ANNUAL FINANCIAL REPORT
DYER COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2011

TENNESSEE
COMPTROLLER
OF THE TREASURY

ANNUAL FINANCIAL REPORT

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FOR THE YEAR ENDED JUNE 30, 2011

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF COUNTY AUDIT
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State Auditors

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

DYER COUNTY, TENNESSEE
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Audit Highlights

Annual Financial Report
Dyer County, Tennessee
For the Year Ended June 30, 2011

Scope

We have audited the basic financial statements of Dyer County as of and for the year ended June 30, 2011.

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

Findings and Best Practices

The following are summaries of the audit findings and best practices:

OFFICE OF COUNTY MAYOR

- The courthouse custodial services contract has not been competitively bid 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.

OTHER FINDING

- Duties were not segregated adequately among officials and employees in the Offices of Road Supervisor, Circuit and General Sessions Courts Clerk, and Sheriff.

BEST PRACTICES

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

- Dyer County should adopt a central system of accounting, budgeting, and purchasing.
- Dyer County should establish an Audit Committee.

INTRODUCTORY SECTION

Dyer County Officials
June 30, 2011

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
Steve Walker, Clerk and Master
Danny Fowlkes, Register
Jeff Box, Sheriff

Board of County Commissioners

Milton Magee, Chairman
David Agee
Bill Cloar
John Flatt
Rusty Grills
Debbie Bradshaw Hart
Jimmy Hester
Jim W. Horner
William Mallard
Larry Maupin
Steve Moore
Pamela Newell
Kyle Reynolds
Steve Sartin
Tommy Seratt
Al Seward
Benny Spain
Vernita Turner
John Uitendaal
Adam Williams

Board of Education

Bruce Kerr, Chairman
Keith Anderson
LeAnn Childress
Steve Dodds
Carol Feather
Jim Horn
Ross Maldonado
William May
Mike McLaughlin
Maria Starks

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

September 7, 2011

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, 2011, 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 financial position of the aggregate discretely presented component units of Dyer County, Tennessee, as of June 30, 2011, 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, 2011, and the respective changes in financial position 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 September 7, 2011, 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 adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

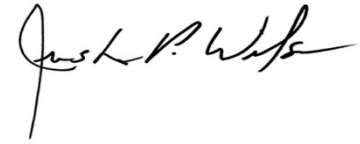
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required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

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 64 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in

the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dyer County's financial statements as a whole. 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 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Basic Financial Statements

Exhibit A

Dyer County, Tennessee
Statement of Net Assets
June 30, 2011

	Primary Government	Component Unit
	Governmental Activities	Dyer County School Department
ASSETS		
Cash	$ 1,299	$ 835
Equity in Pooled Cash and Investments	25,254,972	16,835,462
Accounts Receivable	94,876	440
Due from Other Governments	766,420	1,485,199
Property Taxes Receivable	8,520,932	4,696,397
Allowance for Uncollectible Property Taxes	(133,882)	(75,221)
Accrued Interest Receivable	46,116	3,507
Deferred Charges - Debt Issuance Costs	611,727	0
Notes Receivable - Long-term	2,171,857	0
Capital Assets:		
Assets Not Depreciated:		
Land	3,554,709	1,082,197
Construction in Progress	1,006,565	4,084,985
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	9,265,699	27,210,929
Infrastructure	6,520,149	0
Other Capital Assets	2,413,771	3,307,609
Total Assets	$ 60,095,210	$ 58,632,339
LIABILITIES		
Accounts Payable	$ 1,692	$ 114,026
Accrued Payroll	0	22,758
Payroll Deductions Payable	1,089	655,289
Contracts Payable	0	1,046,531
Retainage Payable	0	159,194
Accrued Interest Payable	115,538	0
Deferred Revenue - Current Property Taxes	8,075,536	4,442,441
Health Insurance Payments	1,321	0
Noncurrent Liabilities:		
Due Within One Year	2,765,749	5,000
Due in More Than One Year (net of deferred amount on refunding and unamortized discount on debt)	49,005,864	2,377,350
Total Liabilities	$ 59,966,789	$ 8,822,589

(Continued)

Exhibit A

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

	Primary Government	Component Unit
	Governmental Activities	Dyer County School Department
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	$ 15,125,313	$ 0
Invested in Capital Assets	0	35,685,720
Restricted for:		
Long-term Notes Receivable	2,171,857	0
Highway/Public Works	3,419,007	0
Central Cafeteria	0	701,112
School Transportation	0	1,029,264
Education Capital Projects	0	9,227,965
Debt Service	4,450,585	0
Workers' Compensation	690,669	0
Other Purposes	133,982	23,645
Unrestricted	(25,862,992)	3,142,044
Total Net Assets	$ 128,421	$ 49,809,750

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, 2011

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	$ 1,495,438	$ 1,020,740	$ 34,164	$ 0	$ (440,534)	$ 0
Finance	1,138,886	923,468	0	0	(215,418)	0
Administration of Justice	1,271,217	710,637	9,000	0	(551,580)	0
Public Safety	4,701,997	1,402,684	237,583	104,659	(2,957,071)	0
Public Health and Welfare	629,137	16,390	260,831	0	(351,916)	0
Social, Cultural, and Recreational Services	623,490	96,263	192,273	0	(334,954)	0
Agriculture and Natural Resources	193,127	0	0	0	(193,127)	0
Other Operations	154,774	0	0	0	(154,774)	0
Highways	3,426,750	1,516	2,017,067	12,497	(1,395,670)	0
Education	5,890,872	162,228	0	0	(5,728,644)	0
Interest on Long-term Debt	1,880,928	0	0	0	(1,880,928)	0
Other Debt Service	130,793	0	0	0	(130,793)	0
Total Primary Government	$ 21,537,409	$ 4,333,926	$ 2,750,918	$ 117,156	$ (14,335,409)	$ 0
Component Unit:						
Dyer County School Department	$ 32,266,354	$ 821,719	$ 4,589,846	$ 0	$ 0	$ (26,854,789)
Total Component Unit	$ 32,266,354	$ 821,719	$ 4,589,846	$ 0	$ 0	$ (26,854,789)

(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					$ 6,748,202	$ 4,706,754
Property Taxes Levied for Debt Service					1,419,057	0
Local Option Sales Taxes					93,160	3,258,591
Wheel Tax					0	1,102,326
Litigation Tax					273,910	0
Business Tax					345,514	0
Wholesale Beer Tax					89,014	0
Other Local Taxes					0	2,002
Grants and Contributions Not Restricted to Specific Programs					1,568,011	22,824,853
Unrestricted Investment Income					620,911	155,845
Miscellaneous					169,015	56,680
Total General Revenues					$ 11,326,794	$ 32,107,051
Change in Net Assets					$ (3,008,615)	$ 5,252,262
Net Assets, July 1, 2010					3,137,036	44,557,488
Net Assets, June 30, 2011					$ 128,421	$ 49,809,750

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, 2011

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 1,299	$ 1,299
Equity in Pooled Cash and Investments	17,249,866	3,025,071	4,181,629	107,737	24,564,303
Accounts Receivable	94,876	0	0	0	94,876
Due from Other Governments	412,857	328,315	16,176	9,072	766,420
Due from Other Funds	1,299	0	0	0	1,299
Property Taxes Receivable	5,270,054	1,768,675	1,482,203	0	8,520,932
Allowance for Uncollectible Property Taxes	(82,449)	(27,984)	(23,449)	0	(133,882)
Accrued Interest Receivable	0	0	46,116	0	46,116
Notes Receivable - Long-term	2,171,857	0	0	0	2,171,857
Total Assets	$ 25,118,360	$ 5,094,077	$ 5,702,675	$ 118,108	$ 36,033,220
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 1,692	$ 0	$ 0	$ 0	$ 1,692
Payroll Deductions Payable	1,089	0	0	0	1,089
Due to Other Funds	0	0	0	1,299	1,299
Deferred Revenue - Current Property Taxes	4,996,685	1,675,070	1,403,781	0	8,075,536
Deferred Revenue - Delinquent Property Taxes	149,686	51,449	43,103	0	244,238
Other Deferred Revenues	80,936	157,811	7,951	0	246,698
Health Insurance Payments	1,321	0	0	0	1,321
Total Liabilities	$ 5,231,409	$ 1,884,330	$ 1,454,835	$ 1,299	$ 8,571,873
Fund Balances					
Nonexpendable:					
Long-term Notes Receivable	$ 2,171,857	$ 0	$ 0	$ 0	$ 2,171,857
Restricted:					
Restricted for General Government	12,458	0	0	0	12,458
Restricted for Administration of Justice	0	0	0	36,945	36,945
Restricted for Public Safety	4,715	0	0	69,579	74,294
Restricted for Highways/Public Works	0	3,209,747	0	0	3,209,747
Restricted for Debt Service	0	0	2,318,098	0	2,318,098
Committed:					
Committed for Public Health and Welfare	0	0	0	10,285	10,285
Committed for Debt Service	0	0	1,929,742	0	1,929,742
Unassigned	17,697,921	0	0	0	17,697,921
Total Fund Balances	$ 19,886,951	$ 3,209,747	$ 4,247,840	$ 116,809	$ 27,461,347
Total Liabilities and Fund Balances	$ 25,118,360	$ 5,094,077	$ 5,702,675	$ 118,108	$ 36,033,220

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, 2011

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		$ 27,461,347
(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: construction in progress	1,006,565	
Add: buildings and improvements net of accumulated depreciation	9,265,699	
Add: infrastructure net of accumulated depreciation	6,520,149	
Add: other capital assets net of accumulated depreciation	2,413,771	22,760,893
(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.		690,669
(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	$ (122,917)	
Less: capital leases payable	(224,035)	
Less: other loans payable	(14,127,643)	
Less: bonds payable	(37,640,000)	
Add: deferred amount on unamortized debt discount	77,771	
Add: deferred amount on refunding	265,211	
Add: deferred charges - debt issuance costs	611,727	
Less: accrued interest on notes, capital leases, and bonds	(115,538)	(51,275,424)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		490,936
Net assets of governmental activities (Exhibit A)		$ 128,421

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, 2011

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues						
Local Taxes	$ 5,771,895	$ 1,726,281	$ 2,837,893	$ 0	$ 48,340	$ 10,384,409
Licenses and Permits	105,610	7,717	0	0	9,194	122,521
Fines, Forfeitures, and Penalties	147,684	0	0	0	8,942	156,626
Charges for Current Services	69,466	0	0	0	11,053	80,519
Other Local Revenues	310,037	43,589	471,117	0	2,362	827,105
Fees Received from County Officials	1,552,220	0	0	0	0	1,552,220
State of Tennessee	2,462,745	1,900,767	0	0	50,646	4,414,158
Federal Government	301,462	132,750	120,706	0	87,597	642,515
Other Governments and Citizens Groups	106,470	0	0	0	0	106,470
Total Revenues	$ 10,827,589	$ 3,811,104	$ 3,429,716	$ 0	$ 218,134	$ 18,286,543
Expenditures						
Current:						
General Government	$ 2,471,993	$ 0	$ 0	$ 0	$ 198	$ 2,472,191
Finance	1,132,293	0	0	0	1,009	1,133,302
Administration of Justice	1,241,230	0	0	0	10,331	1,251,561
Public Safety	4,544,920	0	0	0	101,215	4,646,135
Public Health and Welfare	488,759	0	0	0	107,065	595,824
Social, Cultural, and Recreational Services	597,824	0	0	0	0	597,824
Agriculture and Natural Resources	192,334	0	0	0	0	192,334
Other Operations	154,748	0	0	0	0	154,748
Highways	0	2,803,737	0	0	0	2,803,737
Debt Service:						
Principal on Debt	136,806	140,345	832,024	0	0	1,109,175
Interest on Debt	7,255	11,094	1,829,860	0	0	1,848,209
Other Debt Service	0	0	86,972	50,515	0	137,487
Capital Projects	0	0	0	5,622,485	0	5,622,485
Total Expenditures	$ 10,968,162	$ 2,955,176	$ 2,748,856	$ 5,673,000	$ 219,818	$ 22,565,012

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	$ (140,573)	$ 855,928	$ 680,860	$ (5,673,000)	$ (1,684)	$ (4,278,469)
Other Financing Sources (Uses)						
Capital Leases Issued	$ 69,354	$ 0	$ 0	$ 0	$ 0	$ 69,354
Other Loans Issued	0	0	0	5,673,000	0	5,673,000
Insurance Recovery	40,415	14,695	0	0	0	55,110
Transfers In	18,490,503	0	0	0	0	18,490,503
Transfers Out	0	0	0	0	(18,490,503)	(18,490,503)
Total Other Financing Sources (Uses)	$ 18,600,272	$ 14,695	$ 0	$ 5,673,000	$ (18,490,503)	$ 5,797,464
Net Change in Fund Balances	$ 18,459,699	$ 870,623	$ 680,860	$ 0	$ (18,492,187)	$ 1,518,995
Fund Balance, July 1, 2010	1,427,252	2,339,124	3,566,980	0	18,608,996	25,942,352
Fund Balance, June 30, 2011	$ 19,886,951	$ 3,209,747	$ 4,247,840	$ 0	$ 116,809	$ 27,461,347

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, 2011

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)		$ 1,518,995
(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	$ 1,404,978	
Less: current-year depreciation expense	(1,396,210)	8,768
(2) The net effect of various miscellaneous transactions involving capital assets (donations) is to decrease net assets.		
Less: loss on disposal of capital assets		(11,085)
(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, 2011	$ 490,936	
Less: deferred delinquent property taxes and other deferred June 30, 2010	(410,913)	80,023
(4) The issuance of long-term debt (e.g., capital leases, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net 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	$ (69,354)	
Less: other loan proceeds	(5,673,000)	
Less: change in discount on debt issuances	(6,640)	
Less: change in deferred amount on refunding debt	(28,412)	
Add: change in deferred debt issuance costs	6,694	
Add: principal payments on notes	81,250	
Add: principal payments on capital leases	237,568	
Add: principal payments on other loans	505,357	
Add: principal payments on bonds	285,000	(4,661,537)

(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	$ 2,333
(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.	53,888
Change in net assets of governmental activities (Exhibit B)	$ (3,008,615)

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, 2011

	Governmental Activities - Internal Service Fund
	Workers' Compensation
ASSETS	
Current Assets:	
Equity in Pooled Cash and Investments	$ 690,669
Total Assets	$ 690,669
NET ASSETS	
Unrestricted	$ 690,669
Total Net Assets	$ 690,669

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, 2011

	Governmental Activities - Internal Service Fund
	Workers' Compensation
Operating Revenues	
Self-Insurance Premiums	$ 188,889
Total Operating Revenues	$ 188,889
Operating Expenses	
Workers' Compensation Insurance	$ 114,314
Other Self-Insured Claims	20,687
Total Operating Expenses	$ 135,001
Operating Income (Loss)	$ 53,888
Change in Net Assets	$ 53,888
Net Assets, July 1, 2010	636,781
Net Assets, June 30, 2011	$ 690,669

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, 2011

	Governmental Activities - Internal Service Fund
	Workers' Compensation
Cash Flows from Operating Activities	
Receipts from Self-Insurance Premiums	$ 188,889
Payments for Claims	(20,687)
Payments for Workers' Compensation Insurance	(114,314)
Net Cash Provided By (Used In) Operating Activities	$ 53,888
Net Increase (Decrease) in Cash	$ 53,888
Cash, July 1, 2010	636,781
Cash, June 30, 2011	$ 690,669
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	$ 53,888
Net Cash Provided By (Used In) Operating Activities	$ 53,888
Reconciliation of Cash with Statement of Net Assets	
Cash per Net Assets	$ 690,669
Cash, June 30, 2011	$ 690,669

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, 2011

	Agency Funds
ASSETS	
Cash	$ 3,257,774
Equity in Pooled Cash and Investments	346,266
Due from Other Governments	903,728
Property Taxes Receivable	2,780,629
Allowance for Uncollectible Property Taxes	(44,346)
Total Assets	$ 7,244,051
LIABILITIES	
Due to Other Taxing Units	$ 3,986,277
Due to Litigants, Heirs, and Others	3,257,774
Total Liabilities	$ 7,244,051

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

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
P.O. Box 367
Dyersburg, TN 38024

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net 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. Net debt issues totaling $5,622,485 were contributed by the county to the School Department during the year ended June 30, 2011.

Separate financial statements are provided for governmental funds, the proprietary fund (internal service), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

Fund financial statements of Dyer County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, 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.

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

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

Education Capital Projects Fund – This fund accounts for debt issued by Dyer County that is subsequently contributed to the discretely presented Dyer County School Department for construction and renovation projects.

Additionally, Dyer County reports the following fund types:

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Dyer County, the city school system's share of educational revenues, and assets held in a custodial capacity for two watershed districts. Agency

funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Dyer County School Department reports the following major governmental funds:

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

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

Education Capital Projects Fund – This fund is used to account for the receipt of debt issued by Dyer County and contributed to the School Department for building construction and renovations.

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.

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

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. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to .83 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.

Retainage payable in the School Department's Education Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments.

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. 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, 2011, Dyer County had $44,367,643 in outstanding debt issued for capital purposes for the discretely presented Dyer County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Dyersburg School System) based on the average

daily attendance proration. This debt is a liability of Dyer County; but the capital assets acquired are reported in the financial statements of the School Department and the City of Dyersburg School System. Therefore, Dyer County has incurred a liability, significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

7. <u>Stabilization Arrangement</u>

Dyer County sold its hospital in a prior year. The County Commission adopted a resolution to retain the principal intact and appropriate the

interest income earned on the investment of these funds annually through the budgetary process. The principal balance in this stabilization arrangement totaled $18,490,503 at June 30, 2011. Of this amount, $2,171,857 is a long-term notes receivable and is offset by nonexpendable fund balance. However, the remaining balance of $16,318,646 is included in the General Fund's unassigned fund balance account since this arrangement does not meet the criteria for restricted or committed fund balance as defined by GASB Statement No. 54.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net 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 county's Education 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 County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Other Boards and Committees, County Mayor/Executive, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2011, the Dyer County School Department reported the following significant encumbrances:

Fund	Description	Amount
School Department:		
Major Fund:		
General Purpose School	School construction	$ 231,920
Education Capital Projects	School construction	8,332,633

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the County Commission major appropriation category (the legal level of control) of the General Fund by $585. Expenditures that exceed

appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

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 Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2011, Dyer County had the following investments carried at fair value or cost. 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 or Cost
State Treasurer's Investment Pool	Daily	$ 10,433,690
Federal Home Loan Bank	9-9-11	1,009,000
Federal Home Loan Bank	10-14-11	1,009,290
Federal Home Loan Bank	6-29-12	2,027,280
Federal Home Loan Bank	3-27-15	2,000,340
Federal Home Loan Bank	7-29-15	2,002,420
Federal Home Loan Bank	4-27-16	1,001,330
Federal Home Loan Bank	6-13-16	1,994,160
Federal Home Loan Bank	12-30-16	1,489,590
Total		$ 22,967,100

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Dyer County has no investment policy that would further limit its investment choices. As of June 30, 2011, Dyer County's investment in the State Treasurer's Investment Pool was unrated. The Federal Home Loan Bank is a government sponsored enterprise that is an independent organization not backed by the full faith

and credit of the federal government, and therefore, the county could lose its investments if this enterprise was to fail. Dyer County investments in Federal Home Loan Bank 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 Federal Home Loan Bank. These investments are 54.6 percent of the county's total investments.

B. Notes Receivable – Long-term

Notes receivable in the General Fund represent a long-term loan made to the Dyer County Industrial Development Board for industrial purposes and are offset by nonexpendable fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	$ 3,554,709	$ 0	$ 0	$ 3,554,709
Construction in Progress	223,947	917,292	134,674	1,006,565
Total Capital Assets Not Depreciated	$ 3,778,656	$ 917,292	$ 134,674	$ 4,561,274
Capital Assets Depreciated:				
Buildings and Improvements	$ 11,871,758	$ 0	$ 0	$ 11,871,758
Infrastructure	18,148,878	362,138	0	18,511,016
Other Capital Assets	6,540,448	260,222	56,790	6,743,880
Total Capital Assets Depreciated	$ 36,561,084	$ 622,360	$ 56,790	$ 37,126,654

Governmental Activities (Cont.):

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 2,371,625	$ 234,434	$ 0	$ 2,606,059
Infrastructure	11,392,240	598,627	0	11,990,867
Other Capital Assets	3,812,665	563,149	45,705	4,330,109
Total Accumulated Depreciation	$ 17,576,530	$ 1,396,210	$ 45,705	$ 18,927,035
Total Capital Assets Depreciated, Net	$ 18,984,554	$ (773,850)	$ 11,085	$ 18,199,619
Governmental Activities Capital Assets, Net	$ 22,763,210	$ 143,442	$ 145,759	$ 22,760,893

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

Governmental Activities:

General Government	$ 20,955
Finance	1,896
Administration of Justice	3,350
Public Safety	294,279
Public Health and Welfare	32,614
Social, Cultural, and Recreational Services	24,806
Agriculture and Natural Resources	675
Highways	1,017,635
Total Depreciation Expense - Governmental Activities	$ 1,396,210

Discretely Presented Dyer County School Department

Governmental Activities:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	$ 1,042,322	$ 39,875	$ 0	$ 1,082,197
Construction in Progress	84,879	4,175,148	175,042	4,084,985
Total Capital Assets Not Depreciated	$ 1,127,201	$ 4,215,023	$ 175,042	$ 5,167,182

Governmental Activities (Cont.):

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Depreciated				
Buildings and Improvements	$ 36,834,479	$ 192,453	$ 205,187	$ 36,821,745
Other Capital Assets	5,508,117	764,957	0	6,273,074
Total Capital Assets Depreciated	$ 42,342,596	$ 957,410	$ 205,187	$ 43,094,819
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 9,071,944	$ 727,954	$ 189,082	$ 9,610,816
Other Capital Assets	2,589,383	376,082	0	2,965,465
Total Accumulated Depreciation	$ 11,661,327	$ 1,104,036	$ 189,082	$ 12,576,281
Total Capital Assets Depreciated, Net	$ 30,681,269	$ (146,626)	$ 16,105	$ 30,518,538
Governmental Activities Capital Assets, Net	$ 31,808,470	$ 4,068,397	$ 191,147	$ 35,685,720

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

Governmental Activities:

Instruction	$ 663,577
Support Services	384,687
Operation of Non-Instructional Services	55,772
Total Depreciation Expense - Governmental Activities	$ 1,104,036

D. Construction Commitments

On June 30, 2011, the Education Capital Projects Fund had uncompleted construction contracts of $8,332,633 for the construction of two schools. Funding for these future expenditures has been received from contributions of other loan proceeds. The General Purpose School Fund had an uncompleted construction contract of $231,920 related to one of these schools for storm-safe areas. Funding for this future expenditure is expected to be provided by a Homeland Security Hazard Mitigation Grant and from fund balance.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 1,299
Discretely Presented Dyer County School Department:		
Nonmajor governmental	General Purpose School	155

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2011, consisted of the following amounts:

Primary Government

Transfer Out	Transfer In General Fund
Nonmajor governmental fund	$ 18,490,503

Discretely Presented Dyer County School Department

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental fund	$ 21,869

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.

F. Capital Leases

Terms of capital lease obligations outstanding at June 30, 2011, are as follows:

Description	Date of Lease	Last Maturity Date	Total Principal Payments	Interest Rate
Dump Trucks	3-12-07	3-20-12	$ 390,612	4.39 %
Sheriff's Patrol Cars	10-2-09	10-2-11	143,284	3.47
Sheriff's Patrol Cars	2-23-11	2-23-13	69,354	2.88

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

The assets acquired through capital leases are as follows:

Asset	Governmental Activities
Machinery and Equipment	$ 603,250
Less: Accumulated Depreciation	(438,257)
Total Book Value	$ 164,993

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

Year Ending June 30	Governmental Funds
2012	$ 207,711
2013	23,792
Total Minimum Lease Payments	$ 231,503
Less: Amount Representing Interest	(7,468)
Present Value of Minimum Lease Payments	$ 224,035

G. 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 17 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2011, 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, 2011, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
General Obligation Bonds – Refunding	3 to 4.45 %	$ 7,980,000	$ 7,400,000
School Refunding Bonds	2 to 4.1	30,240,000	30,240,000
Capital Outlay Notes	2.88 to 4.15	362,500	122,917
Other Loans	1.515	14,633,000	14,127,643
Capital Leases	2.88 to 4.39	603,250	224,035

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

During the 2010-11 year, Dyer County entered into a loan agreement with the Tennessee State School Bond Authority. Under this loan agreement, the authority loaned Dyer County $5,673,000 for construction of the Newbern Grammar School. This loan is interest free and earns interest monthly based upon the local government investment pool rate, which is netted against the

annual principal payment. The county pays an annual administrative fee of $378.

The annual requirements to amortize the bonds, notes, and other loans outstanding as of June 30, 2011, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	$ 1,600,000	$ 1,378,274	$ 2,978,274
2013	1,640,000	1,341,249	2,981,249
2014	1,700,000	1,294,334	2,994,334
2015	1,755,000	1,241,189	2,996,189
2016	1,810,000	1,185,689	2,995,689
2017-2021	10,290,000	4,979,130	15,269,130
2022-2026	18,845,000	2,491,460	21,336,460
Total	$ 37,640,000	$ 13,911,325	$ 51,551,325

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	$ 81,250	$ 4,043	$ 85,293
2013	41,667	1,200	42,867
Total	$ 122,917	$ 5,243	$ 128,160

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2012	$ 883,577	$ 400,076	$ 22,458	$ 1,306,111
2013	913,076	410,771	17,978	1,341,825
2014	913,076	410,771	13,498	1,337,345
2015	913,076	410,771	13,498	1,337,345
2016	913,076	410,771	13,498	1,337,345
2017-2021	4,565,380	2,053,855	67,490	6,686,725
2022-2026	4,633,674	2,053,855	67,490	6,755,019
2027-2028	392,708	277,110	5,294	675,112
Total	$ 14,127,643	$ 6,427,980	$ 221,204	$ 20,776,827

There is $4,247,840 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled $982, based on the 2010 federal census. Debt per capita, including notes, capital leases, other loans, and bonds totaled $1,359 based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2010	$ 37,925,000	$ 204,167
Deductions	(285,000)	(81,250)
Balance, June 30, 2011	$ 37,640,000	$ 122,917
Balance Due Within One Year	$ 1,600,000	$ 81,250

	Other Loans	Capital Leases
Balance, July 1, 2010	$ 8,960,000	$ 392,249
Additions	5,673,000	69,354
Deductions	(505,357)	(237,568)
Balance, June 30, 2011	$ 14,127,643	$ 224,035
Balance Due Within One Year	$ 883,577	$ 200,922

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	$ 52,114,595
Less: Balance Due Within One Year	(2,765,749)
Unamortized Discount on Debt	(77,771)
Deferred Amount on Refunding	(265,211)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 49,005,864

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, 2011, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2010	$ 96,951	$ 2,032,677
Additions	104,147	580,829
Deductions	(101,090)	(331,164)
Balance, June 30, 2011	$ 100,008	$ 2,282,342
Balance Due Within One Year	$ 5,000	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	$ 2,382,350
Less: Balance Due Within One Year	(5,000)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 2,377,350

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Dyer County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2011, were $107,435 and $18,999, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Short-term Debt

Dyer County issued revenue anticipation notes in advance of revenue collections and deposited the proceeds in the General ($800,000) and Solid/Waste Sanitation ($15,000) funds. These notes were necessary because funds were not available to meet operating expenses coming due before current tax collections. Short-term debt activity for the year ended June 30, 2011, was as follows:

	Balance 7-1-10	Issued	Paid	Balance 6-30-11
Revenue Anticipation Notes	$ 0	$ 815,000	$ (815,000)	$ 0

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
2009-10	$ 0	$ 269,146	$ 269,146	$ 0
2010-11	0	135,001	135,001	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. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications include nonspendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be spent. Also, Statement No. 54 clarified the definitions of the General Fund and the special revenue, capital projects, debt service, and permanent fund types. Dyer County and the Dyer County School Department have implemented provisions of this statement in the financial statements of this report for its governmental funds.

C. 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. In November 2009, Obion County made a payment equal to 25 percent of the $2.2 million loan with the understanding that they would be released from the debt.

The attorney representing Dyer County for matters associated with development of the Northwest Tennessee Regional Port Authority has advised that the port authority is not involved in any litigation.

D. Change in Administration

On August 31, 2010, Jeffrey Holt left the Office of Sheriff and was succeeded by Jeff Box.

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, 2011. 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. Their administrative office can be contacted at P.O. Box 267, Dyersburg, TN 38205.

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

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

Employees of Dyer County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and

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

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

Funding Policy

Dyer County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 6.97 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2011, the county's annual pension cost of $53,296 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, 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 2.5 percent

annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 11 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-11	$53,296	100%	$0
6-30-10	47,347	100	0
6-30-09	47,003	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 86.83 percent funded. The actuarial accrued liability for benefits was $2 million, and the actuarial value of assets was $2 million, resulting in an unfunded actuarial accrued liability (UAAL) of zero. 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 30.67 percent.

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

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. Cost of living adjustments (COLA) are provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2011, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2011, 2010, and 2009, were $1,077,048, 734,746, and $736,034, respectively, equal to the required contributions for each year.

2. Deferred Compensation

The Dyer County Highway Departments offers its employees a deferred compensation plan established pursuant to IRC Section 457. The Highway/Public Works Fund will match employee contributions up to two and one-half percent of gross payroll. All costs of administering and funding these programs are the responsibility of plan participants. The

Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plans.

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. In previous fiscal years, prior to reaching the age of 65, all members had the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan structure was changed and as a result all members now have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at http://www.tn.gov/finance/act/cafr.html.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The School Department makes a contribution toward the health insurance premium of the School Department's group medical plan for all employees who accumulate sick leave and meet length of employment and age criteria of 20 years of service with the Dyer County School System at age 55, or 30 years of service regardless of age. Currently, 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 $257.90 to $292.90 per month.

During the year ended June 30, 2011, the Dyer County School Department contributed $331,164 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
ARC	$ 576,000
Interest on the NPO	91,470
Adjustment to the ARC	(86,641)
Annual OPEB cost	$ 580,829
Less: Amount of contribution	(331,164)
Increase/decrease in NPO	$ 249,665
Net OPEB obligation, 7-1-10	2,032,677
Net OPEB obligation, 6-30-11	$ 2,282,342

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Local Education Group	$ 1,131,054	20 %	$ 1,779,379
6-30-10	"	571,228	56	2,032,677
6-30-11	"	580,829	57	2,282,342

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011, was as follows:

	Local Education Group Plan
Actuarial valuation date	7-1-10
Actuarial accrued liability (AAL)	$ 5,339,000
Actuarial value of plan assets	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 5,339,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	$ 11,331,404
UAAL as a % of covered payroll	47%

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

Actuarial Methods and Assumptions

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

In the July 1, 2010, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The rate includes a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level of percentage of payroll on a closed basis over a 30-year period beginning with 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.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

Dyer County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 5,771,895	$ 0	$ 5,771,895	$ 5,784,061	$ 5,784,061	$ (12,166)
Licenses and Permits	105,610	0	105,610	121,000	121,000	(15,390)
Fines, Forfeitures, and Penalties	147,684	0	147,684	201,155	202,155	(54,471)
Charges for Current Services	69,466	0	69,466	60,900	60,900	8,566
Other Local Revenues	310,037	0	310,037	224,335	328,594	(18,557)
Fees Received from County Officials	1,552,220	0	1,552,220	1,595,150	1,595,150	(42,930)
State of Tennessee	2,462,745	0	2,462,745	1,812,261	2,554,179	(91,434)
Federal Government	301,462	0	301,462	421,583	421,583	(120,121)
Other Governments and Citizens Groups	106,470	0	106,470	37,000	37,000	69,470
Total Revenues	$ 10,827,589	$ 0	$ 10,827,589	$ 10,257,445	$ 11,104,622	$ (277,033)
Expenditures						
General Government						
County Commission	$ 99,269	$ 0	$ 99,269	$ 98,684	$ 98,684	$ (585)
Board of Equalization	2,520	0	2,520	3,000	3,000	480
Other Boards and Committees	5,160	0	5,160	4,500	5,350	190
County Mayor/Executive	208,094	0	208,094	201,573	211,295	3,201
County Attorney	66,325	0	66,325	46,293	67,793	1,468
Election Commission	443,115	0	443,115	486,315	505,940	62,825
Register of Deeds	178,040	0	178,040	187,922	188,322	10,282
Planning	133,434	0	133,434	145,302	145,302	11,868
County Buildings	1,192,014	(9,860)	1,182,154	431,646	1,182,317	163
Other General Administration	144,022	0	144,022	215,497	217,397	73,375
Finance						
Accounting and Budgeting	151,379	0	151,379	152,745	152,745	1,366

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)						
Finance (Cont.)						
Property Assessor's Office	$ 321,735	$ 0	$ 321,735	$ 330,905	$ 331,655	$ 9,920
Reappraisal Program	49,516	0	49,516	51,472	51,472	1,956
County Trustee's Office	210,432	0	210,432	211,040	212,077	1,645
County Clerk's Office	348,620	0	348,620	356,551	360,551	11,931
Other Finance	50,611	0	50,611	38,190	51,457	846
Administration of Justice						
Circuit Court	412,892	0	412,892	427,032	425,532	12,640
General Sessions Court	189,895	0	189,895	195,831	197,659	7,764
Drug Court	42,281	0	42,281	50,000	50,000	7,719
Chancery Court	260,507	0	260,507	286,709	290,079	29,572
Juvenile Court	265,509	0	265,509	294,275	294,275	28,766
Other Administration of Justice	70,146	0	70,146	80,440	80,440	10,294
Public Safety						
Sheriff's Department	2,054,621	0	2,054,621	1,965,322	2,157,084	102,463
Jail	2,051,561	0	2,051,561	2,179,022	2,159,022	107,461
Fire Prevention and Control	169,047	0	169,047	185,475	192,645	23,598
Disaster Relief	192,512	0	192,512	236,155	235,530	43,018
County Coroner/Medical Examiner	8,796	0	8,796	10,500	10,500	1,704
Other Public Safety	68,383	0	68,383	68,697	68,697	314
Public Health and Welfare						
Local Health Center	126,346	0	126,346	161,637	163,737	37,391
Rabies and Animal Control	79,750	0	79,750	79,750	79,750	0
Crippled Children Services	1,946	0	1,946	1,946	1,946	0
Other Local Health Services	960	0	960	960	960	0

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)						
Public Health and Welfare (Cont.)						
General Welfare Assistance	$ 84,378	$ 0	$ 84,378	$ 84,750	$ 86,256	$ 1,878
Aid to Dependent Children	107,087	0	107,087	134,400	134,400	27,313
Sanitation Education/Information	56,648	0	56,648	65,977	63,927	7,279
Other Public Health and Welfare	31,644	0	31,644	31,644	31,644	0
Social, Cultural, and Recreational Services						
Adult Activities	96,364	0	96,364	112,708	112,708	16,344
Senior Citizens Assistance	227,875	0	227,875	265,715	265,715	37,840
Libraries	130,895	0	130,895	130,895	130,895	0
Parks and Fair Boards	3,600	0	3,600	3,600	3,600	0
Other Social, Cultural, and Recreational	139,090	0	139,090	167,449	167,449	28,359
Agriculture and Natural Resources						
Agriculture Extension Service	127,168	0	127,168	144,455	144,455	17,287
Soil Conservation	25,780	0	25,780	25,864	25,864	84
Flood Control	31,699	0	31,699	33,619	33,619	1,920
Other Agriculture and Natural Resources	7,687	0	7,687	15,551	8,795	1,108
Other Operations						
Industrial Development	22,362	0	22,362	60,000	25,246	2,884
ARRA Grant # 1	5,770	0	5,770	9,483	9,483	3,713
Miscellaneous	126,616	0	126,616	129,600	129,600	2,984
Principal on Debt						
General Government	136,806	0	136,806	136,584	136,807	1
Interest on Debt						
General Government	7,255	0	7,255	10,000	9,777	2,522
Total Expenditures	$ 10,968,162	$ (9,860)	$ 10,958,302	$ 10,747,680	$ 11,713,453	$ 755,151

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Excess (Deficiency) of Revenues Over Expenditures	$ (140,573)	$ 9,860	$ (130,713)	$ (490,235)	$ (608,831)	$ 478,118
Other Financing Sources (Uses)						
Capital Leases Issued	$ 69,354	$ 0	$ 69,354	$ 0	$ 69,354	$ 0
Insurance Recovery	40,415	0	40,415	0	14,475	25,940
Transfers In	18,490,503	0	18,490,503	0	18,490,503	0
Total Other Financing Sources (Uses)	$ 18,600,272	$ 0	$ 18,600,272	$ 0	$ 18,574,332	$ 25,940
Net Change in Fund Balance	$ 18,459,699	$ 9,860	$ 18,469,559	$ (490,235)	$ 17,965,501	$ 504,058
Fund Balance, July 1, 2010	1,427,252	(9,860)	1,417,392	1,565,328	1,565,328	(147,936)
Fund Balance, June 30, 2011	$ 19,886,951	$ 0	$ 19,886,951	$ 1,075,093	$ 19,530,829	$ 356,122

Exhibit F-2

Dyer County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 1,726,281	$ 0	$ 1,726,281	$ 1,724,766	$ 1,724,766	$ 1,515
Licenses and Permits	7,717	0	7,717	18,425	18,425	(10,708)
Other Local Revenues	43,589	0	43,589	58,500	58,500	(14,911)
State of Tennessee	1,900,767	0	1,900,767	2,901,554	2,901,554	(1,000,787)
Federal Government	132,750	0	132,750	0	0	132,750
Total Revenues	$ 3,811,104	$ 0	$ 3,811,104	$ 4,703,245	$ 4,703,245	$ (892,141)
Expenditures						
Highways						
Administration	$ 151,841	$ 0	$ 151,841	$ 174,245	$ 174,245	$ 22,404
Highway and Bridge Maintenance	1,797,405	0	1,797,405	3,147,535	3,147,535	1,350,130
Operation and Maintenance of Equipment	503,888	0	503,888	532,287	532,287	28,399
Other Charges	97,571	0	97,571	172,000	209,500	111,929
Employee Benefits	216,130	0	216,130	288,200	288,200	72,070
Capital Outlay	36,902	(12,497)	24,405	1,176,987	1,076,987	1,052,582
Principal on Debt						
Highways and Streets	140,345	0	140,345	40,346	140,346	1
Interest on Debt						
Highways and Streets	11,094	0	11,094	11,095	11,095	1
Total Expenditures	$ 2,955,176	$ (12,497)	$ 2,942,679	$ 5,542,695	$ 5,580,195	$ 2,637,516
Excess (Deficiency) of Revenues Over Expenditures	$ 855,928	$ 12,497	$ 868,425	$ (839,450)	$ (876,950)	$ 1,745,375
Other Financing Sources (Uses)						
Insurance Recovery	$ 14,695	$ 0	$ 14,695	$ 0	$ 0	$ 14,695
Total Other Financing Sources (Uses)	$ 14,695	$ 0	$ 14,695	$ 0	$ 0	$ 14,695
Net Change in Fund Balance	$ 870,623	$ 12,497	$ 883,120	$ (839,450)	$ (876,950)	$ 1,760,070
Fund Balance, July 1, 2010	2,339,124	(12,497)	2,326,627	2,303,872	2,303,872	22,755
Fund Balance, June 30, 2011	$ 3,209,747	$ 0	$ 3,209,747	$ 1,464,422	$ 1,426,922	$ 1,782,825

Exhibit F-3

Dyer County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Dyer County School Department
June 30, 2011

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-09	$ 1,532	$ 1,764	$ 232	86.83 %	$ 758	30.67 %
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 frozen entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the frozen entry age actuarial cost method went into effect during the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit F-4

Dyer County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Dyer County School Department
June 30, 2011

(Dollar amounts in thousands)

Plan	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	7-1-07	$ 0	$ 9,397	$ 9,397	0%	$ 14,794	64%
"	7-1-09	0	5,280	5,280	0	11,331	47
"	7-1-10	0	5,339	5,339	0	11,331	47

DYER COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2011

A. BUDGETARY INFORMATION

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

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

B. EXPENDITURES EXCEEDED APPROPRIATIONS

Expenditures exceeded appropriations approved by the County Commission in the County Commission major appropriation category (the legal level of control) of the General Fund by $585. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

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.

Special Purpose Fund – The Special Purpose Fund is used to account for the proceeds from the sale of the county's hospital. This fund was closed during the 2010-11 year.

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.

Exhibit G-1

Dyer County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Special Revenue Funds					
	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu-tional Officers - Fees	Total Nonmajor Governmental Funds
ASSETS						
Cash	$ 0	$ 0	$ 0	$ 0	$ 1,299	$ 1,299
Equity in Pooled Cash and Investments	34,544	1,231	69,579	2,383	0	107,737
Due from Other Governments	0	9,054	0	18	0	9,072
Total Assets	$ 34,544	$ 10,285	$ 69,579	$ 2,401	$ 1,299	$ 118,108
LIABILITIES AND FUND BALANCES						
Liabilities						
Due to Other Funds	$ 0	$ 0	$ 0	$ 0	$ 1,299	$ 1,299
Total Liabilities	$ 0	$ 0	$ 0	$ 0	$ 1,299	$ 1,299
Fund Balances						
Restricted:						
Restricted for Administration of Justice	$ 34,544	$ 0	$ 0	$ 2,401	$ 0	$ 36,945
Restricted for Public Safety	0	0	69,579	0	0	69,579
Committed:						
Committed for Public Health and Welfare	0	10,285	0	0	0	10,285
Total Fund Balances	$ 34,544	$ 10,285	$ 69,579	$ 2,401	$ 0	$ 116,809
Total Liabilities and Fund Balances	$ 34,544	$ 10,285	$ 69,579	$ 2,401	$ 1,299	$ 118,108

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, 2011

	Special Revenue Funds						
	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	District Attorney General	Constitu-tional Officers - Fees	Total Nonmajor Governmental Funds
Revenues							
Local Taxes	$ 2,405	$ 45,935	$ 0	$ 0	$ 0	$ 0	$ 48,340
Licenses and Permits	0	9,194	0	0	0	0	9,194
Fines, Forfeitures, and Penalties	0	0	0	2,318	6,624	0	8,942
Charges for Current Services	0	7,196	0	0	0	3,857	11,053
Other Local Revenues	0	180	0	2,182	0	0	2,362
State of Tennessee	0	50,646	0	0	0	0	50,646
Federal Government	0	1,167	0	86,430	0	0	87,597
Total Revenues	$ 2,405	$ 114,318	$ 0	$ 90,930	$ 6,624	$ 3,857	$ 218,134
Expenditures							
Current:							
General Government	$ 0	$ 0	$ 0	$ 0	$ 0	$ 198	$ 198
Finance	0	0	0	0	0	1,009	1,009
Administration of Justice	24	0	0	0	7,657	2,650	10,331
Public Safety	0	0	0	101,215	0	0	101,215
Public Health and Welfare	0	107,065	0	0	0	0	107,065
Total Expenditures	$ 24	$ 107,065	$ 0	$ 101,215	$ 7,657	$ 3,857	$ 219,818
Excess (Deficiency) of Revenues Over Expenditures	$ 2,381	$ 7,253	$ 0	$ (10,285)	$ (1,033)	$ 0	$ (1,684)
Other Financing Sources (Uses)							
Transfers Out	$ 0	$ 0	$ (18,490,503)	$ 0	$ 0	$ 0	$ (18,490,503)
Total Other Financing Sources (Uses)	$ 0	$ 0	$ (18,490,503)	$ 0	$ 0	$ 0	$ (18,490,503)
Net Change in Fund Balances	$ 2,381	$ 7,253	$ (18,490,503)	$ (10,285)	$ (1,033)	$ 0	$ (18,492,187)
Fund Balance, July 1, 2010	32,163	3,032	18,490,503	79,864	3,434	0	18,608,996
Fund Balance, June 30, 2011	$ 34,544	$ 10,285	$ 0	$ 69,579	$ 2,401	$ 0	$ 116,809

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, 2011

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 2,405	$ 2,500	$ 2,500	$ (95)
Total Revenues	$ 2,405	$ 2,500	$ 2,500	$ (95)
Expenditures				
Administration of Justice				
Other Administration of Justice	$ 24	$ 5,535	$ 5,535	$ 5,511
Total Expenditures	$ 24	$ 5,535	$ 5,535	$ 5,511
Excess (Deficiency) of Revenues Over Expenditures	$ 2,381	$ (3,035)	$ (3,035)	$ 5,416
Net Change in Fund Balance	$ 2,381	$ (3,035)	$ (3,035)	$ 5,416
Fund Balance, July 1, 2010	32,163	31,729	31,729	434
Fund Balance, June 30, 2011	$ 34,544	$ 28,694	$ 28,694	$ 5,850

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, 2011

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 45,935	$ 42,562	$ 42,562	$ 3,373
Licenses and Permits	9,194	10,000	10,000	(806)
Charges for Current Services	7,196	2,000	2,000	5,196
Other Local Revenues	180	4,000	4,000	(3,820)
State of Tennessee	50,646	51,100	51,100	(454)
Federal Government	1,167	0	1,167	0
Total Revenues	$ 114,318	$ 109,662	$ 110,829	$ 3,489
Expenditures				
Public Health and Welfare				
Sanitation Management	$ 107,065	$ 107,213	$ 108,380	$ 1,315
Total Expenditures	$ 107,065	$ 107,213	$ 108,380	$ 1,315
Excess (Deficiency) of Revenues Over Expenditures	$ 7,253	$ 2,449	$ 2,449	$ 4,804
Net Change in Fund Balance	$ 7,253	$ 2,449	$ 2,449	$ 4,804
Fund Balance, July 1, 2010	3,032	10,633	10,633	(7,601)
Fund Balance, June 30, 2011	$ 10,285	$ 13,082	$ 13,082	$ (2,797)

Exhibit G-5

Dyer County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2011

	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
Other Financing (Uses)				
Transfers Out	$ (18,490,503)	$ (18,490,503)	$ (18,490,503)	$ 0
Total Other Financing (Uses)	$ (18,490,503)	$ (18,490,503)	$ (18,490,503)	$ 0
Net Change in Fund Balance	$ (18,490,503)	$ (18,490,503)	$ (18,490,503)	$ 0
Fund Balance, July 1, 2010	18,490,503	18,490,503	18,490,503	0
Fund Balance, June 30, 2011	$ 0	$ 0	$ 0	$ 0

Exhibit G-6

Dyer County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 2,318	$ 9,000	$ 9,000	$ (6,682)
Other Local Revenues	2,182	3,500	3,500	(1,318)
Federal Government	86,430	86,430	97,859	(11,429)
Total Revenues	$ 90,930	$ 98,930	$ 110,359	$ (19,429)
Expenditures				
Public Safety				
Drug Enforcement	$ 101,215	$ 99,200	$ 127,029	$ 25,814
Principal on Debt				
General Government	0	31,000	14,600	14,600
Total Expenditures	$ 101,215	$ 130,200	$ 141,629	$ 40,414
Excess (Deficiency) of Revenues Over Expenditures	$ (10,285)	$ (31,270)	$ (31,270)	$ 20,985
Net Change in Fund Balance	$ (10,285)	$ (31,270)	$ (31,270)	$ 20,985
Fund Balance, July 1, 2010	79,864	102,628	102,628	(22,764)
Fund Balance, June 30, 2011	$ 69,579	$ 71,358	$ 71,358	$ (1,779)

Major Governmental Fund

General Debt Service Fund

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

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, 2011

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 2,837,893	$ 2,501,061	$ 2,501,061	$ 336,832
Other Local Revenues	471,117	825,000	704,294	(233,177)
Federal Government	120,706	0	120,706	0
Total Revenues	$ 3,429,716	$ 3,326,061	$ 3,326,061	$ 103,655
Expenditures				
Principal on Debt				
General Government	$ 326,667	$ 326,667	$ 326,667	$ 0
Education	505,357	848,184	559,506	54,149
Interest on Debt				
General Government	352,583	352,583	352,583	0
Education	1,477,277	1,210,648	1,478,043	766
Other Debt Service				
General Government	81,897	61,000	82,033	136
Education	5,075	114,933	115,183	110,108
Total Expenditures	$ 2,748,856	$ 2,914,015	$ 2,914,015	$ 165,159
Excess (Deficiency) of Revenues Over Expenditures	$ 680,860	$ 412,046	$ 412,046	$ 268,814
Net Change in Fund Balance	$ 680,860	$ 412,046	$ 412,046	$ 268,814
Fund Balance, July 1, 2010	3,566,980	3,870,168	3,870,168	(303,188)
Fund Balance, June 30, 2011	$ 4,247,840	$ 4,282,214	$ 4,282,214	$ (34,374)

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.

Exhibit I-1

Dyer County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2011

	Agency Funds				
	Cities - Sales Tax	Watershed District	City School ADA - Dyersburg	Constitu-tional Officers - Agency	Total
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 3,257,774	$ 3,257,774
Equity in Pooled Cash and Investments	0	202,836	143,430	0	346,266
Due from Other Governments	518,110	0	385,618	0	903,728
Property Taxes Receivable	0	0	2,780,629	0	2,780,629
Allowance for Uncollectible Property Taxes	0	0	(44,346)	0	(44,346)
Total Assets	$ 518,110	$ 202,836	$ 3,265,331	3,257,774	$ 7,244,051
LIABILITIES					
Due to Other Taxing Units	$ 518,110	$ 202,836	$ 3,265,331	$ 0	$ 3,986,277
Due to Litigants, Heirs, and Others	0	0	0	3,257,774	3,257,774
Total Liabilities	$ 518,110	$ 202,836	$ 3,265,331	$ 3,257,774	$ 7,244,051

Exhibit I-2

Dyer County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 3,088,203	$ 3,088,203	$ 0
Due from Other Governments	516,335	518,110	516,335	518,110
Total Assets	$ 516,335	$ 3,606,313	$ 3,604,538	$ 518,110
Liabilities				
Due to Other Taxing Units	$ 516,335	$ 3,606,313	$ 3,604,538	$ 518,110
Total Liabilities	$ 516,335	$ 3,606,313	$ 3,604,538	$ 518,110
Cities - Property Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 1,056	$ 1,056	$ 0
Total Assets	$ 0	$ 1,056	$ 1,056	$ 0
Liabilities				
Due to Other Taxing Units	$ 0	$ 1,056	$ 1,056	$ 0
Total Liabilities	$ 0	$ 1,056	$ 1,056	$ 0
Watershed District Fund				
Assets				
Equity in Pooled Cash and Investments	$ 198,469	$ 10,478	$ 6,111	$ 202,836
Total Assets	$ 198,469	$ 10,478	$ 6,111	$ 202,836
Liabilities				
Due to Other Taxing Units	$ 198,469	$ 10,478	$ 6,111	$ 202,836
Total Liabilities	$ 198,469	$ 10,478	$ 6,111	$ 202,836
City School ADA - Dyersburg Fund				
Assets				
Equity in Pooled Cash and Investments	$ 144,567	$ 7,989,017	$ 7,990,154	$ 143,430
Due from Other Governments	379,847	385,618	379,847	385,618
Property Taxes Receivable	3,006,718	2,780,629	3,006,718	2,780,629
Allowance for Uncollectible Property Taxes	(90,355)	(44,346)	(90,355)	(44,346)
Total Assets	$ 3,440,777	$ 11,110,918	$ 11,286,364	$ 3,265,331
Liabilities				
Due to Other Taxing Units	$ 3,440,777	$ 11,110,918	$ 11,286,364	$ 3,265,331
Total Liabilities	$ 3,440,777	$ 11,110,918	$ 11,286,364	$ 3,265,331

(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	$ 2,566,070	$ 8,693,688	$ 8,001,984	$ 3,257,774
Total Assets	$ 2,566,070	$ 8,693,688	$ 8,001,984	$ 3,257,774
Liabilities				
Due to Litigants, Heirs, and Others	$ 2,566,070	$ 8,693,688	$ 8,001,984	$ 3,257,774
Total Liabilities	$ 2,566,070	$ 8,693,688	$ 8,001,984	$ 3,257,774
Totals - All Agency Funds				
Assets				
Cash	$ 2,566,070	$ 8,693,688	$ 8,001,984	$ 3,257,774
Equity in Pooled Cash and Investments	343,036	11,088,754	11,085,524	346,266
Due from Other Governments	896,182	903,728	896,182	903,728
Property Taxes Receivable	3,006,718	2,780,629	3,006,718	2,780,629
Allowance for Uncollectible Property Taxes	(90,355)	(44,346)	(90,355)	(44,346)
Total Assets	$ 6,721,651	$ 23,422,453	$ 22,900,053	$ 7,244,051
Liabilities				
Due to Other Taxing Units	$ 4,155,581	$ 14,728,765	$ 14,898,069	$ 3,986,277
Due to Litigants, Heirs, and Others	2,566,070	8,693,688	8,001,984	3,257,774
Total Liabilities	$ 6,721,651	$ 23,422,453	$ 22,900,053	$ 7,244,051

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, three Special Revenue Funds, and a Capital Projects Fund.

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.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations for the School Department.

Exhibit J-1

Dyer County, Tennessee
Statement of Activities
Discretely Presented Dyer County School Department
For the Year Ended June 30, 2011

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	$ 18,127,769	$ 7,442	$ 1,482,396	$ (16,637,931)
Support Services	11,039,758	65,954	1,069,481	(9,904,323)
Operation of Non-Instructional Services	3,098,827	748,323	2,037,969	(312,535)
Total Governmental Activities	$ 32,266,354	$ 821,719	$ 4,589,846	$ (26,854,789)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				$ 4,706,754
Local Option Sales Taxes				3,258,591
Wheel Tax				1,102,326
Other Local Taxes				2,002
Grants and Contributions Not Restricted to Specific Programs				22,824,853
Unrestricted Investment Income				155,845
Miscellaneous				56,680
Total General Revenues				$ 32,107,051
Change in Net Assets				$ 5,252,262
Net Assets, July 1, 2010				44,557,488
Net Assets, June 30, 2011				$ 49,809,750

Exhibit J-2

Dyer County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Dyer County School Department
June 30, 2011

	Major Funds			Nonmajor Funds	
	General Purpose School	School Transportation	Education Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 835	$ 835
Equity in Pooled Cash and Investments	4,541,642	1,005,549	10,433,690	854,581	16,835,462
Accounts Receivable	440	0	0	0	440
Due from Other Governments	1,484,686	0	0	513	1,485,199
Due from Other Funds	0	0	0	155	155
Property Taxes Receivable	3,416,692	1,279,705	0	0	4,696,397
Allowance for Uncollectible Property Taxes	(54,054)	(21,167)	0	0	(75,221)
Accrued Interest Receivable	3,507	0	0	0	3,507
Total Assets	$ 9,392,913	$ 2,264,087	$ 10,433,690	$ 856,084	$ 22,946,774
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 94,779	$ 14,430	$ 0	$ 4,817	$ 114,026
Accrued Payroll	18,784	3,974	0	0	22,758
Payroll Deductions Payable	645,406	9,883	0	0	655,289
Contracts Payable	0	0	1,046,531	0	1,046,531
Retainage Payable	0	0	159,194	0	159,194
Due to Other Funds	155	0	0	0	155
Deferred Revenue - Current Property Taxes	3,235,905	1,206,536	0	0	4,442,441
Deferred Revenue - Delinquent Property Taxes	99,363	40,771	0	0	140,134
Other Deferred Revenues	251,091	0	0	0	251,091
Total Liabilities	$ 4,345,483	$ 1,275,594	$ 1,205,725	$ 4,817	$ 6,831,619

(Continued)

Exhibit J-2

Dyer County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Dyer County School Department (Cont.)

	Major Funds			Nonmajor Funds	
	General Purpose School	School Transportation	Education Capital Projects	Other Governmental Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES (Cont.)					
Fund Balances					
Restricted:					
Restricted for Education	$ 23,490	$ 0	$ 0	$ 155	$ 23,645
Restricted for Support Services	0	988,493	0	0	988,493
Restricted for Operation of Non-Instructional Services	0	0	0	701,112	701,112
Restricted for Capital Outlay	0	0	9,227,965	0	9,227,965
Assigned:					
Assigned for Education	653,063	0	0	150,000	803,063
Unassigned	4,370,877	0	0	0	4,370,877
Total Fund Balances	$ 5,047,430	$ 988,493	$ 9,227,965	$ 851,267	$ 16,115,155
Total Liabilities and Fund Balances	$ 9,392,913	$ 2,264,087	$ 10,433,690	$ 856,084	$ 22,946,774

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, 2011

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)		$ 16,115,155
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 1,082,197	
Add: construction in progress	4,084,985	
Add: buildings and improvements net of accumulated depreciation	27,210,929	
Add: other capital assets net of accumulated depreciation	3,307,609	35,685,720
(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	$ (100,008)	
Less: other postemployment benefits liability	(2,282,342)	(2,382,350)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		391,225
Net assets of governmental activities (Exhibit A)		$ 49,809,750

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, 2011

	Major Funds			Nonmajor Funds	
	General Purpose School	School Transportation	Education Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Local Taxes	$ 7,460,980	$ 1,635,167	$ 0	$ 0	$ 9,096,147
Licenses and Permits	2,079	0	0	0	2,079
Charges for Current Services	24,289	48,507	0	748,323	821,119
Other Local Revenues	170,712	3,275	24,013	16,267	214,267
State of Tennessee	16,674,836	968,585	0	20,730	17,664,151
Federal Government	150,633	0	0	3,974,002	4,124,635
Other Governments and Citizens Groups	0	0	5,622,485	0	5,622,485
Total Revenues	$ 24,483,529	$ 2,655,534	$ 5,646,498	$ 4,759,322	$ 37,544,883
Expenditures					
Current:					
Instruction	$ 14,216,514	$ 0	$ 0	$ 1,903,256	$ 16,119,770
Support Services	7,781,423	2,326,295	0	653,325	10,761,043
Operation of Non-Instructional Services	694,838	0	0	2,032,743	2,727,581
Capital Outlay	1,155,511	0	0	0	1,155,511
Capital Projects	0	0	5,151,044	0	5,151,044
Total Expenditures	$ 23,848,286	$ 2,326,295	$ 5,151,044	$ 4,589,324	$ 35,914,949
Excess (Deficiency) of Revenues Over Expenditures	$ 635,243	$ 329,239	$ 495,454	$ 169,998	$ 1,629,934
Other Financing Sources (Uses)					
Insurance Recovery	$ 0	$ 24,067	$ 0	$ 0	$ 24,067
Transfers In	21,869	0	0	0	21,869
Transfers Out	0	0	0	(21,869)	(21,869)
Total Other Financing Sources (Uses)	$ 21,869	$ 24,067	$ 0	$ (21,869)	$ 24,067
Net Change in Fund Balances	$ 657,112	$ 353,306	$ 495,454	$ 148,129	$ 1,654,001
Fund Balance, July 1, 2010	4,390,318	635,187	8,732,511	703,138	14,461,154
Fund Balance, June 30, 2011	$ 5,047,430	$ 988,493	$ 9,227,965	$ 851,267	$ 16,115,155

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, 2011

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

Net change in fund balances - total governmental funds (Exhibit J-4)		$ 1,654,001
(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	$ 4,997,391	
Less: current year depreciation expense	(1,104,036)	3,893,355
(2) The net effect of various miscellaneous transactions involving capital assets (sales) is to decrease net assets		
Less: loss on disposal of capital assets		(16,105)
(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, 2011	$ 391,225	
Less: deferred delinquent property taxes and other deferred June 30, 2010	(417,492)	(26,267)
(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	$ (3,057)	
Change in other postemployment benefits liability	(249,665)	(252,722)
Change in net assets of governmental activities (Exhibit B)		$ 5,252,262

Exhibit J-6

Dyer County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Dyer County School Department
June 30, 2011

	Special Revenue		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
ASSETS			
Cash	$ 0	$ 835	$ 835
Equity in Pooled Cash and Investments	150,641	703,940	854,581
Due from Other Governments	513	0	513
Due from Other Funds	155	0	155
Total Assets	$ 151,309	$ 704,775	$ 856,084
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	$ 1,154	$ 3,663	$ 4,817
Total Liabilities	$ 1,154	$ 3,663	$ 4,817
Fund Balances			
Restricted:			
Restricted for Education	$ 155	$ 0	$ 155
Restricted for Operation of Non-Instructional Services	0	701,112	701,112
Assigned:			
Assigned for Education	150,000	0	150,000
Total Fund Balances	$ 150,155	$ 701,112	$ 851,267
Total Liabilities and Fund Balances	$ 151,309	$ 704,775	$ 856,084

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, 2011

	Special Revenue Funds		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
Revenues			
Charges for Current Services	$ 0	$ 748,323	$ 748,323
Other Local Revenues	0	16,267	16,267
State of Tennessee	0	20,730	20,730
Federal Government	2,614,902	1,359,100	3,974,002
Total Revenues	$ 2,614,902	$ 2,144,420	$ 4,759,322
Expenditures			
Current:			
Instruction	$ 1,903,256	$ 0	$ 1,903,256
Support Services	653,325	0	653,325
Operation of Non-Instructional Services	36,887	1,995,856	2,032,743
Total Expenditures	$ 2,593,468	$ 1,995,856	$ 4,589,324
Excess (Deficiency) of Revenues Over Expenditures	$ 21,434	$ 148,564	$ 169,998
Other Financing Sources (Uses)			
Transfers Out	$ (21,869)	$ 0	$ (21,869)
Total Other Financing Sources (Uses)	$ (21,869)	$ 0	$ (21,869)
Net Change in Fund Balances	$ (435)	$ 148,564	$ 148,129
Fund Balance, July 1, 2010	150,590	552,548	703,138
Fund Balance, June 30, 2011	$ 150,155	$ 701,112	$ 851,267

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 7,460,980	$ 0	$ 0	$ 7,460,980	$ 7,007,305	$ 7,046,586	$ 414,394
Licenses and Permits	2,079	0	0	2,079	2,152	2,152	(73)
Charges for Current Services	24,289	0	0	24,289	68,476	68,476	(44,187)
Other Local Revenues	170,712	0	0	170,712	194,819	194,819	(24,107)
State of Tennessee	16,674,836	0	0	16,674,836	16,569,661	16,696,095	(21,259)
Federal Government	150,633	0	0	150,633	774,935	774,935	(624,302)
Total Revenues	$ 24,483,529	$ 0	$ 0	$ 24,483,529	$ 24,617,348	$ 24,783,063	$ (299,534)
Expenditures							
Instruction							
Regular Instruction Program	$ 12,009,699	$ (22,918)	$ 111,381	$ 12,098,162	$ 12,452,575	$ 12,452,575	$ 354,413
Special Education Program	1,641,722	0	0	1,641,722	1,770,141	1,771,314	129,592
Vocational Education Program	553,723	0	0	553,723	564,996	564,996	11,273
Student Body Education Program	11,370	(2,372)	0	8,998	9,800	9,800	802
Support Services							
Attendance	115,389	0	0	115,389	116,612	118,930	3,541
Health Services	257,953	0	0	257,953	271,902	273,739	15,786
Other Student Support	353,165	0	0	353,165	356,165	356,165	3,000
Regular Instruction Program	875,396	(65,857)	13,904	823,443	916,274	924,172	100,729
Special Education Program	143,668	0	0	143,668	142,277	146,215	2,547
Vocational Education Program	40,636	0	100	40,736	48,471	48,472	7,736
Other Programs	126,434	0	0	126,434	0	126,434	0
Board of Education	493,182	0	1,615	494,797	508,818	508,817	14,020
Director of Schools	275,169	(110)	0	275,059	288,452	294,847	19,788

(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 7/1/2010	Add: Encumbrances 6/30/2011	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	$ 1,517,711	$ 0	$ 210	$ 1,517,921	$ 1,538,046	$ 1,538,046	$ 20,125
Fiscal Services	247,832	0	0	247,832	257,912	263,646	15,814
Operation of Plant	2,240,626	(16,375)	0	2,224,251	2,315,001	2,315,000	90,749
Maintenance of Plant	1,091,186	(2,928)	2,524	1,090,782	1,153,783	1,156,858	66,076
Transportation	3,076	0	0	3,076	0	3,075	(1)
Operation of Non-Instructional Services							
Food Service	17,537	0	0	17,537	15,935	19,774	2,237
Community Services	66,600	0	0	66,600	66,600	66,598	(2)
Early Childhood Education	610,701	(1,365)	46,554	655,890	655,890	655,890	0
Capital Outlay							
Regular Capital Outlay	1,155,511	(91,568)	476,775	1,540,718	2,433,000	2,432,999	892,281
Total Expenditures	$ 23,848,286	$ (203,493)	$ 653,063	$ 24,297,856	$ 25,882,650	$ 26,048,362	$ 1,750,506
Excess (Deficiency) of Revenues Over Expenditures	$ 635,243	$ 203,493	$ (653,063)	$ 185,673	$ (1,265,302)	$ (1,265,299)	$ 1,450,972
Other Financing Sources (Uses)							
Transfers In	$ 21,869	$ 0	$ 0	$ 21,869	$ 23,408	$ 23,408	$ (1,539)
Total Other Financing Sources (Uses)	$ 21,869	$ 0	$ 0	$ 21,869	$ 23,408	$ 23,408	$ (1,539)
Net Change in Fund Balance	$ 657,112	$ 203,493	$ (653,063)	$ 207,542	$ (1,241,894)	$ (1,241,891)	$ 1,449,433
Fund Balance, July 1, 2010	4,390,318	(203,493)	0	4,186,825	4,179,724	4,179,724	7,101
Fund Balance, June 30, 2011	$ 5,047,430	$ 0	$ (653,063)	$ 4,394,367	$ 2,937,830	$ 2,937,833	$ 1,456,534

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Federal Government	$ 2,614,902	$ 0	$ 2,614,902	$ 3,177,151	$ 3,173,537	$ (558,635)
Total Revenues	$ 2,614,902	$ 0	$ 2,614,902	$ 3,177,151	$ 3,173,537	$ (558,635)
Expenditures						
Instruction						
Regular Instruction Program	$ 953,454	$ 0	$ 953,454	$ 1,170,189	$ 1,170,189	$ 216,735
Special Education Program	910,881	(8,217)	902,664	1,067,391	1,064,390	161,726
Vocational Education Program	38,921	0	38,921	43,948	45,387	6,466
Support Services						
Health Services	4,560	0	4,560	7,706	7,706	3,146
Other Student Support	120,164	0	120,164	137,556	136,171	16,007
Regular Instruction Program	282,087	0	282,087	340,629	337,015	54,928
Special Education Program	157,307	0	157,307	180,350	183,350	26,043
Vocational Education Program	1,673	0	1,673	1,707	1,673	0
Office of the Principal	30,273	0	30,273	54,359	54,359	24,086
Operation of Plant	17,197	0	17,197	25,819	25,819	8,622
Maintenance of Plant	10,749	0	10,749	15,922	15,922	5,173
Transportation	29,315	0	29,315	43,079	43,079	13,764
Operation of Non-Instructional Services						
Food Service	20,907	0	20,907	32,522	32,522	11,615
Community Services	1,744	0	1,744	2,642	2,642	898
Early Childhood Education	14,236	0	14,236	21,195	21,195	6,959
Total Expenditures	$ 2,593,468	$ (8,217)	$ 2,585,251	$ 3,145,014	$ 3,141,419	$ 556,168

(Continued)

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Excess (Deficiency) of Revenues Over Expenditures	$ 21,434	$ 8,217	$ 29,651	$ 32,137	$ 32,118	$ (2,467)
Other Financing Sources (Uses)						
Transfers Out	$ (21,869)	$ 0	$ (21,869)	$ (24,511)	$ (24,491)	$ 2,622
Total Other Financing Sources (Uses)	$ (21,869)	$ 0	$ (21,869)	$ (24,511)	$ (24,491)	$ 2,622
Net Change in Fund Balance	$ (435)	$ 8,217	$ 7,782	$ 7,626	$ 7,627	$ 155
Fund Balance, July 1, 2010	150,590	(8,217)	142,373	0	0	142,373
Fund Balance, June 30, 2011	$ 150,155	$ 0	$ 150,155	$ 7,626	$ 7,627	$ 142,528

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Charges for Current Services	$ 748,323	$ 0	$ 0	$ 748,323	$ 724,000	$ 724,000	$ 24,323
Other Local Revenues	16,267	0	0	16,267	15,000	15,000	1,267
State of Tennessee	20,730	0	0	20,730	20,500	20,500	230
Federal Government	1,359,100	0	0	1,359,100	1,221,600	1,318,220	40,880
Total Revenues	$ 2,144,420	$ 0	$ 0	$ 2,144,420	$ 1,981,100	$ 2,077,720	$ 66,700
Expenditures							
Operation of Non-Instructional Services							
Food Service	$ 1,995,856	$ (88,237)	$ 98,851	$ 2,006,470	$ 1,981,100	$ 2,077,720	$ 71,250
Total Expenditures	$ 1,995,856	$ (88,237)	$ 98,851	$ 2,006,470	$ 1,981,100	$ 2,077,720	$ 71,250
Excess (Deficiency) of Revenues Over Expenditures	$ 148,564	$ 88,237	$ (98,851)	$ 137,950	$ 0	$ 0	$ 137,950
Net Change in Fund Balance	$ 148,564	$ 88,237	$ (98,851)	$ 137,950	$ 0	$ 0	$ 137,950
Fund Balance, July 1, 2010	552,548	(88,237)	0	464,311	464,311	464,311	0
Fund Balance, June 30, 2011	$ 701,112	$ 0	$ (98,851)	$ 602,261	$ 464,311	$ 464,311	$ 137,950

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 1,635,167	$ 0	$ 0	$ 1,635,167	$ 1,641,319	$ 1,641,319	$ (6,152)
Charges for Current Services	48,507	0	0	48,507	40,477	40,477	8,030
Other Local Revenues	3,275	0	0	3,275	1,500	1,500	1,775
State of Tennessee	968,585	0	0	968,585	701,750	701,750	266,835
Total Revenues	$ 2,655,534	$ 0	$ 0	$ 2,655,534	$ 2,385,046	$ 2,385,046	$ 270,488
Expenditures							
Support Services							
Board of Education	$ 29,938	$ 0	$ 0	$ 29,938	$ 32,500	$ 32,500	$ 2,562
Operation of Plant	18,569	0	0	18,569	20,650	20,650	2,081
Transportation	2,277,788	(17,896)	18,377	2,278,269	2,331,896	2,331,896	53,627
Total Expenditures	$ 2,326,295	$ (17,896)	$ 18,377	$ 2,326,776	$ 2,385,046	$ 2,385,046	$ 58,270
Excess (Deficiency) of Revenues Over Expenditures	$ 329,239	$ 17,896	$ (18,377)	$ 328,758	$ 0	$ 0	$ 328,758
Other Financing Sources (Uses)							
Insurance Recovery	$ 24,067	$ 0	$ 0	$ 24,067	$ 0	$ 0	$ 24,067
Total Other Financing Sources (Uses)	$ 24,067	$ 0	$ 0	$ 24,067	$ 0	$ 0	$ 24,067
Net Change in Fund Balance	$ 353,306	$ 17,896	$ (18,377)	$ 352,825	$ 0	$ 0	$ 352,825
Fund Balance, July 1, 2010	635,187	(17,896)	0	617,291	615,587	615,587	1,704
Fund Balance, June 30, 2011	$ 988,493	$ 0	$ (18,377)	$ 970,116	$ 615,587	$ 615,587	$ 354,529

Exhibit J-12

Dyer County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Dyer County School Department
Education Capital Projects Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Other Local Revenues	$ 24,013	$ 0	$ 0	$ 24,013	$ 13,000	$ 20,500	$ 3,513
Other Governments and Citizens Groups	5,622,485	0	0	5,622,485	0	5,622,485	0
Total Revenues	$ 5,646,498	$ 0	$ 0	$ 5,646,498	$ 13,000	$ 5,642,985	$ 3,513
Expenditures							
Capital Projects							
Education Capital Projects	$ 5,151,044	$ (852,922)	$ 8,332,633	$ 12,630,755	$ 7,890,864	$ 13,470,334	$ 839,579
Total Expenditures	$ 5,151,044	$ (852,922)	$ 8,332,633	$ 12,630,755	$ 7,890,864	$ 13,470,334	$ 839,579
Excess (Deficiency) of Revenues Over Expenditures	$ 495,454	$ 852,922	$ (8,332,633)	$ (6,984,257)	$ (7,877,864)	$ (7,827,349)	$ 843,092
Other Financing Sources (Uses)							
Other Loans Issued	$ 0	$ 0	$ 0	$ 0	$ 7,877,864	$ 7,877,864	$ (7,877,864)
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 0	$ 0	$ 7,877,864	$ 7,877,864	$ (7,877,864)
Net Change in Fund Balance	$ 495,454	$ 852,922	$ (8,332,633)	$ (6,984,257)	$ 0	$ 50,515	$ (7,034,772)
Fund Balance, July 1, 2010	8,732,511	(852,922)	0	7,879,589	0	0	7,879,589
Fund Balance, June 30, 2011	$ 9,227,965	$ 0	$ (8,332,633)	$ 895,332	$ 0	$ 50,515	$ 844,817

MISCELLANEOUS SCHEDULES

Exhibit K-1

Dyer County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds
For the Year Ended June 30, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-11
NOTES PAYABLE								
Payable through General Fund								
Edenton-Lamb Building	$ 237,500	4.15%	3-30-06	3-29-12	$ 79,167	$ 0	$ 39,583	$ 39,584
Payable through General Debt Service Fund								
Courthouse Improvements	125,000	2.88	5-25-10	5-25-13	125,000	0	41,667	83,333
Total Notes Payable					$ 204,167	$ 0	$ 81,250	$ 122,917
CAPITAL LEASES PAYABLE								
Payable through General Fund								
Sheriff's Patrol Cars	81,877	2.66	4-6-09	4-7-11	$ 27,291	$ 0	$ 27,291	$ 0
Sheriff's Patrol Cars (7)	143,284	3.47	10-2-09	10-2-11	93,902	0	46,146	47,756
Sheriff's Patrol Cars (3)	69,354	2.88	2-23-11	2-23-13	0	69,354	23,786	45,568
Total Payable through General Fund					$ 121,193	$ 69,354	$ 97,223	$ 93,324
Payable through Highway/Public Works Fund								
Dump Trucks	390,612	4.39	3-12-07	3-20-12	$ 271,056	$ 0	$ 140,345	$ 130,711
Total Payable through Highway/Public Works Fund					$ 271,056	$ 0	$ 140,345	$ 130,711
Total Capital Leases Payable					$ 392,249	$ 69,354	$ 237,568	$ 224,035
OTHER LOANS PAYABLE								
Payable through General Debt Service Fund								
Qualified School Construction Bonds, Series 2009	8,960,000	1.515	12-1-09	9-15-26	$ 8,960,000	$ 0	$ 505,357	$ 8,454,643
Qualified School Construction Bonds, Series 2010	5,673,000	0	9-1-10	9-15-27	0	5,673,000	0	5,673,000
Total Other Loans Payable					$ 8,960,000	$ 5,673,000	$ 505,357	$ 14,127,643
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation Refunding Bonds, Series 2005	7,980,000	3 to 4.45	4-21-05	6-1-26	$ 7,685,000	$ 0	$ 285,000	$ 7,400,000
School Refunding Bonds, Series 2009A	19,910,000	2 to 4.1	6-4-09	6-1-26	19,910,000	0	0	19,910,000
School Refunding Bonds, Series 2009B	10,330,000	2 to 4.1	7-28-09	6-1-26	10,330,000	0	0	10,330,000
Total Bonds Payable					$ 37,925,000	$ 0	$ 285,000	$ 37,640,000

Exhibit K-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	$ 81,250	$ 4,043	$ 85,293
2013	41,667	1,200	42,867
Total	$ 122,917	$ 5,243	$ 128,160

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2012	$ 200,922	$ 6,789	$ 207,711
2013	23,113	679	23,792
Total	$ 224,035	$ 7,468	$ 231,503

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2012	$ 883,577	$ 400,076	$ 22,458	$ 1,306,111
2013	913,076	410,771	17,978	1,341,825
2014	913,076	410,771	13,498	1,337,345
2015	913,076	410,771	13,498	1,337,345
2016	913,076	410,771	13,498	1,337,345
2017	913,076	410,771	13,498	1,337,345
2018	913,076	410,771	13,498	1,337,345
2019	913,076	410,771	13,498	1,337,345
2020	913,076	410,771	13,498	1,337,345
2021	913,076	410,771	13,498	1,337,345
2022	913,076	410,771	13,498	1,337,345
2023	913,076	410,771	13,498	1,337,345
2024	913,076	410,771	13,498	1,337,345
2025	913,076	410,771	13,498	1,337,345
2026	981,370	410,771	13,498	1,405,639
2027	359,333	275,027	4,538	638,898
2028	33,375	2,083	756	36,214
Total	$ 14,127,643	$ 6,427,980	$ 221,204	$ 20,776,827

(Continued)

Exhibit K-2

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

Year Ending June 30	Bonds Principal	Bonds Interest	Bonds Total
2012	$ 1,600,000	$ 1,378,274	$ 2,978,274
2013	1,640,000	1,341,249	2,981,249
2014	1,700,000	1,294,334	2,994,334
2015	1,755,000	1,241,189	2,996,189
2016	1,810,000	1,185,689	2,995,689
2017	1,870,000	1,128,201	2,998,201
2018	1,940,000	1,067,851	3,007,851
2019	2,085,000	1,002,989	3,087,989
2020	2,180,000	930,272	3,110,272
2021	2,215,000	849,817	3,064,817
2022	2,305,000	765,545	3,070,545
2023	3,950,000	675,435	4,625,435
2024	4,020,000	515,620	4,535,620
2025	4,195,000	352,720	4,547,720
2026	4,375,000	182,140	4,557,140
Total	$ 37,640,000	$ 13,911,325	$ 51,551,325

Exhibit K-3

Dyer County, Tennessee
Schedule of Notes Receivable
June 30, 2011

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-11
General Fund	Dyer County Industrial Development Board	$ 3,744,016	6-2-03	7-5-18	6%	$ 2,171,857
Total Notes Receivable						$ 2,171,857

Exhibit K-4

Dyer County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Dyer County School Department
For the Year Ended June 30, 2011

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
Special Purpose	General	Close fund	$ 18,490,503
Total Transfers Primary Government			$ 18,490,503
DISCRETELY PRESENTED DYER COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	$ 21,869
Total Transfers Discretely Presented Dyer County School Department			$ 21,869

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, 2011

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*	76,786	100,000	"
Director of Schools	State Board of Education and County Board of Education	166,889 (1)	50,000	Fidelity and Deposit Company of Maryland
Trustee	Section 8-24-102, *TCA*	65,472	1,226,140	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	85,000	"
Register	Section 8-24-102, *TCA*	65,472	25,000	"
Sheriff:				
Jeffrey Holt (7-1-10 through 8-31-10)	Section 8-24-102, *TCA*	12,606	25,000	"
Jeff Box (9-1-10 through 6-30-11)	Section 8-24-102, *TCA*	63,029	25,000	"
General County/Highway Department Employees			150,000	Local Government Property and Casualty Fund
All School Employees			150,000	Netherlands Insurance Company

(1) Includes chief executive officer training supplement of $1,000, state bonus of $4,406, medical and life insurance premiums of $15,211, and retirement of $10,705.

Exhibit K-6

Dyer County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2011

		Special Revenue Funds						Debt Service Fund	
	General	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu-tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Local Taxes									
County Property Taxes									
Current Property Tax	$ 4,684,278	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,622,950	$ 1,359,612	$ 7,666,840
Trustee's Collections - Prior Year	212,957	0	0	0	0	0	60,264	17,746	290,967
Trustee's Collections - Bankruptcy	8,763	0	0	0	0	0	3,012	969	12,744
Circuit/Clerk & Master Collections - Prior Years	79,825	0	0	0	0	0	27,436	8,453	115,714
Interest and Penalty	36,722	0	0	0	0	0	12,619	4,308	53,649
Payments in-Lieu-of Taxes - Local Utilities	119,077	0	45,935	0	0	0	0	0	165,012
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	0	1,242,468	1,242,468
County Local Option Taxes									
Local Option Sales Tax	0	0	0	0	0	0	0	95,451	95,451
Litigation Tax - General	162,619	0	0	0	0	0	0	0	162,619
Litigation Tax - Special Purpose	0	2,405	0	0	0	0	0	0	2,405
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	108,886	108,886
Business Tax	343,145	0	0	0	0	0	0	0	343,145
Statutory Local Taxes									
Bank Excise Tax	35,495	0	0	0	0	0	0	0	35,495
Wholesale Beer Tax	89,014	0	0	0	0	0	0	0	89,014
Total Local Taxes	$ 5,771,895	$ 2,405	$ 45,935	$ 0	$ 0	$ 0	$ 1,726,281	$ 2,837,893	$ 10,384,409
Licenses and Permits									
Licenses									
Animal Registration	$ 0	$ 0	$ 9,194	$ 0	$ 0	$ 0	$ 0	$ 0	$ 9,194
Cable TV Franchise	79,067	0	0	0	0	0	0	0	79,067
Permits									
Beer Permits	2,035	0	0	0	0	0	0	0	2,035
Building Permits	0	0	0	0	0	0	7,717	0	7,717
Other Permits	24,508	0	0	0	0	0	0	0	24,508
Total Licenses and Permits	$ 105,610	$ 0	$ 9,194	$ 0	$ 0	$ 0	$ 7,717	$ 0	$ 122,521

(Continued)

Exhibit K-6

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

		Special Revenue Funds						Debt Service Fund	
	General	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu-tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Fines, Forfeitures, and Penalties									
Circuit Court									
Fines	$ 3,225	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,225
Officers Costs	4,517	0	0	0	0	0	0	0	4,517
Drug Control Fines	0	0	0	389	0	0	0	0	389
Drug Court Fees	4,394	0	0	0	0	0	0	0	4,394
District Attorney General Fees	0	0	0	0	2,840	0	0	0	2,840
Data Entry Fee - Circuit Court	693	0	0	0	0	0	0	0	693
General Sessions Court									
Fines	14,824	0	0	0	0	0	0	0	14,824
Officers Costs	12,389	0	0	0	0	0	0	0	12,389
Game and Fish Fines	449	0	0	0	0	0	0	0	449
Drug Control Fines	1,333	0	0	0	0	0	0	0	1,333
Drug Court Fees	2,011	0	0	0	0	0	0	0	2,011
Jail Fees	4,536	0	0	0	0	0	0	0	4,536
District Attorney General Fees	0	0	0	0	2,288	0	0	0	2,288
DUI Treatment Fines	4,608	0	0	0	0	0	0	0	4,608
Data Entry Fee - General Sessions Court	8,191	0	0	0	0	0	0	0	8,191
Courtroom Security Fee	2	0	0	0	0	0	0	0	2
Juvenile Court									
Fines	1,693	0	0	0	0	0	0	0	1,693
Courtroom Security Fee	150	0	0	0	0	0	0	0	150
Chancery Court									
Officers Costs	6,659	0	0	0	0	0	0	0	6,659
Data Entry Fee - Chancery Court	5,010	0	0	0	0	0	0	0	5,010
Courts in Other District Counties									
District Attorney General Fees	0	0	0	0	1,496	0	0	0	1,496
Other Fines, Forfeitures, and Penalties									
Proceeds from Confiscated Property	0	0	0	1,929	0	0	0	0	1,929
Other Fines, Forfeitures, and Penalties	73,000	0	0	0	0	0	0	0	73,000
Total Fines, Forfeitures, and Penalties	$ 147,684	$ 0	$ 0	$ 2,318	$ 6,624	$ 0	$ 0	$ 0	$ 156,626

(Continued)

Exhibit K-6

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

		Special Revenue Funds						Debt Service Fund	
	General	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu-tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Charges for Current Services									
General Service Charges									
Solid Waste Disposal Fees	$ 0	$ 0	$ 7,196	$ 0	$ 0	$ 0	$ 0	$ 0	$ 7,196
Patient Charges	7,740	0	0	0	0	0	0	0	7,740
Other General Service Charges	2,329	0	0	0	0	0	0	0	2,329
Fees									
Copy Fees	296	0	0	0	0	0	0	0	296
Telephone Commissions	42,591	0	0	0	0	0	0	0	42,591
Vending Machine Collections	100	0	0	0	0	0	0	0	100
Constitutional Officers' Fees and Commissions	0	0	0	0	0	3,857	0	0	3,857
Data Processing Fee - Register	10,431	0	0	0	0	0	0	0	10,431
Data Processing Fee - Sheriff	2,667	0	0	0	0	0	0	0	2,667
Sexual Offender Registration Fees - Sheriff	600	0	0	0	0	0	0	0	600
Data Processing Fee - County Clerk	2,712	0	0	0	0	0	0	0	2,712
Total Charges for Current Services	$ 69,466	$ 0	$ 7,196	$ 0	$ 0	$ 3,857	$ 0	$ 0	$ 80,519
Other Local Revenues									
Recurring Items									
Investment Income	$ 21,983	$ 0	$ 0	$ 1,532	$ 0	$ 0	$ 40,573	$ 436,117	$ 500,205
Lease/Rentals	96,083	0	180	0	0	0	0	0	96,263
Sale of Materials and Supplies	0	0	0	0	0	0	1,516	0	1,516
Commissary Sales	56,221	0	0	0	0	0	0	0	56,221
Miscellaneous Refunds	132,515	0	0	0	0	0	1,500	35,000	169,015
Nonrecurring Items									
Sale of Property	525	0	0	0	0	0	0	0	525
Contributions and Gifts	2,710	0	0	650	0	0	0	0	3,360
Total Other Local Revenues	$ 310,037	$ 0	$ 180	$ 2,182	$ 0	$ 0	$ 43,589	$ 471,117	$ 827,105
Fees Received from County Officials									
Fees in-Lieu-of Salary									
County Clerk	$ 332,343	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 332,343
Circuit Court Clerk	72,518	0	0	0	0	0	0	0	72,518

(Continued)

Exhibit K-6

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

		Special Revenue Funds						Debt Service Fund	
	General	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu-tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Fees Received from County Officials (Cont.)									
Fees in-Lieu-of Salary (Cont.)									
General Sessions Court Clerk	$ 241,869	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 241,869
Clerk and Master	238,903	0	0	0	0	0	0	0	238,903
Register	116,654	0	0	0	0	0	0	0	116,654
Sheriff	12,957	0	0	0	0	0	0	0	12,957
Trustee	536,976	0	0	0	0	0	0	0	536,976
Total Fees Received from County Officials	$ 1,552,220	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,552,220
State of Tennessee									
General Government Grants									
Juvenile Services Program	$ 9,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 9,000
Aging Programs	192,273	0	0	0	0	0	0	0	192,273
Solid Waste Grants	0	0	31,922	0	0	0	0	0	31,922
Other General Government Grants	722,918	0	0	0	0	0	0	0	722,918
Public Safety Grants									
Law Enforcement Training Programs	16,200	0	0	0	0	0	0	0	16,200
Drug Control Grants	42,002	0	0	0	0	0	0	0	42,002
Health and Welfare Grants									
Health Department Programs	32,820	0	0	0	0	0	0	0	32,820
Public Works Grants									
Bridge Program	0	0	0	0	0	0	12,497	0	12,497
Litter Program	33,726	0	0	0	0	0	0	0	33,726
Other State Revenues									
Income Tax	38,546	0	0	0	0	0	0	0	38,546
Beer Tax	0	0	18,724	0	0	0	0	0	18,724
Alcoholic Beverage Tax	63,354	0	0	0	0	0	0	0	63,354
Contracted Prisoner Boarding	1,267,499	0	0	0	0	0	0	0	1,267,499
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	1,858,331	0	1,858,331
Petroleum Special Tax	0	0	0	0	0	0	29,939	0	29,939
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0	15,164
Other State Grants	10,243	0	0	0	0	0	0	0	10,243

(Continued)

Exhibit K-6

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

		Special Revenue Funds						Debt Service Fund	
	General	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu-tional Officers - Fees	Highway / Public Works	General Debt Service	Total
State of Tennessee (Cont.)									
Other State Revenues (Cont.)									
Other State Revenues	$ 19,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 19,000
Total State of Tennessee	$ 2,462,745	$ 0	$ 50,646	$ 0	$ 0	$ 0	$ 1,900,767	$ 0	$ 4,414,158
Federal Government									
Federal Through State									
USDA - Other	$ 50,764	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 50,764
Disaster Relief	28,280	0	1,167	0	0	0	126,788	0	156,235
Homeland Security Grants	104,659	0	0	0	0	0	0	0	104,659
ARRA Grant No. 1	5,081	0	0	0	0	0	5,962	0	11,043
Other Federal through State	104,278	0	0	0	0	0	0	0	104,278
Direct Federal Revenue									
Asset Forfeiture Funds	0	0	0	86,430	0	0	0	0	86,430
Tax Credit Bond Rebate	0	0	0	0	0	0	0	120,706	120,706
Other Direct Federal Revenue	8,400	0	0	0	0	0	0	0	8,400
Total Federal Government	$ 301,462	$ 0	$ 1,167	$ 86,430	$ 0	$ 0	$ 132,750	$ 120,706	$ 642,515
Other Governments and Citizens Groups									
Other Governments									
Prisoner Board	$ 1,784	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,784
Contracted Services	104,686	0	0	0	0	0	0	0	104,686
Total Other Governments and Citizens Groups	$ 106,470	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 106,470
Total	$ 10,827,589	$ 2,405	$ 114,318	$ 90,930	$ 6,624	$ 3,857	$ 3,811,104	$ 3,429,716	$ 18,286,543

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, 2011

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor-tation	Education Capital Projects	Total
Local Taxes						
County Property Taxes						
Current Property Tax	$ 3,133,804	$ 0	$ 0	$ 1,286,135	$ 0	$ 4,419,939
Trustee's Collections - Prior Year	117,438	0	0	47,758	0	165,196
Trustee's Collections - Bankruptcy	5,820	0	0	2,387	0	8,207
Circuit/Clerk & Master Collections - Prior Years	53,060	0	0	21,741	0	74,801
Interest and Penalty	24,453	0	0	10,003	0	34,456
Payments in-Lieu-of Taxes - T.V.A.	207	0	0	0	0	207
County Local Option Taxes						
Local Option Sales Tax	3,289,017	0	0	0	0	3,289,017
Wheel Tax	835,183	0	0	267,143	0	1,102,326
Statutory Local Taxes						
Interstate Telecommunications Tax	1,998	0	0	0	0	1,998
Total Local Taxes	$ 7,460,980	$ 0	$ 0	$ 1,635,167	$ 0	$ 9,096,147
Licenses and Permits						
Licenses						
Marriage Licenses	$ 1,738	$ 0	$ 0	$ 0	$ 0	$ 1,738
Permits						
Other Permits	341	0	0	0	0	341
Total Licenses and Permits	$ 2,079	$ 0	$ 0	$ 0	$ 0	$ 2,079
Charges for Current Services						
Fees						
Vending Machine Collections	$ 675	$ 0	$ 0	$ 467	$ 0	$ 1,142
Education Charges						
Tuition - Summer School	1,100	0	0	0	0	1,100
Lunch Payments - Children	0	0	410,625	0	0	410,625
Lunch Payments - Adults	0	0	62,848	0	0	62,848
Income from Breakfast	0	0	51,107	0	0	51,107
A la carte Sales	0	0	217,120	0	0	217,120
Contract for Administrative Services with Other LEAs	16,172	0	0	0	0	16,172
Contract for Student Support Services with Other LEAs	0	0	0	17,518	0	17,518
Receipts from Individual Schools	6,342	0	6,623	30,522	0	43,487
Total Charges for Current Services	$ 24,289	$ 0	$ 748,323	$ 48,507	$ 0	$ 821,119

(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	Education Capital Projects	Total
Other Local Revenues						
Recurring Items						
Investment Income	$ 124,238	$ 0	$ 7,594	$ 0	$ 24,013	$ 155,845
Refund of Telecommunication and Internet Fees (E-Rate)	38,539	0	0	0	0	38,539
Miscellaneous Refunds	4,179	0	8,673	3,275	0	16,127
Nonrecurring Items						
Sale of Property	1,114	0	0	0	0	1,114
Damages Recovered from Individuals	900	0	0	0	0	900
Other Local Revenues						
Other Local Revenues	1,742	0	0	0	0	1,742
Total Other Local Revenues	$ 170,712	$ 0	$ 16,267	$ 3,275	$ 24,013	$ 214,267
State of Tennessee						
General Government Grants						
On-Behalf Contributions for OPEB	$ 126,434	$ 0	$ 0	$ 0	$ 0	$ 126,434
State Education Funds						
Basic Education Program	13,189,682	0	0	968,585	0	14,158,267
Basic Education Program - ARRA	1,545,733	0	0	0	0	1,545,733
Early Childhood Education	655,889	0	0	0	0	655,889
School Food Service	0	0	20,730	0	0	20,730
Driver Education	18,058	0	0	0	0	18,058
Other State Education Funds	5,975	0	0	0	0	5,975
Coordinated School Health - ARRA	115,000	0	0	0	0	115,000
Internet Connectivity - ARRA	10,497	0	0	0	0	10,497
Family Resource Centers - ARRA	66,600	0	0	0	0	66,600
Statewide Student Management System (SSMS) - ARRA	8,940	0	0	0	0	8,940
Career Ladder Program	143,783	0	0	0	0	143,783
Career Ladder - Extended Contract - ARRA	32,949	0	0	0	0	32,949
Other State Revenues						
State Revenue Sharing - T.V.A.	736,296	0	0	0	0	736,296
Safe Schools - ARRA	19,000	0	0	0	0	19,000
Total State of Tennessee	$ 16,674,836	$ 0	$ 20,730	$ 968,585	$ 0	$ 17,664,151

(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	Education Capital Projects	Total
Federal Government						
Federal Through State						
USDA School Lunch Program	$ 0	$ 0	$ 945,135	$ 0	$ 0	$ 945,135
USDA - Commodities	0	0	96,620	0	0	96,620
Breakfast	0	0	310,471	0	0	310,471
USDA - Other	0	0	6,874	0	0	6,874
Vocational Education - Basic Grants to States	0	48,258	0	0	0	48,258
Title I Grants to Local Education Agencies	0	760,127	0	0	0	760,127
Special Education - Grants to States	60,849	985,758	0	0	0	1,046,607
Special Education Preschool Grants	0	34,863	0	0	0	34,863
Eisenhower Professional Development State Grants	0	116,977	0	0	0	116,977
Race to the Top - ARRA	0	123,957	0	0	0	123,957
Other Federal through State	31,531	544,962	0	0	0	576,493
Direct Federal Revenue						
ROTC Reimbursement	58,253	0	0	0	0	58,253
Total Federal Government	$ 150,633	$ 2,614,902	$ 1,359,100	$ 0	$ 0	$ 4,124,635
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 0	$ 0	$ 0	$ 0	$ 5,622,485	$ 5,622,485
Total Other Governments and Citizens Groups	$ 0	$ 0	$ 0	$ 0	$ 5,622,485	$ 5,622,485
Total	$ 24,483,529	$ 2,614,902	$ 2,144,420	$ 2,655,534	$ 5,646,498	$ 37,544,883

Exhibit K-8

Dyer County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2011

General Fund				
General Government				
County Commission				
Other Per Diem and Fees	$	81,875		
Social Security		5,033		
Employer Medicare		1,177		
Audit Services		11,184		
Total County Commission			$	99,269
Board of Equalization				
Board and Committee Members Fees	$	2,520		
Total Board of Equalization				2,520
Other Boards and Committees				
Board and Committee Members Fees	$	5,160		
Total Other Boards and Committees				5,160
County Mayor/Executive				
County Official/Administrative Officer	$	81,930		
Secretary(ies)		71,136		
Other Per Diem and Fees		8,400		
Social Security		8,454		
Medical Insurance		6,587		
Local Retirement		6,283		
Employer Medicare		1,977		
Advertising		2,385		
Maintenance and Repair Services - Office Equipment		3,694		
Postal Charges		1,800		
Printing, Stationery, and Forms		1,391		
Travel		820		
Other Contracted Services		6,138		
Office Supplies		7,099		
Total County Mayor/Executive				208,094
County Attorney				
County Official/Administrative Officer	$	1,200		
Social Security		75		
Employer Medicare		17		
Legal Services		65,033		
Total County Attorney				66,325
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)	$ 100,844	
Part-time Personnel	73,198	
Election Commission	22,055	
Election Workers	46,019	
Social Security	11,727	
Medical Insurance	15,594	
Local Retirement	4,059	
Employer Medicare	2,743	
Audit Services	4,243	
Legal Notices, Recording, and Court Costs	12,161	
Maintenance and Repair Services - Equipment	24,486	
Postal Charges	4,968	
Printing, Stationery, and Forms	3,170	
Travel	8,216	
Office Supplies	4,637	
Other Charges	6,460	
Office Equipment	18,000	
Voting Machines	19,000	
Total Election Commission		$ 443,115
Register of Deeds		
County Official/Administrative Officer	$ 65,472	
Deputy(ies)	66,481	
Social Security	7,406	
Medical Insurance	9,932	
Local Retirement	6,226	
Employer Medicare	1,732	
Dues and Memberships	694	
Postal Charges	220	
Printing, Stationery, and Forms	2,283	
Travel	1,481	
Other Contracted Services	925	
Data Processing Supplies	13,027	
Office Supplies	784	
In Service/Staff Development	477	
Other Charges	64	
Office Equipment	836	
Total Register of Deeds		178,040

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
General Government (Cont.)		
Planning		
County Official/Administrative Officer	$ 47,930	
Assistant(s)	8,873	
Secretary(ies)	29,297	
Other Salaries and Wages	572	
Other Per Diem and Fees	15,483	
Social Security	4,330	
Medical Insurance	9,861	
Local Retirement	2,109	
Employer Medicare	1,013	
Contracts with Private Agencies	645	
Dues and Memberships	125	
Legal Notices, Recording, and Court Costs	874	
Postal Charges	450	
Other Contracted Services	9,250	
Office Supplies	1,533	
In Service/Staff Development	924	
Other Charges	92	
Office Equipment	73	
Total Planning		$ 133,434
County Buildings		
Custodial Personnel	$ 43,520	
Social Security	2,642	
Medical Insurance	6,055	
Employer Medicare	618	
Janitorial Services	49,658	
Maintenance and Repair Services - Buildings	7,866	
Pest Control	2,230	
Custodial Supplies	10,300	
Drugs and Medical Supplies	276	
Liability Insurance	123,216	
Other Charges	2,124	
Office Equipment	6,984	
Other Construction	904,298	
Other Capital Outlay	32,227	
Total County Buildings		1,192,014
Other General Administration		
Communication	$ 18,120	
Contributions	47,000	

(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.)				
Dues and Memberships	$	5,018		
Maintenance Agreements		2,890		
Maintenance and Repair Services - Buildings		5,501		
Maintenance and Repair Services - Office Equipment		1,054		
Pest Control		780		
Electricity		25,777		
Utilities		6,691		
Workers' Compensation Insurance		25,061		
Liability Claims		6,130		
Total Other General Administration			$	144,022
Finance				
Accounting and Budgeting				
County Official/Administrative Officer	$	61,535		
Assistant(s)		57,535		
Social Security		6,753		
Medical Insurance		9,918		
Local Retirement		2,977		
Employer Medicare		1,579		
Legal Notices, Recording, and Court Costs		204		
Postal Charges		250		
Travel		147		
Other Contracted Services		8,021		
Data Processing Supplies		150		
Office Supplies		22		
Premiums on Corporate Surety Bonds		100		
In Service/Staff Development		300		
Office Equipment		1,888		
Total Accounting and Budgeting				151,379
Property Assessor's Office				
County Official/Administrative Officer	$	65,472		
Deputy(ies)		144,110		
Other Per Diem and Fees		4,800		
Social Security		12,071		
Medical Insurance		24,008		
Local Retirement		7,768		
Employer Medicare		2,823		
Contracts with Private Agencies		36,097		
Data Processing Services		11,241		

(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.)		
Dues and Memberships	$ 1,295	
Legal Notices, Recording, and Court Costs	76	
Postal Charges	762	
Rentals	3,441	
Travel	1,673	
Other Contracted Services	448	
Data Processing Supplies	2,999	
Office Supplies	1,718	
Premiums on Corporate Surety Bonds	100	
In Service/Staff Development	410	
Other Charges	423	
Total Property Assessor's Office		$ 321,735
Reappraisal Program		
Other Salaries and Wages	$ 29,987	
Other Per Diem and Fees	8,400	
Social Security	1,663	
Medical Insurance	3,606	
Local Retirement	750	
Employer Medicare	389	
Data Processing Services	3,599	
Postal Charges	1,122	
Total Reappraisal Program		49,516
County Trustee's Office		
County Official/Administrative Officer	$ 65,472	
Deputy(ies)	81,196	
Social Security	8,056	
Medical Insurance	12,036	
Local Retirement	5,612	
Employer Medicare	1,884	
Legal Notices, Recording, and Court Costs	261	
Maintenance and Repair Services - Office Equipment	495	
Postal Charges	9,736	
Printing, Stationery, and Forms	772	
Travel	1,484	
Other Contracted Services	17,926	
Data Processing Supplies	1,000	
Office Supplies	1,000	
In Service/Staff Development	1,352	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Finance (Cont.)		
County Trustee's Office (Cont.)		
Office Equipment	$ 2,150	
Total County Trustee's Office		$ 210,432
County Clerk's Office		
County Official/Administrative Officer	$ 65,472	
Deputy(ies)	181,608	
Social Security	14,039	
Medical Insurance	29,120	
Local Retirement	7,558	
Employer Medicare	3,283	
Dues and Memberships	634	
Legal Notices, Recording, and Court Costs	224	
Maintenance and Repair Services - Office Equipment	16,175	
Postal Charges	6,000	
Printing, Stationery, and Forms	1,150	
Rentals	1,400	
Data Processing Supplies	15,592	
Other Supplies and Materials	3,221	
Other Charges	1,717	
Office Equipment	1,427	
Total County Clerk's Office		348,620
Other Finance		
Communication	$ 7,502	
Maintenance and Repair Services - Buildings	2,262	
Maintenance and Repair Services - Office Equipment	1,165	
Pest Control	540	
Electricity	18,050	
Utilities	5,326	
Refunds	15,766	
Total Other Finance		50,611
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 65,472	
Deputy(ies)	208,106	
Jury and Witness Expense	21,460	
Other Per Diem and Fees	4,082	
Social Security	15,227	
Medical Insurance	33,566	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Circuit Court (Cont.)		
Local Retirement	$ 8,264	
Employer Medicare	3,561	
Maintenance and Repair Services - Office Equipment	11,949	
Postal Charges	2,405	
Printing, Stationery, and Forms	7,315	
Travel	3,987	
Data Processing Supplies	20,145	
Office Supplies	6,721	
In Service/Staff Development	300	
Other Charges	332	
Total Circuit Court		$ 412,892
General Sessions Court		
Judge(s)	$ 137,470	
Clerical Personnel	24,407	
Other Salaries and Wages	164	
Social Security	8,079	
Medical Insurance	3,549	
Local Retirement	9,582	
Employer Medicare	2,332	
Dues and Memberships	1,297	
Travel	515	
Other Contracted Services	576	
Office Supplies	1,626	
Other Charges	298	
Total General Sessions Court		189,895
Drug Court		
Supervisor/Director	$ 9,600	
Probation Officer(s)	4,800	
Social Security	893	
Employer Medicare	209	
Travel	1,182	
Drug Treatment	25,317	
Other Supplies and Materials	280	
Total Drug Court		42,281
Chancery Court		
County Official/Administrative Officer	$ 65,472	
Deputy(ies)	121,753	

(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.)		
Social Security	$ 10,899	
Medical Insurance	22,607	
Unemployment Compensation	1,955	
Local Retirement	6,852	
Employer Medicare	2,545	
Advertising	3,071	
Maintenance and Repair Services - Office Equipment	1,457	
Postal Charges	1,500	
Printing, Stationery, and Forms	4,969	
Rentals	446	
Travel	1,000	
Other Contracted Services	1,102	
Data Processing Supplies	6,803	
Office Supplies	2,783	
In Service/Staff Development	12	
Office Equipment	5,281	
Total Chancery Court		$ 260,507
Juvenile Court		
Probation Officer(s)	$ 99,737	
Youth Service Officer(s)	39,591	
Social Security	8,302	
Medical Insurance	13,401	
Local Retirement	1,429	
Employer Medicare	1,942	
Contracts with Government Agencies	90,340	
Contracts with Other Public Agencies	3,021	
Contracts with Private Agencies	1,800	
Dues and Memberships	10	
Maintenance and Repair Services - Office Equipment	985	
Postal Charges	295	
Printing, Stationery, and Forms	392	
Law Enforcement Supplies	208	
Office Supplies	2,035	
In Service/Staff Development	259	
Office Equipment	1,762	
Total Juvenile Court		265,509
Other Administration of Justice		
Communication	$ 12,079	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Other Administration of Justice (Cont.)		
Maintenance and Repair Services - Buildings	$ 2,197	
Maintenance and Repair Services - Office Equipment	1,741	
Pest Control	240	
Other Contracted Services	15,600	
Electricity	29,040	
Office Supplies	1,052	
Utilities	8,117	
Office Equipment	80	
Total Other Administration of Justice		$ 70,146
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 75,635	
Deputy(ies)	443,207	
Investigator(s)	157,993	
Captain(s)	44,647	
Lieutenant(s)	105,803	
Sergeant(s)	117,122	
Accountants/Bookkeepers	58,020	
Salary Supplements	19,393	
Dispatchers/Radio Operators	207,200	
Other Salaries and Wages	83,497	
Social Security	74,201	
Medical Insurance	156,327	
Unemployment Compensation	3,226	
Local Retirement	19,588	
Employer Medicare	17,354	
Communication	106,009	
Contracts with Government Agencies	11,452	
Contracts with Private Agencies	17,019	
Dues and Memberships	2,744	
Maintenance and Repair Services - Office Equipment	150	
Maintenance and Repair Services - Vehicles	25,788	
Postal Charges	4,145	
Printing, Stationery, and Forms	4,550	
Rentals	4,845	
Transportation - Other than Students	5,716	
Travel	1,920	
Data Processing Supplies	3,265	
Gasoline	97,068	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Law Enforcement Supplies	$ 50,748	
Lubricants	1,931	
Office Supplies	9,814	
Tires and Tubes	14,470	
Uniforms	13,714	
Vehicle and Equipment Insurance	9,000	
In Service/Staff Development	17,706	
Motor Vehicles	69,354	
Total Sheriff's Department		$ 2,054,621
Jail		
Assistant(s)	$ 40,156	
Deputy(ies)	220,897	
Lieutenant(s)	45,227	
Sergeant(s)	91,758	
Accountants/Bookkeepers	82,876	
Medical Personnel	31,500	
Attendants	560,498	
Cafeteria Personnel	83,776	
Other Salaries and Wages	47,058	
Social Security	69,312	
Medical Insurance	139,077	
Local Retirement	8,578	
Employer Medicare	16,210	
Laundry Service	1,982	
Maintenance and Repair Services - Buildings	41,129	
Maintenance and Repair Services - Equipment	14,611	
Medical and Dental Services	32,532	
Pest Control	480	
Drug Treatment	15,896	
Custodial Supplies	13,523	
Drugs and Medical Supplies	31,516	
Electricity	80,018	
Food Preparation Supplies	27,464	
Food Supplies	157,117	
Prisoners Clothing	8,663	
Uniforms	6,001	
Utilities	48,815	
Building and Contents Insurance	60,000	
Liability Insurance	42,196	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Jail (Cont.)		
Furniture and Fixtures	$ 16,834	
Law Enforcement Equipment	15,861	
Total Jail		$ 2,051,561
Fire Prevention and Control		
County Official/Administrative Officer	$ 40,848	
Investigator(s)	7,148	
Part-time Personnel	16,000	
Social Security	3,578	
Medical Insurance	6,435	
Disability Insurance	5,450	
Local Retirement	1,200	
Employer Medicare	837	
Communication	3,182	
Contracts with Other Public Agencies	27,887	
Dues and Memberships	150	
Maintenance and Repair Services - Equipment	14,443	
Maintenance and Repair Services - Vehicles	7,110	
Postal Charges	100	
Electricity	953	
Uniforms	499	
Utilities	522	
Other Supplies and Materials	1,202	
Vehicle and Equipment Insurance	5,650	
Workers' Compensation Insurance	20,563	
Other Charges	842	
Office Equipment	207	
Other Equipment	4,241	
Total Fire Prevention and Control		169,047
Disaster Relief		
Supervisor/Director	$ 7,023	
Other Salaries and Wages	7,023	
In-Service Training	1,030	
Social Security	758	
Medical Insurance	1,929	
Local Retirement	351	
Employer Medicare	177	
Communication	3,070	
Postal Charges	200	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Disaster Relief (Cont.)		
Travel	$ 219	
Instructional Supplies and Materials	136	
Office Supplies	632	
In Service/Staff Development	789	
Other Charges	709	
State Aid Projects	168,466	
Total Disaster Relief		$ 192,512
County Coroner/Medical Examiner		
Contracts with Private Agencies	$ 7,934	
Other Contracted Services	862	
Total County Coroner/Medical Examiner		8,796
Other Public Safety		
Contributions	$ 36,797	
Other Contracted Services	30,000	
Electricity	1,586	
Total Other Public Safety		68,383
Public Health and Welfare		
Local Health Center		
Medical Personnel	$ 18,376	
Salary Supplements	43,872	
Social Security	1,047	
Medical Insurance	2,454	
Employer Medicare	245	
Communication	4,546	
Janitorial Services	11,245	
Maintenance Agreements	4,000	
Maintenance and Repair Services - Buildings	994	
Maintenance and Repair Services - Office Equipment	380	
Postal Charges	1,707	
Travel	174	
Drugs and Medical Supplies	2,656	
Electricity	16,795	
Office Supplies	12,278	
Utilities	4,749	
Other Supplies and Materials	464	
Office Equipment	364	
Total Local Health Center		126,346

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Rabies and Animal Control		
Contracts with Other Public Agencies	$ 79,750	
Total Rabies and Animal Control		$ 79,750
Crippled Children Services		
Contributions	$ 1,946	
Total Crippled Children Services		1,946
Other Local Health Services		
Contributions	$ 960	
Total Other Local Health Services		960
General Welfare Assistance		
Supervisor/Director	$ 26,898	
Equipment Operators	23,455	
Social Security	2,702	
Medical Insurance	11,976	
Local Retirement	588	
Employer Medicare	632	
Communication	2,920	
Maintenance and Repair Services - Buildings	316	
Maintenance and Repair Services - Vehicles	325	
Electricity	7,439	
Gasoline	2,834	
Office Supplies	1,327	
Utilities	2,966	
Total General Welfare Assistance		84,378
Aid to Dependent Children		
Salary Supplements	$ 5,800	
Educational Assistants	31,414	
Communication	765	
Maintenance and Repair Services - Buildings	218	
Postal Charges	176	
Rentals	3,350	
Travel	1,688	
Electricity	2,291	
Food Supplies	58,778	
Office Supplies	896	
Other Supplies and Materials	1,711	
Total Aid to Dependent Children		107,087

(Continued)

Exhibit K-8

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

General Fund (Cont.)				
Public Health and Welfare (Cont.)				
Sanitation Education/Information				
Guards	$	31,220		
Other Salaries and Wages		5,716		
Social Security		2,090		
Medical Insurance		4,774		
Employer Medicare		489		
Communication		83		
Consultants		7,200		
Maintenance and Repair Services - Vehicles		367		
Gasoline		2,766		
Other Supplies and Materials		1,764		
Other Charges		179		
Total Sanitation Education/Information			$	56,648
Other Public Health and Welfare				
Other Per Diem and Fees	$	600		
Social Security		1,788		
Employer Medicare		418		
Other Contracted Services		28,838		
Total Other Public Health and Welfare				31,644
Social, Cultural, and Recreational Services				
Adult Activities				
Supervisor/Director	$	39,767		
Clerical Personnel		36,754		
Social Security		4,661		
Medical Insurance		103		
Unemployment Compensation		99		
Local Retirement		994		
Employer Medicare		1,090		
Dues and Memberships		165		
Maintenance and Repair Services - Vehicles		15		
Postal Charges		328		
Travel		1,631		
Other Contracted Services		623		
Gasoline		5,823		
Office Supplies		1,154		
Liability Insurance		801		
Other Charges		2,056		
Office Equipment		300		
Total Adult Activities				96,364

(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				
Assistant(s)	$	23,433		
Supervisor/Director		30,432		
Other Salaries and Wages		41,912		
Social Security		5,561		
Medical Insurance		8,709		
Local Retirement		766		
Employer Medicare		1,301		
Communication		491		
Dues and Memberships		860		
Maintenance and Repair Services - Office Equipment		1,872		
Maintenance and Repair Services - Vehicles		582		
Postal Charges		96		
Travel		3,532		
Other Contracted Services		13,300		
Gasoline		429		
Office Supplies		493		
Other Supplies and Materials		347		
Tax Relief Program		93,759		
Total Senior Citizens Assistance			$	227,875
Libraries				
Contracts with Other Public Agencies	$	130,895		
Total Libraries				130,895
Parks and Fair Boards				
Contributions	$	3,600		
Total Parks and Fair Boards				3,600
Other Social, Cultural, and Recreational				
Communication	$	7,118		
Contributions		91,560		
Dues and Memberships		13,794		
Maintenance and Repair Services - Buildings		2,541		
Maintenance and Repair Services - Office Equipment		840		
Electricity		15,268		
Utilities		7,969		
Total Other Social, Cultural, and Recreational				139,090

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Agriculture and Natural Resources		
Agriculture Extension Service		
Salary Supplements	$ 105,620	
Communication	1,368	
Maintenance and Repair Services - Buildings	4,000	
Maintenance and Repair Services - Office Equipment	3,053	
Pest Control	892	
Travel	1,173	
Electricity	3,123	
Office Supplies	2,000	
Utilities	3,939	
Office Equipment	2,000	
Total Agriculture Extension Service		$ 127,168
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	$ 3,436	
Social Security	57	
Employer Medicare	13	
Dues and Memberships	651	
Travel	1,030	
Office Supplies	2,500	
Total Other Agriculture and Natural Resources		7,687
Other Operations		
Industrial Development		
Site Development	$ 22,362	
Total Industrial Development		22,362
ARRA Grant # 1		
Temporary Personnel	$ 5,360	
Social Security	332	

(Continued)

Exhibit K-8

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

General Fund (Cont.)			
Other Operations (Cont.)			
ARRA Grant # 1 (Cont.)			
Employer Medicare	$ 78		
Total ARRA Grant # 1		$ 5,770	
Miscellaneous			
Medical Insurance	$ 5,000		
Trustee's Commission	115,256		
Other Charges	6,360		
Total Miscellaneous		126,616	
Principal on Debt			
General Government			
Principal on Notes	$ 39,583		
Principal on Capital Leases	97,223		
Total General Government		136,806	
Interest on Debt			
General Government			
Interest on Notes	$ 3,264		
Interest on Capital Leases	3,991		
Total General Government		7,255	
Total General Fund			$ 10,968,162
Law Library Fund			
Administration of Justice			
Other Administration of Justice			
Trustee's Commission	$ 24		
Total Other Administration of Justice		$ 24	
Total Law Library Fund			24
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Sanitation Management			
Attendants	$ 9,860		
Social Security	663		
Employer Medicare	155		
Communication	372		
Contracts with Government Agencies	18,686		
Contracts with Private Agencies	74,946		

(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)			
Public Health and Welfare (Cont.)			
Sanitation Management (Cont.)			
Utilities	$ 1,486		
Trustee's Commission	670		
Other Charges	227		
Total Sanitation Management		$ 107,065	
Total Solid Waste/Sanitation Fund			$ 107,065
Drug Control Fund			
Public Safety			
Drug Enforcement			
Confidential Drug Enforcement Payments	$ 4,000		
Maintenance and Repair Services - Vehicles	55		
Law Enforcement Supplies	4,281		
Trustee's Commission	7		
Other Charges	732		
Law Enforcement Equipment	60,292		
Motor Vehicles	31,848		
Total Drug Enforcement		$ 101,215	
Total Drug Control Fund			101,215
District Attorney General Fund			
Administration of Justice			
District Attorney General			
Communication	$ 1,873		
Dues and Memberships	3,568		
Travel	1,088		
Custodial Supplies	70		
Office Supplies	407		
Trustee's Commission	65		
Other Charges	400		
Office Equipment	186		
Total District Attorney General		$ 7,657	
Total District Attorney General Fund			7,657
Constitutional Officers - Fees Fund			
General Government			
Register of Deeds			
Printing, Stationery, and Forms	$ 198		
Total Register of Deeds		$ 198	

(Continued)

Exhibit K-8

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

Constitutional Officers - Fees Fund (Cont.)			
Finance			
County Trustee's Office			
Dues and Memberships	$ 769		
Total County Trustee's Office		$ 769	
County Clerk's Office			
Printing, Stationery, and Forms	$ 240		
Total County Clerk's Office		240	
Administration of Justice			
Circuit Court			
Dues and Memberships	$ 1,263		
Printing, Stationery, and Forms	77		
Total Circuit Court		1,340	
General Sessions Court			
Printing, Stationery, and Forms	$ 91		
Total General Sessions Court		91	
Chancery Court			
Dues and Memberships	$ 579		
Printing, Stationery, and Forms	40		
Travel	300		
Tuition	300		
Total Chancery Court		1,219	
Total Constitutional Officers - Fees Fund			$ 3,857
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 76,786		
Accountants/Bookkeepers	36,761		
Communication	3,416		
Data Processing Services	4,532		
Dues and Memberships	5,113		
Evaluation and Testing	911		
Legal Notices, Recording, and Court Costs	577		
Maintenance Agreements	2,066		
Postal Charges	395		
Printing, Stationery, and Forms	821		
Travel	1,264		

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Administration (Cont.)		
Electricity	$ 8,088	
Natural Gas	358	
Office Supplies	873	
Uniforms	2,815	
Water and Sewer	3,019	
Other Supplies and Materials	4,046	
Total Administration		$ 151,841
Highway and Bridge Maintenance		
Foremen	$ 40,450	
Equipment Operators	249,298	
Equipment Operators - Light	110,316	
Truck Drivers	158,769	
Laborers	128,838	
Overtime Pay	17,841	
Contracts with Private Agencies	202,389	
Rentals	340	
Asphalt - Hot Mix	537,218	
Asphalt - Liquid	56,713	
Concrete	5,120	
Crushed Stone	185,226	
Fertilizer, Lime, and Seed	600	
General Construction Materials	8,123	
Other Road Supplies	32,906	
Pipe - Metal	31,274	
Road Signs	8,749	
Sand	3,930	
Wood Products	454	
Gravel and Chert	17,741	
Other Supplies and Materials	1,110	
Total Highway and Bridge Maintenance		1,797,405
Operation and Maintenance of Equipment		
Mechanic(s)	$ 107,314	
Laborers	32,924	
Diesel Fuel	178,845	
Equipment and Machinery Parts	99,387	
Garage Supplies	13,058	
Gasoline	18,399	
Lubricants	13,719	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Operation and Maintenance of Equipment (Cont.)			
Small Tools	$ 6,982		
Tires and Tubes	31,654		
Other Supplies and Materials	1,606		
Total Operation and Maintenance of Equipment		$ 503,888	
Other Charges			
Liability Insurance	$ 87		
Trustee's Commission	53,597		
Vehicle and Equipment Insurance	42,287		
Workers' Compensation Insurance	1,600		
Total Other Charges		97,571	
Employee Benefits			
Social Security	$ 55,194		
Employee and Dependent Insurance	134,469		
Local Retirement	13,559		
Employer Medicare	12,908		
Total Employee Benefits		216,130	
Capital Outlay			
Engineering Services	$ 2,986		
Bridge Construction	12,497		
Office Equipment	1,865		
Other Equipment	19,554		
Total Capital Outlay		36,902	
Principal on Debt			
Highways and Streets			
Principal on Capital Leases	$ 140,345		
Total Highways and Streets		140,345	
Interest on Debt			
Highways and Streets			
Interest on Capital Leases	$ 11,094		
Total Highways and Streets		11,094	
Total Highway/Public Works Fund			$ 2,955,176

(Continued)

Exhibit K-8

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

General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 285,000		
Principal on Notes	41,667		
Total General Government		$ 326,667	
Education			
Principal on Other Loans	$ 505,357		
Total Education		505,357	
Interest on Debt			
General Government			
Interest on Bonds	$ 313,345		
Interest on Notes	39,238		
Total General Government		352,583	
Education			
Interest on Bonds	$ 1,074,903		
Interest on Other Loans	402,374		
Total Education		1,477,277	
Other Debt Service			
General Government			
Financial Advisory Services	$ 24,000		
Trustee's Commission	46,879		
Other Debt Service	11,018		
Total General Government		81,897	
Education			
Legal Services	$ 4,825		
Other Debt Service	250		
Total Education		5,075	
Total General Debt Service Fund			$ 2,748,856
Education Capital Projects Fund			
Other Debt Service			
Education			
Legal Services	$ 6,676		
Printing, Stationery, and Forms	68		
Underwriter's Discount	25,507		
Other Debt Service	18,264		
Total Education		$ 50,515	

(Continued)

Exhibit K-8

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

Education Capital Projects Fund (Cont.)			
Capital Projects			
Education Capital Projects			
Contributions	$ 5,622,485		
Total Education Capital Projects		$ 5,622,485	
Total Education Capital Projects Fund			$ 5,673,000
Total Governmental Funds - Primary Government			$ 22,565,012

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, 2011

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 7,525,960	
Career Ladder Program	71,338	
Career Ladder Extended Contracts	40,680	
Educational Assistants	603,707	
Other Salaries and Wages	2,500	
Certified Substitute Teachers	30,305	
Non-certified Substitute Teachers	73,330	
Social Security	468,723	
State Retirement	675,588	
Life Insurance	9,566	
Medical Insurance	1,230,605	
Unemployment Compensation	6,062	
Local Retirement	6,769	
Employer Medicare	111,117	
Other Fringe Benefits	5,250	
Contracts with Private Agencies	3,222	
Maintenance and Repair Services - Equipment	9,495	
Instructional Supplies and Materials	475,088	
Textbooks	220,641	
Regular Instruction Equipment	237,935	
Total Regular Instruction Program		$ 12,009,699
Special Education Program		
Teachers	$ 908,828	
Career Ladder Program	11,000	
Career Ladder Extended Contracts	375	
Clerical Personnel	32,766	
Educational Assistants	197,389	
Speech Pathologist	79,809	
Other Salaries and Wages	1,065	
Social Security	68,905	
State Retirement	87,294	
Life Insurance	1,644	
Medical Insurance	219,443	
Local Retirement	1,959	
Employer Medicare	16,374	
Other Fringe Benefits	725	
Maintenance and Repair Services - Equipment	1,800	

(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.)		
Instructional Supplies and Materials	$ 3,695	
Other Supplies and Materials	651	
Special Education Equipment	8,000	
Total Special Education Program		$ 1,641,722
Vocational Education Program		
Teachers	$ 367,450	
Career Ladder Program	4,000	
Career Ladder Extended Contracts	4,117	
Educational Assistants	15,680	
Social Security	22,637	
State Retirement	33,989	
Life Insurance	446	
Medical Insurance	58,370	
Local Retirement	392	
Employer Medicare	5,294	
Other Fringe Benefits	175	
Other Contracted Services	2,814	
Instructional Supplies and Materials	38,359	
Total Vocational Education Program		553,723
Student Body Education Program		
Instructional Supplies and Materials	$ 7,672	
Other Supplies and Materials	3,698	
Total Student Body Education Program		11,370
Support Services		
Attendance		
Supervisor/Director	$ 59,702	
Career Ladder Program	1,000	
Other Salaries and Wages	1,985	
Social Security	3,575	
State Retirement	5,673	
Life Insurance	41	
Medical Insurance	8,266	
Employer Medicare	836	
Communication	899	
Travel	3,281	
Other Contracted Services	29,499	

(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.)		
Attendance (Cont.)		
Other Supplies and Materials	$ 632	
Total Attendance		$ 115,389
Health Services		
Medical Personnel	$ 94,914	
Other Salaries and Wages	56,541	
Social Security	8,925	
State Retirement	12,366	
Life Insurance	136	
Medical Insurance	13,692	
Employer Medicare	2,098	
Communication	2,304	
Postal Charges	700	
Printing, Stationery, and Forms	1,659	
Travel	7,080	
Other Contracted Services	2,076	
Drugs and Medical Supplies	9,178	
Other Supplies and Materials	46,284	
Total Health Services		257,953
Other Student Support		
Career Ladder Program	$ 3,000	
Guidance Personnel	193,390	
Clerical Personnel	19,860	
Social Security	12,710	
State Retirement	17,683	
Life Insurance	230	
Medical Insurance	18,924	
Employer Medicare	2,972	
Contracts with Government Agencies	55,459	
Evaluation and Testing	26,806	
Travel	375	
Other Supplies and Materials	1,756	
Total Other Student Support		353,165
Regular Instruction Program		
Supervisor/Director	$ 69,397	
Career Ladder Program	6,800	
Librarians	84,587	

(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.)		
Materials Supervisor	$ 33,402	
Instructional Computer Personnel	122,547	
Secretary(ies)	32,766	
Educational Assistants	32,766	
Other Salaries and Wages	69,199	
Social Security	25,714	
State Retirement	19,288	
Life Insurance	432	
Medical Insurance	54,660	
Local Retirement	3,562	
Employer Medicare	6,243	
Communication	3,042	
Consultants	29,660	
Contracts with Other School Systems	56,240	
Travel	31,007	
Other Contracted Services	16,972	
Library Books/Media	53,226	
Other Supplies and Materials	23,087	
In Service/Staff Development	37,974	
Other Charges	778	
Other Equipment	62,047	
Total Regular Instruction Program		$ 875,396
Special Education Program		
Supervisor/Director	$ 77,218	
Career Ladder Program	3,000	
Career Ladder Extended Contracts	5,328	
Clerical Personnel	16,701	
Other Salaries and Wages	3,458	
Social Security	6,143	
State Retirement	7,957	
Life Insurance	75	
Medical Insurance	12,228	
Employer Medicare	1,437	
Communication	1,200	
Consultants	300	
Maintenance and Repair Services - Equipment	2,513	
Postal Charges	1,600	
Travel	3,065	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Special Education Program (Cont.)		
Other Contracted Services	$ 195	
Other Equipment	1,250	
Total Special Education Program		$ 143,668
Vocational Education Program		
Clerical Personnel	$ 16,701	
Social Security	943	
Life Insurance	25	
Medical Insurance	4,220	
Employer Medicare	220	
Maintenance and Repair Services - Equipment	2,212	
Travel	10,790	
Other Contracted Services	562	
Other Supplies and Materials	2,107	
In Service/Staff Development	2,106	
Other Equipment	750	
Total Vocational Education Program		40,636
Other Programs		
On-Behalf Payments to OPEB	$ 126,434	
Total Other Programs		126,434
Board of Education		
Secretary to Board	$ 2,268	
Board and Committee Members Fees	25,338	
Social Security	1,712	
Employer Medicare	400	
Audit Services	10,900	
Dues and Memberships	8,508	
Legal Services	58,907	
Travel	1,471	
Other Contracted Services	7,504	
Liability Insurance	38,744	
Premiums on Corporate Surety Bonds	175	
Trustee's Commission	153,463	
Workers' Compensation Insurance	162,228	
In Service/Staff Development	5,999	
Criminal Investigation of Applicants - TBI	7,200	
Other Charges	8,365	
Total Board of Education		493,182

(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				
County Official/Administrative Officer	$	135,567		
Career Ladder Extended Contracts		1,000		
Secretary(ies)		32,765		
Other Salaries and Wages		5,545		
Social Security		9,886		
State Retirement		15,103		
Life Insurance		82		
Local Retirement		883		
Employer Medicare		2,915		
Other Fringe Benefits		25,917		
Communication		10,498		
Dues and Memberships		3,010		
Postal Charges		3,370		
Travel		9,654		
Other Contracted Services		18		
Office Supplies		4,674		
Other Charges		9,536		
Administration Equipment		4,746		
Total Director of Schools			$	275,169
Office of the Principal				
Principals	$	585,870		
Career Ladder Program		16,000		
Career Ladder Extended Contracts		18,648		
Assistant Principals		266,097		
Secretary(ies)		193,825		
Other Salaries and Wages		5,310		
Social Security		63,468		
State Retirement		80,239		
Life Insurance		941		
Medical Insurance		147,778		
Local Retirement		3,402		
Employer Medicare		14,843		
Other Fringe Benefits		175		
Communication		26,247		
Travel		15,358		
Other Contracted Services		16,360		
Office Supplies		14,874		
Other Equipment		48,276		
Total Office of the Principal				1,517,711

(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	39,276	
Social Security	9,734	
Life Insurance	181	
Medical Insurance	19,710	
Local Retirement	4,131	
Employer Medicare	2,277	
Dues and Memberships	345	
Maintenance and Repair Services - Equipment	4,403	
Travel	5,303	
Other Contracted Services	8,914	
Office Supplies	15,817	
Administration Equipment	11,622	
Total Fiscal Services		$ 247,832
Operation of Plant		
Custodial Personnel	$ 523,842	
Other Salaries and Wages	308	
Social Security	29,370	
Life Insurance	1,051	
Medical Insurance	122,042	
Unemployment Compensation	3,016	
Local Retirement	5,268	
Employer Medicare	6,869	
Pest Control	3,642	
Disposal Fees	40,909	
Other Contracted Services	107,337	
Custodial Supplies	89,181	
Electricity	749,395	
Natural Gas	146,389	
Water and Sewer	103,892	
Building and Contents Insurance	264,593	
Other Charges	18	
Plant Operation Equipment	43,504	
Total Operation of Plant		2,240,626

(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		308,603		
Social Security		23,068		
Life Insurance		479		
Medical Insurance		51,720		
Local Retirement		7,350		
Employer Medicare		5,395		
Communication		4,918		
Maintenance and Repair Services - Buildings		225,550		
Maintenance and Repair Services - Equipment		63,876		
Other Contracted Services		93,207		
Equipment and Machinery Parts		16,954		
Gasoline		22,822		
Other Supplies and Materials		155,480		
Other Charges		267		
Maintenance Equipment		25,579		
Total Maintenance of Plant			$	1,091,186
Transportation				
Other Salaries and Wages	$	2,792		
Social Security		173		
Local Retirement		70		
Employer Medicare		41		
Total Transportation				3,076
Operation of Non-Instructional Services				
Food Service				
Career Ladder Program	$	1,000		
Other Salaries and Wages		3,348		
Social Security		269		
State Retirement		6,656		
Local Retirement		27		
Employer Medicare		63		
Food Supplies		6,174		
Total Food Service				17,537
Community Services				
Other Salaries and Wages	$	49,127		

(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.)			
Social Security	$ 2,704		
Life Insurance	88		
Medical Insurance	9,770		
Local Retirement	535		
Employer Medicare	633		
Communication	739		
Travel	2,810		
Other Supplies and Materials	194		
Total Community Services		$ 66,600	
Early Childhood Education			
Teachers	$ 276,253		
Educational Assistants	109,709		
Certified Substitute Teachers	928		
Non-certified Substitute Teachers	4,670		
Social Security	22,206		
State Retirement	24,992		
Life Insurance	595		
Medical Insurance	66,102		
Local Retirement	374		
Employer Medicare	5,195		
Communication	1,680		
Maintenance and Repair Services - Equipment	411		
Other Contracted Services	12,802		
Other Supplies and Materials	79,229		
In Service/Staff Development	5,555		
Total Early Childhood Education		610,701	
Capital Outlay			
Regular Capital Outlay			
Architects	$ 53,196		
Freight Expenses	73		
Legal Services	600		
Printing, Stationery, and Forms	157		
Other Contracted Services	82,027		
Building Construction	779,546		
Building Improvements	167,773		
Land	39,875		
Site Development	32,264		
Total Regular Capital Outlay		1,155,511	
Total General Purpose School Fund			$ 23,848,286

(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	$	198,109		
Educational Assistants		186,102		
Other Salaries and Wages		382,346		
Social Security		44,657		
State Retirement		49,975		
Life Insurance		786		
Medical Insurance		69,579		
Unemployment Compensation		1,702		
Employer Medicare		10,514		
Other Fringe Benefits		1,329		
Instructional Supplies and Materials		8,355		
Total Regular Instruction Program			$	953,454
Special Education Program				
Teachers	$	91,165		
Educational Assistants		213,008		
Speech Pathologist		62,870		
Other Salaries and Wages		50,277		
Certified Substitute Teachers		152		
Non-certified Substitute Teachers		2,970		
Social Security		21,458		
State Retirement		14,913		
Life Insurance		743		
Medical Insurance		98,694		
Unemployment Compensation		656		
Employer Medicare		5,397		
Other Fringe Benefits		3,623		
Contracts with Private Agencies		70,747		
Maintenance and Repair Services - Equipment		1,573		
Instructional Supplies and Materials		151,686		
Other Supplies and Materials		9,016		
Special Education Equipment		111,933		
Total Special Education Program				910,881
Vocational Education Program				
Other Salaries and Wages	$	12,685		
Social Security		786		
State Retirement		1,101		
Unemployment Compensation		38		

(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.)				
Employer Medicare	$	184		
Other Fringe Benefits		13		
Other Contracted Services		5,736		
Other Supplies and Materials		11,194		
Vocational Instruction Equipment		7,184		
Total Vocational Education Program			$	38,921
Support Services				
Health Services				
Other Salaries and Wages	$	3,960		
Social Security		246		
State Retirement		285		
Unemployment Compensation		12		
Employer Medicare		57		
Total Health Services				4,560
Other Student Support				
Assessment Personnel	$	59,685		
Other Salaries and Wages		17,683		
Social Security		4,490		
State Retirement		6,307		
Life Insurance		72		
Medical Insurance		10,281		
Unemployment Compensation		70		
Employer Medicare		1,050		
Travel		18,526		
Other Contracted Services		1,000		
Other Supplies and Materials		1,000		
Total Other Student Support				120,164
Regular Instruction Program				
Supervisor/Director	$	42,881		
Other Salaries and Wages		98,719		
Social Security		7,390		
State Retirement		10,483		
Life Insurance		75		
Medical Insurance		5,870		
Unemployment Compensation		365		
Employer Medicare		2,012		

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)				
Support Services (Cont.)				
Regular Instruction Program (Cont.)				
Other Fringe Benefits	$	88		
Communication		2,322		
Operating Lease Payments		7		
Travel		1,086		
In Service/Staff Development		39,683		
Other Charges		80		
Other Equipment		71,026		
Total Regular Instruction Program			$	282,087
Special Education Program				
Psychological Personnel	$	52,031		
Other Salaries and Wages		34,835		
Social Security		5,278		
State Retirement		4,862		
Life Insurance		99		
Medical Insurance		4,009		
Unemployment Compensation		81		
Employer Medicare		1,234		
Other Fringe Benefits		951		
Communication		2,017		
Travel		18,398		
Other Supplies and Materials		7,514		
In Service/Staff Development		25,558		
Other Equipment		440		
Total Special Education Program				157,307
Vocational Education Program				
Travel	$	466		
In Service/Staff Development		1,207		
Total Vocational Education Program				1,673
Office of the Principal				
Other Salaries and Wages	$	26,245		
Social Security		1,627		
State Retirement		1,806		
Unemployment Compensation		79		
Employer Medicare		381		
Other Fringe Benefits		135		
Total Office of the Principal				30,273

(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.)				
Operation of Plant				
Other Salaries and Wages	$	15,797		
Social Security		979		
Unemployment Compensation		47		
Employer Medicare		229		
Other Fringe Benefits		145		
Total Operation of Plant			$	17,197
Maintenance of Plant				
Other Salaries and Wages	$	9,806		
Social Security		608		
Unemployment Compensation		29		
Employer Medicare		142		
Other Fringe Benefits		164		
Total Maintenance of Plant				10,749
Transportation				
Other Salaries and Wages	$	27,037		
Social Security		1,676		
Unemployment Compensation		81		
Employer Medicare		392		
Other Fringe Benefits		129		
Total Transportation				29,315
Operation of Non-Instructional Services				
Food Service				
Other Salaries and Wages	$	19,309		
Social Security		1,197		
Unemployment Compensation		58		
Employer Medicare		280		
Other Fringe Benefits		63		
Total Food Service				20,907
Community Services				
Other Salaries and Wages	$	1,600		
Social Security		99		
Unemployment Compensation		5		
Employer Medicare		23		
Other Fringe Benefits		17		
Total Community Services				1,744

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Early Childhood Education			
Other Salaries and Wages	$ 12,424		
Social Security	770		
State Retirement	813		
Unemployment Compensation	37		
Employer Medicare	180		
Other Fringe Benefits	12		
Total Early Childhood Education		$ 14,236	
Total School Federal Projects Fund			$ 2,593,468
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 70,259		
Accountants/Bookkeepers	32,766		
Cafeteria Personnel	624,851		
Other Salaries and Wages	47,413		
Social Security	44,902		
Life Insurance	1,957		
Medical Insurance	102,244		
Unemployment Compensation	20		
Local Retirement	3,178		
Employer Medicare	10,501		
Communication	5,299		
Data Processing Services	16,736		
Dues and Memberships	451		
Printing, Stationery, and Forms	461		
Transportation - Other than Students	8,237		
Travel	2,075		
Disposal Fees	2,165		
Permits	640		
Custodial Supplies	13,355		
Food Supplies	760,440		
Uniforms	210		
USDA - Commodities	96,620		
Other Supplies and Materials	53,887		
In Service/Staff Development	4,225		
Food Service Equipment	92,964		
Total Food Service		$ 1,995,856	
Total Central Cafeteria Fund			1,995,856

(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			
Support Services			
Board of Education			
Trustee's Commission	$ 29,938		
Total Board of Education		$ 29,938	
Operation of Plant			
Disposal Fees	$ 2,304		
Electricity	12,955		
Natural Gas	2,628		
Water and Sewer	682		
Total Operation of Plant		18,569	
Transportation			
Supervisor/Director	$ 53,153		
Mechanic(s)	172,635		
Bus Drivers	747,662		
Clerical Personnel	32,766		
Other Salaries and Wages	21,529		
Social Security	62,326		
Life Insurance	2,482		
Medical Insurance	52,887		
Unemployment Compensation	2,669		
Local Retirement	5,116		
Employer Medicare	14,576		
Communication	4,510		
Maintenance and Repair Services - Vehicles	64,173		
Other Contracted Services	31,424		
Diesel Fuel	301,123		
Food Supplies	578		
Lubricants	11,293		
Tires and Tubes	35,431		
Vehicle Parts	81,119		
Other Supplies and Materials	55,142		
Vehicle and Equipment Insurance	42,862		
Other Charges	6,745		
Transportation Equipment	475,587		
Total Transportation		2,277,788	
Total School Transportation Fund			$ 2,326,295

(Continued)

Exhibit K-9

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

Education Capital Projects Fund			
Capital Projects			
Education Capital Projects			
Architects	$ 315,150		
Communication	565		
Freight Expenses	1,155		
Printing, Stationery, and Forms	14,602		
Travel	1,618		
Other Contracted Services	450,776		
Building Construction	3,669,716		
Site Development	697,462		
Total Education Capital Projects		$ 5,151,044	
Total Education Capital Projects Fund			$ 5,151,044
Total Governmental Funds - Dyer County School Department			$ 35,914,949

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, 2011

	Cities - Sales Tax Fund	Cities - Property Tax Fund	City School ADA - Dyersburg Fund	Total
Cash Receipts				
Current Property Taxes	$ 0	$ 0	$ 2,550,434	$ 2,550,434
Trustee's Collections - Prior Years	0	0	113,623	113,623
Trustee's Collections - Bankruptcy	0	0	4,591	4,591
Circuit/Clerk and Master Collections - Prior Years	0	893	43,380	44,273
Interest and Penalty	0	163	19,600	19,763
Local Option Sales Tax	3,088,203	0	4,575,137	7,663,340
Wheel Tax	0	0	678,626	678,626
Interstate Telecommunications Tax	0	0	1,941	1,941
Marriage Licenses	0	0	1,406	1,406
Other Permits	0	0	279	279
Total Cash Receipts	$ 3,088,203	$ 1,056	$ 7,989,017	$ 11,078,276
Cash Disbursements				
Remittance of Revenues Collected	$ 3,057,321	$ 1,035	$ 7,883,392	$ 10,941,748
Trustee's Commission	30,882	21	106,762	137,665
Total Cash Disbursements	$ 3,088,203	$ 1,056	$ 7,990,154	$ 11,079,413
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0	$ 0	$ (1,137)	$ (1,137)
Cash Balance, July 1, 2010	0	0	144,567	144,567
Cash Balance, June 30, 2011	$ 0	$ 0	$ 143,430	$ 143,430

SINGLE AUDIT SECTION

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

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

September 7, 2011

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, 2011, which collectively comprise Dyer County's basic financial statements and have issued our report thereon dated September 7, 2011. Our report on the aggregate discretely presented component units financial statements 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 11.01 and 11.03. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 11.02.

We also noted certain matters that we reported to management of Dyer County in separate communications.

This report is intended solely for the information and use of management, the county mayor, director of schools, road supervisor, County Commission, Board of Education, others within Dyer County, and federal awarding agencies 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

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 THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

September 7, 2011

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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dyer County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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, 2011, and have issued our report thereon dated September 7, 2011. Our report on the aggregate discretely presented component units financial statements 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 as a whole. The 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 financial statements. Such information is the responsibility of management and was derived from and relates

directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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, and federal awarding agencies 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

Dyer County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2011

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Child Nutrition Cluster:			
Passed-through State Department of Education:			
School Breakfast Program	10.553	N/A	$ 310,471
National School Lunch Program	10.555	N/A	952,009 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	96,620 (3)
Passed-through State Department of Human Services:			
Summer Food Service Program for Children	10.559	N/A	104,278
Passed-through State Department of Health:			
Commodity Supplemental Food Program	10.565	(2)	50,764
Total U.S. Department of Agriculture			$ 1,514,142
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	$ 9,000
Passed-through State Administrative Office of the Courts:			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	(2)	5,081
Total U.S. Department of Justice			$ 14,081
U.S. Department of Labor			
Direct Program:			
Employee Benefits Security Administration (EBSA), Recovery Act	17.151	N/A	$ 5,962
Total U.S. Department of Labor			$ 5,962
U.S.Department of Transportation:			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	STP-EN-2300(31)	$ 722,918
Total U.S. Department of Transportation			$ 722,918
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	$ 573,378
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	187,004
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	798,021
Special Education - Preschool Grants	84.173	N/A	28,048
Special Education - Grants to States, Recovery Act	84.391	N/A	248,767
Special Education - Preschool Grants, Recovery Act	84.392	N/A	6,814
Career and Technical Education - Basic Grants to States	84.048	N/A	48,258
Improving Teacher Quality State Grants	84.367	N/A	116,977
Education Technology State Grants	84.318	(2)	1,456
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	N/A	1,545,733
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	N/A	252,986
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	123,957
Education Jobs Fund	84.410	N/A	543,506
Total U.S. Department of Education			$ 4,474,905

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	$ 192,273
Passed through State Department of Education:			
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	(2)	31,531
Passed-through Methodist LeBonheur Healthcare Community Outreach:			
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	(2)	10,243
Total U.S. Department of Health and Human Services			$ 234,047
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	$ 156,235
Homeland Security Grant Program	97.067	GG-08-24126-00	104,659
Total U.S. Department of Homeland Security			$ 260,894
Total Expenditures of Federal Awards			$ 7,226,949

State Grants		Contract Number	
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	(2)	$ 31,922
Drug Court Treatment Resources Fund Grant - State Department of Finance and Administration	N/A	(2)	42,002
Preventive Health and Human Services - State Department of Health	N/A	Z-10-219788-01	32,820
Litter Program - State Department of Transportation	N/A	Z-09-212741-00	33,726
Voting Equipment - Secretary of State	N/A	(2)	19,000
Early Childhood Education - State Department of Education	N/A	(2)	655,889
ACT/EXP - Internet Connectivity - State Department of Education	N/A	(2)	4,050
ConnecTenn - State Department of Education	N/A	(2)	1,925
Total State Grants			$ 821,334

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

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Total for CFDA No. 10.555 is $1,048,629.

Dyer County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2011

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, 2010, which have not been corrected.

OFFICE OF COUNTY MAYOR

Finding Number	Page Number	Subject
10.02	167	The courthouse custodial services contract has not been competitively bid since July 1, 2002

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

Finding Number	Page Number	Subject
10.03	168	Unclaimed funds were not reported and paid to the state

OTHER FINDING

Finding Number	Page Number	Subject
10.05	169	Duties were not segregated adequately in the Offices of Road Supervisor, Circuit and General Sessions Courts Clerk, and Sheriff

DYER COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

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. None of these deficiencies were considered to be material weaknesses.

3. The audit disclosed no instances of noncompliance that are material to the financial statements of Dyer County.

4. The audit disclosed no significant deficiencies in internal control over major programs.

5. An unqualified opinion was issued on compliance for major programs.

6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.

7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); Highway Planning and Construction (CFDA No. 20.205); the Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, Special Education Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); the State Fiscal Stabilization Fund Cluster: State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act and State Fiscal Stabilization Fund (SFSF) – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397); and Education Jobs Fund (CFDA No. 84.410) were determined to be major programs.

8. A $300,000 threshold was used to distinguish between Type A and Type B federal programs.

9. Dyer County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 11.01 **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. Sound business practices dictate that contracts should 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-year audit reports. Management believes if custodial services are 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.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 11.02 **UNCLAIMED FUNDS WERE NOT REPORTED AND PAID TO THE STATE**
(Noncompliance Under *Government Auditing Standards*)

The clerk did not report and pay to the state unclaimed funds (old outstanding checks) totaling $16,861. At June 30, 2011, Circuit Court had 240 outstanding checks totaling $13,443 and General Sessions Court had 57 outstanding checks totaling $3,418 that were all issued before July 1, 2010. The Unclaimed Property Act, Section 66-29-101, et seq., *Tennessee Code Annotated*, provides that any funds held by the court for more than one year and unclaimed by the owner are considered abandoned. This statute further provides for the funds to be reported and paid to the state Treasurer's Office. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

OTHER FINDING AND RECOMMENDATION

FINDING 11.03 **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.

BEST PRACTICES

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

ITEM 1. **DYER COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Dyer County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

ITEM 2. DYER COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE

Dyer County does not have an Audit Committee. An Audit Committee can assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks. County officials should establish an Audit Committee as a best practice.

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, 2011

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