$ 437,579	$ 458,898	$ 41,833,207
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 7,619,516	$ 726,156	$ 0	$ 8,345,672
Other Capital Assets	2,929,586	348,264	450,724	2,827,126
Total Accumulated Depreciation	$ 10,549,102	$ 1,074,420	$ 450,724	$ 11,172,798
Total Capital Assets Depreciated, Net	$ 31,305,424	$ (636,841)	$ 8,174	$ 30,660,409
Governmental Activities Capital Assets, Net	$ 32,096,692	$ (385,787)	$ 8,174	$ 31,702,731

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

Governmental Activities:

Instruction	$ 636,994
Support Services	381,654
Operation of Non-Instructional Services	55,772
Total Depreciation Expense - Governmental Activities	$ 1,074,420

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2009, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 1,182
Highway/Public Works	General	10,983
Internal Service	Highway/Public Works	4,490
Discretely Presented		
Dyer County School Department:		
General Purpose School	Nonmajor governmental	23,810

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.

The receivable in the Highway/Public Works Fund ($10,983) was in transit from the General Fund, and the receivable in the Internal Service Fund ($4,490) was in transit from the Highway/Public Works Fund at June 30, 2009.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2009, consisted of the following amounts:

Primary Government

Transfer Out	Transfer In Nonmajor Governmental Fund
General Fund	$ 67,533

Discretely Presented Dyer County School Department

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental fund	$ 20,041

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, 2009, are as follows:

Description	Date of Lease	Last Maturity Date	Total Payments	Interest Rate
Dump Trucks	3-12-07	4-20-12	$ 457,197	4.39 %
Sheriff's Patrol Cars	8-22-07	8-22-09	65,774	4.64
Sheriff's Patrol Cars	4-6-09	4-7-11	84,041	2.66

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, 2009, were as follows:

Year Ending June 30	Governmental Funds
2010	$ 101,378
2011	79,453
2012	238,579
Total Minimum Lease Payments	$ 419,410
Less: Amount Representing Interest	(34,930)
Present Value of Minimum Lease Payments	$ 384,480

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, six 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, 2009, will be retired from the General and General Debt Service funds.

General obligation bonds, capital outlay notes, other loans, and capital leases outstanding as of June 30, 2009, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation Bonds	3.4 to 4.95 %	$ 8,500,000	$ 250,000
General Obligation Bonds – Refunding	3 to 4.45	7,980,000	7,720,000
School Refunding Bonds	2 to 4.1	19,910,000	19,910,000
Capital Outlay Notes	4.15	237,500	118,751
Other Loans	Variable	10,000,000	10,000,000
Capital Leases	2.66 to 4.64	535,339	384,480

Dyer County entered into a variable rate loan agreement with the Sevier County Public Building Authority on July 15, 1999, for $10,000,000. The loan agreement was funded from bond proceeds of the authority's Local Government Public Improvement Bonds, Series 1999 III-G-1 issued at a variable rate. The loan agreement was payable any time at the redemption price of par plus accrued interest.

The variable rate loan agreement was insured by Ambac Assurance Corporation. A standby bond purchase agreement (SBPA) was issued by Helaba Landesbank Hessen-Thuringen Bank currently referred to as Helaba Bank. The credit rating of Ambac Assurance Corporation was downgraded from AAA/Aaa to non-investment grade in early 2009 providing for the variable rate to increase to prime or 3.25 percent. The credit rating downgrade also created an option for Helaba Bank to terminate the SBPA and require the authority's bonds to become bank bonds (owned by Helaba Bank) with a required acceleration of principal payments over 20 quarters or five years, at the maximum lawful rate (prime rate plus 4 percent or 7.25 percent as of June 30, 2009).

Due to the uncertainty and complexity of the loan agreement, Dyer County approved a refunding bond resolution on March 10, 2009, to issue fixed interest rate bonds and defease the variable rate obligations. On July 28, 2009, Dyer County issued its $10,330,000 General Obligation Bonds, Series 2009 B at an average true interest cost rate of 3.8 percent with a final maturity of 2026. The proceeds from this issue were used to defease the 1999 Series III-G-1 loan agreement.

Dyer County entered into a second variable rate agreement with the Sevier County Public Building Authority on January 1, 2000, for $21,000,000. The loan agreement was funded from bond proceeds of the authority's Local Government Public Improvement Bonds, Series 2000 IV-B-1 issued at a variable rate. The loan agreement was payable any time at the redemption price of par plus accrued interest. The variable rate loan agreement was insured by Financial Security Assurance, Inc. (FSA). A standby bond purchase agreement was issued by Morgan Guaranty Trust Company of New York currently referred to as JP Morgan Bank. The credit rating of FSA was downgraded to AA/Aa. In November 2008, JP Morgan Bank notified Dyer County that the SBPA would not be renewed for its variable rate obligations. The variable rate was increased to prime for 90 days and thereafter to a maximum lawful rate of prime plus 4 percent, or 7.25 percent as of June 30, 2009. The principal payments were also accelerated beginning June 1, 2009, to 28 quarters or seven years.

Due to the additional burden on the fiscal year budget, uncertainty, and complexity of this variable rate program, Dyer County issued $19,910,000 in General Obligation Bonds, Series 2009 A, dated June 4, 2009, at an average true interest cost rate of 3.814 percent with a final maturity of June 1, 2026, and used the proceeds to defease the Series 2000 IV-B-1.

The annual requirements to amortize the bonds, notes, and other loans outstanding as of June 30, 2009, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	$ 285,000	$ 1,031,941	$ 1,316,941
2011	285,000	1,025,653	1,310,653
2012	1,235,000	1,015,677	2,250,677
2013	1,230,000	985,952	2,215,952
2014	1,230,000	947,238	2,177,238
2015-2019	6,830,000	4,112,737	10,942,737
2020-2024	10,590,000	2,711,321	13,301,321
2025-2026	6,195,000	389,460	6,584,460
Total	$ 27,880,000	$ 12,219,979	$ 40,099,979

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	$ 39,583	$ 4,928	$ 44,511
2011	39,584	3,285	42,869
2012	39,584	1,643	41,227
Total	$ 118,751	$ 9,856	$ 128,607

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2010	$ 0	$ 500,000	$ 50,593	$ 550,593
2011	0	500,000	50,593	550,593
2012	0	500,000	50,593	550,593
2013	0	500,000	50,593	550,593
2014	0	500,000	50,593	550,593
2015-2019	0	2,500,000	252,965	2,752,965
2020-2024	10,000,000	1,780,250	180,136	11,960,386
Total	$ 10,000,000	$ 6,780,250	$ 686,066	$ 17,466,316

There is $4,850,897 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled $748, based on the 2000 federal census. Debt per capita, including notes, capital leases, other loans, and bonds totaled $1,030, based on the 2000 federal census.

Swap Agreements

Upon the advice of its financial advisor, Dyer County entered into an interest rate swap agreement with Ambac Financial Services, LP on January 15, 2002, for all of its $10,000,000 outstanding 1999 Series III-G-1 bonds issued through the Sevier County Public Building Authority.

Upon the advice of its financial advisor, on January 23, 2002, the county entered into a second interest rate swap agreement with Ambac Financial Services, LP for $6,220,000 of the 2000 Series IV-B-1 bonds issued through the authority.

The county is currently evaluating issues related to enforceability and termination of the swaps.

Objective of the interest rate swap. According to the financial advisor, the swap would protect against the potential of rising interest rates, balance the county's mixture of variable and fixed rate debt, and effectively convert the county's variable interest rate on the bonds to a synthetic fixed rate. Recently, it has become apparent that, in fact, the swaps do not protect the county from variations in interest rates.

Terms. Under the Series III-G-1 interest rate swap, the county pays the counterparty a fixed payment at a rate of 4.245 percent and receives a variable payment based on a computed rate of 63.6 percent of the five-year constant maturity swap London Interbank Offered Rate (LIBOR) rate that was 1.85076 percent as of June 30, 2009. The interest rate agreement is based on the same amortization schedule as the outstanding principal of the Series III-G-1 as originally issued on July 15, 1999. The original issue of bonds and the related swap agreement mature on June 1, 2024. As of June 30, 2009, rates were as follows:

	Terms	Rates
Interest rate swap for Series III-G-1:		
Notional amount	$10,000,000	
Fixed payment to counterparty	Fixed	4.24500 %
Variable payment from counterparty	63.6% of LIBOR	-1.85076
Net interest rate swap payments		2.39424 %
Average fixed-rate 2009 bond payments		3.80000
Synthetic interest rate on bonds		6.19424 %

The county entered into an interest rate swap for Series IV-B-1 with the county paying the counterparty a fixed payment rate of 4.21 percent and receives a variable payment based on a computed rate of 63.6 percent of the five year constant maturity swap LIBOR rate that was 1.8608 percent as of June 30, 2009. The interest rate agreement is based on the same amortization schedule as the outstanding principal of the Series IV-B-1 as

originally issued on January 1, 2000. The original issue of bonds and the related swap agreement mature on June 1, 2020. As of June 30, 2009, the rates were as follows:

	Terms	Rates
Interest rate swap for Series IV-B-1:		
Notional amount	$6,220,000	
Fixed payment to counterparty	Fixed	4.2100 %
Variable payment from counterparty	63.6% of LIBOR	-1.8508
Net interest rate swap payments		2.3592 %
Average fixed-rate 2009 bond payments		3.8140
Synthetic interest rate on bonds		6.1732 %

Value of swap. As of June 30, 2009, according to Ambac Financial Services, LP and the swap documents for the Series III-G-1, the swap termination value of $1,322,536 represented a positive value to Ambac and a negative value to the county. The value model calculates future cash flows by projecting forward rates and then discounts those cash flows at their present value.

For the Series IV-B-1 according to Ambac Financial Services, LP and the swap documents, the swap termination value of $663,505 represented a positive value to Ambac and a negative value to the county. The same value calculation model applies to this swap.

Credit risk. The credit risks of the interest rate swaps are all associated with Ambac Financial Group, Inc. (parent holding company) that owns Ambac Assurance Corporation (insurance operating company) as a subsidiary. Ambac Assurance Corporation owns Ambac Financial Services LLC (swap dealer) according to a recent credit rating report of Ambac.

According to the swap documents, Ambac Assurance Corporation has insured the swap payments for both parties to the swap contracts. Those parties are Dyer County and Ambac Financial Services, LLC.

Basis risk. Since the county has issued fixed rate bonds and eliminated all of the variable rate obligations as of July 28, 2009, the basis risks have been eliminated with issuance of fixed interest bonds.

Termination risk. The derivative contract uses the International Swap Dealers Association Master Agreement as a contract between Ambac Financial Services, LP, the Sevier County Public Building Authority, and Dyer County, which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the master agreement includes an "additional termination provision." The county or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If at the time of termination the swap has a negative fair value, the

county would be liable to the counterparty for a payment equal to the swap's future value or as may be negotiated between the parties. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the county for a payment equal to the swap's fair value. The termination value of the interest rate swap fluctuates in accordance with the corresponding London Interbank Offering Rate. In the event a swap is terminated as a result of a termination event, such as a default or a decrease in credit rating of either the counterparty or the county, the county will evaluate whether it is financially advantageous to alternatively make or receive a termination payment. This risk is mitigated by the county's ability to replace the swaps or fund the termination payments, if any, in the event one or more outstanding swaps are terminated. The county shall additionally assess its ability to obtain replacement swaps or identify revenue sources to fund potential termination payments, if any.

The county would calculate a termination payment by seeking quotes from recognized market makers. The bids are the prices the reference dealers would charge or pay to enter into economically equivalent swaps. The burdened party must secure bids from at least three market makers, and it must set the termination payment at the average bid after discarding the highest and lowest quotes. If no market exists for the swap and bids cannot be secured, the burdened party must calculate the "loss" to determine the termination payment, if any.

The credit rating downgrade of Ambac Financial Group and its subsidiary Ambac Assurance Corporation has significantly increased the risk of the bond insurer failing and may in the future constitute an additional termination event or an event of default under the swap agreements. The county, as the affected or non-defaulting party, could then designate an early termination date with respect to the agreements.

Swap payments and associated debt. Swap payments and associated debt as of June 30, 2009, using the notional amount of the original variable rate obligations replaced by fixed rate bonds and assuming interest rates as of June 30, 2009, remain the same, for the term of the notional amount, the net swap payments were as follows:

Year Ending June 30	1999 Series III-G-1 Net Interest Rate Swap Payments		2000 Series IV-B-1 Net Interest Rate Swap Payments		Total Annual Swap Payments
	Notional Amount	Payment	Notional Amount	Payment	
2010	$ 0	$ 239,424	$ 0	$ 146,742	$ 386,166
2011	0	239,424	0	148,742	388,166
2012	0	239,424	0	148,742	388,166
2013	0	239,424	0	148,742	388,166
2014	0	239,424	0	148,742	388,166
2015-2019	0	1,197,120	4,040,000	687,235	1,884,355
2020-2024	10,000,000	852,469	2,180,000	51,431	903,900
Total	$ 10,000,000	$ 3,246,709	$ 6,220,000	$ 1,480,376	$ 4,727,085

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2008	$ 8,200,000	$ 158,334
Additions	19,910,000	0
Deductions	(230,000)	(39,583)
Balance, June 30, 2009	$ 27,880,000	$ 118,751
Balance Due Within One Year	$ 285,000	$ 39,583

	Capital Leases	Other Loans
Balance, July 1, 2008	$ 546,527	$ 30,180,000
Additions	81,877	0
Deductions	(243,924)	(20,180,000)
Balance, June 30, 2009	$ 384,480	$ 10,000,000
Balance Due Within One Year	$ 86,136	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	$ 38,383,231
Less: Balance Due Within One Year	(410,719)
Unamortized Discount on Debt	(51,761)
Deferred Amount on Refunding	(270,918)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 37,649,833

Current Refunding

On June 4, 2009, Dyer County issued $19,910,000 of general obligation bonds for a current refunding of $19,455,000 Other Loans – Series IV-B-1 under the conditions described in Note F. As a result, the refunded other loans payable are considered defeased and the liability has been removed from the county's long-term debt.

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, 2009, the following outstanding bonds are considered defeased:

	Amount
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, 2009, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2008	$ 89,102	$ 876,671
Additions	71,896	1,169,450
Deductions	(61,259)	(266,742)
Balance, June 30, 2009	$ 99,739	$ 1,779,379
Balance Due Within One Year	$ 4,987	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	$ 1,879,118
Less: Balance Due Within One Year	(4,987)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 1,874,131

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Dyer County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2009, were $90,341 and $13,957, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

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

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

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

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

Workers' Compensation Fund

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	Balance at Fiscal Year-end
2007-08	$ 0	$ 206,480	$ 206,480	$ 0
2008-09	0	223,769	223,769	0

The discretely presented Dyer County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees

of local education agencies. In accordance with Section 8-27-301, Tennessee Code Annotated (TCA), all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments became effective for the year ended June 30, 2009.

GASB Statement No. 49 requires county governments to measure and report their pollution remediation liabilities. A county has a pollution remediation problem if one of five obligating events occurs. The statement requires governments to restate beginning net assets in government-wide and proprietary fund financial statements for pollution remediation liabilities that existed as of July 1, 2008. Previous to Statement No. 49, counties were not required to measure and record pollution remediation liabilities. GASB Statement No. 49 had no effect on the financial statements of Dyer County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Dyer County could have pollution remediation liabilities in subsequent years.

GASB Statement No. 52 requires endowments to report land and other real estate investments at fair value. Previous to Statement No. 52, land and other real estate held by endowments were reported at historical cost. Changes in fair value between years will be reported as investment income (loss). GASB Statement No. 52 had no effect on the financial statements of Dyer County for the year ended June 30, 2009, since the county had no endowment investments. However, it is reasonably expected that Dyer County could have endowment investments in subsequent years.

C. Subsequent Events

On July 28, 2009, Dyer County issued $10,330,000 in general obligation refunding bonds to retire $10,000,000 Other Loans – Series III-G-1 as described in Note F.

On August 31, October 30, and November 30, 2009, the county's General Debt Service Fund issued tax anticipation notes of $250,000, $300,000, and $150,000, respectively, to the General Fund for temporary operating funds.

On October 19, 2009, the Dyer County Commission authorized a loan agreement with the Tennessee State School Bond Authority not to exceed $9,000,000 to fund school construction and renovation projects. As of the date of this report no funds have been received from this loan agreement.

On October 22, 2009, Dyer County entered into a two year lease-purchase totaling $148,213 for the purchase of seven Sheriff's Department vehicles.

D. Contingent Liabilities

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

As described in Note V.E. below, Dyer County is a participant with Obion and Lake counties in a joint venture known as the Northwest Tennessee Regional Port Authority. The port authority borrowed $2.2 million in March 2007, and an additional $410,000 in April 2007. The county commissions of the participating counties have approved making payments on these debt issuances (Lake County – 50 percent, Dyer County – 25 percent, and Obion County – 25 percent) until such time as the port authority has revenue to make payments.

The attorney representing Dyer County for matters associated with development of the Northwest Tennessee Regional Port Authority has advised that there is no pending litigation involving Dyer County concerning the port project.

E. 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 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 $94,810 to the operations of the board during the year ended June 30, 2009. 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 were 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, which is 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 the Illinois Central Railroad to ensure rail access to the river port in Hickman, Kentucky. All funding for the TennKen Railroad Authority comes from the State of Tennessee through the Tennessee Department of Transportation as grants, which are used for the maintenance and rehabilitation of the TennKen Railroad track and the necessary engineering services for said maintenance and rehabilitation. The Lake County Mayor's Office handles the administration of these grant funds and passes them through to the HRCDC for disbursement.

F. Retirement Commitments

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 www.tn.gov/treasury/tcrs.

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, 2009, was 6.25 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, 2009, Dyer County's annual pension cost of $47,003 to TCRS was equal to Dyer County's required and actual contributions. The required contribution was determined as part of the July 1, 2007, 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, 2007, was 13 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-09	$47,003	100%	$0
6-30-08	59,339	100	0
6-30-07	56,936	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 87.13 percent funded. The actuarial accrued liability for benefits was $1.57 million, and the actuarial value of assets was $1.37 million, resulting in an unfunded actuarial accrued liability (UAAL) of $.2 million. The covered payroll (annual payroll of active employees covered by the plan) was $1 million, and the ratio of the UAAL to the covered payroll was 29.21 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

School Teachers

Plan Description

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

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

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, 2009, was 6.42 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, 2009, 2008, and 2007, were $736,034, $706,453, and $671,628, respectively, equal to the required contributions for each year.

G. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The School Department makes a contribution toward the health insurance premium of the School Department's group medical plan for all employees who accumulate sick leave and meet length of employment and age criteria of 20 years of service with the Dyer County School System at age 55, or 30 years of service regardless of age. Currently, 29 retirees meet those eligibility requirements. The School Department pays 100 percent of single coverage for all certified teachers. The School Department pays 67.42 percent of the medical insurance premium for single coverage for non-certified employees with the former employees continuing contributions at their opted level of coverage until Medicare becomes available. Retirees' contributions vary depending on the insurance options they select ranging from $232.15 to $378.90 per month. During the year ended June 30, 2009, the Dyer County School Department contributed $228,346 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
ARC	$ 1,130,000
Interest on the NPO	39,450
Adjustment to the ARC	(38,396)
Annual OPEB cost	$ 1,131,054
Less: Amount of contribution	(228,346)
Increase/decrease in NPO	$ 902,708
Net OPEB obligation, 7-1-08	876,671
Net OPEB obligation, 6-30-09	$ 1,779,379

Fiscal Year Ended*	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group	$ 1,118,000	22 %	$ 876,671
6-30-09	"	1,131,054	20	1,779,379

*Data only available for two years.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, was as follows:

	Local Education Group Plan
Actuarial valuation date	7-1-07
Actuarial accrued liability (AAL)	$ 9,397,000
Actuarial value of plan assets	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 9,397,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	$ 14,794,296
UAAL as a % of covered payroll	64%

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

Actuarial Methods and Assumptions

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

In the July 1, 2007, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of six percent after ten years. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

H. Purchasing Laws

Office of County Mayor

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

Office of Road Supervisor

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

Office of Director of Schools

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

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REQUIRED SUPPLEMENTARY INFORMATION

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Exhibit F-1

Dyer County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 5,726,043	$ 5,744,053	$ 5,744,053	$ (18,010)
Licenses and Permits	132,263	142,425	142,425	(10,162)
Fines, Forfeitures, and Penalties	101,821	84,750	123,255	(21,434)
Charges for Current Services	62,642	49,300	49,300	13,342
Other Local Revenues	202,288	150,229	181,790	20,498
Fees Received from County Officials	1,632,554	1,816,500	1,816,500	(183,946)
State of Tennessee	1,710,702	1,793,600	1,806,288	(95,586)
Federal Government	248,369	303,082	335,289	(86,920)
Other Governments and Citizens Groups	31,742	36,450	36,450	(4,708)
Total Revenues	$ 9,848,424	$ 10,120,389	$ 10,235,350	$ (386,926)
Expenditures				
General Government				
County Commission	$ 97,885	$ 98,551	$ 98,551	$ 666
Board of Equalization	5,345	6,300	6,300	955
Other Boards and Committees	3,230	5,000	5,000	1,770
County Mayor/Executive	206,364	200,245	207,195	831
County Attorney	68,451	46,292	68,486	35
Election Commission	384,497	437,543	434,993	50,496
Register of Deeds	178,412	202,821	197,921	19,509
Planning	150,774	154,277	154,177	3,403
County Buildings	304,568	321,387	306,615	2,047
Other General Administration	255,283	199,125	260,700	5,417
Finance				
Accounting and Budgeting	150,222	150,385	150,385	163
Property Assessor's Office	318,667	330,345	330,345	11,678
Reappraisal Program	49,304	52,227	52,227	2,923
County Trustee's Office	205,046	214,437	213,637	8,591
County Clerk's Office	324,750	375,900	363,900	39,150
Other Finance	39,758	44,346	46,796	7,038
Administration of Justice				
Circuit Court	424,179	424,293	437,343	13,164
General Sessions Court	177,536	186,776	180,126	2,590
Drug Court	45,375	60,000	60,000	14,625
Chancery Court	273,375	305,005	299,205	25,830
Juvenile Court	198,019	224,189	219,189	21,170
Other Administration of Justice	78,516	59,007	84,262	5,746
Public Safety				
Sheriff's Department	1,897,050	1,981,954	2,053,992	156,942
Jail	1,982,868	2,072,990	2,077,165	94,297
Fire Prevention and Control	174,021	185,920	185,920	11,899
Disaster Relief	75,438	186,930	186,930	111,492
County Coroner/Medical Examiner	4,756	22,500	22,500	17,744

(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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)				
Public Safety (Cont.)				
Other Public Safety	$ 142,288	$ 181,050	$ 166,900	$ 24,612
Public Health and Welfare				
Local Health Center	103,361	141,387	141,837	38,476
Rabies and Animal Control	79,750	79,750	79,750	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	83,566	84,853	85,453	1,887
Aid to Dependent Children	120,994	90,300	122,607	1,613
Sanitation Education/Information	58,214	66,777	66,777	8,563
Other Public Health and Welfare	32,756	30,740	33,374	618
Social, Cultural, and Recreational Services				
Adult Activities	105,878	120,004	123,044	17,166
Senior Citizens Assistance	285,115	286,109	295,310	10,195
Libraries	130,895	130,895	130,895	0
Parks and Fair Boards	3,750	3,750	3,750	0
Other Social, Cultural, and Recreational	152,955	168,416	171,066	18,111
Agriculture and Natural Resources				
Agriculture Extension Service	129,346	146,455	146,855	17,509
Soil Conservation	25,780	25,869	25,869	89
Flood Control	31,699	33,619	33,619	1,920
Other Agriculture and Natural Resources	9,321	15,551	15,551	6,230
Other Operations				
Industrial Development	80,000	80,000	80,000	0
Miscellaneous	118,824	99,000	119,300	476
Principal on Debt				
General Government	108,168	126,584	126,584	18,416
Interest on Debt				
General Government	9,408	13,071	13,071	3,663
Total Expenditures	$ 9,888,784	$ 10,475,952	$ 10,688,499	$ 799,715
Excess (Deficiency) of Revenues Over Expenditures	$ (40,360)	$ (355,563)	$ (453,149)	$ 412,789
Other Financing Sources (Uses)				
Capital Leases Issued	$ 81,877	$ 0	$ 81,877	$ 0
Insurance Recovery	0	0	1,936	(1,936)
Transfers Out	(67,533)	(67,533)	(67,533)	0
Total Other Financing Sources (Uses)	$ 14,344	$ (67,533)	$ 16,280	$ (1,936)
Net Change in Fund Balance	$ (26,016)	$ (423,096)	$ (436,869)	$ 410,853
Fund Balance, July 1, 2008	1,379,704	1,318,087	1,318,087	61,617
Fund Balance, June 30, 2009	$ 1,353,688	$ 894,991	$ 881,218	$ 472,470

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, 2009

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
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, 2008	18,490,503	18,490,503	18,490,503	0
Fund Balance, June 30, 2009	$ 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, 2009

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,728,442	$ 1,708,045	$ 1,708,045	$ 20,397
Licenses and Permits	10,983	0	0	10,983
Other Local Revenues	39,813	51,000	51,000	(11,187)
State of Tennessee	1,835,433	2,538,752	2,538,752	(703,319)
Federal Government	133,411	0	0	133,411
Total Revenues	$ 3,748,082	$ 4,297,797	$ 4,297,797	$ (549,715)
Expenditures				
Highways				
Administration	$ 153,590	$ 170,948	$ 170,948	$ 17,358
Highway and Bridge Maintenance	2,629,901	2,855,520	3,137,929	508,028
Operation and Maintenance of Equipment	462,745	631,360	528,951	66,206
Other Charges	104,274	172,000	142,000	37,726
Employee Benefits	239,505	288,200	263,200	23,695
Capital Outlay	863,590	1,032,930	1,755,430	891,840
Principal on Debt				
Highways and Streets	175,339	104,806	175,339	0
Interest on Debt				
Highways and Streets	16,165	18,662	18,662	2,497
Total Expenditures	$ 4,645,109	$ 5,274,426	$ 6,192,459	$ 1,547,350
Excess (Deficiency) of Revenues Over Expenditures	$ (897,027)	$ (976,629)	$ (1,894,662)	$ 997,635
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	$ 522,500	$ 0	$ 522,500	$ 0
Total Other Financing Sources (Uses)	$ 522,500	$ 0	$ 522,500	$ 0
Net Change in Fund Balance	$ (374,527)	$ (976,629)	$ (1,372,162)	$ 997,635
Fund Balance, July 1, 2008	2,302,436	2,286,971	2,286,971	15,465
Fund Balance, June 30, 2009	$ 1,927,909	$ 1,310,342	$ 914,809	$ 1,013,100

Exhibit F-4

Dyer County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Dyer County School Department
June 30, 2009

(Dollar amounts in thousands)

Fiscal Year Ended	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)
6-30-09	7-1-07	$ 1,374	$ 1,577	$ 203	87.13 %	$ 695	29.21 %
6-30-08	7-1-07	1,374	1,577	203	87.13	695	29.21

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the 2007-08 year; therefore, data is only presented for two years.

Exhibit F-5

Dyer County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Dyer County School Department
June 30, 2009

(Dollar amounts in thousands)

	Fiscal Year Ended*	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group Plan	6-30-09	7-1-07	$ 0	$ 9,397	$ 9,397	0%	$ 13,442	70%
"	6-30-08	7-1-07	0	9,397	9,397	0	13,442	70

*Data only available for two years.

DYER COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2009

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.

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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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 Fund

The HUD Grant Projects Fund is used to account for a Community Development Block Grant for sewer improvements.

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Exhibit G-1

Dyer County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Special Revenue Funds						Capital Projects Fund	
	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu-tional Officers - Fees	Total	HUD Grant Projects	Total Nonmajor Governmental Funds
ASSETS								
Cash	$ 0	$ 0	$ 0	$ 0	$ 1,182	$ 1,182	$ 0	$ 1,182
Equity in Pooled Cash and Investments	29,763	2,840	104,788	4,419	0	141,810	0	141,810
Accounts Receivable	0	3,425	0	0	0	3,425	0	3,425
Due from Other Governments	0	0	0	68	0	68	60,434	60,502
Total Assets	$ 29,763	$ 6,265	$ 104,788	$ 4,487	$ 1,182	$ 146,485	$ 60,434	$ 206,919
LIABILITIES AND FUND BALANCES								
Liabilities								
Cash Overdraft	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 60,434	$ 60,434
Due to Other Funds	0	0	0	0	1,182	1,182	0	1,182
Total Liabilities	$ 0	$ 0	$ 0	$ 0	$ 1,182	$ 1,182	$ 60,434	$ 61,616
Fund Balances								
Unreserved	$ 29,763	$ 6,265	$ 104,788	$ 4,487	$ 0	$ 145,303	$ 0	$ 145,303
Total Fund Balances	$ 29,763	$ 6,265	$ 104,788	$ 4,487	$ 0	$ 145,303	$ 0	$ 145,303
Total Liabilities and Fund Balances	$ 29,763	$ 6,265	$ 104,788	$ 4,487	$ 1,182	$ 146,485	$ 60,434	$ 206,919

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, 2009

	Special Revenue Funds						Capital Projects Fund	
	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitutional Officers - Fees	Total	HUD Grant Projects	Total Nonmajor Governmental Funds
Revenues								
Local Taxes	$ 2,909	$ 0	$ 0	$ 0	$ 0	$ 2,909	$ 0	$ 2,909
Fines, Forfeitures, and Penalties	0	0	46,447	7,325	0	53,772	0	53,772
Charges for Current Services	0	2,610	0	0	669	3,279	0	3,279
Other Local Revenues	0	5,362	0	0	0	5,362	0	5,362
State of Tennessee	0	31,059	0	0	0	31,059	0	31,059
Federal Government	0	0	0	0	0	0	425,603	425,603
Total Revenues	$ 2,909	$ 39,031	$ 46,447	$ 7,325	$ 669	$ 96,381	$ 425,603	$ 521,984
Expenditures								
Current:								
Finance	$ 0	$ 0	$ 0	$ 0	$ 669	$ 669	$ 0	$ 669
Administration of Justice	462	0	0	23,731	0	24,193	0	24,193
Public Safety	0	0	15,867	0	0	15,867	0	15,867
Public Health and Welfare	0	100,567	0	0	0	100,567	0	100,567
Capital Projects	0	0	0	0	0	0	425,603	425,603
Total Expenditures	$ 462	$ 100,567	$ 15,867	$ 23,731	$ 669	$ 141,296	$ 425,603	$ 566,899
Excess (Deficiency) of Revenues Over Expenditures	$ 2,447	$ (61,536)	$ 30,580	$ (16,406)	$ 0	$ (44,915)	$ 0	$ (44,915)
Other Financing Sources (Uses)								
Transfers In	$ 0	$ 67,533	$ 0	$ 0	$ 0	$ 67,533	$ 0	$ 67,533
Total Other Financing Sources (Uses)	$ 0	$ 67,533	$ 0	$ 0	$ 0	$ 67,533	$ 0	$ 67,533
Net Change in Fund Balances	$ 2,447	$ 5,997	$ 30,580	$ (16,406)	$ 0	$ 22,618	$ 0	$ 22,618
Fund Balance, July 1, 2008	27,316	268	74,208	20,893	0	122,685	0	122,685
Fund Balance, June 30, 2009	$ 29,763	$ 6,265	$ 104,788	$ 4,487	$ 0	$ 145,303	$ 0	$ 145,303

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, 2009

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 2,909	$ 3,000	$ 3,000	$ (91)
Total Revenues	$ 2,909	$ 3,000	$ 3,000	$ (91)
Expenditures				
Administration of Justice				
Other Administration of Justice	$ 462	$ 5,535	$ 5,535	$ 5,073
Total Expenditures	$ 462	$ 5,535	$ 5,535	$ 5,073
Excess (Deficiency) of Revenues Over Expenditures	$ 2,447	$ (2,535)	$ (2,535)	$ 4,982
Net Change in Fund Balance	$ 2,447	$ (2,535)	$ (2,535)	$ 4,982
Fund Balance, July 1, 2008	27,316	27,315	27,315	1
Fund Balance, June 30, 2009	$ 29,763	$ 24,780	$ 24,780	$ 4,983

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, 2009

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 2,610	$ 0	$ 456	$ 2,154
Other Local Revenues	5,362	2,850	2,850	2,512
State of Tennessee	31,059	30,100	30,100	959
Total Revenues	$ 39,031	$ 32,950	$ 33,406	$ 5,625
Expenditures				
Public Health and Welfare				
Sanitation Management	$ 100,567	$ 100,138	$ 100,594	$ 27
Total Expenditures	$ 100,567	$ 100,138	$ 100,594	$ 27
Excess (Deficiency) of Revenues Over Expenditures	$ (61,536)	$ (67,188)	$ (67,188)	$ 5,652
Other Financing Sources (Uses)				
Transfers In	$ 67,533	$ 67,533	$ 67,533	$ 0
Total Other Financing Sources (Uses)	$ 67,533	$ 67,533	$ 67,533	$ 0
Net Change in Fund Balance	$ 5,997	$ 345	$ 345	$ 5,652
Fund Balance, July 1, 2008	268	5,652	5,652	(5,384)
Fund Balance, June 30, 2009	$ 6,265	$ 5,997	$ 5,997	$ 268

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, 2009

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 46,447	$ 9,000	$ 9,000	$ 37,447
Other Local Revenues	0	3,500	3,500	(3,500)
Total Revenues	$ 46,447	$ 12,500	$ 12,500	$ 33,947
Expenditures				
Public Safety				
Drug Enforcement	$ 15,867	$ 24,200	$ 24,200	$ 8,333
Total Expenditures	$ 15,867	$ 24,200	$ 24,200	$ 8,333
Excess (Deficiency) of Revenues Over Expenditures	$ 30,580	$ (11,700)	$ (11,700)	$ 42,280
Net Change in Fund Balance	$ 30,580	$ (11,700)	$ (11,700)	$ 42,280
Fund Balance, July 1, 2008	74,208	74,209	74,209	(1)
Fund Balance, June 30, 2009	$ 104,788	$ 62,509	$ 62,509	$ 42,279

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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.

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Exhibit H

Dyer County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,714,477	$ 1,734,614	$ 1,734,614	$ (20,137)
Other Local Revenues	1,141,187	1,150,000	1,150,000	(8,813)
Total Revenues	$ 2,855,664	$ 2,884,614	$ 2,884,614	$ (28,950)
Expenditures				
Principal on Debt				
General Government	$ 230,000	$ 230,000	$ 230,000	$ 0
Education	725,000	1,275,000	1,200,000	475,000
Interest on Debt				
General Government	358,170	358,170	358,170	0
Education	1,537,945	1,468,450	1,543,450	5,505
Other Debt Service				
General Government	58,972	78,000	62,200	3,228
Education	446,964	2,000	452,034	5,070
Total Expenditures	$ 3,357,051	$ 3,411,620	$ 3,845,854	$ 488,803
Excess (Deficiency) of Revenues Over Expenditures	$ (501,387)	$ (527,006)	$ (961,240)	$ 459,853
Other Financing Sources (Uses)				
Refunding Debt Issued	$ 19,910,000	$ 0	$ 19,910,000	$ 0
Discounts on Debt Issued	(13,395)	0	(13,395)	0
Payments to Refunded Debt Escrow Agent	(19,462,371)	0	(19,462,371)	0
Total Other Financing Sources (Uses)	$ 434,234	$ 0	$ 434,234	$ 0
Net Change in Fund Balance	$ (67,153)	$ (527,006)	$ (527,006)	$ 459,853
Fund Balance, July 1, 2008	4,918,050	4,722,320	4,722,320	195,730
Fund Balance, June 30, 2009	$ 4,850,897	$ 4,195,314	$ 4,195,314	$ 655,583

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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 received by the county trustee on behalf of the City of Trimble. These collections are periodically remitted to the City of Trimble.

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

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

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

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Exhibit I-1

Dyer County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

	Agency Funds				
	Cities - Sales Tax	Watershed District	City School ADA - Dyersburg	Constitu-tional Officers - Agency	Total
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 2,815,745	$ 2,815,745
Equity in Pooled Cash and Investments	0	206,870	144,890	0	351,760
Accounts Receivable	0	0	1,534	0	1,534
Due from Other Governments	497,920	0	750,204	0	1,248,124
Property Taxes Receivable	0	0	3,119,494	0	3,119,494
Allowance for Uncollectible Property Taxes	0	0	(40,810)	0	(40,810)
Total Assets	$ 497,920	$ 206,870	$ 3,975,312	$ 2,815,745	$ 7,495,847
LIABILITIES					
Due to Other Taxing Units	$ 497,920	$ 206,870	$ 3,975,312	$ 0	$ 4,680,102
Due to Litigants, Heirs, and Others	0	0	0	2,815,745	2,815,745
Total Liabilities	$ 497,920	$ 206,870	$ 3,975,312	$ 2,815,745	$ 7,495,847

Exhibit I-2

Dyer County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2009

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 2,631,351	$ 2,631,351	$ 0
Due from Other Governments	547,896	497,920	547,896	497,920
Total Assets	$ 547,896	$ 3,129,271	$ 3,179,247	$ 497,920
Liabilities				
Due to Other Taxing Units	$ 547,896	$ 3,129,271	$ 3,179,247	$ 497,920
Total Liabilities	$ 547,896	$ 3,129,271	$ 3,179,247	$ 497,920
Cities - Property Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 4,219	$ 4,219	$ 0
Total Assets	$ 0	$ 4,219	$ 4,219	$ 0
Liabilities				
Due to Other Taxing Units	$ 0	$ 4,219	$ 4,219	$ 0
Total Liabilities	$ 0	$ 4,219	$ 4,219	$ 0
Watershed District Fund				
Assets				
Equity in Pooled Cash and Investments	$ 223,868	$ 12,229	$ 29,227	$ 206,870
Total Assets	$ 223,868	$ 12,229	$ 29,227	$ 206,870
Liabilities				
Due to Other Taxing Units	$ 223,868	$ 12,229	$ 29,227	$ 206,870
Total Liabilities	$ 223,868	$ 12,229	$ 29,227	$ 206,870
City School ADA - Dyersburg Fund				
Assets				
Equity in Pooled Cash and Investments	$ 146,005	$ 4,661,023	$ 4,662,138	$ 144,890
Accounts Receivable	1,133	1,534	1,133	1,534
Due from Other Governments	849,530	750,204	849,530	750,204
Property Taxes Receivable	3,133,436	3,119,494	3,133,436	3,119,494
Allowance for Uncollectible Property Taxes	(33,082)	(40,810)	(33,082)	(40,810)
Total Assets	$ 4,097,022	$ 8,491,445	$ 8,613,155	$ 3,975,312
Liabilities				
Due to Other Taxing Units	$ 4,097,022	$ 8,491,445	$ 8,613,155	$ 3,975,312
Total Liabilities	$ 4,097,022	$ 8,491,445	$ 8,613,155	$ 3,975,312

(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
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 3,814,601	$ 8,855,266	$ 9,854,122	$ 2,815,745
Total Assets	$ 3,814,601	$ 8,855,266	$ 9,854,122	$ 2,815,745
Liabilities				
Due to Litigants, Heirs, and Others	$ 3,814,601	$ 8,855,266	$ 9,854,122	$ 2,815,745
Total Liabilities	$ 3,814,601	$ 8,855,266	$ 9,854,122	$ 2,815,745
Totals - All Agency Funds				
Assets				
Cash	$ 3,814,601	$ 8,855,266	$ 9,854,122	$ 2,815,745
Equity in Pooled Cash and Investments	369,873	7,308,822	7,326,935	351,760
Accounts Receivable	1,133	1,534	1,133	1,534
Due from Other Governments	1,397,426	1,248,124	1,397,426	1,248,124
Property Taxes Receivable	3,133,436	3,119,494	3,133,436	3,119,494
Allowance for Uncollectible Property Taxes	(33,082)	(40,810)	(33,082)	(40,810)
Total Assets	$ 8,683,387	$ 20,492,430	$ 21,679,970	$ 7,495,847
Liabilities				
Due to Other Taxing Units	$ 4,868,786	$ 11,637,164	$ 11,825,848	$ 4,680,102
Due to Litigants, Heirs, and Others	3,814,601	8,855,266	9,854,122	2,815,745
Total Liabilities	$ 8,683,387	$ 20,492,430	$ 21,679,970	$ 7,495,847

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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.

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Exhibit J-1

Dyer County, Tennessee
Statement of Activities
Discretely Presented Dyer County School Department
For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Total Governmental Activities
Governmental Activities:				
Instruction	$ 16,791,529	$ 12,070	$ 1,308,704	$ (15,470,755)
Support Services	10,220,418	68,297	456,764	(9,695,357)
Operation of Non-Instructional Services	2,973,844	754,160	2,207,196	(12,488)
Total Governmental Activities	$ 29,985,791	$ 834,527	$ 3,972,664	$ (25,178,600)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				$ 4,503,918
Local Option Sales Taxes				2,974,915
Wheel Tax				1,065,222
Other Local Taxes				3,271
Grants and Contributions Not Restricted to Specific Programs				15,455,449
Unrestricted Investment Income				162,514
Miscellaneous				73,705
Total General Revenues				$ 24,238,994
Change in Net Assets				$ (939,606)
Net Assets, July 1, 2008				35,832,193
Net Assets, June 30, 2009				$ 34,892,587

Exhibit J-2

Dyer County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Dyer County School Department
June 30, 2009

	Major Funds		Nonmajor Funds	
	General Purpose School	School Transpor - tation	Other Govern- mental Funds	Total Govern- mental Funds
ASSETS				
Equity in Pooled Cash and Investments	$ 3,793,033	$ 583,553	$ 411,278	$ 4,787,864
Accounts Receivable	2,175	637	0	2,812
Due from Other Governments	832,110	0	23,483	855,593
Due from Other Funds	23,810	0	0	23,810
Property Taxes Receivable	3,305,054	1,448,164	0	4,753,218
Allowance for Uncollectible Property Taxes	(43,238)	(18,950)	0	(62,188)
Accrued Interest Receivable	6,645	0	0	6,645
Total Assets	$ 7,919,589	$ 2,013,404	$ 434,761	$ 10,367,754
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	$ 118,588	$ 10,179	$ 16,255	$ 145,022
Accrued Payroll	25,035	4,854	0	29,889
Payroll Deductions Payable	604,177	7,153	0	611,330
Due to Other Funds	0	0	23,810	23,810
Deferred Revenue - Current Property Taxes	3,121,175	1,367,554	0	4,488,729
Deferred Revenue - Delinquent Property Taxes	121,278	53,170	0	174,448
Other Deferred Revenues	236,750	0	0	236,750
Total Liabilities	$ 4,227,003	$ 1,442,910	$ 40,065	$ 5,709,978
Fund Balances				
Reserved for Encumbrances	$ 296,902	$ 223,481	$ 26,291	$ 546,674
Reserved for Driver Education	28,776	0	0	28,776
Reserved for Career Ladder - Extended Contract	34,695	0	0	34,695
Reserved for Career Ladder Program	13,856	0	0	13,856
Unreserved, Reported In:				
General Fund	3,318,357	0	0	3,318,357
Special Revenue Funds	0	347,013	368,405	715,418
Total Fund Balances	$ 3,692,586	$ 570,494	$ 394,696	$ 4,657,776
Total Liabilities and Fund Balances	$ 7,919,589	$ 2,013,404	$ 434,761	$ 10,367,754

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, 2009

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)		$ 4,657,776
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 1,042,322	
Add: buildings and improvements net of accumulated depreciation	28,326,461	
Add: other capital assets net of accumulated depreciation	2,333,948	31,702,731
(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	$ (99,739)	
Less: other postemployment benefits liability	(1,779,379)	(1,879,118)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		411,198
Net assets of governmental activities (Exhibit A)		$ 34,892,587

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, 2009

	Major Funds		Nonmajor Funds	
	General Purpose School	School Transpor - tation	Other Govern- mental Funds	Total Governmental Funds
Revenues				
Local Taxes	$ 6,936,776	$ 1,635,987	$ 0	$ 8,572,763
Licenses and Permits	2,009	0	0	2,009
Charges for Current Services	33,230	44,412	753,847	831,489
Other Local Revenues	228,999	1,373	16,896	247,268
State of Tennessee	16,037,717	383,082	20,401	16,441,200
Federal Government	294,368	0	2,556,576	2,850,944
Total Revenues	$ 23,533,099	$ 2,064,854	$ 3,347,720	$ 28,945,673
Expenditures				
Current:				
Instruction	$ 14,088,513	$ 0	$ 1,074,577	$ 15,163,090
Support Services	7,585,717	1,953,851	388,128	9,927,696
Operation of Non-Instructional Services	962,459	0	1,829,744	2,792,203
Capital Outlay	669,754	0	0	669,754
Total Expenditures	$ 23,306,443	$ 1,953,851	$ 3,292,449	$ 28,552,743
Excess (Deficiency) of Revenues Over Expenditures	$ 226,656	$ 111,003	$ 55,271	$ 392,930
Other Financing Sources (Uses)				
Transfers In	$ 20,041	$ 0	$ 0	$ 20,041
Transfers Out	0	0	(20,041)	(20,041)
Total Other Financing Sources (Uses)	$ 20,041	$ 0	$ (20,041)	$ 0
Net Change in Fund Balances	$ 246,697	$ 111,003	$ 35,230	$ 392,930
Fund Balance, July 1, 2008	3,445,889	459,491	359,466	4,264,846
Fund Balance, June 30, 2009	$ 3,692,586	$ 570,494	$ 394,696	$ 4,657,776

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, 2009

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)		$ 392,930
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	$ 688,633	
Less: current year depreciation expense	(1,074,420)	(385,787)
(2) The net effect of various miscellaneous transactions involving capital assets (sales) is to decrease net assets		
Less: proceeds received from the disposal of capital assets		(8,174)
(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, 2009	$ 411,198	
Less: deferred delinquent property taxes and other deferred June 30, 2008	(436,428)	(25,230)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in compensated absences payable	$ (10,637)	
Change in other postemployment benefits liability	(902,708)	(913,345)
Change in net assets of governmental activities (Exhibit B)		$ (939,606)

Exhibit J-6

Dyer County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Dyer County School Department
June 30, 2009

	Special Revenue Funds		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
ASSETS			
Equity in Pooled Cash and Investments	$ 2,077	$ 409,201	$ 411,278
Due from Other Governments	23,483	0	23,483
Total Assets	$ 25,560	$ 409,201	$ 434,761
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	$ 1,750	$ 14,505	$ 16,255
Due to Other Funds	23,810	0	23,810
Total Liabilities	$ 25,560	$ 14,505	$ 40,065
Fund Balances			
Reserved for Encumbrances	$ 0	$ 26,291	$ 26,291
Unreserved	0	368,405	368,405
Total Fund Balances	$ 0	$ 394,696	$ 394,696
Total Liabilities and Fund Balances	$ 25,560	$ 409,201	$ 434,761

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, 2009

	Special Revenue Funds		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
Revenues			
Charges for Current Services	$ 0	$ 753,847	$ 753,847
Other Local Revenues	0	16,896	16,896
State of Tennessee	0	20,401	20,401
Federal Government	1,482,509	1,074,067	2,556,576
Total Revenues	$ 1,482,509	$ 1,865,211	$ 3,347,720
Expenditures			
Current:			
Instruction	$ 1,074,577	$ 0	$ 1,074,577
Support Services	388,128	0	388,128
Operation of Non-Instructional Services	0	1,829,744	1,829,744
Total Expenditures	$ 1,462,705	$ 1,829,744	$ 3,292,449
Excess (Deficiency) of Revenues Over Expenditures	$ 19,804	$ 35,467	$ 55,271
Other Financing Sources (Uses)			
Transfers Out	$ (20,041)	$ 0	$ (20,041)
Total Other Financing Sources (Uses)	$ (20,041)	$ 0	$ (20,041)
Net Change in Fund Balances	$ (237)	$ 35,467	$ 35,230
Fund Balance, July 1, 2008	237	359,229	359,466
Fund Balance, June 30, 2009	$ 0	$ 394,696	$ 394,696

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 6,936,776	$ 0	$ 0	$ 6,936,776	$ 6,747,360	$ 6,747,360	$ 189,416
Licenses and Permits	2,009	0	0	2,009	2,092	2,092	(83)
Charges for Current Services	33,230	0	0	33,230	46,299	46,299	(13,069)
Other Local Revenues	228,999	0	0	228,999	217,542	217,542	11,457
State of Tennessee	16,037,717	0	0	16,037,717	15,827,071	16,012,303	25,414
Federal Government	294,368	0	0	294,368	249,946	249,946	44,422
Total Revenues	$ 23,533,099	$ 0	$ 0	$ 23,533,099	$ 23,090,310	$ 23,275,542	$ 257,557
Expenditures							
Instruction							
Regular Instruction Program	$ 11,649,329	$ (381,713)	$ 245,030	$ 11,512,646	$ 11,809,408	$ 11,869,260	$ 356,614
Special Education Program	1,897,865	0	0	1,897,865	1,921,977	1,931,860	33,995
Vocational Education Program	535,656	0	100	535,756	542,875	545,510	9,754
Student Body Education Program	5,663	0	4,000	9,663	9,800	9,800	137
Support Services							
Attendance	106,415	0	0	106,415	112,827	113,157	6,742
Health Services	274,048	(4,708)	495	269,835	271,500	271,499	1,664
Other Student Support	343,408	0	1,125	344,533	347,547	348,864	4,331
Regular Instruction Program	871,646	(25,136)	7,685	854,195	877,918	879,236	25,041
Special Education Program	134,565	0	0	134,565	155,336	155,666	21,101
Vocational Education Program	43,067	(1,342)	0	41,725	48,259	48,259	6,534
Other Programs	104,298	0	0	104,298	0	104,298	0
Board of Education	437,469	0	37	437,506	462,868	462,868	25,362
Director of Schools	242,093	(841)	450	241,702	270,774	271,104	29,402

(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 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Office of the Principal	$ 1,491,356	$ (7,891)	$ 0	$ 1,483,465	$ 1,487,141	$ 1,491,753	$ 8,288
Fiscal Services	236,118	(2,128)	4,087	238,077	256,213	256,213	18,136
Operation of Plant	2,165,748	(1,385)	0	2,164,363	2,166,951	2,166,951	2,588
Maintenance of Plant	1,135,486	(17,313)	6,327	1,124,500	1,154,504	1,154,504	30,004
Operation of Non-Instructional Services							
Food Service	10,595	0	0	10,595	14,152	14,482	3,887
Community Services	261,132	0	2,464	263,596	271,600	271,601	8,005
Early Childhood Education	690,732	(76,130)	22,637	637,239	637,240	637,240	1
Capital Outlay							
Regular Capital Outlay	669,754	0	2,465	672,219	400,000	674,999	2,780
Total Expenditures	$ 23,306,443	$ (518,587)	$ 296,902	$ 23,084,758	$ 23,218,890	$ 23,679,124	$ 594,366
Excess (Deficiency) of Revenues Over Expenditures	$ 226,656	$ 518,587	$ (296,902)	$ 448,341	$ (128,580)	$ (403,582)	$ 851,923
Other Financing Sources (Uses)							
Transfers In	$ 20,041	$ 0	$ 0	$ 20,041	$ 20,103	$ 20,103	$ (62)
Total Other Financing Sources (Uses)	$ 20,041	$ 0	$ 0	$ 20,041	$ 20,103	$ 20,103	$ (62)
Net Change in Fund Balance	$ 246,697	$ 518,587	$ (296,902)	$ 468,382	$ (108,477)	$ (383,479)	$ 851,861
Fund Balance, July 1, 2008	3,445,889	(518,587)	0	2,927,302	3,000,442	3,000,442	(73,140)
Fund Balance, June 30, 2009	$ 3,692,586	$ 0	$ (296,902)	$ 3,395,684	$ 2,891,965	$ 2,616,963	$ 778,721

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Federal Government	$ 1,482,509	$ 0	$ 1,482,509	$ 1,595,514	$ 1,595,514	$ (113,005)
Total Revenues	$ 1,482,509	$ 0	$ 1,482,509	$ 1,595,514	$ 1,595,514	$ (113,005)
Expenditures						
Instruction						
Regular Instruction Program	$ 431,629	$ 0	$ 431,629	$ 492,945	$ 492,945	$ 61,316
Special Education Program	607,165	0	607,165	617,876	617,876	10,711
Vocational Education Program	35,783	0	35,783	31,490	35,783	0
Support Services						
Other Student Support	116,733	0	116,733	129,719	125,438	8,705
Regular Instruction Program	118,753	0	118,753	143,230	143,230	24,477
Special Education Program	150,691	(125)	150,566	157,815	157,816	7,250
Vocational Education Program	1,951	0	1,951	1,951	1,951	0
Total Expenditures	$ 1,462,705	$ (125)	$ 1,462,580	$ 1,575,026	$ 1,575,039	$ 112,459
Excess (Deficiency) of Revenues Over Expenditures	$ 19,804	$ 125	$ 19,929	$ 20,488	$ 20,475	$ (546)
Other Financing Sources (Uses)						
Transfers Out	$ (20,041)	$ 0	$ (20,041)	$ (20,600)	$ (20,587)	$ 546
Total Other Financing Sources (Uses)	$ (20,041)	$ 0	$ (20,041)	$ (20,600)	$ (20,587)	$ 546
Net Change in Fund Balance	$ (237)	$ 125	$ (112)	$ (112)	$ (112)	$ 0
Fund Balance, July 1, 2008	237	(125)	112	112	112	0
Fund Balance, June 30, 2009	$ 0	$ 0	$ 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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Charges for Current Services	$ 753,847	$ 0	$ 0	$ 753,847	$ 791,454	$ 791,454	$ (37,607)
Other Local Revenues	16,896	0	0	16,896	11,000	11,000	5,896
State of Tennessee	20,401	0	0	20,401	20,400	20,400	1
Federal Government	1,074,067	0	0	1,074,067	1,050,000	1,050,000	24,067
Total Revenues	$ 1,865,211	$ 0	$ 0	$ 1,865,211	$ 1,872,854	$ 1,872,854	$ (7,643)
Expenditures							
Operation of Non-Instructional Services							
Food Service	$ 1,829,744	$ (16,172)	$ 26,291	$ 1,839,863	$ 1,872,854	$ 1,872,854	$ 32,991
Total Expenditures	$ 1,829,744	$ (16,172)	$ 26,291	$ 1,839,863	$ 1,872,854	$ 1,872,854	$ 32,991
Excess (Deficiency) of Revenues Over Expenditures	$ 35,467	$ 16,172	$ (26,291)	$ 25,348	$ 0	$ 0	$ 25,348
Net Change in Fund Balance	$ 35,467	$ 16,172	$ (26,291)	$ 25,348	$ 0	$ 0	$ 25,348
Fund Balance, July 1, 2008	359,229	(16,172)	0	343,057	343,036	343,036	21
Fund Balance, June 30, 2009	$ 394,696	$ 0	$ (26,291)	$ 368,405	$ 343,036	$ 343,036	$ 25,369

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, 2009

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 1,635,987	$ 0	$ 1,635,987	$ 1,634,762	$ 1,634,762	$ 1,225
Charges for Current Services	44,412	0	44,412	29,442	29,442	14,970
Other Local Revenues	1,373	0	1,373	2,758	2,758	(1,385)
State of Tennessee	383,082	0	383,082	377,482	377,482	5,600
Total Revenues	$ 2,064,854	$ 0	$ 2,064,854	$ 2,044,444	$ 2,044,444	$ 20,410
Expenditures						
Support Services						
Board of Education	$ 30,031	$ 0	$ 30,031	$ 31,000	$ 31,000	$ 969
Operation of Plant	18,577	0	18,577	18,584	18,584	7
Transportation	1,905,243	223,481	2,128,724	2,255,986	2,255,986	127,262
Total Expenditures	$ 1,953,851	$ 223,481	$ 2,177,332	$ 2,305,570	$ 2,305,570	$ 128,238
Excess (Deficiency) of Revenues Over Expenditures	$ 111,003	$ (223,481)	$ (112,478)	$ (261,126)	$ (261,126)	$ 148,648
Net Change in Fund Balance	$ 111,003	$ (223,481)	$ (112,478)	$ (261,126)	$ (261,126)	$ 148,648
Fund Balance, July 1, 2008	459,491	0	459,491	455,716	455,716	3,775
Fund Balance, June 30, 2009	$ 570,494	$ (223,481)	$ 347,013	$ 194,590	$ 194,590	$ 152,423

Miscellaneous Schedules

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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, 2009

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-09
NOTES PAYABLE									
Payable through General Fund									
Edenton-Lamb Building	$ 237,500	4.15%	3-30-06	3-29-12	$ 158,334	$ 0	$ 39,583	$ 0	$ 118,751
Total Notes Payable					$ 158,334	$ 0	$ 39,583	$ 0	$ 118,751
CAPITAL LEASES PAYABLE									
Payable through General Fund									
Sheriff's Patrol Cars	61,785	4.4	2-5-07	2-6-09	$ 20,583	$ 0	$ 20,583	$ 0	$ 0
Sheriff's Patrol Cars	62,850	4.64	8-22-07	8-22-09	40,933	0	19,995	0	20,938
Sheriff's Patrol Cars	81,877	2.66	4-6-09	4-7-11	0	81,877	28,007	0	53,870
Total Payable through General Fund					$ 61,516	$ 81,877	$ 68,585	$ 0	$ 74,808
Payable through Highway/Public Works Fund									
Graders	326,800	3.89	6-20-05	10-9-08	$ 138,378	$ 0	$ 138,378	$ 0	$ 0
Dump Trucks	390,612	4.39	3-12-07	4-20-12	346,633	0	36,961	0	309,672
Total Payable through Highway/Public Works Fund					$ 485,011	$ 0	$ 175,339	$ 0	$ 309,672
Total Capital Leases Payable					$ 546,527	$ 81,877	$ 243,924	$ 0	$ 384,480
OTHER LOANS PAYABLE									
Payable through General Debt Service Fund									
School Construction (Series III-G-1)	10,000,000	Variable (1)	7-15-1999	6-1-24	$ 10,000,000	$ 0	$ 0	$ 0	$ 10,000,000
School Construction (Series IV-B-1)	14,780,000	Variable	1-1-00	6-4-09	13,960,000	0	725,000	13,235,000	0
School Construction (Series IV-B-1)	6,220,000	Variable (1)	1-1-00	6-4-09	6,220,000	0	0	6,220,000	0
Total Other Loans Payable					$ 30,180,000	$ 0	$ 725,000	$ 19,455,000	$ 10,000,000
BONDS PAYABLE									
Payable through General Debt Service Fund									
General Obligation Bonds, Series 2001	8,500,000	3.4 to 4.95	7-9-01	6-1-10	$ 450,000	$ 0	$ 200,000	$ 0	$ 250,000
General Obligation Refunding Bonds, Series 2005	7,980,000	3 to 4.45	4-21-05	6-1-26	7,750,000	0	30,000	0	7,720,000
School Refunding Bonds, Series 2009A	19,910,000	2 to 4.1	6-4-09	6-1-26	0	19,910,000	0	0	19,910,000
Total Bonds Payable					$ 8,200,000	$ 19,910,000	$ 230,000	$ 0	$ 27,880,000

(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 Long-term Debt Requirements by Year

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2010	$ 39,583	$ 4,928	$ 44,511
2011	39,584	3,285	42,869
2012	39,584	1,643	41,227
Total	$ 118,751	$ 9,856	$ 128,607

Year Ending June 30	Capital Lease Principal	Capital Lease Interest	Total Capital Lease Requirements
2010	$ 86,136	$ 15,242	$ 101,378
2011	67,633	11,820	79,453
2012	230,711	7,868	238,579
Total	$ 384,480	$ 34,930	$ 419,410

Year Ending June 30	Other Loan Principal	Other Loan Interest	Other Loan Fees	Total Other Loan Requirements
2010	$ 0	$ 500,000	$ 50,593	$ 550,593
2011	0	500,000	50,593	550,593
2012	0	500,000	50,593	550,593
2013	0	500,000	50,593	550,593
2014	0	500,000	50,593	550,593
2015	0	500,000	50,593	550,593
2016	0	500,000	50,593	550,593
2017	0	500,000	50,593	550,593
2018	0	500,000	50,593	550,593
2019	0	500,000	50,593	550,593
2020	0	500,000	50,593	550,593
2021	2,320,000	500,000	50,593	2,870,593
2022	2,440,000	384,000	38,855	2,862,855
2023	2,555,000	262,000	26,511	2,843,511
2024	2,685,000	134,250	13,584	2,832,834
Total	$ 10,000,000	$ 6,780,250	$ 686,066	$ 17,466,316

(Continued)

Exhibit K-2

Dyer County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2010	$ 285,000	$ 1,031,941	$ 1,316,941
2011	285,000	1,025,653	1,310,653
2012	1,235,000	1,015,677	2,250,677
2013	1,230,000	985,952	2,215,952
2014	1,230,000	947,238	2,177,238
2015	1,280,000	908,193	2,188,193
2016	1,280,000	866,942	2,146,942
2017	1,360,000	825,355	2,185,355
2018	1,390,000	780,304	2,170,304
2019	1,520,000	731,943	2,251,943
2020	1,580,000	676,883	2,256,883
2021	1,615,000	617,428	2,232,428
2022	1,700,000	555,355	2,255,355
2023	2,825,000	488,235	3,313,235
2024	2,870,000	373,420	3,243,420
2025	3,020,000	256,520	3,276,520
2026	3,175,000	132,940	3,307,940
Total	$ 27,880,000	$ 12,219,979	$ 40,099,979

Exhibit K-3

Dyer County, Tennessee
Schedule of Notes Receivable
June 30, 2009

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-09
Special Purpose Fund	Dyer County Industrial Development Board	$ 3,744,016	6-2-03	7-5-18	6%	$ 2,636,524
Total Notes Receivable						$ 2,636,524

Exhibit K-4

Dyer County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Dyer County School Department
For the Year Ended June 30, 2009

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Solid Waste/Sanitation	Operations	$ 67,533
Total Transfers Primary Government			$ 67,533
DISCRETELY PRESENTED DYER COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	$ 20,041
Total Transfers Discretely Presented Dyer County School Department			$ 20,041

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, 2009

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	$ 81,930	$ 50,000	Travelers Casualty and Surety Company of America
Road Supervisor	Section 8-24-102, TCA	75,338	100,000	"
Director of Schools	State Board of Education and County Board of Education	136,856 (1)	50,000	Fidelity and Deposit Company of Maryland
Trustee	Section 8-24-102, TCA	65,472	1,087,000	Travelers Casualty and Surety Company of America
Assessor of Property	Section 8-24-102, TCA	65,472	10,000	Fidelity and Deposit Company of Maryland
County Clerk	Section 8-24-102, TCA	65,472	50,000	Travelers Casualty and Surety Company of America
Circuit and General Sessions	Section 8-24-102, TCA	65,472	50,000	"
Clerk and Master	Section 8-24-102, TCA	65,472	65,000	"
Register	Section 8-24-102, TCA	65,472	25,000	"
Sheriff	Section 8-24-102, TCA	76,235 (2)	25,000	"
General County/Highway Department Employees			150,000	Local Government Property and Casualty Fund
All School Employees			150,000	The Netherlands Insurance Company

(1) Includes chief executive officer training supplement of $1,000. Does not include life insurance premium of $1,111 and tax shelter annuity payments of $9,300.
(2) Includes a 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, 2009

		Special Revenue Funds			
	General	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General
Local Taxes					
County Property Taxes					
Current Property Tax	$ 4,774,943	$ 0	$ 0	$ 0	$ 0
Trustee's Collections - Prior Year	100,170	0	0	0	0
Trustee's Collections - Bankruptcy	1,440	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	27,692	0	0	0	0
Interest and Penalty	21,650	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	164,701	0	0	0	0
Payments in-Lieu-of Taxes - Other	1,269	0	0	0	0
County Local Option Taxes					
Local Option Sales Tax	0	0	0	0	0
Litigation Tax - General	181,716	0	0	0	0
Litigation Tax - Special Purpose	0	2,909	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	317,806	0	0	0	0
Statutory Local Taxes					
Bank Excise Tax	44,809	0	0	0	0
Wholesale Beer Tax	89,847	0	0	0	0
Total Local Taxes	$ 5,726,043	$ 2,909	$ 0	$ 0	$ 0
Licenses and Permits					
Licenses					
Animal Registration	$ 9,558	$ 0	$ 0	$ 0	$ 0
Cable TV Franchise	88,181	0	0	0	0
Permits					
Beer Permits	3,182	0	0	0	0
Building Permits	0	0	0	0	0
Other Permits	31,342	0	0	0	0
Total Licenses and Permits	$ 132,263	$ 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
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	$ 3,921	$ 0	$ 0	$ 0	$ 0
Officers Costs	4,485	0	0	0	0
Drug Control Fines	0	0	0	3,577	0
Data Entry Fee - Circuit Court	557	0	0	0	0
General Sessions Court					
Fines	20,779	0	0	0	0
Fines for Littering	95	0	0	0	0
Officers Costs	16,216	0	0	0	0
Game and Fish Fines	56	0	0	0	0
Drug Control Fines	7	0	0	2,341	0
Drug Court Fees	2,364	0	0	0	0
Jail Fees	4,412	0	0	0	0
District Attorney General Fees	0	0	0	0	5,521
DUI Treatment Fines	6,122	0	0	0	0
Data Entry Fee - General Sessions Court	9,502	0	0	0	0
Juvenile Court					
Fines	1,150	0	0	0	0
Courtroom Security Fee	45	0	0	0	0
Chancery Court					
Officers Costs	3,781	0	0	0	0
Data Entry Fee - Chancery Court	6,054	0	0	0	0
Courts in Other District Counties					
District Attorney General Fees	0	0	0	0	1,804
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	0	0	0	40,529	0
Other Fines, Forfeitures, and Penalties	22,275	0	0	0	0
Total Fines, Forfeitures, and Penalties	$ 101,821	$ 0	$ 0	$ 46,447	$ 7,325

(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
Charges for Current Services					
General Service Charges					
Solid Waste Disposal Fees	$ 0	$ 0	$ 2,610	$ 0	$ 0
Patient Charges	3,081	0	0	0	0
Other General Service Charges	2,945	0	0	0	0
Fees					
Copy Fees	569	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0
Telephone Commissions	37,230	0	0	0	0
Vending Machine Collections	82	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Data Processing Fee - Register	12,430	0	0	0	0
Data Processing Fee - Sheriff	2,634	0	0	0	0
Sexual Offender Registration Fees - Sheriff	755	0	0	0	0
Data Processing Fee - County Clerk	2,866	0	0	0	0
Total Charges for Current Services	$ 62,642	$ 0	$ 2,610	$ 0	$ 0
Other Local Revenues					
Recurring Items					
Investment Income	$ 32,267	$ 0	$ 0	$ 0	$ 0
Lease/Rentals	77,311	0	5,362	0	0
Sale of Materials and Supplies	0	0	0	0	0
Commissary Sales	37,649	0	0	0	0
Miscellaneous Refunds	34,757	0	0	0	0
Nonrecurring Items					
Sale of Equipment	14,186	0	0	0	0
Sale of Property	1,815	0	0	0	0
Damages Recovered from Individuals	3,203	0	0	0	0
Contributions and Gifts	400	0	0	0	0
Other Local Revenues					
Other Local Revenues	700	0	0	0	0
Total Other Local Revenues	$ 202,288	$ 0	$ 5,362	$ 0	$ 0

(Continued)

Exhibit K-6

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

	General	Special Revenue Funds			
		Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General
Fees Received from County Officials					
Fees in-Lieu-of Salary					
County Clerk	$ 320,425	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	102,069	0	0	0	0
General Sessions Court Clerk	316,932	0	0	0	0
Clerk and Master	226,830	0	0	0	0
Register	133,989	0	0	0	0
Sheriff	12,765	0	0	0	0
Trustee	519,544	0	0	0	0
Total Fees Received from County Officials	$ 1,632,554	$ 0	$ 0	$ 0	$ 0
State of Tennessee					
General Government Grants					
Juvenile Services Program	$ 9,000	$ 0	$ 0	$ 0	$ 0
Aging Programs	254,642	0	0	0	0
State Reappraisal Grant	12,997	0	0	0	0
Solid Waste Grants	0	0	31,059	0	0
Public Safety Grants					
Law Enforcement Training Programs	13,800	0	0	0	0
Drug Control Grants	44,082	0	0	0	0
Public Works Grants					
Bridge Program	0	0	0	0	0
Litter Program	33,881	0	0	0	0
Other State Revenues					
Income Tax	61,018	0	0	0	0
Beer Tax	18,701	0	0	0	0
Alcoholic Beverage Tax	58,895	0	0	0	0
Contracted Prisoner Boarding	1,184,680	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	692	0	0	0	0
Registrar's Salary Supplement	10,817	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
State of Tennessee (Cont.)					
Other State Revenues (Cont.)					
Other State Grants	$ 7,497	$ 0	$ 0	$ 0	$ 0
Total State of Tennessee	$ 1,710,702	$ 0	$ 31,059	$ 0	$ 0
Federal Government					
Federal Through State					
USDA - Other	$ 45,462	$ 0	$ 0	$ 0	$ 0
Community Development	0	0	0	0	0
Disaster Relief	27,332	0	0	0	0
Homeland Security Grants	46,127	0	0	0	0
Other Federal through State	118,648	0	0	0	0
Direct Federal Revenue					
Other Direct Federal Revenue	10,800	0	0	0	0
Total Federal Government	$ 248,369	$ 0	$ 0	$ 0	$ 0
Other Governments and Citizens Groups					
Other Governments					
Prisoner Board	$ 6,767	$ 0	$ 0	$ 0	$ 0
Contracted Services	24,957	0	0	0	0
Other					
Other	18	0	0	0	0
Total Other Governments and Citizens Groups	$ 31,742	$ 0	$ 0	$ 0	$ 0
Total	$ 9,848,424	$ 2,909	$ 39,031	$ 46,447	$ 7,325

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	HUD Grant Projects	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 0	$ 1,641,203	$ 481,655	$ 0	$ 6,897,801
Trustee's Collections - Prior Year	0	58,448	63,777	0	222,395
Trustee's Collections - Bankruptcy	0	840	917	0	3,197
Circuit/Clerk & Master Collections - Prior Years	0	15,870	15,739	0	59,301
Interest and Penalty	0	12,081	12,548	0	46,279
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	164,701
Payments in-Lieu-of Taxes - Other	0	0	934,774	0	936,043
County Local Option Taxes					
Local Option Sales Tax	0	0	83,268	0	83,268
Litigation Tax - General	0	0	0	0	181,716
Litigation Tax - Special Purpose	0	0	0	0	2,909
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	121,799	0	121,799
Business Tax	0	0	0	0	317,806
Statutory Local Taxes					
Bank Excise Tax	0	0	0	0	44,809
Wholesale Beer Tax	0	0	0	0	89,847
Total Local Taxes	$ 0	$ 1,728,442	$ 1,714,477	$ 0	$ 9,171,871
Licenses and Permits					
Licenses					
Animal Registration	$ 0	$ 0	$ 0	$ 0	$ 9,558
Cable TV Franchise	0	0	0	0	88,181
Permits					
Beer Permits	0	0	0	0	3,182
Building Permits	0	10,983	0	0	10,983
Other Permits	0	0	0	0	31,342
Total Licenses and Permits	$ 0	$ 10,983	$ 0	$ 0	$ 143,246

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	HUD Grant Projects	Total
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	$ 0	$ 0	$ 0	$ 0	$ 3,921
Officers Costs	0	0	0	0	4,485
Drug Control Fines	0	0	0	0	3,577
Data Entry Fee - Circuit Court	0	0	0	0	557
General Sessions Court					
Fines	0	0	0	0	20,779
Fines for Littering	0	0	0	0	95
Officers Costs	0	0	0	0	16,216
Game and Fish Fines	0	0	0	0	56
Drug Control Fines	0	0	0	0	2,348
Drug Court Fees	0	0	0	0	2,364
Jail Fees	0	0	0	0	4,412
District Attorney General Fees	0	0	0	0	5,521
DUI Treatment Fines	0	0	0	0	6,122
Data Entry Fee - General Sessions Court	0	0	0	0	9,502
Juvenile Court					
Fines	0	0	0	0	1,150
Courtroom Security Fee	0	0	0	0	45
Chancery Court					
Officers Costs	0	0	0	0	3,781
Data Entry Fee - Chancery Court	0	0	0	0	6,054
Courts in Other District Counties					
District Attorney General Fees	0	0	0	0	1,804
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	0	0	0	0	40,529
Other Fines, Forfeitures, and Penalties	0	0	0	0	22,275
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 0	$ 155,593

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	HUD Grant Projects	Total
Charges for Current Services					
General Service Charges					
Solid Waste Disposal Fees	$ 0	$ 0	$ 0	$ 0	$ 2,610
Patient Charges	0	0	0	0	3,081
Other General Service Charges	0	0	0	0	2,945
Fees					
Copy Fees	0	0	0	0	569
Greenbelt Late Application Fee	0	0	0	0	50
Telephone Commissions	0	0	0	0	37,230
Vending Machine Collections	0	0	0	0	82
Constitutional Officers' Fees and Commissions	669	0	0	0	669
Data Processing Fee - Register	0	0	0	0	12,430
Data Processing Fee - Sheriff	0	0	0	0	2,634
Sexual Offender Registration Fees - Sheriff	0	0	0	0	755
Data Processing Fee - County Clerk	0	0	0	0	2,866
Total Charges for Current Services	$ 669	$ 0	$ 0	$ 0	$ 65,921
Other Local Revenues					
Recurring Items					
Investment Income	$ 0	$ 36,883	$ 1,141,187	$ 0	$ 1,210,337
Lease/Rentals	0	0	0	0	82,673
Sale of Materials and Supplies	0	740	0	0	740
Commissary Sales	0	0	0	0	37,649
Miscellaneous Refunds	0	590	0	0	35,347
Nonrecurring Items					
Sale of Equipment	0	1,600	0	0	15,786
Sale of Property	0	0	0	0	1,815
Damages Recovered from Individuals	0	0	0	0	3,203
Contributions and Gifts	0	0	0	0	400
Other Local Revenues					
Other Local Revenues	0	0	0	0	700
Total Other Local Revenues	$ 0	$ 39,813	$ 1,141,187	$ 0	$ 1,388,650

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	HUD Grant Projects	Total
Fees Received from County Officials					
Fees in-Lieu-of Salary					
County Clerk	$ 0	$ 0	$ 0	$ 0	$ 320,425
Circuit Court Clerk	0	0	0	0	102,069
General Sessions Court Clerk	0	0	0	0	316,932
Clerk and Master	0	0	0	0	226,830
Register	0	0	0	0	133,989
Sheriff	0	0	0	0	12,765
Trustee	0	0	0	0	519,544
Total Fees Received from County Officials	$ 0	$ 0	$ 0	$ 0	$ 1,632,554
State of Tennessee					
General Government Grants					
Juvenile Services Program	$ 0	$ 0	$ 0	$ 0	$ 9,000
Aging Programs	0	0	0	0	254,642
State Reappraisal Grant	0	0	0	0	12,997
Solid Waste Grants	0	0	0	0	31,059
Public Safety Grants					
Law Enforcement Training Programs	0	0	0	0	13,800
Drug Control Grants	0	0	0	0	44,082
Public Works Grants					
Bridge Program	0	15,044	0	0	15,044
Litter Program	0	0	0	0	33,881
Other State Revenues					
Income Tax	0	0	0	0	61,018
Beer Tax	0	0	0	0	18,701
Alcoholic Beverage Tax	0	0	0	0	58,895
Contracted Prisoner Boarding	0	0	0	0	1,184,680
Gasoline and Motor Fuel Tax	0	1,790,450	0	0	1,790,450
Petroleum Special Tax	0	29,939	0	0	29,939
Reappraisal Program Reimbursement	0	0	0	0	692
Registrar's Salary Supplement	0	0	0	0	10,817

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	HUD Grant Projects	Total
State of Tennessee (Cont.)					
Other State Revenues (Cont.)					
Other State Grants	$ 0	$ 0	$ 0	$ 0	$ 7,497
Total State of Tennessee	$ 0	$ 1,835,433	$ 0	$ 0	$ 3,577,194
Federal Government					
Federal Through State					
USDA - Other	$ 0	$ 0	$ 0	$ 0	$ 45,462
Community Development	0	0	0	425,603	425,603
Disaster Relief	0	133,411	0	0	160,743
Homeland Security Grants	0	0	0	0	46,127
Other Federal through State	0	0	0	0	118,648
Direct Federal Revenue					
Other Direct Federal Revenue	0	0	0	0	10,800
Total Federal Government	$ 0	$ 133,411	$ 0	$ 425,603	$ 807,383
Other Governments and Citizens Groups					
Other Governments					
Prisoner Board	$ 0	$ 0	$ 0	$ 0	$ 6,767
Contracted Services	0	0	0	0	24,957
Other					
Other	0	0	0	0	18
Total Other Governments and Citizens Groups	$ 0	$ 0	$ 0	$ 0	$ 31,742
Total	$ 669	$ 3,748,082	$ 2,855,664	$ 425,603	$ 16,974,154

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, 2009

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 2,970,533	$ 0	$ 0	$ 1,302,267	$ 4,272,800
Trustee's Collections - Prior Year	105,914	0	0	39,468	145,382
Trustee's Collections - Bankruptcy	1,544	0	0	677	2,221
Circuit/Clerk & Master Collections - Prior Years	27,706	0	0	12,135	39,841
Interest and Penalty	21,865	0	0	9,575	31,440
Payments in-Lieu-of Taxes - T.V.A.	207	0	0	0	207
County Local Option Taxes					
Local Option Sales Tax	3,012,309	0	0	0	3,012,309
Wheel Tax	793,357	0	0	271,865	1,065,222
Statutory Local Taxes					
Interstate Telecommunications Tax	3,341	0	0	0	3,341
Total Local Taxes	$ 6,936,776	$ 0	$ 0	$ 1,635,987	$ 8,572,763
Licenses and Permits					
Licenses					
Marriage Licenses	$ 1,696	$ 0	$ 0	$ 0	$ 1,696
Permits					
Other Permits	313	0	0	0	313
Total Licenses and Permits	$ 2,009	$ 0	$ 0	$ 0	$ 2,009
Charges for Current Services					
Fees					
Vending Machine Collections	$ 686	$ 0	$ 0	$ 490	$ 1,176
Education Charges					
Tuition - Summer School	1,599	0	0	0	1,599
Lunch Payments - Children	0	0	415,702	0	415,702
Lunch Payments - Adults	0	0	63,553	0	63,553
Income from Breakfast	0	0	57,459	0	57,459
A la carte Sales	0	0	212,665	0	212,665
Contract for Administrative Services with Other LEAs	24,075	0	0	0	24,075
Contract for Student Support Services with Other LEAs	0	0	0	7,151	7,151
Receipts from Individual Schools	6,870	0	4,468	36,771	48,109
Total Charges for Current Services	$ 33,230	$ 0	$ 753,847	$ 44,412	$ 831,489
Other Local Revenues					
Recurring Items					
Investment Income	$ 162,514	$ 0	$ 7,148	$ 0	$ 169,662
Sale of Materials and Supplies	683	0	0	0	683
Refund of Telecommunication and Internet Fees (E-Rate)	33,528	0	0	0	33,528
Retirees' Insurance Payments	3,601	0	0	300	3,901
Miscellaneous Refunds	26,555	0	9,748	867	37,170
Nonrecurring Items					
Damages Recovered from Individuals	2,118	0	0	206	2,324
Total Other Local Revenues	$ 228,999	$ 0	$ 16,896	$ 1,373	$ 247,268

(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
State of Tennessee					
General Government Grants					
On-Behalf Contributions for OPEB	$ 104,298	$ 0	$ 0	$ 0	$ 104,298
State Education Funds					
Basic Education Program	13,928,918	0	0	383,082	14,312,000
Early Childhood Education	713,635	0	0	0	713,635
School Food Service	0	0	20,401	0	20,401
Driver Education	10,619	0	0	0	10,619
Other State Education Funds	307,545	0	0	0	307,545
Career Ladder Program	179,223	0	0	0	179,223
Career Ladder - Extended Contract	104,600	0	0	0	104,600
Other State Revenues					
State Revenue Sharing - T.V.A.	626,754	0	0	0	626,754
Other State Grants	62,125	0	0	0	62,125
Total State of Tennessee	$ 16,037,717	$ 0	$ 20,401	$ 383,082	$ 16,441,200
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 799,443	$ 0	$ 799,443
Breakfast	0	0	274,624	0	274,624
Vocational Education - Basic Grants to States	0	52,825	0	0	52,825
Title I Grants to Local Education Agencies	0	514,792	0	0	514,792
Special Education - Grants to States	101,593	737,190	0	0	838,783
Special Education Preschool Grants	0	32,149	0	0	32,149
Safe and Drug-Free Schools - State Grants	0	9,468	0	0	9,468
Eisenhower Professional Development State Grants	0	131,722	0	0	131,722
Other Federal through State	135,000	4,363	0	0	139,363
Direct Federal Revenue					
ROTC Reimbursement	57,775	0	0	0	57,775
Total Federal Government	$ 294,368	$ 1,482,509	$ 1,074,067	$ 0	$ 2,850,944
Total	$ 23,533,099	$ 1,482,509	$ 1,865,211	$ 2,064,854	$ 28,945,673

Exhibit K-8

Dyer County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2009

General Fund				
General Government				
County Commission				
Other Per Diem and Fees	$	81,250		
Social Security		4,418		
Employer Medicare		1,033		
Audit Services		11,184		
Total County Commission			$	97,885
Board of Equalization				
Board and Committee Members Fees	$	5,345		
Total Board of Equalization				5,345
Other Boards and Committees				
Board and Committee Members Fees	$	3,230		
Total Other Boards and Committees				3,230
County Mayor/Executive				
County Official/Administrative Officer	$	81,930		
Secretary(ies)		76,872		
Other Per Diem and Fees		8,400		
Social Security		9,082		
Local Retirement		6,317		
Employer Medicare		2,124		
Legal Notices, Recording, and Court Costs		38		
Maintenance and Repair Services - Office Equipment		4,228		
Postal Charges		1,800		
Printing, Stationery, and Forms		1,917		
Travel		1,595		
Other Contracted Services		6,492		
Office Supplies		4,777		
In Service/Staff Development		792		
Total County Mayor/Executive				206,364
County Attorney				
County Official/Administrative Officer	$	1,200		
Social Security		74		
Employer Medicare		17		
Legal Services		67,160		
Total County Attorney				68,451
Election Commission				
County Official/Administrative Officer	$	61,535		

(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)	$	94,935		
Part-time Personnel		45,998		
Election Commission		21,197		
Election Workers		45,300		
Social Security		11,117		
Medical Insurance		16,923		
Local Retirement		3,912		
Employer Medicare		2,600		
Audit Services		2,372		
Legal Notices, Recording, and Court Costs		8,637		
Maintenance and Repair Services - Equipment		29,684		
Postal Charges		8,051		
Printing, Stationery, and Forms		3,094		
Travel		9,022		
Office Supplies		4,100		
Other Charges		5,419		
Office Equipment		10,601		
Total Election Commission			$	384,497
Register of Deeds				
County Official/Administrative Officer	$	65,472		
Deputy(ies)		66,936		
Social Security		7,187		
Medical Insurance		10,656		
Local Retirement		5,754		
Employer Medicare		1,681		
Dues and Memberships		609		
Maintenance and Repair Services - Equipment		370		
Postal Charges		210		
Printing, Stationery, and Forms		1,090		
Travel		1,364		
Other Contracted Services		816		
Data Processing Supplies		14,171		
Office Supplies		1,725		
Office Equipment		371		
Total Register of Deeds				178,412
Planning				
County Official/Administrative Officer	$	47,930		
Assistant(s)		17,155		

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
General Government (Cont.)		
Planning (Cont.)		
Secretary(ies)	$ 29,297	
Other Salaries and Wages	592	
Other Per Diem and Fees	16,800	
Social Security	4,933	
Medical Insurance	17,800	
Local Retirement	2,360	
Employer Medicare	1,154	
Contracts with Private Agencies	410	
Dues and Memberships	100	
Legal Notices, Recording, and Court Costs	231	
Postal Charges	450	
Other Contracted Services	9,250	
Office Supplies	1,093	
In Service/Staff Development	690	
Other Charges	92	
Office Equipment	437	
Total Planning		$ 150,774
County Buildings		
Custodial Personnel	$ 43,402	
Social Security	2,396	
Medical Insurance	10,495	
Employer Medicare	560	
Janitorial Services	50,228	
Maintenance and Repair Services - Buildings	9,605	
Custodial Supplies	10,558	
Drugs and Medical Supplies	789	
Office Supplies	2,633	
Liability Insurance	104,655	
Other Charges	1,159	
Office Equipment	8,088	
Other Capital Outlay	60,000	
Total County Buildings		304,568
Other General Administration		
Communication	$ 18,542	
Contributions	47,000	
Dues and Memberships	5,018	
Maintenance Agreements	8,520	
Maintenance and Repair Services - Buildings	6,921	

(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 - Office Equipment	$ 1,400		
Pest Control	931		
Electricity	22,853		
Utilities	9,518		
Workers' Compensation Insurance	124,375		
Liability Claims	10,205		
Total Other General Administration		$	255,283
Finance			
Accounting and Budgeting			
County Official/Administrative Officer	$ 61,535		
Assistant(s)	57,535		
Social Security	6,826		
Medical Insurance	10,758		
Local Retirement	2,977		
Employer Medicare	1,596		
Legal Notices, Recording, and Court Costs	209		
Maintenance and Repair Services - Office Equipment	98		
Postal Charges	250		
Printing, Stationery, and Forms	350		
Travel	185		
Other Contracted Services	7,056		
Data Processing Supplies	350		
Office Supplies	193		
Premiums on Corporate Surety Bonds	100		
Office Equipment	204		
Total Accounting and Budgeting			150,222
Property Assessor's Office			
County Official/Administrative Officer	$ 65,472		
Deputy(ies)	144,110		
Other Per Diem and Fees	4,800		
Social Security	11,855		
Medical Insurance	27,566		
Local Retirement	6,815		
Employer Medicare	2,773		
Contracts with Private Agencies	30,955		
Data Processing Services	10,320		
Dues and Memberships	1,303		
Legal Notices, Recording, and Court Costs	74		

(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.)				
Postal Charges	$	1,140		
Rentals		3,539		
Travel		1,369		
Data Processing Supplies		3,000		
Office Supplies		2,679		
Premiums on Corporate Surety Bonds		100		
In Service/Staff Development		385		
Other Charges		412		
Total Property Assessor's Office			$	318,667
Reappraisal Program				
Other Salaries and Wages	$	29,987		
Other Per Diem and Fees		8,400		
Social Security		1,717		
Medical Insurance		3,497		
Local Retirement		750		
Employer Medicare		402		
Data Processing Services		3,584		
Postal Charges		907		
Office Supplies		60		
Total Reappraisal Program				49,304
County Trustee's Office				
County Official/Administrative Officer	$	65,472		
Deputy(ies)		75,186		
Social Security		7,802		
Medical Insurance		15,500		
Local Retirement		4,993		
Employer Medicare		1,825		
Legal Notices, Recording, and Court Costs		283		
Maintenance and Repair Services - Office Equipment		540		
Postal Charges		9,400		
Printing, Stationery, and Forms		641		
Travel		1,381		
Other Contracted Services		17,561		
Data Processing Supplies		913		
Office Supplies		686		
In Service/Staff Development		513		
Office Equipment		2,350		
Total County Trustee's Office				205,046

(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	$ 65,472	
Deputy(ies)	181,006	
Social Security	14,096	
Medical Insurance	30,150	
Local Retirement	7,441	
Employer Medicare	3,297	
Dues and Memberships	733	
Legal Notices, Recording, and Court Costs	291	
Maintenance and Repair Services - Office Equipment	15	
Postal Charges	10,000	
Printing, Stationery, and Forms	1,999	
Rentals	1,436	
Travel	108	
Data Processing Supplies	1,911	
Other Supplies and Materials	5,864	
Other Charges	617	
Office Equipment	314	
Total County Clerk's Office		$ 324,750
Other Finance		
Communication	$ 8,118	
Dues and Memberships	401	
Maintenance and Repair Services - Buildings	5,033	
Maintenance and Repair Services - Office Equipment	1,208	
Pest Control	628	
Electricity	17,673	
Utilities	5,168	
Refunds	1,529	
Total Other Finance		39,758
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 65,472	
Deputy(ies)	224,043	
Board and Committee Members Fees	700	
Jury and Witness Fees	27,273	
Social Security	16,347	
Medical Insurance	40,457	
Local Retirement	8,045	
Employer Medicare	3,823	

(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.)				
Maintenance and Repair Services - Office Equipment	$	7,665		
Postal Charges		2,500		
Printing, Stationery, and Forms		9,020		
Travel		3,866		
Data Processing Supplies		7,373		
Office Supplies		7,237		
Other Charges		358		
Total Circuit Court			$	424,179
General Sessions Court				
Judge(s)	$	129,564		
Clerical Personnel		24,508		
Social Security		9,082		
Medical Insurance		1,019		
Local Retirement		8,051		
Employer Medicare		2,124		
Dues and Memberships		1,351		
Travel		516		
Office Supplies		839		
Other Charges		482		
Total General Sessions Court				177,536
Drug Court				
Supervisor/Director	$	9,600		
Probation Officer(s)		4,800		
Social Security		893		
Employer Medicare		209		
Travel		4,618		
Drug Treatment		24,613		
Other Supplies and Materials		642		
Total Drug Court				45,375
Chancery Court				
County Official/Administrative Officer	$	65,472		
Deputy(ies)		143,834		
Social Security		11,597		
Medical Insurance		28,096		
Local Retirement		7,053		
Employer Medicare		2,712		
Advertising		1,818		

(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.)				
Maintenance and Repair Services - Office Equipment	$	1,068		
Postal Charges		2,704		
Printing, Stationery, and Forms		5,493		
Rentals		2,176		
Travel		108		
Office Supplies		1,053		
Office Equipment		191		
Total Chancery Court			$	273,375
Juvenile Court				
Probation Officer(s)	$	71,950		
Youth Service Officer(s)		39,840		
Social Security		6,630		
Medical Insurance		10,379		
Local Retirement		1,435		
Employer Medicare		1,551		
Contracts with Government Agencies		55,323		
Contracts with Other Public Agencies		4,040		
Contracts with Private Agencies		1,200		
Dues and Memberships		75		
Maintenance and Repair Services - Office Equipment		75		
Postal Charges		351		
Printing, Stationery, and Forms		327		
Law Enforcement Supplies		302		
Office Supplies		1,816		
In Service/Staff Development		1,581		
Office Equipment		1,144		
Total Juvenile Court				198,019
Other Administration of Justice				
Communication	$	12,924		
Dues and Memberships		267		
Maintenance and Repair Services - Buildings		3,746		
Maintenance and Repair Services - Office Equipment		1,879		
Pest Control		279		
Other Contracted Services		15,425		
Electricity		26,369		
Office Supplies		270		
Utilities		15,286		
Office Equipment		2,071		
Total Other Administration of Justice				78,516

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 75,635	
Deputy(ies)	412,738	
Investigator(s)	157,993	
Captain(s)	47,074	
Lieutenant(s)	117,061	
Sergeant(s)	77,246	
Accountants/Bookkeepers	57,505	
Salary Supplements	13,800	
Dispatchers/Radio Operators	203,907	
Other Salaries and Wages	55,145	
Social Security	68,584	
Medical Insurance	185,288	
Unemployment Compensation	7,942	
Local Retirement	16,899	
Employer Medicare	16,040	
Communication	13,558	
Contracts with Government Agencies	5,526	
Contracts with Private Agencies	15,312	
Dues and Memberships	1,650	
Maintenance and Repair Services - Office Equipment	582	
Maintenance and Repair Services - Vehicles	24,454	
Pest Control	582	
Postal Charges	4,020	
Printing, Stationery, and Forms	4,562	
Rentals	5,020	
Transportation - Other than Students	2,134	
Travel	4,260	
Data Processing Supplies	3,385	
Gasoline	89,257	
Law Enforcement Supplies	74,116	
Lubricants	2,706	
Office Supplies	7,035	
Tires and Tubes	10,775	
Uniforms	11,354	
Vehicle and Equipment Insurance	9,000	
In Service/Staff Development	13,028	
Motor Vehicles	81,877	
Total Sheriff's Department		$ 1,897,050

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Jail		
Assistant(s)	$ 40,156	
Deputy(ies)	192,385	
Lieutenant(s)	40,908	
Sergeant(s)	91,758	
Accountants/Bookkeepers	82,876	
Attendants	572,379	
Cafeteria Personnel	56,934	
Other Salaries and Wages	47,925	
Social Security	66,284	
Medical Insurance	128,298	
Local Retirement	8,770	
Employer Medicare	15,502	
Laundry Service	5,447	
Maintenance and Repair Services - Buildings	31,716	
Maintenance and Repair Services - Equipment	8,833	
Medical and Dental Services	53,468	
Drug Treatment	15,580	
Custodial Supplies	19,391	
Drugs and Medical Supplies	35,268	
Electricity	88,674	
Food Preparation Supplies	20,730	
Food Supplies	168,501	
Prisoners Clothing	10,257	
Uniforms	5,533	
Utilities	58,964	
Building and Contents Insurance	55,000	
Liability Insurance	46,664	
Furniture and Fixtures	9,003	
Law Enforcement Equipment	5,664	
Total Jail		$ 1,982,868
Fire Prevention and Control		
County Official/Administrative Officer	$ 40,848	
Investigator(s)	17,154	
Part-time Personnel	15,000	
Social Security	4,124	
Medical Insurance	7,728	
Disability Insurance	5,383	
Local Retirement	1,450	
Employer Medicare	964	

(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.)				
Communication	$	3,006		
Contracts with Other Public Agencies		30,592		
Dues and Memberships		150		
Maintenance and Repair Services - Buildings		40		
Maintenance and Repair Services - Equipment		14,711		
Maintenance and Repair Services - Vehicles		4,273		
Postal Charges		150		
Electricity		842		
Uniforms		193		
Utilities		577		
Vehicle and Equipment Insurance		5,650		
Workers' Compensation Insurance		16,000		
Other Charges		935		
Office Equipment		99		
Other Equipment		4,152		
Total Fire Prevention and Control			$	174,021
Disaster Relief				
Supervisor/Director	$	7,023		
Other Salaries and Wages		7,023		
In-Service Training		1,264		
Social Security		782		
Medical Insurance		2,629		
Local Retirement		351		
Employer Medicare		183		
Communication		2,642		
Postal Charges		150		
Travel		224		
Instructional Supplies and Materials		152		
Office Supplies		1,180		
Other Supplies and Materials		25		
In Service/Staff Development		4,236		
Other Charges		587		
Office Equipment		500		
State Aid Projects		46,487		
Total Disaster Relief				75,438
County Coroner/Medical Examiner				
Contracts with Private Agencies	$	3,144		
Other Contracted Services		1,612		
Total County Coroner/Medical Examiner				4,756

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Public Safety (Cont.)				
Other Public Safety				
Social Security	$	1,624		
Medical Insurance		3,486		
Employer Medicare		380		
Contracts with Government Agencies		40,000		
Contributions		36,328		
Other Contracted Services		58,062		
Electricity		2,408		
Total Other Public Safety			$	142,288
Public Health and Welfare				
Local Health Center				
Salary Supplements	$	43,872		
Communication		4,604		
Janitorial Services		9,480		
Maintenance Agreements		3,005		
Maintenance and Repair Services - Buildings		2,220		
Maintenance and Repair Services - Office Equipment		1,663		
Pest Control		431		
Postal Charges		1,585		
Drugs and Medical Supplies		2,755		
Electricity		15,653		
Office Supplies		9,981		
Utilities		5,895		
Other Supplies and Materials		462		
Office Equipment		1,755		
Total Local Health Center				103,361
Rabies and Animal Control				
Contributions	$	79,750		
Total Rabies and Animal Control				79,750
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

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Public Health and Welfare (Cont.)				
General Welfare Assistance				
Supervisor/Director	$	26,898		
Equipment Operators		23,455		
Social Security		2,777		
Medical Insurance		13,581		
Local Retirement		586		
Employer Medicare		649		
Communication		3,200		
Maintenance and Repair Services - Buildings		154		
Maintenance and Repair Services - Vehicles		502		
Pest Control		372		
Electricity		5,346		
Gasoline		1,511		
Office Supplies		1,196		
Utilities		3,339		
Total General Welfare Assistance			$	83,566
Aid to Dependent Children				
Salary Supplements	$	4,500		
Educational Assistants		28,032		
Communication		618		
Maintenance and Repair Services - Buildings		311		
Rentals		2,950		
Travel		2,796		
Electricity		1,247		
Food Supplies		77,335		
Office Supplies		1,372		
Other Supplies and Materials		1,833		
Total Aid to Dependent Children				120,994
Sanitation Education/Information				
Guards	$	33,314		
Social Security		1,770		
Medical Insurance		7,165		
Employer Medicare		414		
Communication		706		
Consultants		7,200		
Maintenance and Repair Services - Vehicles		634		
Gasoline		3,421		
Other Supplies and Materials		1,801		
Other Charges		1,789		
Total Sanitation Education/Information				58,214

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Public Health and Welfare (Cont.)				
Other Public Health and Welfare				
Other Per Diem and Fees	$	600		
Social Security		1,788		
Employer Medicare		418		
Other Contracted Services		28,838		
Other Supplies and Materials		1,112		
Total Other Public Health and Welfare			$	32,756
Social, Cultural, and Recreational Services				
Adult Activities				
Supervisor/Director	$	39,767		
Clerical Personnel		38,223		
Social Security		4,735		
Medical Insurance		1,527		
Unemployment Compensation		87		
Local Retirement		1,124		
Employer Medicare		1,107		
Dues and Memberships		99		
Maintenance and Repair Services - Vehicles		1,299		
Postal Charges		422		
Travel		5,389		
Other Contracted Services		450		
Gasoline		4,752		
Office Supplies		1,815		
Liability Insurance		801		
Other Charges		3,889		
Office Equipment		392		
Total Adult Activities				105,878
Senior Citizens Assistance				
Assistant(s)	$	23,433		
Supervisor/Director		30,432		
Other Salaries and Wages		42,103		
Social Security		5,485		
Medical Insurance		10,371		
Local Retirement		761		
Employer Medicare		1,283		
Communication		390		
Dues and Memberships		810		
Maintenance and Repair Services - Office Equipment		1,832		
Maintenance and Repair Services - Vehicles		283		

(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.)		
Postal Charges	$ 220	
Travel	5,181	
Other Contracted Services	71,085	
Gasoline	695	
Other Supplies and Materials	572	
Tax Relief Program	89,082	
Office Equipment	1,097	
Total Senior Citizens Assistance		$ 285,115
Libraries		
Contributions	$ 130,895	
Total Libraries		130,895
Parks and Fair Boards		
Contributions	$ 3,750	
Total Parks and Fair Boards		3,750
Other Social, Cultural, and Recreational		
Communication	$ 7,783	
Contributions	99,531	
Dues and Memberships	10,065	
Maintenance and Repair Services - Buildings	3,796	
Maintenance and Repair Services - Office Equipment	1,094	
Pest Control	698	
Electricity	16,388	
Utilities	13,600	
Total Other Social, Cultural, and Recreational		152,955
Agriculture and Natural Resources		
Agriculture Extension Service		
Salary Supplements	$ 102,664	
Communication	1,648	
Maintenance and Repair Services - Buildings	4,673	
Maintenance and Repair Services - Office Equipment	2,935	
Pest Control	953	
Travel	4,394	
Electricity	3,334	
Office Supplies	2,002	
Utilities	4,743	
Office Equipment	2,000	
Total Agriculture Extension Service		129,346

(Continued)

Exhibit K-8

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

General Fund (Cont.)			
Agriculture and Natural Resources (Cont.)			
Soil Conservation			
Secretary(ies)	$ 23,474		
Social Security	1,393		
Local Retirement	587		
Employer Medicare	326		
Total Soil Conservation		$ 25,780	
Flood Control			
Contracts with Other Public Agencies	$ 31,699		
Total Flood Control		31,699	
Other Agriculture and Natural Resources			
Other Salaries and Wages	$ 8,054		
Social Security	499		
Employer Medicare	117		
Dues and Memberships	651		
Total Other Agriculture and Natural Resources		9,321	
Other Operations			
Industrial Development			
Site Development	$ 80,000		
Total Industrial Development		80,000	
Miscellaneous			
Trustee's Commission	$ 113,786		
Other Charges	5,038		
Total Miscellaneous		118,824	
Principal on Debt			
General Government			
Principal on Notes	$ 39,583		
Principal on Capital Leases	68,585		
Total General Government		108,168	
Interest on Debt			
General Government			
Interest on Notes	$ 6,569		
Interest on Capital Leases	2,839		
Total General Government		9,408	
Total General Fund			$ 9,888,784

(Continued)

Exhibit K-8

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

Law Library Fund			
Administration of Justice			
Other Administration of Justice			
Library Books/Media	$ 433		
Trustee's Commission	29		
Total Other Administration of Justice		$ 462	
Total Law Library Fund			$ 462
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Sanitation Management			
Attendants	$ 9,780		
Social Security	606		
Employer Medicare	142		
Communication	486		
Contracts with Government Agencies	16,895		
Contracts with Private Agencies	70,859		
Utilities	1,077		
Trustee's Commission	77		
Other Charges	645		
Total Sanitation Management		$ 100,567	
Total Solid Waste/Sanitation Fund			100,567
Drug Control Fund			
Public Safety			
Drug Enforcement			
Confidential Drug Enforcement Payments	$ 7,000		
Law Enforcement Supplies	992		
Trustee's Commission	75		
Other Charges	500		
Motor Vehicles	7,300		
Total Drug Enforcement		$ 15,867	
Total Drug Control Fund			15,867
District Attorney General Fund			
Administration of Justice			
District Attorney General			
Communication	$ 2,605		
Dues and Memberships	4,228		
Maintenance and Repair Services - Buildings	82		

(Continued)

Exhibit K-8

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

District Attorney General Fund (Cont.)			
Administration of Justice (Cont.)			
District Attorney General (Cont.)			
Travel	$ 110		
Office Supplies	375		
Trustee's Commission	74		
Other Charges	14,389		
Office Equipment	1,868		
Total District Attorney General		$ 23,731	
Total District Attorney General Fund			$ 23,731
Constitutional Officers - Fees Fund			
Finance			
County Trustee's Office			
Constitutional Officers' Operating Expenses	$ 669		
Total County Trustee's Office		$ 669	
Total Constitutional Officers - Fees Fund			669
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 75,338		
Accountants/Bookkeepers	36,620		
Communication	3,307		
Data Processing Services	4,742		
Dues and Memberships	4,546		
Evaluation and Testing	935		
Legal Notices, Recording, and Court Costs	616		
Maintenance Agreements	2,053		
Postal Charges	396		
Printing, Stationery, and Forms	342		
Travel	1,116		
Electricity	7,794		
Natural Gas	424		
Office Supplies	4,640		
Uniforms	2,926		
Water and Sewer	2,857		
Other Supplies and Materials	4,938		
Total Administration		$ 153,590	

(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	$ 50,394	
Equipment Operators	271,039	
Equipment Operators - Light	105,257	
Truck Drivers	180,990	
Laborers	138,029	
Overtime Pay	14,011	
Contracts with Private Agencies	370,647	
Rentals	340	
Asphalt - Hot Mix	875,500	
Asphalt - Liquid	64,133	
Concrete	3,228	
Crushed Stone	263,913	
Fertilizer, Lime, and Seed	4,066	
General Construction Materials	169	
Other Road Supplies	17,171	
Pipe - Metal	105,835	
Road Signs	4,353	
Sand	6,071	
Wood Products	5,395	
Gravel and Chert	146,379	
Other Supplies and Materials	2,981	
Total Highway and Bridge Maintenance		$ 2,629,901
Operation and Maintenance of Equipment		
Mechanic(s)	$ 102,211	
Laborers	31,346	
Diesel Fuel	164,402	
Equipment and Machinery Parts	105,402	
Garage Supplies	8,332	
Gasoline	10,569	
Lubricants	14,351	
Small Tools	2,026	
Tires and Tubes	19,226	
Other Supplies and Materials	4,880	
Total Operation and Maintenance of Equipment		462,745
Other Charges		
Liability Insurance	$ 1,493	
Trustee's Commission	52,892	
Vehicle and Equipment Insurance	45,399	

(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.)			
Workers' Compensation Insurance	$ 4,490		
Total Other Charges		$ 104,274	
Employee Benefits			
Social Security	$ 58,519		
Employee and Dependent Insurance	154,008		
Local Retirement	13,292		
Employer Medicare	13,686		
Total Employee Benefits		239,505	
Capital Outlay			
Engineering Services	$ 45,558		
Building Improvements	14,826		
Highway Equipment	787,666		
Office Equipment	690		
Other Equipment	14,850		
Total Capital Outlay		863,590	
Principal on Debt			
Highways and Streets			
Principal on Capital Leases	$ 175,339		
Total Highways and Streets		175,339	
Interest on Debt			
Highways and Streets			
Interest on Capital Leases	$ 16,165		
Total Highways and Streets		16,165	
Total Highway/Public Works Fund			$ 4,645,109
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 230,000		
Total General Government		$ 230,000	
Education			
Principal on Other Loans	$ 725,000		
Total Education		725,000	

(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	$ 335,345		
Interest on Notes	22,825		
Total General Government		$ 358,170	
Education			
Interest on Other Loans	$ 1,537,945		
Total Education		1,537,945	
Other Debt Service			
General Government			
Financial Advisory Services	$ 24,000		
Trustee's Commission	32,990		
Other Debt Service	1,982		
Total General Government		58,972	
Education			
Consultants	$ 15,800		
Legal Services	99,061		
Underwriter's Discount	109,505		
Other Debt Issuance Charges	222,329		
Other Debt Service	269		
Total Education		446,964	
Total General Debt Service Fund			$ 3,357,051
HUD Grant Projects Fund			
Capital Projects			
Other General Government Projects			
Other Charges	$ 425,603		
Total Other General Government Projects		$ 425,603	
Total HUD Grant Projects Fund			425,603
Total Governmental Funds - Primary Government			$ 18,457,843

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, 2009

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 7,363,882	
Career Ladder Program	97,521	
Career Ladder Extended Contracts	52,268	
Educational Assistants	510,758	
Other Salaries and Wages	2,500	
Certified Substitute Teachers	24,174	
Non-certified Substitute Teachers	79,784	
Social Security	457,385	
State Retirement	467,601	
Life Insurance	9,694	
Medical Insurance	1,096,924	
Unemployment Compensation	6,446	
Local Retirement	5,564	
Employer Medicare	109,261	
Other Fringe Benefits	5,250	
Contracts with Other School Systems	174,448	
Maintenance and Repair Services - Equipment	7,536	
Instructional Supplies and Materials	476,724	
Textbooks	334,414	
Other Charges	8,662	
Regular Instruction Equipment	358,533	
Total Regular Instruction Program		$ 11,649,329
Special Education Program		
Teachers	$ 1,093,923	
Career Ladder Program	15,999	
Career Ladder Extended Contracts	2,638	
Clerical Personnel	32,766	
Educational Assistants	327,304	
Social Security	84,269	
State Retirement	76,075	
Life Insurance	1,976	
Medical Insurance	216,592	
Local Retirement	3,064	
Employer Medicare	19,708	
Other Fringe Benefits	900	
Other Contracted Services	572	
Instructional Supplies and Materials	21,264	
Other Supplies and Materials	22	

(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.)		
Special Education Program (Cont.)		
Other Charges	$ 793	
Total Special Education Program		$ 1,897,865
Vocational Education Program		
Teachers	$ 361,310	
Career Ladder Program	4,000	
Career Ladder Extended Contracts	4,028	
Educational Assistants	16,411	
Social Security	22,407	
State Retirement	23,712	
Life Insurance	425	
Medical Insurance	51,659	
Local Retirement	410	
Employer Medicare	5,240	
Other Fringe Benefits	325	
Other Contracted Services	5,102	
Instructional Supplies and Materials	40,627	
Total Vocational Education Program		535,656
Student Body Education Program		
Instructional Supplies and Materials	$ 5,275	
Other Supplies and Materials	388	
Total Student Body Education Program		5,663
Support Services		
Attendance		
Supervisor/Director	$ 61,576	
Career Ladder Program	1,000	
Social Security	3,560	
State Retirement	4,017	
Life Insurance	47	
Medical Insurance	9,300	
Employer Medicare	833	
Communication	871	
Travel	3,149	
Other Contracted Services	21,967	
Other Supplies and Materials	95	
Total Attendance		106,415

(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				
Medical Personnel	$	97,281		
Other Salaries and Wages		79,601		
Social Security		10,568		
State Retirement		9,252		
Life Insurance		183		
Medical Insurance		11,938		
Employer Medicare		2,472		
Communication		1,427		
Postal Charges		620		
Printing, Stationery, and Forms		704		
Travel		9,050		
Other Contracted Services		2,120		
Drugs and Medical Supplies		10,952		
Other Supplies and Materials		34,967		
Health Equipment		2,913		
Total Health Services			$	274,048
Other Student Support				
Career Ladder Program	$	3,000		
Guidance Personnel		193,476		
Clerical Personnel		19,860		
Social Security		12,777		
State Retirement		12,614		
Life Insurance		231		
Medical Insurance		19,079		
Employer Medicare		2,988		
Contracts with Government Agencies		47,466		
Evaluation and Testing		27,039		
Travel		1,513		
Other Supplies and Materials		530		
Other Equipment		2,835		
Total Other Student Support				343,408
Regular Instruction Program				
Supervisor/Director	$	69,686		
Career Ladder Program		7,000		
Career Ladder Extended Contracts		5,328		
Librarians		85,322		
Materials Supervisor		33,402		

(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.)				
Instructional Computer Personnel	$	122,539		
Secretary(ies)		32,766		
Educational Assistants		32,766		
Other Salaries and Wages		28,216		
Social Security		24,808		
State Retirement		12,578		
Life Insurance		423		
Medical Insurance		53,840		
Local Retirement		3,535		
Employer Medicare		5,803		
Communication		3,366		
Consultants		73,770		
Contracts with Other School Systems		50,000		
Travel		31,269		
Other Contracted Services		17,476		
Library Books/Media		45,741		
Other Supplies and Materials		23,739		
In Service/Staff Development		49,645		
Other Charges		5,682		
Other Equipment		52,946		
Total Regular Instruction Program			$	871,646
Special Education Program				
Supervisor/Director	$	73,295		
Career Ladder Program		3,000		
Career Ladder Extended Contracts		5,328		
Clerical Personnel		16,701		
Social Security		5,655		
State Retirement		5,240		
Life Insurance		70		
Medical Insurance		13,173		
Employer Medicare		1,323		
Communication		511		
Travel		6,585		
Other Contracted Services		256		
In Service/Staff Development		98		
Other Charges		80		
Other Equipment		3,250		
Total Special Education Program				134,565

(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				
Clerical Personnel	$	16,701		
Social Security		905		
Life Insurance		23		
Medical Insurance		4,650		
Employer Medicare		212		
Maintenance and Repair Services - Equipment		2,085		
Travel		9,233		
Other Contracted Services		480		
Other Supplies and Materials		6,649		
In Service/Staff Development		781		
Other Charges		1,348		
Total Vocational Education Program			$	43,067
Other Programs				
On-Behalf Payments to OPEB	$	104,298		
Total Other Programs				104,298
Board of Education				
Secretary to Board	$	2,267		
Board and Committee Members Fees		25,338		
Social Security		1,712		
Employer Medicare		400		
Audit Services		9,950		
Dues and Memberships		8,382		
Legal Services		33,583		
Travel		3,456		
Other Contracted Services		8,523		
Liability Insurance		23,627		
Premiums on Corporate Surety Bonds		14		
Trustee's Commission		144,621		
Workers' Compensation Insurance		149,161		
In Service/Staff Development		4,740		
Criminal Investigation of Applicants - TBI		7,140		
Other Charges		14,555		
Total Board of Education				437,469
Director of Schools				
County Official/Administrative Officer	$	135,856		
Career Ladder Program		1,000		

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Director of Schools (Cont.)		
Secretary(ies)	$ 32,766	
Social Security	8,413	
State Retirement	9,454	
Life Insurance	93	
Local Retirement	876	
Employer Medicare	2,614	
Other Fringe Benefits	10,411	
Communication	6,287	
Dues and Memberships	2,632	
Postal Charges	9,095	
Travel	9,534	
Other Contracted Services	1,285	
Office Supplies	4,420	
Other Charges	3,829	
Administration Equipment	3,528	
Total Director of Schools		$ 242,093
Office of the Principal		
Principals	$ 581,119	
Career Ladder Program	17,000	
Career Ladder Extended Contracts	21,312	
Assistant Principals	263,236	
Secretary(ies)	193,333	
Other Salaries and Wages	6,036	
Social Security	62,851	
State Retirement	56,667	
Life Insurance	883	
Medical Insurance	155,998	
Local Retirement	2,458	
Employer Medicare	14,699	
Other Fringe Benefits	225	
Communication	24,950	
Maintenance and Repair Services - Equipment	5,197	
Travel	15,694	
Other Contracted Services	13,712	
Office Supplies	15,086	
Other Equipment	40,900	
Total Office of the Principal		1,491,356

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Fiscal Services				
Accountants/Bookkeepers	$	39,564		
Purchasing Personnel		53,153		
Clerical Personnel		33,402		
Other Salaries and Wages		33,402		
Social Security		9,333		
Life Insurance		180		
Medical Insurance		20,461		
Local Retirement		3,988		
Employer Medicare		2,183		
Dues and Memberships		390		
Maintenance and Repair Services - Equipment		2,439		
Travel		5,593		
Other Contracted Services		14,048		
Office Supplies		11,947		
Other Charges		2,568		
Administration Equipment		3,467		
Total Fiscal Services			$	236,118
Operation of Plant				
Custodial Personnel	$	518,561		
Other Salaries and Wages		281		
Social Security		29,183		
Life Insurance		961		
Medical Insurance		114,110		
Unemployment Compensation		692		
Local Retirement		5,113		
Employer Medicare		6,825		
Pest Control		6,461		
Disposal Fees		35,127		
Other Contracted Services		82,083		
Custodial Supplies		93,291		
Electricity		706,269		
Natural Gas		197,889		
Water and Sewer		110,165		
Building and Contents Insurance		242,195		
Plant Operation Equipment		16,542		
Total Operation of Plant				2,165,748

(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		
Supervisor/Director	$ 53,153	
Secretary(ies)	32,765	
Other Salaries and Wages	305,973	
Social Security	22,974	
Life Insurance	452	
Medical Insurance	52,332	
Unemployment Compensation	455	
Local Retirement	7,228	
Employer Medicare	5,373	
Communication	3,896	
Maintenance and Repair Services - Buildings	195,540	
Maintenance and Repair Services - Equipment	32,945	
Other Contracted Services	116,641	
Equipment and Machinery Parts	19,435	
Gasoline	21,744	
Other Supplies and Materials	195,853	
Other Charges	833	
Maintenance Equipment	67,894	
Total Maintenance of Plant		$ 1,135,486
Operation of Non-Instructional Services		
Food Service		
Supervisor/Director	$ 289	
Career Ladder Program	1,000	
Social Security	80	
State Retirement	4,593	
Employer Medicare	19	
Food Supplies	4,614	
Total Food Service		10,595
Community Services		
Supervisor/Director	$ 64,900	
Teachers	63,730	
Other Salaries and Wages	60,730	
Social Security	10,249	
State Retirement	4,654	
Life Insurance	141	
Medical Insurance	7,672	
Local Retirement	989	

(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.)			
Community Services (Cont.)			
Employer Medicare	$ 2,764		
Communication	1,784		
Maintenance and Repair Services - Equipment	1,271		
Postal Charges	341		
Travel	7,838		
Other Contracted Services	9,310		
Other Supplies and Materials	22,070		
Other Charges	2,689		
Total Community Services		$ 261,132	
Early Childhood Education			
Teachers	$ 274,336		
Educational Assistants	106,675		
Certified Substitute Teachers	488		
Non-certified Substitute Teachers	2,944		
Social Security	22,371		
State Retirement	17,606		
Life Insurance	568		
Medical Insurance	56,116		
Local Retirement	592		
Employer Medicare	5,232		
Travel	8,207		
Other Contracted Services	1,807		
Other Supplies and Materials	146,140		
Other Equipment	47,650		
Total Early Childhood Education		690,732	
Capital Outlay			
Regular Capital Outlay			
Architects	$ 28,782		
Building Construction	917		
Building Improvements	357,560		
Land	265,554		
Motor Vehicles	16,941		
Total Regular Capital Outlay		669,754	
Total General Purpose School Fund			$ 23,306,443

(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				
Instruction				
Regular Instruction Program				
Teachers	$	196,058		
Educational Assistants		118,832		
Other Salaries and Wages		75		
Social Security		16,942		
State Retirement		12,587		
Life Insurance		759		
Medical Insurance		76,704		
Unemployment Compensation		360		
Employer Medicare		3,962		
Other Fringe Benefits		1,286		
Maintenance and Repair Services - Equipment		375		
Other Contracted Services		277		
Instructional Supplies and Materials		3,412		
Total Regular Instruction Program			$	431,629
Special Education Program				
Teachers	$	97,868		
Homebound Teachers		810		
Educational Assistants		210,401		
Speech Pathologist		37,498		
Other Salaries and Wages		1,274		
Certified Substitute Teachers		1,770		
Non-certified Substitute Teachers		10,326		
Social Security		20,027		
State Retirement		8,742		
Life Insurance		658		
Medical Insurance		104,529		
Unemployment Compensation		452		
Employer Medicare		4,687		
Other Fringe Benefits		1,926		
Contracts with Private Agencies		66,318		
Maintenance and Repair Services - Equipment		915		
Instructional Supplies and Materials		25,890		
Other Supplies and Materials		13,074		
Total Special Education Program				607,165
Vocational Education Program				
Social Security	$	31		
State Retirement		32		

(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.)				
Vocational Education Program (Cont.)				
Unemployment Compensation	$	2		
Employer Medicare		7		
Other Contracted Services		14,511		
Other Supplies and Materials		13,321		
Vocational Instruction Equipment		7,879		
Total Vocational Education Program			$	35,783
Support Services				
Other Student Support				
Assessment Personnel	$	59,710		
Clerical Personnel		7,014		
Other Salaries and Wages		7,235		
Social Security		4,167		
State Retirement		4,283		
Life Insurance		70		
Medical Insurance		13,949		
Unemployment Compensation		32		
Employer Medicare		975		
Travel		4,382		
Other Supplies and Materials		2,838		
In Service/Staff Development		12,078		
Total Other Student Support				116,733
Regular Instruction Program				
Supervisor/Director	$	41,892		
Other Salaries and Wages		16,315		
Social Security		3,455		
State Retirement		3,737		
Life Insurance		30		
Medical Insurance		5,398		
Unemployment Compensation		58		
Employer Medicare		798		
Communication		930		
Travel		1,766		
Other Contracted Services		450		
Other Supplies and Materials		3,272		
In Service/Staff Development		40,652		
Total Regular Instruction Program				118,753

(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.)			
Special Education Program			
Psychological Personnel	$ 50,290		
Other Salaries and Wages	35,173		
Social Security	5,035		
State Retirement	3,229		
Life Insurance	90		
Medical Insurance	9,375		
Unemployment Compensation	42		
Employer Medicare	1,177		
Communication	2,389		
Travel	22,503		
Other Supplies and Materials	3,000		
In Service/Staff Development	18,388		
Total Special Education Program		$ 150,691	
Vocational Education Program			
Travel	$ 1,951		
Total Vocational Education Program		1,951	
Total School Federal Projects Fund			$ 1,462,705
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 70,259		
Accountants/Bookkeepers	32,766		
Cafeteria Personnel	638,353		
Other Salaries and Wages	26,084		
Social Security	44,401		
Life Insurance	1,913		
Medical Insurance	103,428		
Unemployment Compensation	3,225		
Local Retirement	3,920		
Employer Medicare	10,384		
Communication	5,811		
Data Processing Services	17,065		
Dues and Memberships	412		
Printing, Stationery, and Forms	1,206		
Transportation - Other than Students	8,841		
Travel	3,603		

(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.)			
Disposal Fees	$ 2,182		
Permits	1,280		
Custodial Supplies	12,853		
Food Supplies	752,736		
Uniforms	271		
Other Supplies and Materials	73,334		
In Service/Staff Development	1,568		
Food Service Equipment	13,639		
Furniture and Fixtures	210		
Total Food Service		$ 1,829,744	
Total Central Cafeteria Fund			$ 1,829,744
School Transportation Fund			
Support Services			
Board of Education			
Trustee's Commission	$ 30,031		
Total Board of Education		$ 30,031	
Operation of Plant			
Electricity	$ 11,950		
Natural Gas	4,501		
Water and Sewer	2,126		
Total Operation of Plant		18,577	
Transportation			
Supervisor/Director	$ 53,153		
Mechanic(s)	174,467		
Bus Drivers	711,234		
Clerical Personnel	32,766		
Other Salaries and Wages	20,003		
Social Security	60,210		
Life Insurance	2,427		
Medical Insurance	50,471		
Unemployment Compensation	3,098		
Local Retirement	5,015		
Employer Medicare	14,082		
Communication	4,489		
Maintenance and Repair Services - Vehicles	32,402		

(Continued)

Exhibit K-9

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

School Transportation Fund (Cont.)			
Support Services (Cont.)			
Transportation (Cont.)			
Other Contracted Services	$ 26,755		
Food Supplies	488		
Gasoline	224,895		
Lubricants	12,746		
Tires and Tubes	49,007		
Vehicle Parts	103,958		
Other Supplies and Materials	47,932		
Vehicle and Equipment Insurance	32,000		
Other Charges	6,349		
Transportation Equipment	237,296		
Total Transportation		$ 1,905,243	
Total School Transportation Fund			$ 1,953,851
Total Governmental Funds - Dyer County School Department			$ 28,552,743

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, 2009

	Cities - Sales Tax Fund	Cities - Property Tax Fund	City School ADA - Dyersburg Fund	Total
Cash Receipts				
Current Property Taxes	$ 0	$ 0	$ 2,785,116	$ 2,785,116
Trustee's Collections - Prior Years	0	0	114,531	114,531
Trustee's Collections - Bankruptcy	0	0	1,457	1,457
Circuit/Clerk and Master Collections - Prior Years	0	3,652	26,126	29,778
Interest and Penalty	0	567	20,349	20,916
Local Option Sales Tax	3,129,271	0	4,791,501	7,920,772
Wheel Tax	0	0	747,210	747,210
Interstate Telecommunications Tax	0	0	3,302	3,302
Marriage Licenses	0	0	1,608	1,608
Other Permits	0	0	245	245
Total Cash Receipts	$ 3,129,271	$ 4,219	$ 8,491,445	$ 11,624,935
Cash Disbursements				
Remittance of Revenues Collected	$ 3,097,978	$ 4,144	$ 8,378,488	$ 11,480,610
Trustee's Commission	31,293	75	114,072	145,440
Total Cash Disbursements	$ 3,129,271	$ 4,219	$ 8,492,560	$ 11,626,050
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0	$ 0	$ (1,115)	$ (1,115)
Cash Balance, July 1, 2008	0	0	146,005	146,005
Cash Balance, June 30, 2009	$ 0	$ 0	$ 144,890	$ 144,890

SINGLE AUDIT SECTION

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402

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

December 7, 2009

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dyer County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Dyer County's basic financial statements and have issued our report thereon dated December 7, 2009. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Dyer County Emergency Communications District, which were not available from other auditors as of the date of this report. 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.

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: 09.01, 09.02, 09.03, 09.05, 09.06, and 09.08.

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, of the significant deficiencies described above, we considered item 09.01 to be a material weakness.

Compliance and Other Matters

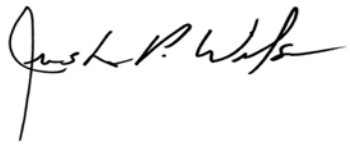
As part of obtaining reasonable assurance about whether Dyer County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 one instance of noncompliance that is required to be reported under Government Auditing Standards and is described in the accompanying Schedule of Findings and Questioned Costs as item 09.04.

We consider item 09.07 described in the accompanying Schedule of Findings and Questioned Costs to be a noteworthy control deficiency over financial operations.

Dyer County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Dyer County's responses and, accordingly, we express no opinion on them.

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,



Justin P. Wilson
Comptroller of the Treasury

JPW/sb

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

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

December 7, 2009

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, 2009. 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 of 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, 2009.

Internal Control Over Compliance

The management of Dyer County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered 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 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 as of and for the year ended June 30, 2009, and have issued our report thereon dated December 7, 2009. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Dyer County Emergency Communications District, which were not available from other auditors as of the date of this report. 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.

Dyer County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Dyer County's responses and, accordingly, we express no opinion on them.

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.

Yours very truly,

Justin P. Wilson
Comptroller of the Treasury

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Dyer County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2009

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 Education:			
Nutrition Cluster:			
School Breakfast Program	10.553	N/A	$ 274,624
National School Lunch Program	10.555	N/A	799,443 (8)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	125,742 (8)
Passed-through State Department of Human Services:			
Summer Food Service Program for Children	10.559	(2)	118,648
Passed-through State Department of Health:			
Commodity Supplemental Food Program	10.565	(3)	43,915
Total U.S. Department of Agriculture			$ 1,362,372
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	$ 425,603
Total U.S. Department of Housing and Urban Development			$ 425,603
U.S. Department of the Interior:			
Direct Programs:			
Payments in-Lieu-of Taxes	15.226	N/A	$ 1,193
Total U.S. Department of the Interior			$ 1,193
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	Z-09-022847-00	$ 9,000
Total U.S. Department of Justice			$ 9,000
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	$ 514,837
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	838,908
Special Education - Preschool Grants	84.173	N/A	32,149
Career and Technical Education - Basic Grants to States	84.048	N/A	52,825
Safe and Drug-Free Schools and Communities - State Grants	84.186	(4)	9,468
Twenty-first Century Community Learning Centers	84.287	(4)	135,000
Education Technology State Grants	84.318	(4)	4,363
Improving Teacher Quality State Grants	84.367	N/A	131,789
Total U.S. Department of Education			$ 1,719,339
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(4)	$ 113,235
Passed-through Methodist LeBonheur Healthcare Community Outreach:			
Rural Health Care Services Outreach and Rural Health Network Development Program	93.912	D60RH08546-01-00	7,497
Passed-through State Department of Health:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(5)	62,125
Total U.S. Department of Health and Human Services			$ 182,857

(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. Corporation for National and Community Service:			
Direct Programs:			
Retired and Senior Volunteer Program	94.002	N/A	$ 56,654
Total U.S. Corporation for National and Community Service			$ 56,654
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(6)	$ 133,411
Emergency Management Performance Grants	97.042	Z-0720597-00	27,332
Homeland Security Grant Program	97.067	GG-07-20955-01	46,127
Total U.S. Department of Homeland Security			$ 206,870
Total Federal Grants			$ 3,963,888

State Grants		Contract Number	
Safe Schools Act of 2003 - State Department of Education	N/A	(4)	$ 19,400
Family Resource Center - State Department of Education	N/A	(4)	66,600
Early Childhood Education - State Department of Education	N/A	(4)	713,635
ACT-EXP - Internet Connectivity - State Department of Education	N/A	(4)	4,034
Coordinated School Health - State Department of Education	N/A	(4)	120,000
State Reappraisal Program - Comptroller of the Treasury	N/A	(4)	12,997
Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-212979	31,059
Drug Court Treatment Resources Fund Grant - State Department of Finance and Administration	N/A	Z-05-025529	44,082
Litter Program - State Department of Transportation	N/A	(7)	33,881
Total State Grants			$ 1,045,688

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) DA0821473: $53,940; DP0924269: $64,708.
(3) GG00821949: $11,462; GG0926172: $32,453.
(4) Information not available.
(5) GG-08-22455: $17,500; GG-09-26625: $44,625.
(6) Z-06-034032: $110,212; FEMA-1821-DR-TN: $23,199.
(7) Z-08-020988: $100; Z-09-212741: $33,781.
(8) Total for CFDA No. 10.555 is $925,185.

Dyer County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2009

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, 2008, which have not been corrected.

DYER COUNTY AND DYER COUNTY SCHOOL DEPARTMENT

Finding Number	Page Number	Subject
08.01	194	Dyer County and the Dyer County School Department do not have the resources to produce financial statements and notes to the financial statements

OFFICE OF COUNTY MAYOR

Finding Number	Page Number	Subject
08.05 (B)	197	Competitive bids were not solicited for a custodial services contract

OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND SHERIFF

Finding Number	Page Number	Subject
08.09	200	The offices had deficiencies in controls over their information system environments

OTHER FINDINGS

Finding Number	Page Number	Subject
08.10	201	A central system of accounting, budgeting, and purchasing had not been adopted
08.11	201	Duties were not segregated adequately in the Offices of Road Supervisor, Circuit and General Sessions Courts Clerk, and Sheriff

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DYER COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2009

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

2. The audit of the financial statements of Dyer County disclosed significant deficiencies in internal control. One 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 Community Development Block Grants/State's Program (CFDA No. 14.228) and Special Education Cluster: Special Education – Grants to States and 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 qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the county mayor and the director of schools are paraphrased in this report.

DYER COUNTY AND DYER COUNTY SCHOOL DEPARTMENT

FINDING 09.01 **DYER COUNTY AND THE DYER COUNTY SCHOOL DEPARTMENT DO NOT HAVE THE RESOURCES TO PRODUCE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS**
(Internal Control – Material Weakness Under Government Auditing Standards)

Generally accepted auditing standards require that Dyer County's and the Dyer County School Department's financial statements be the product of financial reporting systems that offer reasonable assurance that management is able to produce financial statements and notes to the financial statements that comply with generally accepted accounting principles (GAAP). The preparation of financial statements in accordance with GAAP requires that the county and the School Department have internal controls over reporting government-wide and fund financial information and preparing the related notes. It is permissible for us, as the external auditors, to assist Dyer County and the School Department in preparing their financial statements and notes as a matter of convenience as long as the county and the School Department have the skills needed to prepare the financial statements and notes. However, management, including the accounting staff, does not have the technical skills to prepare GAAP financial statements and disclosures. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. The inability to prepare financial statements and notes is an indication of a lack of controls, or ineffective controls, because material misstatements may not be detected.

RECOMMENDATION

Dyer County and the Dyer County School Department should develop the ability to produce financial statements and notes to the financial statements that comply with GAAP. This could include having at least one staff member trained in financial statement preparation. This staff member should have sufficient skills necessary to prepare a complete set of year-end financial statements even though the external auditors prepare the county's and the School Department's financial statements as a matter of convenience. If we, as the external auditors, continue to prepare the county's and the School Department's financial statements, this individual must have sufficient knowledge to determine the completeness of financial statement information and disclosures.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

At the present time, the Dyer County Commission is satisfied with the operation of the financial director's office and does not feel the need to add additional personnel.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

The Dyer County schools management believes that it should be noted by the users of this financial audit that the Government Finance Officers Association (GFOA) Executive Board, on October 19, 2007, released a recommended practice for "Mitigating the Negative Effects of Statement on Auditing Standards No. 112." In this publication, the GFOA recommended against governments engaging the services of a second accounting firm to assist in preparing its financial statements solely to avoid having a significant deficiency or material weakness reported.

The GFOA further recommends that if management decides that the costs of remedying a significant deficiency or material weakness in its financial reporting system cannot be justified by the benefits to be obtained, it should take care to alert the governing body as early as possible to explain its conclusion.

The Dyer County School System concurs with the finding that we do not have a person specifically trained in the production of external financial statements as recently recommended by GAAP and defined by GASB.

The new accounting standards do not take into consideration the financial hardship of correcting this finding on local governments and school districts that are small. No consideration is given as to whether the audit is for a large school system or a small school system. It is our understanding that less than ten percent of the school systems in Tennessee have certified public accountants in their financial departments that meet this standard. Management does not believe that the benefits would justify the cost of correcting the finding. Therefore, we find that the costs of remedying this finding cannot be justified by the benefits to be obtained. Dyer County School System's accounting staff have skills and experience that have been proven over the years.

AUDITOR'S REBUTTAL

The preparation of the financial statements and notes to the financial statements and/or having the knowledge to determine the completeness of the financial statements and notes prepared by external auditors has always been management's responsibility. Government standard setting bodies are now placing more emphasis on this issue to encourage management to accept responsibility for their financial reports. We are not recommending hiring an outside firm or even additional personnel; however, we are recommending that at least one staff member be trained to have sufficient accounting expertise to prepare the required statements and disclosures.

OFFICE OF COUNTY MAYOR

FINDING 09.02 **THE HUD GRANT PROJECTS FUND HAD A CASH OVERDRAFT**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The HUD Grant Projects Fund had a cash overdraft of $60,434 at June 30, 2009. Sound business practices dictate that expenditures be held within available funds. This overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. The cash overdraft was liquidated in July 2009.

RECOMMENDATION

The office should not issue warrants exceeding available cash on deposit with the county trustee.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

The monies for this grant were received by the trustee in July 2009. Since the trustee recorded the deposit in 2009-2010, and the accounts director paid the invoices in 2008-2009, it made the fund appear to have an overdraft. In the future, monies such as these will either be set up as a receivable or invoices will be paid after the closing of the fiscal year.

FINDING 09.03 **THE COURTHOUSE CUSTODIAL SERVICES CONTRACT HAS NOT BEEN COMPETITIVELY 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 dictates that contracts have expiration dates and periodically be bid to ensure that the county obtains the most competitive price available. This deficiency exists because management failed to correct the finding noted in prior audit reports. Management believes if custodial services were competitively bid it would result in higher costs to the county.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

Due to the fact that this has been a finding in the past, Dyer County contacted the County Technical Assistance Service and spoke with their representative in regard to this matter. He stated that since the contract is worded where either party has the right to cancel said contract at anytime that those words alone suffice as an expiration date and therefore the county would not be out of compliance with state regulations.

AUDITOR'S REBUTTAL

Our finding and recommendation does not cite any noncompliance with state regulations; however, we are recommending that sound business practice be followed by including an expiration date in service contracts and competitively bidding such contracts on a periodic basis.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 09.04 **UNCLAIMED FUNDS WERE NOT REPORTED TO THE STATE**
(Noncompliance Under Government Auditing Standards)

The clerk did not report and pay to the state unclaimed funds (old outstanding checks) totaling $34,208. At June 30, 2009, Circuit Court had 233 outstanding checks issued before July 1, 2008, totaling $20,635, and General Sessions Court had 231 outstanding checks totaling $13,573. The Unclaimed Property Act, Section 66-29-101, et seq., Tennessee Code Annotated, provides that any funds held by the court for more than one year and unclaimed by the owner are considered abandoned. This statute further provides for the funds to be reported and paid to the state Treasurer's Office.

RECOMMENDATION

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

OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND CLERK AND MASTER

FINDING 09.05 **THE OFFICES 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 offices were identified during the audit period:

A. System backups were not stored off-site on a regular basis. 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. Backup logs were 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.

Sound business practices dictate that proper backup procedures be implemented. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures.

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

System backups were not stored off-site until several months into the fiscal year. Sound business practices dictate that off-site storage of system backups be implemented. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. 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. Proper system backup procedures are now in place.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 09.07 **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. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort.

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 09.08 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF ROAD SUPERVISOR, 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 Road Supervisor, Circuit and General Sessions Courts Clerk, and Sheriff. The employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. The lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards.

DYER COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2009

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