
ANNUAL FINANCIAL REPORT DYER COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2012



**ANNUAL FINANCIAL REPORT
DYER COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2012**

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JUSTIN P. WILSON***

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

DYER COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		6-7
<u>INTRODUCTORY SECTION</u>		8
Dyer County Officials		9
<u>FINANCIAL SECTION</u>		10
Independent Auditor's Report		11-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Assets	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	22
Proprietary Fund:		
Statement of Net Assets	D-1	23
Statement of Revenues, Expenditures, and Changes in Net Assets	D-2	24
Statement of Cash Flows	D-3	25
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	26
Notes to the Financial Statements		27-59
REQUIRED SUPPLEMENTARY INFORMATION:		60
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	F-1	61-62
Highway/Public Works Fund	F-2	63
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Dyer County School Department	F-3	64
Schedule of Funding Progress – Other Postemployment Benefits Plan – Discretely Presented Dyer County School Department	F-4	65
Notes to the Required Supplementary Information		66

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		67
Nonmajor Governmental Funds:		68
Combining Balance Sheet	G-1	69
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	70
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Law Library Fund	G-3	71
Solid Waste/Sanitation Fund	G-4	72
Drug Control Fund	G-5	73
Major Governmental Fund:		74
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	75
Fiduciary Funds:		76
Combining Statement of Fiduciary Assets and Liabilities	I-1	77
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	78-79
Component Unit:		
Discretely Presented Dyer County School Department:		80
Statement of Activities	J-1	81
Balance Sheet – Governmental Funds	J-2	82
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	J-3	83
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	84
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	85
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	J-7	87
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	J-8	88-89
School Federal Projects Fund	J-9	90
Central Cafeteria Fund	J-10	91
School Transportation Fund	J-11	92
Education Capital Projects Fund	J-12	93

	Exhibit	Page(s)
Miscellaneous Schedules:		94
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds	K-1	95
Schedule of Long-term Debt Requirements by Year	K-2	96-97
Schedule of Notes Receivable	K-3	98
Schedule of Transfers – Discretely Presented Dyer County School Department	K-4	99
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Dyer County School Department	K-5	100
Schedule of Detailed Revenues – All Governmental Fund Types	K-6	101-105
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Dyer County School Department	K-7	106-108
Schedule of Detailed Expenditures – All Governmental Fund Types	K-8	109-129
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Dyer County School Department	K-9	130-145
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	K-10	146
 <u>SINGLE AUDIT SECTION</u>		 147
Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		148-150
Auditor's 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		151-153
Schedule of Expenditures of Federal Awards and State Grants		154-155
Schedule of Audit Findings Not Corrected		156
Schedule of Findings and Questioned Costs		157-162
Auditee Reporting Responsibilities		163

Audit Highlights

Annual Financial Report
Dyer County, Tennessee
For the Year Ended June 30, 2012

Scope

We have audited the basic financial statements of Dyer County as of and for the year ended June 30, 2012.

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

Findings and Best Practice

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

OFFICE OF COUNTY MAYOR

- ◆ The Solid Waste/Sanitation Fund had a cash overdraft at June 30, 2012.
- ◆ The office did not file a Report on Debt Obligation with the state Comptroller's Office.
- ◆ Compensation was paid in-lieu-of insurance benefits to some employees.

OFFICE OF ROAD SUPERVISOR

- ◆ Expenditures exceeded appropriations.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ Unclaimed funds were not reported and paid to the state.
 - ◆ Usernames and passwords were shared by employees.
-

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

- ◆ Duties were not segregated adequately.
-

BEST PRACTICE

Dyer County does not have a central system of accounting, budgeting, and purchasing. The Division of Local Government Audit strongly believes that a central system of accounting, budgeting, and purchasing is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Dyer County.

INTRODUCTORY SECTION

Dyer County Officials

June 30, 2012

Officials

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

Board of County Commissioners

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

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

Board of Education

Bruce Kerr, Chairman
Keith Anderson
LeAnn Childress
Steve Dodds
Carol Feather

Jim Horn
Ross Maldonado
William May
Mike McLaughlin
Maria Starks

Audit Committee

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

FINANCIAL SECTION



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

January 18, 2013

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, 2012, 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, 2012, 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, 2012, 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 January 18, 2013, 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.

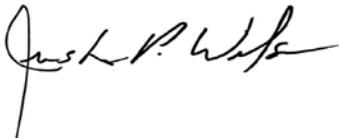
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 61 through 66 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/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Dyer County, Tennessee
Statement of Net Assets
June 30, 2012

	Primary Government <u>Governmental Activities</u>	Component Unit <u>Dyer County School Department</u>
<u>ASSETS</u>		
Cash	\$ 1,422	\$ 880
Equity in Pooled Cash and Investments	24,377,259	9,300,044
Accounts Receivable	101,398	2,328
Due from Other Governments	1,192,298	636,373
Property Taxes Receivable	9,157,038	4,425,092
Allowance for Uncollectible Property Taxes	(136,524)	(70,159)
Accrued Interest Receivable	75,934	0
Deferred Charges - Debt Issuance Costs	567,311	0
Notes Receivable - Long-term	1,918,150	0
Capital Assets:		
Assets Not Depreciated:		
Land	3,554,709	1,082,197
Construction in Progress	0	4,934,939
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	10,035,799	35,597,750
Infrastructure	6,795,606	0
Other Capital Assets	2,523,636	3,387,262
Total Assets	<u>\$ 60,164,036</u>	<u>\$ 59,296,706</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 7,374	\$ 110,121
Accrued Payroll	0	21,672
Payroll Deductions Payable	0	664,320
Cash Overdraft	3,961	0
Contracts Payable	366,656	196,010
Retainage Payable	0	75,251
Accrued Interest Payable	114,311	0
Deferred Revenue - Current Property Taxes	8,660,400	4,156,831
Health Insurance Payments	74,357	0
Noncurrent Liabilities:		
Due Within One Year	2,638,668	4,867
Due in More Than One Year (net of deferred amount on refunding and unamortized discount on debt)	46,443,731	2,921,327
Total Liabilities	<u>\$ 58,309,458</u>	<u>\$ 8,150,399</u>

(Continued)

Exhibit A

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

	Primary Government <u>Governmental Activities</u>	<u>Component Unit</u> Dyer County School Department
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 15,765,597	\$ 0
Invested in Capital Assets	0	45,002,148
Restricted for:		
Long-term Notes Receivable	1,918,150	0
Public Safety	108,609	0
Highway/Public Works	4,033,592	0
Education	0	99,815
Operation of Non-Instructional Services	0	770,392
Capital Outlay	0	428,225
Debt Service	50,162	0
Other Purposes	43,804	0
Unrestricted	<u>(20,065,336)</u>	<u>4,845,727</u>
Total Net Assets	<u>\$ 1,854,578</u>	<u>\$ 51,146,307</u>

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

Exhibit B

Dyer County, Tennessee
Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					
	Program Revenues			Primary Government		Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Government	Dyer County School Department
					Governmental Activities	
Primary Government:						
Governmental Activities:						
General Government	\$ 1,482,674	\$ 237,014	\$ 199,249	\$ 364,475	\$ (681,936)	\$ 0
Finance	1,129,267	903,952	0	0	(225,315)	0
Administration of Justice	1,287,965	729,356	9,000	0	(549,609)	0
Public Safety	4,934,650	1,497,342	9,991	0	(3,427,317)	0
Public Health and Welfare	641,063	16,116	622,428	0	(2,519)	0
Social, Cultural, and Recreational Services	759,111	87,862	325,763	0	(345,486)	0
Agriculture and Natural Resources	188,713	0	0	0	(188,713)	0
Other Operations	816,682	0	0	0	(816,682)	0
Highways	3,621,755	4,578	2,375,227	346,631	(895,319)	0
Education	86,935	105,754	0	0	18,819	0
Interest on Long-term Debt	1,833,062	0	0	0	(1,833,062)	0
Other Debt Service	664,332	0	0	0	(664,332)	0
Total Primary Government	\$ 17,446,209	\$ 3,581,974	\$ 3,541,658	\$ 711,106	\$ (9,611,471)	\$ 0
Component Unit:						
Dyer County School Department	\$ 30,952,295	\$ 817,606	\$ 4,788,454	\$ 0	\$ 0	\$ (25,346,235)
Total Component Unit	\$ 30,952,295	\$ 817,606	\$ 4,788,454	\$ 0	\$ 0	\$ (25,346,235)

(Continued)

Exhibit B

Dyer County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Primary Government Total	Component Unit Dyer County School Department
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes			\$ 6,792,106	\$ 4,609,537
Property Taxes Levied for Debt Service			1,429,449	0
Local Option Sales Taxes			95,867	3,319,635
Wheel Tax			0	1,125,633
Litigation Tax			281,336	0
Business Tax			373,389	0
Wholesale Beer Tax			90,297	0
Other Local Taxes			0	1,733
Grants and Contributions Not Restricted to Specific Programs			1,337,282	17,464,778
Unrestricted Investment Income			647,001	93,038
Miscellaneous			150,243	68,438
Gain on Disposal of Capital Assets			140,658	0
Total General Revenues			<u>\$ 11,337,628</u>	<u>\$ 26,682,792</u>
Change in Net Assets			\$ 1,726,157	\$ 1,336,557
Net Assets, July 1, 2011			128,421	49,809,750
Net Assets, June 30, 2012			<u>\$ 1,854,578</u>	<u>\$ 51,146,307</u>

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, 2012

	Major Funds			Nonmajor Funds	Total Governmen- tal Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,422	\$ 1,422
Equity in Pooled Cash and Investments	17,405,293	3,654,031	2,465,439	140,183	23,664,946
Accounts Receivable	98,286	0	0	639	98,925
Due from Other Governments	489,292	675,489	14,357	13,160	1,192,298
Due from Other Funds	1,422	0	0	0	1,422
Property Taxes Receivable	5,323,610	1,784,667	2,048,761	0	9,157,038
Allowance for Uncollectible Property Taxes	(81,710)	(27,392)	(27,422)	0	(136,524)
Accrued Interest Receivable	0	0	75,934	0	75,934
Notes Receivable - Long-term	1,918,150	0	0	0	1,918,150
Total Assets	<u>\$ 25,154,343</u>	<u>\$ 6,086,795</u>	<u>\$ 4,577,069</u>	<u>\$ 155,404</u>	<u>\$ 35,973,611</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 3,405	\$ 3,969	\$ 0	\$ 0	\$ 7,374
Cash Overdraft	0	0	0	3,961	3,961
Contracts Payable	0	366,656	0	0	366,656
Due to Other Funds	0	0	0	1,422	1,422
Deferred Revenue - Current Property Taxes	5,019,082	1,682,578	1,958,740	0	8,660,400
Deferred Revenue - Delinquent Property Taxes	178,546	59,864	50,162	0	288,572
Other Deferred Revenues	0	168,891	7,534	2,331	178,756
Health Insurance Payments	74,357	0	0	0	74,357
Total Liabilities	<u>\$ 5,275,390</u>	<u>\$ 2,281,958</u>	<u>\$ 2,016,436</u>	<u>\$ 7,714</u>	<u>\$ 9,581,498</u>
<u>Fund Balances</u>					
Nonspendable:					
Long-term Notes Receivable	\$ 1,918,150	\$ 0	\$ 0	\$ 0	\$ 1,918,150
Restricted:					
Restricted for General Government	1,347	0	0	0	1,347
Restricted for Administration of Justice	0	0	0	40,126	40,126
Restricted for Public Safety	8,260	0	0	100,349	108,609
Restricted for Highways/Public Works	0	3,804,837	0	0	3,804,837
Committed:					
Committed for Public Health and Welfare	0	0	0	7,215	7,215
Committed for Debt Service	0	0	2,560,633	0	2,560,633
Unassigned	17,951,196	0	0	0	17,951,196
Total Fund Balances	<u>\$ 19,878,953</u>	<u>\$ 3,804,837</u>	<u>\$ 2,560,633</u>	<u>\$ 147,690</u>	<u>\$ 26,392,113</u>
Total Liabilities and Fund Balances	<u>\$ 25,154,343</u>	<u>\$ 6,086,795</u>	<u>\$ 4,577,069</u>	<u>\$ 155,404</u>	<u>\$ 35,973,611</u>

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

Exhibit C-2

Dyer County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets

June 30, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 26,392,113
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 3,554,709	
Add: buildings and improvements net of accumulated depreciation	10,035,799	
Add: infrastructure net of accumulated depreciation	6,795,606	
Add: other capital assets net of accumulated depreciation	<u>2,523,636</u>	22,909,750
(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.		714,786
(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	\$ (41,666)	
Less: capital leases payable	(65,350)	
Less: other loans payable	(13,244,066)	
Less: bonds payable	(36,040,000)	
Add: deferred amount on unamortized debt discount	71,131	
Add: deferred amount on refunding	237,552	
Add: deferred charges - debt issuance costs	567,311	
Less: accrued interest on notes, capital leases, and bonds	<u>(114,311)</u>	(48,629,399)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>467,328</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 1,854,578</u>

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

Exhibit C-3

Dyer County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 5,824,496	\$ 1,697,280	\$ 2,643,309	\$ 46,872	\$ 10,211,957
Licenses and Permits	106,330	12,416	0	9,219	127,965
Fines, Forfeitures, and Penalties	172,355	0	0	90,955	263,310
Charges for Current Services	62,763	0	0	6,897	69,660
Other Local Revenues	288,945	74,879	332,311	20,816	716,951
Fees Received from County Officials	1,561,365	0	0	0	1,561,365
State of Tennessee	2,249,142	2,190,282	0	40,258	4,479,682
Federal Government	449,505	520,496	275,027	0	1,245,028
Other Governments and Citizens Groups	273,644	0	0	0	273,644
Total Revenues	\$ 10,988,545	\$ 4,495,353	\$ 3,250,647	\$ 215,017	\$ 18,949,562
<u>Expenditures</u>					
Current:					
General Government	\$ 1,762,802	\$ 0	\$ 0	\$ 0	\$ 1,762,802
Finance	1,119,718	0	0	0	1,119,718
Administration of Justice	1,271,508	0	0	5,282	1,276,790
Public Safety	4,652,671	0	0	74,790	4,727,461
Public Health and Welfare	502,933	0	0	104,064	606,997
Social, Cultural, and Recreational Services	632,588	0	0	0	632,588
Agriculture and Natural Resources	187,793	0	0	0	187,793
Other Operations	816,630	0	0	0	816,630
Highways	0	4,407,707	0	0	4,407,707
Debt Service:					
Principal on Debt	131,840	130,711	3,075,244	0	3,337,795
Interest on Debt	4,651	2,645	1,792,694	0	17,999,990
Other Debt Service	0	0	69,916	0	69,916
Total Expenditures	\$ 11,083,134	\$ 4,541,063	\$ 4,937,854	\$ 184,136	\$ 20,746,187
Excess (Deficiency) of Revenues Over Expenditures					
	\$ (94,589)	\$ (45,710)	\$ (1,687,207)	\$ 30,881	\$ (1,796,625)
<u>Other Financing Sources (Uses)</u>					
Capital Leases Issued	\$ 64,282	\$ 0	\$ 0	\$ 0	\$ 64,282
Proceeds from Sale of Capital Assets	0	640,800	0	0	640,800
Insurance Recovery	22,309	0	0	0	22,309
Total Other Financing Sources (Uses)	\$ 86,591	\$ 640,800	\$ 0	\$ 0	\$ 727,391
Net Change in Fund Balances					
Fund Balance, July 1, 2011	\$ 19,886,951	\$ 3,209,747	\$ 4,247,840	\$ 116,809	\$ 27,461,347
Fund Balance, June 30, 2012	\$ 19,878,953	\$ 3,804,837	\$ 2,560,633	\$ 147,690	\$ 26,392,113

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, 2012

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)		\$ (1,069,234)
(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	\$ 2,049,676	
Less: current-year depreciation expense	<u>(1,400,677)</u>	648,999
(2) The net effect of various miscellaneous transactions involving capital assets (sales and trade-ins) is to decrease net assets.		
Less: proceeds received from the disposal of capital assets		(500,142)
(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, 2012	\$ 467,328	
Less: deferred delinquent property taxes and other deferred June 30, 2011	<u>(490,936)</u>	(23,608)
(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	\$ (64,282)	
Less: change in discount on debt issuances	(6,640)	
Less: change in deferred amount on refunding debt	(27,659)	
Less: change in deferred debt issuance costs	(44,416)	
Add: principal payments on notes	81,251	
Add: principal payments on capital leases	222,967	
Add: principal payments on other loans	883,577	
Add: principal payments on bonds	<u>1,600,000</u>	2,644,798
(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		1,227
(6) Internal service funds are used by management to charge the costs of workers' benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>24,117</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,726,157</u>

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

Exhibit D-1

Dyer County, Tennessee
Statement of Net Assets
Proprietary Fund
June 30, 2012

	Governmental Activities - Internal Service Fund <u>Workers'</u> <u>Compensation</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 712,313
Accounts Receivable	<u>2,473</u>
Total Assets	<u>\$ 714,786</u>
<u>NET ASSETS</u>	
Unrestricted	<u>\$ 714,786</u>
Total Net Assets	<u><u>\$ 714,786</u></u>

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

Exhibit D-2

Dyer County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2012

	Governmental Activities - Internal Service Fund <u>Workers'</u> <u>Compensation</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums	\$ 180,755
Total Operating Revenues	<u>\$ 180,755</u>
<u>Operating Expenses</u>	
Workers' Compensation Insurance	\$ 98,036
Other Self-Insured Claims	<u>58,602</u>
Total Operating Expenses	<u>\$ 156,638</u>
Operating Income (Loss)	<u>\$ 24,117</u>
Change in Net Assets	\$ 24,117
Net Assets, July 1, 2011	<u>690,669</u>
Net Assets, June 30, 2012	<u><u>\$ 714,786</u></u>

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

Exhibit D-3

Dyer County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2012

	Governmental Activities - Internal Service Fund <u>Workers'</u> <u>Compensation</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Self-Insurance Premiums	\$ 178,282
Payments for Claims	(58,602)
Payments for Workers' Compensation Insurance	(98,036)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 21,644</u>
Net Increase (Decrease) in Cash	\$ 21,644
Cash, July 1, 2011	<u>690,669</u>
Cash, June 30, 2012	<u><u>\$ 712,313</u></u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	<u>\$ 24,117</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 24,117</u></u>
<u>Reconciliation of Cash With the Statement of Net Assets</u>	
Cash Per Net Assets	<u>\$ 712,313</u>
Cash, June 30, 2012	<u><u>\$ 712,313</u></u>

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

Exhibit E

Dyer County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 3,269,221
Equity in Pooled Cash and Investments	309,778
Due from Other Governments	945,545
Property Taxes Receivable	2,583,330
Allowance for Uncollectible Property Taxes	<u>(41,434)</u>
Total Assets	<u>\$ 7,066,440</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 3,797,219
Due to Litigants, Heirs, and Others	<u>3,269,221</u>
Total Liabilities	<u>\$ 7,066,440</u>

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

DYER COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

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. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2012.

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.

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.

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 .81 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:

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

4. Compensated Absences

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

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

5. Long-term Obligations

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. 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, 2012, Dyer County had \$42,219,066 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.

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

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

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

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

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

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

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

7. Stabilization Arrangement

Dyer County sold its hospital in a prior year. The County Commission adopted a resolution to retain the principal intact and appropriate the interest income earned on the investment of these funds annually through the budgetary process. The principal balance in this stabilization arrangement totaled \$18,490,503 at June 30, 2012. Of this amount, \$1,918,150 is a long-term notes receivable and is offset by nonspendable fund balance. However, the remaining balance of \$16,572,353 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. 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, 2012, the Dyer County School Department reported the following significant encumbrances:

Fund	Description	Amount
School Department:		
Major Fund:		
General Purpose School	School construction	\$ 1,308,526
Education Capital Projects	"	337,196

B. Cash Overdraft

The Solid Waste/Sanitation Fund had a cash overdraft of \$3,961 at June 30, 2012. This overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2012.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Employee Benefits major appropriation category (the legal level of control) of the Highway/Public Works Fund by \$16,171. 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, 2012, 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	Weighted Average Maturity (days)	Maturities	Fair Value or Cost
State Treasurer's Investment Pool	6 to 164	N/A	\$ 699,594
Municipal Bonds	N/A	3-1-17 to 2-15-27	5,793,315
Total			\$ 6,492,909

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, 2012, Dyer County’s investment in the State Treasurer’s Investment Pool was unrated. Dyer County investments in municipal bonds were rated from A2 to Aaa by Moody’s Investor’s Service and from A to AAA by Standard and Poor’s ratings.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county’s investment in a single issuer. Dyer County places no limit on the amount the county may invest in one issuer. More than five percent of the county’s investments are in municipal bonds. These investments are 89 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 nonspendable fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2012, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 3,554,709	\$ 0	\$ 0	\$ 3,554,709
Construction in Progress	1,006,565	0	1,006,565	0
Total Capital Assets Not Depreciated	<u>\$ 4,561,274</u>	<u>\$ 0</u>	<u>\$ 1,006,565</u>	<u>\$ 3,554,709</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,871,758	\$ 1,030,292	\$ 0	\$ 12,902,050
Infrastructure	18,511,016	861,387	0	19,372,403
Other Capital Assets	6,743,880	1,164,562	801,383	7,107,059
Total Capital Assets Depreciated	<u>\$ 37,126,654</u>	<u>\$ 3,056,241</u>	<u>\$ 801,383</u>	<u>\$ 39,381,512</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,606,059	\$ 260,192	\$ 0	\$ 2,866,251
Infrastructure	11,990,867	585,930	0	12,576,797
Other Capital Assets	4,330,109	554,555	301,241	4,583,423
Total Accumulated Depreciation	<u>\$ 18,927,035</u>	<u>\$ 1,400,677</u>	<u>\$ 301,241</u>	<u>\$ 20,026,471</u>
Total Capital Assets Depreciated, Net	<u>\$ 18,199,619</u>	<u>\$ 1,655,564</u>	<u>\$ 500,142</u>	<u>\$ 19,355,041</u>
Governmental Activities Capital Assets, Net	<u>\$ 22,760,893</u>	<u>\$ 1,655,564</u>	<u>\$ 1,506,707</u>	<u>\$ 22,909,750</u>

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

Governmental Activities:

General Government	\$ 62,933
Finance	1,896
Administration of Justice	3,350
Public Safety	309,130
Public Health and Welfare	32,614
Social, Cultural, and Recreational Services	24,806
Agriculture and Natural Resources	675
Highways	<u>965,273</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,400,677</u></u>

Discretely Presented Dyer County School Department

Governmental Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 1,082,197	\$ 0	\$ 0	\$ 1,082,197
Construction in Progress	4,084,985	4,758,118	3,908,164	4,934,939
Total Capital Assets Not Depreciated	<u>\$ 5,167,182</u>	<u>\$ 4,758,118</u>	<u>\$ 3,908,164</u>	<u>\$ 6,017,136</u>
Capital Assets Depreciated				
Buildings and Improvements	\$ 36,821,745	\$ 9,154,528	\$ 194,932	\$ 45,781,341
Other Capital Assets	6,273,074	583,456	452,704	6,403,826
Total Capital Assets Depreciated	<u>\$ 43,094,819</u>	<u>\$ 9,737,984</u>	<u>\$ 647,636</u>	<u>\$ 52,185,167</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 9,610,816	\$ 743,909	\$ 171,134	\$ 10,183,591
Other Capital Assets	2,965,465	419,949	368,850	3,016,564
Total Accumulated Depreciation	<u>\$ 12,576,281</u>	<u>\$ 1,163,858</u>	<u>\$ 539,984</u>	<u>\$ 13,200,155</u>
Total Capital Assets Depreciated, Net	<u>\$ 30,518,538</u>	<u>\$ 8,574,126</u>	<u>\$ 107,652</u>	<u>\$ 38,985,012</u>
Governmental Activities Capital Assets, Net	<u>\$ 35,685,720</u>	<u>\$ 13,332,244</u>	<u>\$ 4,015,816</u>	<u>\$ 45,002,148</u>

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

Governmental Activities:

Instruction	\$ 696,630
Support Services	409,522
Operation of Non-Instructional Services	<u>57,706</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,163,858</u></u>

D. Construction Commitments

On June 30, 2012, the Education Capital Projects Fund had uncompleted construction contracts of \$337,196 for the construction of two schools. The General Purpose School Fund had uncompleted construction contracts of \$1,308,526 for a high school theater, school roofing, and paving projects. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2012, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 1,422

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2012, consisted of the following amount:

Discretely Presented Dyer County School Department

<u>Transfer Out</u>	<u>Transfer In</u>
	General Purpose School Fund
Nonmajor governmental fund	\$ 24,784

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

F. Capital Leases

Terms of capital lease obligations outstanding at June 30, 2012, are as follows:

Description	Date of Lease	Last Maturity Date	Total Principal Payments	Interest Rate
Sheriff's Patrol Cars	2-23-11	2-23-13	\$ 69,354	2.88 %
Sheriff's Patrol Cars	11-21-11	11-21-13	46,236	2.85
Sheriff's Patrol Cars	12-16-11	12-16-13	18,046	2.85

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	\$ 133,636
Less: Accumulated Depreciation	<u>(46,534)</u>
Total Book Value	<u><u>\$ 87,102</u></u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2012, were as follows:

Year Ending June 30	Governmental Funds
2013	\$ 45,829
2014	<u>22,043</u>
Total Minimum Lease Payments	\$ <u>67,872</u>
Less: Amount Representing Interest	<u>(2,522)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 65,350</u></u>

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, three 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, 2012, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, other loans, and capital leases outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
General Obligation Bonds –				
Refunding	3 to 4.45 %	6-1-26	\$ 7,980,000	\$ 7,065,000
School Refunding Bonds	2 to 4.1	6-1-26	30,240,000	28,975,000
Capital Outlay Note	2.88	5-25-13	125,000	41,666
Other Loans	0 to 1.515	9-15-27	14,633,000	13,244,066
Capital Leases	2.85 to 2.88	12-16-13	133,636	65,350

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

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

The annual requirements to amortize the bonds, notes, and other loans outstanding as of June 30, 2012, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2018-2022	10,725,000	4,616,474	15,341,474
2023-2026	16,540,000	1,725,915	18,265,915
Total	<u>\$ 36,040,000</u>	<u>\$ 12,533,051</u>	<u>\$ 48,573,051</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 41,666	\$ 1,200	\$ 42,866
Total	<u>\$ 41,666</u>	<u>\$ 1,200</u>	<u>\$ 42,866</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
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
2018-2022	4,565,380	2,053,855	67,490	6,686,725
2023-2027	4,079,931	1,918,111	58,530	6,056,572
2028	33,375	2,083	756	36,214
Total	<u>\$ 13,244,066</u>	<u>\$ 6,027,904</u>	<u>\$ 198,746</u>	<u>\$ 19,470,716</u>

There is \$2,560,633 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$940, based on the 2010 federal census. Debt per capita, including notes, capital leases, other loans, and bonds totaled \$1,287, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

Governmental Activities:

	Bonds		Notes	
Balance, July 1, 2011	\$ 37,640,000	\$	122,917	
Reductions	(1,600,000)		(81,251)	
Balance, June 30, 2012	<u>\$ 36,040,000</u>	<u>\$</u>	<u>41,666</u>	
Balance Due Within One Year	<u>\$ 1,640,000</u>	<u>\$</u>	<u>41,666</u>	
	Other Loans		Capital Leases	
Balance, July 1, 2011	\$ 14,127,643	\$	224,035	
Additions	0		64,282	
Reductions	(883,577)		(222,967)	
Balance, June 30, 2012	<u>\$ 13,244,066</u>	<u>\$</u>	<u>65,350</u>	
Balance Due Within One Year	<u>\$ 913,076</u>	<u>\$</u>	<u>43,926</u>	

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 49,391,082
Less: Balance Due Within One Year	(2,638,668)
Unamortized Discount on Debt	(71,131)
Deferred Amount on Refunding	<u>(237,552)</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 46,443,731</u>
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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, 2012, was as follows:

	Compensated Absences	Other Postemployment Benefits
	<u> </u>	<u> </u>
Balance, July 1, 2011	\$ 100,008	\$ 2,282,342
Additions	103,516	873,387
Reductions	<u>(106,179)</u>	<u>(326,880)</u>
Balance, June 30, 2012	<u>\$ 97,345</u>	<u>\$ 2,828,849</u>
Balance Due Within One Year	<u>\$ 4,867</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 2,926,194
Less: Balance Due Within One Year	<u>(4,867)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,921,327</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Dyer County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of

Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2012, were \$118,716 and \$18,910, 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 Solid/Waste Sanitation Fund. These notes were necessary because funds were not available to meet operating expenses coming due before current revenue collections. Short-term debt activity for the year ended June 30, 2012, was as follows:

	Balance			Balance
	7-1-11	Issued	Paid	6-30-12
Revenue Anticipation Notes	\$ 0	\$ 10,000	\$ (10,000)	\$ 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
2010-11	\$ 0	\$ 135,001	\$ 135,001	\$ 0
2011-12	0	156,638	156,638	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. Subsequent Event

On November 5, 2012, Dyer County issued a capital lease totaling \$87,831 for three patrol cars.

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 \$410,000 in April 2007. The county commissions of the participating counties have approved making payments on the debt issuance (Lake County – 50 percent, Dyer County - 25 percent, and Obion County – 25 percent) until such time as the port authority has revenue to make payments.

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 December 31, 2011, Janie Gregson left the Office of Assessor of Property. The County Commission appointed Sheila Holmes to the office on January 9, 2012.

E. Joint Ventures

The McIver's Grant Public Library Board is a joint venture in which the county and the City of Dyersburg participate in the operation of the library facility. The board comprises 14 members, seven of whom are appointed by the Dyer County Commission and seven are appointed by the City of Dyersburg. The library generates its operating revenue from appropriations from the county and city, fines, interest, and copy fees. Dyer County contributed \$130,895 to the operations of the board during the year ended June 30, 2012. 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 began September 2007 and concluded 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 had approved making payments of 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. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, 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, 2012, Dyer County's annual pension cost of \$51,165 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 three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected 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, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$51,165	100%	\$0
6-30-11	47,347	100	0
6-30-10	53,296	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 98.32 percent funded. The actuarial accrued liability for benefits was \$2 million, and the actuarial value of assets was \$1.96 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.03 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.76 million, and the ratio of the UAAL to the covered payroll was 4.43 percent.

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

SCHOOL TEACHERS

Plan Description

The Dyer County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEPP. 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, 2012, 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, 2012, 2011, and 2010, were \$1,086,977, \$1,077,048, and \$734,746, respectively, equal to the required contributions for each year.

2. Deferred Compensation

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

G. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The School Department makes a contribution toward the health insurance premium of the School Department's group medical plan for all employees who accumulate sick leave and meet length of employment and age criteria of 20 years of service with the Dyer County School System at age 55, or 30 years of service regardless of age. Currently, 44 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 \$267.90 to \$282.90 per month. During the year ended June 30, 2012, the Dyer County School Department contributed \$326,880 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	<u>Local Education Group Plan</u>
ARC	\$ 879,000
Interest on the NPO	91,294
Adjustment to the ARC	<u>(96,907)</u>
Annual OPEB cost	\$ 873,387
Less: Amount of contribution	<u>(326,880)</u>
Increase/decrease in NPO	\$ 546,507
Net OPEB obligation, 7-1-11	<u>2,282,342</u>
 Net OPEB obligation, 6-30-12	 <u>\$ 2,828,849</u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Local Education Group	\$ 571,228	56	% \$ 2,032,667
6-30-11	"	580,829	57	2,282,342
6-30-12	"	873,387	37	2,828,849

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-11
Actuarial accrued liability (AAL)	\$ 7,204,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 7,204,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 15,675,847
UAAL as a % of covered payroll	46%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual

results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.25 percent for fiscal year 2012. The trend will decrease to 8.75 percent in fiscal year 2013 and then be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level of percentage of payroll on a closed basis over a 30-year period beginning with 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 and Budget
General Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,824,496	\$ 5,791,823	\$ 5,791,823	\$ 32,673
Licenses and Permits	106,330	105,546	150,638	(44,308)
Fines, Forfeitures, and Penalties	172,355	162,805	280,566	(108,211)
Charges for Current Services	62,763	67,250	67,250	(4,487)
Other Local Revenues	288,945	180,262	298,680	(9,735)
Fees Received from County Officials	1,561,365	1,553,900	1,553,900	7,465
State of Tennessee	2,249,142	1,793,283	2,208,330	40,812
Federal Government	449,505	358,900	358,900	90,605
Other Governments and Citizens Groups	273,644	44,500	308,975	(35,331)
Total Revenues	<u>\$ 10,988,545</u>	<u>\$ 10,058,269</u>	<u>\$ 11,019,062</u>	<u>\$ (30,517)</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 88,396	\$ 90,251	\$ 90,251	\$ 1,855
Board of Equalization	1,940	3,000	3,000	1,060
Other Boards and Committees	4,560	4,800	5,040	480
County Mayor/Executive	220,382	221,805	225,205	4,823
County Attorney	73,001	53,293	78,293	5,292
Election Commission	344,777	480,930	484,913	140,136
Register of Deeds	178,084	182,882	183,782	5,698
Planning	126,221	124,527	131,739	5,518
County Buildings	502,641	376,270	507,648	5,007
Other General Administration	222,800	157,198	225,935	3,135
<u>Finance</u>				
Accounting and Budgeting	153,333	153,051	154,199	866
Property Assessor's Office	307,312	332,232	331,244	23,932
Reappraisal Program	50,002	51,297	51,297	1,295
County Trustee's Office	207,994	210,069	212,359	4,365
County Clerk's Office	347,075	361,751	360,051	12,976
Other Finance	54,002	42,240	59,397	5,395
<u>Administration of Justice</u>				
Circuit Court	407,496	424,732	428,857	21,361
General Sessions Court	193,836	194,715	194,715	879
Drug Court	50,706	50,000	51,897	1,191
Chancery Court	271,379	283,422	279,882	8,503
Juvenile Court	272,922	295,375	302,016	29,094
Other Administration of Justice	75,169	81,240	80,170	5,001
<u>Public Safety</u>				
Sheriff's Department	2,145,821	1,997,490	2,159,100	13,279
Jail	2,152,387	2,166,692	2,186,930	34,543
Fire Prevention and Control	188,940	179,093	194,543	5,603
Disaster Relief	86,141	178,246	178,246	92,105
County Coroner/Medical Examiner	13,656	10,500	14,500	844

(Continued)

Exhibit F-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Safety (Cont.)</u>				
Other Public Safety	\$ 65,726	\$ 65,522	\$ 65,922	\$ 196
<u>Public Health and Welfare</u>				
Local Health Center	104,641	119,372	120,572	15,931
Rabies and Animal Control	79,750	79,750	79,750	0
Crippled Children Services	1,459	1,459	1,459	0
Other Local Health Services	27,071	38,720	34,013	6,942
General Welfare Assistance	87,487	85,500	89,200	1,713
Aid to Dependent Children	125,333	135,600	135,600	10,267
Sanitation Education/Information	60,544	65,977	66,518	5,974
Other Public Health and Welfare	16,648	16,566	16,848	200
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	96,412	108,098	108,098	11,686
Senior Citizens Assistance	265,717	242,685	271,385	5,668
Libraries	130,895	130,895	130,895	0
Parks and Fair Boards	2,700	2,700	2,700	0
Other Social, Cultural, and Recreational	136,864	133,230	140,430	3,566
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	123,428	138,505	138,505	15,077
Soil Conservation	25,780	25,864	25,864	84
Flood Control	31,699	33,619	33,619	1,920
Other Agriculture and Natural Resources	6,886	15,551	15,551	8,665
<u>Other Operations</u>				
Industrial Development	618,029	56,500	618,080	51
Miscellaneous	198,601	134,600	205,600	6,999
<u>Principal on Debt</u>				
General Government	131,840	136,584	136,584	4,744
<u>Interest on Debt</u>				
General Government	4,651	5,000	5,000	349
Total Expenditures	\$ 11,083,134	\$ 10,479,398	\$ 11,617,402	\$ 534,268
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (94,589)	\$ (421,129)	\$ (598,340)	\$ 503,751
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 64,282	\$ 0	\$ 0	\$ 64,282
Insurance Recovery	22,309	0	22,242	67
Total Other Financing Sources (Uses)	\$ 86,591	\$ 0	\$ 22,242	\$ 64,349
Net Change in Fund Balance				
Fund Balance, July 1, 2011	\$ (7,998)	\$ (421,129)	\$ (576,098)	\$ 568,100
Fund Balance, July 1, 2011	19,886,951	1,245,137	1,245,137	18,641,814
Fund Balance, June 30, 2012				
Fund Balance, June 30, 2012	\$ 19,878,953	\$ 824,008	\$ 669,039	\$ 19,209,914

Exhibit F-2

Dyer County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,697,280	\$ 1,690,862	\$ 1,690,862	\$ 6,418
Licenses and Permits	12,416	14,000	14,000	(1,584)
Other Local Revenues	74,879	88,206	49,500	25,379
State of Tennessee	2,190,282	3,360,370	3,360,370	(1,170,088)
Federal Government	520,496	0	0	520,496
Total Revenues	<u>\$ 4,495,353</u>	<u>\$ 5,153,438</u>	<u>\$ 5,114,732</u>	<u>\$ (619,379)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 162,085	\$ 183,245	\$ 184,245	\$ 22,160
Highway and Bridge Maintenance	1,998,195	2,578,851	2,821,285	823,090
Operation and Maintenance of Equipment	588,721	703,256	705,256	116,535
Other Charges	137,314	172,000	168,726	31,412
Employee Benefits	225,521	288,200	209,350	(16,171)
Capital Outlay	1,295,871	1,686,248	2,418,048	1,122,177
<u>Principal on Debt</u>				
Highways and Streets	130,711	125,000	130,712	1
<u>Interest on Debt</u>				
Highways and Streets	2,645	5,200	2,645	0
Total Expenditures	<u>\$ 4,541,063</u>	<u>\$ 5,742,000</u>	<u>\$ 6,640,267</u>	<u>\$ 2,099,204</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (45,710)</u>	<u>\$ (588,562)</u>	<u>\$ (1,525,535)</u>	<u>\$ 1,479,825</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 640,800	\$ 0	\$ 640,800	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 640,800</u>	<u>\$ 0</u>	<u>\$ 640,800</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 595,090	\$ (588,562)	\$ (884,735)	\$ 1,479,825
Fund Balance, July 1, 2011	<u>3,209,747</u>	<u>2,619,636</u>	<u>2,619,636</u>	<u>590,111</u>
Fund Balance, June 30, 2012	<u>\$ 3,804,837</u>	<u>\$ 2,031,074</u>	<u>\$ 1,734,901</u>	<u>\$ 2,069,936</u>

Exhibit F-3

Dyer County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Dyer County School Department
June 30, 2012

(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)
7-1-11	\$ 1,964	\$ 1,998	\$ 34	98.32 %	\$ 759	4.43 %
7-1-09	1,532	1,571	39	97.54	758	5.09
7-1-07	1,374	1,417	43	96.97	695	6.19

Exhibit F-4

Dyer County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Dyer County School Department
June 30, 2012

(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	7-1-09	\$ 0	\$ 5,280	\$ 5,280	0%	\$ 11,331	47%
"	7-1-10	0	5,339	5,339	0	11,331	47
"	7-1-11	0	7,204	7,204	0	15,676	46

DYER COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2012

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 Employee Benefits major appropriation category (the legal level of control) of the Highway/Public Works Fund by \$16,171. 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.

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.

Dyer County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees		
\$	0	0	0	0	0	1,422	\$ 1,422
	36,650	0	100,349	3,184	0	0	140,183
	262	377	0	0	0	0	639
	0	13,130	0	30	0	0	13,160
\$	36,912	13,507	100,349	3,214	1,422	\$ 1,422	\$ 155,404

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Due from Other Governments

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Cash Overdraft
 Due to Other Funds
 Other Deferred Revenues
 Total Liabilities

Fund Balances

Restricted:
 Restricted for Administration of Justice
 Restricted for Public Safety
 Committed:
 Committed for Public Health and Welfare
 Total Fund Balances

Total Liabilities and Fund Balances

\$	0	3,961	0	0	0	0	\$ 3,961
	0	0	0	0	1,422	0	1,422
	0	2,331	0	0	0	0	2,331
\$	0	6,292	0	0	1,422	\$ 1,422	\$ 7,714
	36,912	0	0	3,214	0	0	40,126
	0	0	100,349	0	0	0	100,349
	0	7,215	0	0	0	0	7,215
\$	36,912	7,215	100,349	3,214	0	\$ 1,422	\$ 147,690
\$	36,912	13,507	100,349	3,214	1,422	\$ 1,422	\$ 155,404

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, 2012

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General		
<u>Revenues</u>						
Local Taxes	\$ 2,392	\$ 44,480	\$ 0	\$ 0	\$ 0	\$ 46,872
Licenses and Permits	0	9,219	0	0	0	9,219
Fines, Forfeitures, and Penalties	0	0	84,884	6,071	0	90,955
Charges for Current Services	0	6,897	0	0	0	6,897
Other Local Revenues	0	140	20,676	0	0	20,816
State of Tennessee	0	40,258	0	0	0	40,258
Total Revenues	\$ 2,392	\$ 100,994	\$ 105,560	\$ 6,071	\$ 0	\$ 215,017
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 24	\$ 0	\$ 0	\$ 5,258	\$ 0	\$ 5,282
Public Safety	0	0	74,790	0	0	74,790
Public Health and Welfare	0	104,064	0	0	0	104,064
Total Expenditures	\$ 24	\$ 104,064	\$ 74,790	\$ 5,258	\$ 0	\$ 184,136
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,368	\$ (3,070)	\$ 30,770	\$ 813	\$ 0	\$ 30,881
Net Change in Fund Balances	\$ 2,368	\$ (3,070)	\$ 30,770	\$ 813	\$ 0	\$ 30,881
Fund Balance, July 1, 2011	34,544	10,285	69,579	2,401		116,809
Fund Balance, June 30, 2012	\$ 36,912	\$ 7,215	\$ 100,349	\$ 3,214	\$ 0	\$ 147,690

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,392	\$ 2,450	\$ 2,450	\$ (58)
Total Revenues	\$ 2,392	\$ 2,450	\$ 2,450	\$ (58)
<u>Expenditures</u>				
<u>Administration of Justice</u>				
Other Administration of Justice	\$ 24	\$ 5,528	\$ 5,528	\$ 5,504
Total Expenditures	\$ 24	\$ 5,528	\$ 5,528	\$ 5,504
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,368	\$ (3,078)	\$ (3,078)	\$ 5,446
Net Change in Fund Balance	\$ 2,368	\$ (3,078)	\$ (3,078)	\$ 5,446
Fund Balance, July 1, 2011	34,544	26,009	26,009	8,535
Fund Balance, June 30, 2012	\$ 36,912	\$ 22,931	\$ 22,931	\$ 13,981

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 44,480	\$ 42,562	\$ 42,562	\$ 1,918
Licenses and Permits	9,219	10,500	10,500	(1,281)
Charges for Current Services	6,897	6,600	6,600	297
Other Local Revenues	140	140	140	0
State of Tennessee	40,258	49,100	49,100	(8,842)
Federal Government	0	2,500	2,500	(2,500)
Total Revenues	<u>\$ 100,994</u>	<u>\$ 111,402</u>	<u>\$ 111,402</u>	<u>\$ (10,408)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 104,064	\$ 109,465	\$ 109,465	\$ 5,401
Total Expenditures	<u>\$ 104,064</u>	<u>\$ 109,465</u>	<u>\$ 109,465</u>	<u>\$ 5,401</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,070)</u>	<u>\$ 1,937</u>	<u>\$ 1,937</u>	<u>\$ (5,007)</u>
Net Change in Fund Balance	\$ (3,070)	\$ 1,937	\$ 1,937	\$ (5,007)
Fund Balance, July 1, 2011	<u>10,285</u>	<u>0</u>	<u>0</u>	<u>10,285</u>
Fund Balance, June 30, 2012	<u><u>\$ 7,215</u></u>	<u><u>\$ 1,937</u></u>	<u><u>\$ 1,937</u></u>	<u><u>\$ 5,278</u></u>

Exhibit G-5

Dyer County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 84,884	\$ 63,520	\$ 115,397	\$ (30,513)
Other Local Revenues	20,676	8,550	8,550	12,126
Federal Government	0	35,000	35,000	(35,000)
Total Revenues	<u>\$ 105,560</u>	<u>\$ 107,070</u>	<u>\$ 158,947</u>	<u>\$ (53,387)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 74,790	\$ 34,200	\$ 86,077	\$ 11,287
<u>Principal on Debt</u>				
General Government	0	31,000	31,000	31,000
Total Expenditures	<u>\$ 74,790</u>	<u>\$ 65,200</u>	<u>\$ 117,077</u>	<u>\$ 42,287</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 30,770</u>	<u>\$ 41,870</u>	<u>\$ 41,870</u>	<u>\$ (11,100)</u>
Net Change in Fund Balance	\$ 30,770	\$ 41,870	\$ 41,870	\$ (11,100)
Fund Balance, July 1, 2011	<u>69,579</u>	<u>0</u>	<u>0</u>	<u>69,579</u>
Fund Balance, June 30, 2012	<u>\$ 100,349</u>	<u>\$ 41,870</u>	<u>\$ 41,870</u>	<u>\$ 58,479</u>

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,643,309	\$ 2,714,432	\$ 2,714,432	\$ (71,123)
Other Local Revenues	332,311	875,027	875,027	(542,716)
Federal Government	275,027	0	0	275,027
Total Revenues	<u>\$ 3,250,647</u>	<u>\$ 3,589,459</u>	<u>\$ 3,589,459</u>	<u>\$ (338,812)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 926,667	\$ 926,667	\$ 926,667	\$ 0
Education	2,148,577	2,119,079	2,222,393	73,816
<u>Interest on Debt</u>				
General Government	341,408	341,408	341,408	0
Education	1,451,286	1,474,979	1,451,286	0
<u>Other Debt Service</u>				
General Government	69,416	61,000	72,500	3,084
Education	500	22,458	22,958	22,458
Total Expenditures	<u>\$ 4,937,854</u>	<u>\$ 4,945,591</u>	<u>\$ 5,037,212</u>	<u>\$ 99,358</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,687,207)</u>	<u>\$ (1,356,132)</u>	<u>\$ (1,447,753)</u>	<u>\$ (239,454)</u>
Net Change in Fund Balance	\$ (1,687,207)	\$ (1,356,132)	\$ (1,447,753)	\$ (239,454)
Fund Balance, July 1, 2011	4,247,840	4,313,331	4,313,331	(65,491)
Fund Balance, June 30, 2012	<u>\$ 2,560,633</u>	<u>\$ 2,957,199</u>	<u>\$ 2,865,578</u>	<u>\$ (304,945)</u>

Fiduciary Funds

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

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

Cities - Property Tax Fund – The Cities - Property Tax Fund is used to account for prior years' property tax collections 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, 2012

	Agency Funds					Total
	Cities - Sales Tax	Watershed District	City School ADA - Dyersburg	Constitu- tional Officers - Agency		
	\$ 0	\$ 0	\$ 0	\$ 3,269,221	\$ 3,269,221	\$ 3,269,221
	0	178,546	131,232	0	0	309,778
	552,364	0	393,181	0	0	945,545
	0	0	2,583,330	0	0	2,583,330
	0	0	(41,434)	0	0	(41,434)
Total Assets	\$ 552,364	\$ 178,546	\$ 3,066,309	\$ 3,269,221	\$ 3,269,221	\$ 7,066,440
	\$ 552,364	\$ 178,546	\$ 3,066,309	\$ 0	\$ 0	\$ 3,797,219
	0	0	0	3,269,221	3,269,221	3,269,221
Total Liabilities	\$ 552,364	\$ 178,546	\$ 3,066,309	\$ 3,269,221	\$ 3,269,221	\$ 7,066,440

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Due from Other Governments
 Property Taxes Receivable
 Allowance for Uncollectible Property Taxes

Total Assets

LIABILITIES

Due to Other Taxing Units
 Due to Litigants, Heirs, and Others

Total Liabilities

Exhibit I-2

Dyer County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,303,140	\$ 3,303,140	\$ 0
Due from Other Governments	518,110	552,364	518,110	552,364
Total Assets	\$ 518,110	\$ 3,855,504	\$ 3,821,250	\$ 552,364
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 518,110	\$ 3,855,504	\$ 3,821,250	\$ 552,364
Total Liabilities	\$ 518,110	\$ 3,855,504	\$ 3,821,250	\$ 552,364
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,384	\$ 2,384	\$ 0
Total Assets	\$ 0	\$ 2,384	\$ 2,384	\$ 0
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 0	\$ 2,384	\$ 2,384	\$ 0
Total Liabilities	\$ 0	\$ 2,384	\$ 2,384	\$ 0
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 202,836	\$ 41,869	\$ 66,159	\$ 178,546
Total Assets	\$ 202,836	\$ 41,869	\$ 66,159	\$ 178,546
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 202,836	\$ 41,869	\$ 66,159	\$ 178,546
Total Liabilities	\$ 202,836	\$ 41,869	\$ 66,159	\$ 178,546
<u>City School ADA - Dyersburg Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 143,430	\$ 8,055,774	\$ 8,067,972	\$ 131,232
Due from Other Governments	385,618	393,181	385,618	393,181
Property Taxes Receivable	2,780,629	2,583,330	2,780,629	2,583,330
Allowance for Uncollectible Property Taxes	(44,346)	(41,434)	(44,346)	(41,434)
Total Assets	\$ 3,265,331	\$ 10,990,851	\$ 11,189,873	\$ 3,066,309
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 3,265,331	\$ 10,990,851	\$ 11,189,873	\$ 3,066,309
Total Liabilities	\$ 3,265,331	\$ 10,990,851	\$ 11,189,873	\$ 3,066,309

(Continued)

Exhibit I-2

Dyer County, Tennessee

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 3,257,774	\$ 8,154,969	\$ 8,143,522	\$ 3,269,221
Total Assets	\$ 3,257,774	\$ 8,154,969	\$ 8,143,522	\$ 3,269,221
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 3,257,774	\$ 8,154,969	\$ 8,143,522	\$ 3,269,221
Total Liabilities	\$ 3,257,774	\$ 8,154,969	\$ 8,143,522	\$ 3,269,221
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 3,257,774	\$ 8,154,969	\$ 8,143,522	\$ 3,269,221
Equity in Pooled Cash and Investments	346,266	11,403,167	11,439,655	309,778
Due from Other Governments	903,728	945,545	903,728	945,545
Property Taxes Receivable	2,780,629	2,583,330	2,780,629	2,583,330
Allowance for Uncollectible Property Taxes	(44,346)	(41,434)	(44,346)	(41,434)
Total Assets	\$ 7,244,051	\$ 23,045,577	\$ 23,223,188	\$ 7,066,440
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 3,986,277	\$ 14,890,608	\$ 15,079,666	\$ 3,797,219
Due to Litigants, Heirs, and Others	3,257,774	8,154,969	8,143,522	3,269,221
Total Liabilities	\$ 7,244,051	\$ 23,045,577	\$ 23,223,188	\$ 7,066,440

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, 2012

Functions/Programs	Program Revenues		Expenses	Net (Expense) Revenue and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions		
Governmental Activities:				
Instruction	\$ 17,915,965	\$ 1,200	\$ 1,634,624	\$ (16,280,141)
Support Services	10,652,065	41,621	1,010,549	(9,599,895)
Operation of Non-Instructional Services	2,384,265	774,785	2,143,281	533,801
Total Governmental Activities	\$ 30,952,295	\$ 817,606	\$ 4,788,454	\$ (25,346,235)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 4,609,537
Local Option Sales Taxes				3,319,635
Wheel Tax				1,125,633
Other Local Taxes				1,733
Grants and Contributions Not Restricted to Specific Programs				17,464,778
Unrestricted Investment Income				93,038
Miscellaneous				68,438
Total General Revenues				\$ 26,682,792
Change in Net Assets				\$ 1,336,557
Net Assets, July 1, 2011				49,809,750
Net Assets, June 30, 2012				<u>\$ 51,146,307</u>

Exhibit J-2

Dyer County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Dyer County School Department
June 30, 2012

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General Purpose School	School Transpor - tation	Education Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 880	\$ 880
Equity in Pooled Cash and Investments	6,519,471	1,174,454	699,486	906,633	9,300,044
Accounts Receivable	2,258	70	0	0	2,328
Due from Other Governments	623,494	0	0	12,879	636,373
Property Taxes Receivable	3,323,993	1,101,099	0	0	4,425,092
Allowance for Uncollectible Property Taxes	(51,918)	(18,241)	0	0	(70,159)
Total Assets	\$ 10,417,298	\$ 2,257,382	\$ 699,486	\$ 920,392	\$ 14,294,558
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 80,261	\$ 29,860	\$ 0	\$ 0	\$ 110,121
Accrued Payroll	19,169	2,503	0	0	21,672
Payroll Deductions Payable	654,430	9,890	0	0	664,320
Contracts Payable	0	0	196,010	0	196,010
Retainage Payable	0	0	75,251	0	75,251
Deferred Revenue - Current Property Taxes	3,127,776	1,029,055	0	0	4,156,831
Deferred Revenue - Delinquent Property Taxes	114,461	43,142	0	0	157,603
Other Deferred Revenues	79,342	0	0	0	79,342
Total Liabilities	\$ 4,075,439	\$ 1,114,450	\$ 271,261	\$ 0	\$ 5,461,150
<u>Fund Balances</u>					
Restricted:					
Restricted for Education	\$ 20,612	\$ 0	\$ 0	\$ 0	\$ 20,612
Restricted for Operation of Non-Instructional Services	0	0	0	770,392	770,392
Restricted for Capital Outlay	0	0	428,225	0	428,225
Committed:					
Committed for Support Services	0	1,142,932	0	0	1,142,932
Assigned:					
Assigned for Education	1,452,256	0	0	150,000	1,602,256
Unassigned	4,868,991	0	0	0	4,868,991
Total Fund Balances	\$ 6,341,859	\$ 1,142,932	\$ 428,225	\$ 920,392	\$ 8,833,408
Total Liabilities and Fund Balances	\$ 10,417,298	\$ 2,257,382	\$ 699,486	\$ 920,392	\$ 14,294,558

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, 2012

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)		\$ 8,833,408
(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	4,934,939	
Add: buildings and improvements net of accumulated depreciation	35,597,750	
Add: other capital assets net of accumulated depreciation	<u>3,387,262</u>	45,002,148
(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	\$ (97,345)	
Less: other postemployment benefits liability	<u>(2,828,849)</u>	(2,926,194)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>236,945</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 51,146,307</u>

Exhibit J-4

Dyer County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Dyer County School Department
For the Year Ended June 30, 2012

	Major Funds			Nonmajor	Total
	General Purpose School	School Transportation	Education Capital Projects	Funds Other Governmental Funds	
<u>Revenues</u>					
Local Taxes	\$ 7,794,390	\$ 1,495,838	\$ 0	\$ 0	\$ 9,290,228
Licenses and Permits	1,944	0	0	0	1,944
Charges for Current Services	45,967	31,062	0	741,780	818,809
Other Local Revenues	132,232	9,975	5,896	13,873	161,976
State of Tennessee	17,068,686	995,104	0	21,628	18,085,418
Federal Government	522,296	0	0	3,562,461	4,084,757
Total Revenues	<u>\$ 25,565,515</u>	<u>\$ 2,531,979</u>	<u>\$ 5,896</u>	<u>\$ 4,339,742</u>	<u>\$ 32,443,132</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 14,969,086	\$ 0	\$ 0	\$ 1,560,924	\$ 16,530,010
Support Services	7,425,508	2,405,620	0	504,731	10,335,859
Operation of Non-Instructional Services	810,215	0	0	2,180,178	2,990,393
Capital Outlay	1,092,213	0	0	0	1,092,213
Capital Projects	0	0	8,805,636	0	8,805,636
Total Expenditures	<u>\$ 24,297,022</u>	<u>\$ 2,405,620</u>	<u>\$ 8,805,636</u>	<u>\$ 4,245,833</u>	<u>\$ 39,754,111</u>
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 1,268,493	\$ 126,359	\$ (8,799,740)	\$ 93,909	\$ (7,310,979)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 1,152	\$ 28,080	\$ 0	\$ 0	\$ 29,232
Transfers In	24,784	0	0	0	24,784
Transfers Out	0	0	0	(24,784)	(24,784)
Total Other Financing Sources (Uses)	<u>\$ 25,936</u>	<u>\$ 28,080</u>	<u>\$ 0</u>	<u>\$ (24,784)</u>	<u>\$ 29,232</u>
Net Change in Fund Balances	\$ 1,294,429	\$ 154,439	\$ (8,799,740)	\$ 69,125	\$ (7,281,747)
Fund Balance, July 1, 2011	<u>5,047,430</u>	<u>988,493</u>	<u>9,227,965</u>	<u>851,267</u>	<u>16,115,155</u>
Fund Balance, June 30, 2012	<u>\$ 6,341,859</u>	<u>\$ 1,142,932</u>	<u>\$ 428,225</u>	<u>\$ 920,392</u>	<u>\$ 8,833,408</u>

Exhibit J-5

Dyer County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Dyer County School Department
For the Year Ended June 30, 2012

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)		\$ (7,281,747)
(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	\$ 10,587,938	
Less: current-year depreciation expense	<u>(1,163,858)</u>	9,424,080
(2) The net effect of various miscellaneous transactions involving capital assets (sales) is to decrease net assets.		
Less: loss on disposal of capital assets	\$ (41,958)	
Less: proceeds received from the disposal of capital assets	<u>(65,694)</u>	(107,652)
(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, 2012	\$ 236,945	
Less: deferred delinquent property taxes and other deferred June 30, 2011	<u>(391,225)</u>	(154,280)
(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	\$ 2,663	
Change in other postemployment benefits liability	<u>(546,507)</u>	<u>(543,844)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,336,557</u>

Exhibit J-6

Dyer County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Dyer County School Department
June 30, 2012

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 880	\$ 880
Equity in Pooled Cash and Investments	137,121	769,512	906,633
Due from Other Governments	12,879	0	12,879
Total Assets	<u>\$ 150,000</u>	<u>\$ 770,392</u>	<u>\$ 920,392</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Operation of Non-Instructional Services	\$ 0	\$ 770,392	\$ 770,392
Assigned:			
Assigned for Education	150,000	0	150,000
Total Fund Balances	<u>\$ 150,000</u>	<u>\$ 770,392</u>	<u>\$ 920,392</u>

Exhibit J-7

Dyer County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Dyer County School Department
For the Year Ended June 30, 2012

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 741,780	\$ 741,780
Other Local Revenues	0	13,873	13,873
State of Tennessee	0	21,628	21,628
Federal Government	2,108,569	1,453,892	3,562,461
Total Revenues	<u>\$ 2,108,569</u>	<u>\$ 2,231,173</u>	<u>\$ 4,339,742</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,560,924	\$ 0	\$ 1,560,924
Support Services	504,731	0	504,731
Operation of Non-Instructional Services	18,285	2,161,893	2,180,178
Total Expenditures	<u>\$ 2,083,940</u>	<u>\$ 2,161,893</u>	<u>\$ 4,245,833</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 24,629</u>	<u>\$ 69,280</u>	<u>\$ 93,909</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (24,784)	\$ 0	\$ (24,784)
Total Other Financing Sources (Uses)	<u>\$ (24,784)</u>	<u>\$ 0</u>	<u>\$ (24,784)</u>
Net Change in Fund Balances	\$ (155)	\$ 69,280	\$ 69,125
Fund Balance, July 1, 2011	150,155	701,112	851,267
Fund Balance, June 30, 2012	<u>\$ 150,000</u>	<u>\$ 770,392</u>	<u>\$ 920,392</u>

Exhibit J-8

Dyer County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Dyer County School Department
General Purpose School Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 7,794,390	\$ 0	\$ 0	\$ 7,794,390	\$ 7,402,193	\$ 7,402,193	\$ 392,197
Licenses and Permits	1,944	0	0	1,944	2,152	2,152	(208)
Charges for Current Services	45,967	0	0	45,967	24,450	53,336	(7,369)
Other Local Revenues	132,232	0	0	132,232	173,108	173,108	(40,876)
State of Tennessee	17,068,686	0	0	17,068,686	16,804,681	16,942,307	126,379
Federal Government	522,296	0	0	522,296	352,222	352,222	170,074
Total Revenues	\$ 25,565,515	\$ 0	\$ 0	\$ 25,565,515	\$ 24,758,806	\$ 24,925,318	\$ 640,197
Expenditures							
<u>Instruction</u>							
Regular Instruction Program	\$ 12,761,186	\$ (111,381)	\$ 39,870	\$ 12,689,675	\$ 12,801,654	\$ 12,801,653	\$ 111,978
Special Education Program	1,669,849	0	2,178	1,672,027	1,717,171	1,717,171	45,144
Vocational Education Program	529,801	0	27,124	556,925	557,627	557,627	702
Student Body Education Program	8,250	0	0	8,250	9,800	9,800	1,550
<u>Support Services</u>							
Attendance	103,115	0	22	103,137	118,983	118,982	15,845
Health Services	272,269	0	3,030	275,299	275,352	275,352	53
Other Student Support	308,893	0	0	308,893	357,173	357,172	48,279
Regular Instruction Program	734,506	(13,904)	40,991	761,593	835,376	835,376	73,783
Special Education Program	109,864	0	0	109,864	132,988	132,988	23,124
Vocational Education Program	41,503	(100)	0	41,403	47,633	47,633	6,230
Other Programs	137,626	0	0	137,626	0	137,626	0
Board of Education	430,695	(1,615)	0	429,080	509,082	509,082	80,002
Director of Schools	268,959	0	0	268,959	294,296	294,296	25,337

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Office of the Principal	\$ 1,516,722	\$ (210)	\$ 15,550	\$ 1,532,062	\$ 1,555,685	\$ 1,555,684	\$ 23,622
Fiscal Services	238,247	0	373	238,620	260,291	260,291	21,671
Operation of Plant	2,169,416	0	3,450	2,172,866	2,367,881	2,367,880	195,014
Maintenance of Plant	1,093,693	(2,524)	10,686	1,101,855	1,155,699	1,155,699	53,844
<u>Operation of Non-Instructional Services</u>							
Food Service	12,696	0	0	12,696	17,963	17,963	5,267
Community Services	85,039	0	456	85,495	60,075	88,961	3,466
Early Childhood Education	712,480	(46,554)	0	665,926	667,450	667,450	1,524
<u>Capital Outlay</u>							
Regular Capital Outlay	1,092,213	(476,775)	1,308,526	1,923,964	2,170,560	2,170,560	246,596
Total Expenditures	\$ 24,297,022	\$ (653,063)	\$ 1,452,256	\$ 25,096,215	\$ 25,912,739	\$ 26,079,246	\$ 983,031
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,268,493	\$ 653,063	\$ (1,452,256)	\$ 469,300	\$ (1,153,933)	\$ (1,153,928)	\$ 1,623,238
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 1,152	\$ 0	\$ 0	\$ 1,152	\$ 0	\$ 0	\$ 1,152
Transfers In	24,784	0	0	24,784	33,260	33,260	(8,476)
Total Other Financing Sources (Uses)	\$ 25,936	\$ 0	\$ 0	\$ 25,936	\$ 33,260	\$ 33,260	\$ (7,324)
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 1,294,429	\$ 653,063	\$ (1,452,256)	\$ 495,236	\$ (1,120,673)	\$ (1,120,668)	\$ 1,615,904
Fund Balance, July 1, 2011	5,047,430	(653,063)	0	4,394,367	4,794,059	4,794,059	(399,692)
Fund Balance, June 30, 2012	\$ 6,341,859	\$ 0	\$ (1,452,256)	\$ 4,889,603	\$ 3,673,386	\$ 3,673,391	\$ 1,216,212

Exhibit J-9

Dyer County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Dyer County School Department
School Federal Projects Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,108,569	\$ 2,284,444	\$ 2,279,677	\$ (171,108)
Total Revenues	<u>\$ 2,108,569</u>	<u>\$ 2,284,444</u>	<u>\$ 2,279,677</u>	<u>\$ (171,108)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 831,188	\$ 830,528	\$ 839,205	\$ 8,017
Special Education Program	700,179	801,280	779,705	79,526
Vocational Education Program	29,557	29,366	29,557	0
<u>Support Services</u>				
Health Services	2,170	3,146	2,170	0
Other Student Support	119,416	124,623	125,410	5,994
Regular Instruction Program	115,994	181,495	177,973	61,979
Special Education Program	217,888	214,507	231,750	13,862
Vocational Education Program	807	1,921	807	0
Office of the Principal	19,985	24,086	19,985	0
Operation of Plant	8,322	8,622	8,322	0
Maintenance of Plant	5,178	5,173	5,178	0
Transportation	14,971	13,764	14,971	0
<u>Operation of Non-Instructional Services</u>				
Food Service	10,440	11,636	10,440	0
Community Services	931	878	931	0
Early Childhood Education	6,914	6,957	6,914	0
Total Expenditures	<u>\$ 2,083,940</u>	<u>\$ 2,257,982</u>	<u>\$ 2,253,318</u>	<u>\$ 169,378</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 24,629</u>	<u>\$ 26,462</u>	<u>\$ 26,359</u>	<u>\$ (1,730)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (24,784)	\$ (26,615)	\$ (26,511)	\$ 1,727
Total Other Financing Sources (Uses)	<u>\$ (24,784)</u>	<u>\$ (26,615)</u>	<u>\$ (26,511)</u>	<u>\$ 1,727</u>
Net Change in Fund Balance	\$ (155)	\$ (153)	\$ (152)	\$ (3)
Fund Balance, July 1, 2011	<u>150,155</u>	<u>150,155</u>	<u>542,188</u>	<u>(392,033)</u>
Fund Balance, June 30, 2012	<u>\$ 150,000</u>	<u>\$ 150,002</u>	<u>\$ 542,036</u>	<u>\$ (392,036)</u>

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 741,780	\$ 0	\$ 0	\$ 741,780	\$ 729,000	\$ 747,000	\$ (5,220)
Other Local Revenues	13,873	0	0	13,873	16,000	16,000	(2,127)
State of Tennessee	21,628	0	0	21,628	21,300	21,300	328
Federal Government	1,453,892	0	0	1,453,892	1,229,000	1,440,196	13,696
Total Revenues	\$ 2,231,173	\$ 0	\$ 0	\$ 2,231,173	\$ 1,995,300	\$ 2,224,496	\$ 6,677
<u>Expenditures</u>							
Operation of Non-Instructional Services	\$ 2,161,893	\$ (98,851)	\$ 119,201	\$ 2,182,243	\$ 1,995,300	\$ 2,224,496	\$ 42,253
Food Service	\$ 2,161,893	\$ (98,851)	\$ 119,201	\$ 2,182,243	\$ 1,995,300	\$ 2,224,496	\$ 42,253
Total Expenditures	\$ 69,280	\$ 98,851	\$ (119,201)	\$ 48,930	\$ 0	\$ 0	\$ 48,930
Excess (Deficiency) of Revenues Over Expenditures	\$ 69,280	\$ 98,851	\$ (119,201)	\$ 48,930	\$ 0	\$ 0	\$ 48,930
Net Change in Fund Balance Fund Balance, July 1, 2011	701,112	(98,851)	0	602,261	542,188	542,188	60,073
Fund Balance, June 30, 2012	\$ 770,392	\$ 0	\$ (119,201)	\$ 651,191	\$ 542,188	\$ 542,188	\$ 109,003

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,495,838	\$ 0	\$ 0	\$ 1,495,838	\$ 1,498,959	\$ 1,498,959	\$ (3,121)
Charges for Current Services	31,062	0	0	31,062	49,412	49,412	(18,350)
Other Local Revenues	9,975	0	0	9,975	21,500	21,500	(11,525)
State of Tennessee	995,104	0	0	995,104	978,380	978,380	16,724
Total Revenues	\$ 2,531,979	\$ 0	\$ 0	\$ 2,531,979	\$ 2,548,251	\$ 2,548,251	\$ (16,272)
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 27,151	\$ 0	\$ 0	\$ 27,151	\$ 33,000	\$ 33,000	\$ 5,849
Operation of Plant	18,101	0	0	18,101	20,650	20,650	2,549
Transportation	2,360,368	(18,377)	109,575	2,451,566	2,494,601	2,494,600	43,034
Total Expenditures	\$ 2,405,620	\$ (18,377)	\$ 109,575	\$ 2,496,818	\$ 2,548,251	\$ 2,548,250	\$ 51,432
Excess (Deficiency) of Revenues Over Expenditures	\$ 126,359	\$ 18,377	\$ (109,575)	\$ 35,161	\$ 0	\$ 1	\$ 35,160
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 28,080	\$ 0	\$ 0	\$ 28,080	\$ 0	\$ 0	\$ 28,080
Total Other Financing Sources (Uses)	\$ 28,080	\$ 0	\$ 0	\$ 28,080	\$ 0	\$ 0	\$ 28,080
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 154,439	\$ 18,377	\$ (109,575)	\$ 63,241	\$ 0	\$ 1	\$ 63,240
	988,493	(18,377)	0	970,116	1,024,092	1,024,092	(53,976)
Fund Balance, June 30, 2012	\$ 1,142,932	\$ 0	\$ (109,575)	\$ 1,033,357	\$ 1,024,092	\$ 1,024,093	\$ 9,264

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 5,896	\$ 0	\$ 0	\$ 5,896	\$ 11,109	\$ 11,109	\$ (5,213)
Total Revenues	\$ 5,896	\$ 0	\$ 0	\$ 5,896	\$ 11,109	\$ 11,109	\$ (5,213)
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 8,805,636	\$ (8,332,633)	\$ 337,196	\$ 810,199	\$ 10,520,761	\$ 10,520,762	\$ 2,690,185
Total Expenditures	\$ 8,805,636	\$ (8,332,633)	\$ 337,196	\$ 810,199	\$ 10,520,761	\$ 10,520,762	\$ 2,690,185
Excess (Deficiency) of Revenues Over Expenditures	\$ (8,799,740)	\$ 8,332,633	\$ (337,196)	\$ (804,303)	\$ (10,509,652)	\$ (10,509,653)	\$ 2,684,972
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (8,799,740)	\$ 8,332,633	\$ (337,196)	\$ (804,303)	\$ (10,509,652)	\$ (10,509,653)	\$ 2,684,972
	\$ 9,227,965	\$ (8,332,633)	\$ 0	\$ 895,332	\$ 10,509,652	\$ 10,509,653	\$ (2,593,943)
Fund Balance, June 30, 2012	\$ 428,225	\$ 0	\$ (337,196)	\$ 91,029	\$ 0	\$ 0	\$ 91,029

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, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
NOTES PAYABLE								
Payable through General Fund								
Edenton-Lamb Building	\$ 237,500	4.15%	3-30-06	3-29-12	\$ 39,584	\$ 0	\$ 39,584	\$ 0
Payable through General Debt Service Fund								
Courthouse Improvements	125,000	2.88	5-25-10	5-25-13	83,333	0	41,667	41,666
Total Notes Payable					\$ 122,917	\$ 0	\$ 81,251	\$ 41,666
CAPITAL LEASES PAYABLE								
Payable through General Fund								
Sheriff's Patrol Cars	143,284	3.47	10-2-09	10-2-11	\$ 47,756	\$ 0	\$ 47,756	\$ 0
Sheriff's Patrol Cars	69,354	2.88	2-23-11	2-23-13	45,568	0	22,462	23,106
Sheriff's Patrol Cars	46,236	2.85	11-21-11	11-21-13	0	46,236	15,851	30,385
Sheriff's Patrol Cars	18,046	2.85	12-16-11	12-16-13	0	18,046	6,187	11,859
Total Payable through General Fund					\$ 93,324	\$ 64,282	\$ 92,256	\$ 65,350
Payable through Highway/Public Works Fund								
Dump Trucks	390,612	4.39	3-12-07	3-20-12	\$ 130,711	\$ 0	\$ 130,711	\$ 0
Total Payable through Highway/Public Works Fund					\$ 130,711	\$ 0	\$ 130,711	\$ 0
Total Capital Leases Payable					\$ 224,035	\$ 64,282	\$ 222,967	\$ 65,350
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	\$ 8,454,643	\$ 0	\$ 559,090	\$ 7,895,553
Qualified School Construction Bonds, Series 2010	5,673,000	(1)	9-1-10	9-15-27	5,673,000	0	324,487	5,348,513
Total Other Loans Payable					\$ 14,127,643	\$ 0	\$ 883,577	\$ 13,244,066
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	\$ 7,400,000	\$ 0	\$ 335,000	\$ 7,065,000
School Refunding Bonds, Series 2009A	19,910,000	2 to 4.1	6-4-09	6-1-26	19,910,000	0	900,000	19,010,000
School Refunding Bonds, Series 2009B	10,330,000	2 to 4.1	7-28-09	6-1-26	10,330,000	0	365,000	9,965,000
Total Bonds Payable					\$ 37,640,000	\$ 0	\$ 1,600,000	\$ 36,040,000

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

Exhibit K-2

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

Year Ending June 30	Notes			
	Principal	Interest	Total	
2013	\$ 41,666	\$ 1,200	\$ 42,866	
Total	\$ 41,666	\$ 1,200	\$ 42,866	
Year Ending June 30	Capital Leases			
	Principal	Interest	Total	
2013	\$ 43,926	\$ 1,903	\$ 45,829	
2014	21,424	619	22,043	
Total	\$ 65,350	\$ 2,522	\$ 67,872	
Year Ending June 30	Other Loans			
	Principal	Interest (1)	Other Fees	Total
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	\$ 13,244,066	\$ 6,027,904	\$ 198,746	\$ 19,470,716

(Continued)

Exhibit K-2

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
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	\$ 36,040,000	\$ 12,533,051	\$ 48,573,051

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

Exhibit K-3

Dyer County, Tennessee
Schedule of Notes Receivable
June 30, 2012

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-12
General Fund	Dyer County Industrial Development Board	\$ 3,744,016	6-2-03	7-5-18	6%	\$ 1,918,150
Total Notes Receivable						<u>\$ 1,918,150</u>

Exhibit K-4

Dyer County, Tennessee
Schedule of Transfers
Discretely Presented Dyer County School Department
For the Year Ended June 30, 2012

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect costs	\$ 24,784
Total Transfers			\$ 24,784

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, 2012

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 81,930	\$ 50,000	Travelers Casualty and Surety Company of America
Road Supervisor	Section 8-24-102, TCA	75,338	100,000	"
Director of Schools	State Board of Education and County Board of Education	144,090 (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	32,736 (2)	10,000	Fidelity and Deposit Company of Maryland
Janie Gregson (7-1-11 through 12-31-11)		31,999	10,000	Travelers Casualty and Surety Company of America
Sheila Holmes (1-9-12 through 6-30-12)		65,472	50,000	"
County Clerk	Section 8-24-102, TCA	65,472	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	65,472	85,000	"
Clerk and Master	Section 8-24-102, TCA	65,472	25,000	"
Register	Section 8-24-102, TCA	75,635	25,000	"
Sheriff	Section 8-24-102, TCA			
General County/Highway Department Employees			150,000	Local Government Property and Casualty Fund
All School Employees			150,000	Netherlands Insurance Company

(1) Includes a chief executive officer training supplement of \$1,000 and a state bonus of \$4,616. Does not include benefits for medical and life insurance premiums of \$18,000 and retirement of \$8,400.

(2) Does not include in-lieu-of insurance benefits of \$2,400.

Exhibit K-6

Dyer County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2012

	Special Revenue Funds										Total
	General	Law Library	Solid			District Attorney General	Highway/ Public Works	Debt Service Fund			
			Waste/ Sanitation	Drug Control	0 \$			General	Debt Service		
Local Taxes											
County Property Taxes											
Current Property Tax	\$ 4,796,192	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,607,858	\$ 1,358,917	\$ 7,762,967		
Trustee's Collections - Prior Year	180,211	0	0	0	0	0	61,595	40,163	281,969		
Trustee's Collections - Bankruptcy	3,790	0	0	0	0	0	1,290	1,196	6,276		
Circuit/Clerk & Master Collections - Prior Years	46,090	0	0	0	0	0	15,818	13,252	75,160		
Interest and Penalty	31,268	0	0	0	0	0	10,719	8,862	50,849		
Payments in-Lieu-of Taxes - Local Utilities	102,278	0	44,480	0	0	0	0	0	146,758		
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	0	1,013,804	1,013,804		
County Local Option Taxes											
Local Option Sales Tax	0	0	0	0	0	0	0	96,284	96,284		
Litigation Tax - General	168,113	0	0	0	0	0	0	0	168,113		
Litigation Tax - Special Purpose	0	2,392	0	0	0	0	0	0	2,392		
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	110,831	110,831		
Business Tax	378,823	0	0	0	0	0	0	0	378,823		
Statutory Local Taxes											
Bank Excise Tax	27,434	0	0	0	0	0	0	0	27,434		
Wholesale Beer Tax	90,297	0	0	0	0	0	0	0	90,297		
Total Local Taxes	\$ 5,824,496	\$ 2,392	\$ 44,480	\$ 0	\$ 0	\$ 0	\$ 1,697,280	\$ 2,643,309	\$ 10,211,957		
Licenses and Permits											
Licenses											
Animal Registration	\$ 0	\$ 0	\$ 9,219	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,219		
Cable TV Franchise	80,159	0	0	0	0	0	0	0	80,159		
Permits											
Beer Permits	1,655	0	0	0	0	0	0	0	1,655		
Building Permits	0	0	0	0	0	0	12,416	0	12,416		
Other Permits	24,516	0	0	0	0	0	0	0	24,516		
Total Licenses and Permits	\$ 106,330	\$ 0	\$ 9,219	\$ 0	\$ 0	\$ 0	\$ 12,416	\$ 0	\$ 127,965		

(Continued)

Exhibit K-6

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	General Debt Service		
<u>Circuit Court</u>									
Fines	\$ 12,739	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,739	
Officers Costs	2,811	0	0	0	0	0	0	2,811	
Drug Control Fines	0	0	0	1,902	0	0	0	1,902	
Drug Court Fees	5,177	0	0	0	0	0	0	5,177	
Data Entry Fee - Circuit Court	555	0	0	0	0	0	0	555	
<u>General Sessions Court</u>									
Fines	21,585	0	0	0	0	0	0	21,585	
Officers Costs	15,773	0	0	0	0	0	0	15,773	
Game and Fish Fines	205	0	0	0	0	0	0	205	
Drug Control Fines	3,262	0	0	75	0	0	0	3,337	
Drug Court Fees	2,344	0	0	0	0	0	0	2,344	
Jail Fees	4,746	0	0	0	0	0	0	4,746	
District Attorney General Fees	0	0	0	0	4,865	0	0	4,865	
DUI Treatment Fines	5,742	0	0	0	0	0	0	5,742	
Data Entry Fee - General Sessions Court	8,486	0	0	0	0	0	0	8,486	
<u>Juvenile Court</u>									
Fines	1,188	0	0	0	0	0	0	1,188	
Courtroom Security Fee	240	0	0	0	0	0	0	240	
<u>Chancery Court</u>									
Officers Costs	5,738	0	0	0	0	0	0	5,738	
Data Entry Fee - Chancery Court	4,726	0	0	0	0	0	0	4,726	
<u>Courts in Other District Counties</u>									
District Attorney General Fees	0	0	0	0	1,206	0	0	1,206	
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	0	0	0	82,907	0	0	0	82,907	
Other Fines, Forfeitures, and Penalties	77,038	0	0	0	0	0	0	77,038	
Total Fines, Forfeitures, and Penalties	\$ 172,355	\$ 0	\$ 0	\$ 84,884	\$ 6,071	\$ 0	\$ 0	\$ 263,310	

(Continued)

Exhibit K-6

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	General Debt Service		
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Solid Waste Disposal Fees	0 \$	0 \$	6,897 \$	0 \$	0 \$	0 \$	0 \$	6,897	
Patient Charges	5,915	0	0	0	0	0	0	5,915	
Other General Service Charges	570	0	0	0	0	0	0	570	
<u>Fees</u>									
Subdivision Lot Fees	846	0	0	0	0	0	0	846	
Copy Fees	77	0	0	0	0	0	0	77	
Telephone Commissions	38,049	0	0	0	0	0	0	38,049	
Vending Machine Collections	121	0	0	0	0	0	0	121	
Data Processing Fee - Register	10,844	0	0	0	0	0	0	10,844	
Data Processing Fee - Sheriff	2,687	0	0	0	0	0	0	2,687	
Sexual Offender Registration Fees - Sheriff	1,100	0	0	0	0	0	0	1,100	
Data Processing Fee - County Clerk	2,554	0	0	0	0	0	0	2,554	
<u>Total Charges for Current Services</u>	\$ 62,763 \$	0 \$	6,897 \$	0 \$	0 \$	0 \$	0 \$	69,660	
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	11,718 \$	0 \$	0 \$	353 \$	0 \$	27,592 \$	332,311 \$	371,974	
Lease/Rentals	56,240	0	140	0	0	31,482	0	87,862	
Sale of Materials and Supplies	0	0	0	0	0	4,578	0	4,578	
Commissary Sales	59,410	0	0	0	0	0	0	59,410	
Miscellaneous Refunds	126,708	0	0	0	0	0	0	126,708	
<u>Nonrecurring Items</u>									
Sale of Equipment	10,371	0	0	0	0	10,937	0	21,308	
Sale of Property	1,900	0	0	0	0	0	0	1,900	
Damages Recovered from Individuals	2,871	0	0	860	0	290	0	4,021	
Contributions and Gifts	17,500	0	0	19,463	0	0	0	36,963	
<u>Other Local Revenues</u>									
Other Local Revenues	2,227	0	0	0	0	0	0	2,227	
<u>Total Other Local Revenues</u>	\$ 288,945 \$	0 \$	140 \$	20,676 \$	0 \$	74,879 \$	332,311 \$	716,951	

(Continued)

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

	Special Revenue Funds										Debt Service Fund	Total
	General	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	Debt Service Fund					
							General	Debt	Service			
<u>Fees Received from County Officials</u>												
<u>Fees in-Lieu-of-Salary</u>												
County Clerk	\$ 337,507	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 337,507
Circuit Court Clerk	61,757	0	0	0	0	0	0	0	0	0	0	61,757
General Sessions Court Clerk	259,948	0	0	0	0	0	0	0	0	0	0	259,948
Clerk and Master	227,248	0	0	0	0	0	0	0	0	0	0	227,248
Register	121,950	0	0	0	0	0	0	0	0	0	0	121,950
Sheriff	13,580	0	0	0	0	0	0	0	0	0	0	13,580
Trustee	539,375	0	0	0	0	0	0	0	0	0	0	539,375
Total Fees Received from County Officials	\$ 1,561,365	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,561,365
<u>State of Tennessee</u>												
<u>General Government Grants</u>												
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Aging Programs	225,763	0	0	0	0	0	0	0	0	0	0	225,763
Solid Waste Grants	0	0	21,837	0	0	0	0	0	0	0	0	21,837
Other General Government Grants	100,000	0	0	0	0	0	0	0	0	0	0	100,000
<u>Public Safety Grants</u>												
Law Enforcement Training Programs	18,000	0	0	0	0	0	0	0	0	0	0	18,000
Drug Control Grants	48,221	0	0	0	0	0	0	0	0	0	0	48,221
<u>Health and Welfare Grants</u>												
Health Department Programs	28,953	0	0	0	0	0	0	0	0	0	0	28,953
<u>Public Works Grants</u>												
Bridge Program	0	0	0	0	0	346,631	0	0	0	0	0	346,631
Litter Program	45,242	0	0	0	0	0	0	0	0	0	0	45,242
<u>Other State Revenues</u>												
Income Tax	44,688	0	0	0	0	0	0	0	0	0	0	44,688
Beer Tax	0	0	18,421	0	0	0	0	0	0	0	0	18,421
Alcoholic Beverage Tax	64,465	0	0	0	0	0	0	0	0	0	0	64,465
Contracted Prisoner Boarding	1,281,201	0	0	0	0	0	0	0	0	0	0	1,281,201
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,815,991	0	0	0	0	0	1,815,991
Petroleum Special Tax	0	0	0	0	0	27,660	0	0	0	0	0	27,660

(Continued)

Exhibit K-6

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

	Special Revenue Funds							Debt Service Fund	Total
	General	Law Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	General Debt Service		
<u>State of Tennessee (Cont.)</u>									
<u>Other State Revenues (Cont.)</u>									
Registrar's Salary Supplement	\$ 15,164	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,164	
Other State Grants	320,899	0	0	0	0	0	0	320,899	
Other State Revenues	47,546	0	0	0	0	0	0	47,546	
Total State of Tennessee	\$ 2,249,142	\$ 0	\$ 40,258	\$ 0	\$ 0	\$ 2,190,282	\$ 0	\$ 4,479,682	
<u>Federal Government</u>									
<u>Federal Through State</u>									
USDA - Other	\$ 57,735	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 57,735	
Disaster Relief	136,539	0	0	0	0	519,820	0	656,359	
ARRA Grant # 1	0	0	0	0	0	676	0	676	
Other Federal through State	245,431	0	0	0	0	0	0	245,431	
<u>Direct Federal Revenue</u>									
Tax Credit Bond Rebate	0	0	0	0	0	0	275,027	275,027	
Other Direct Federal Revenue	9,800	0	0	0	0	0	0	9,800	
Total Federal Government	\$ 449,505	\$ 0	\$ 0	\$ 0	\$ 0	\$ 520,496	\$ 275,027	\$ 1,245,028	
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Prisoner Board	\$ 2,616	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,616	
Contracted Services	6,553	0	0	0	0	0	0	6,553	
<u>Other</u>									
Other	264,475	0	0	0	0	0	0	264,475	
Total Other Governments and Citizens Groups	\$ 273,644	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 273,644	
Total	\$ 10,988,545	\$ 2,392	\$ 100,994	\$ 105,560	\$ 6,071	\$ 4,495,353	\$ 3,250,647	\$ 18,949,562	

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, 2012

	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	Education Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,212,970	\$ 0	\$ 0	\$ 1,167,957	\$ 0	\$ 4,380,927
Trustee's Collections - Prior Year	95,599	0	0	37,993	0	133,592
Trustee's Collections - Bankruptcy	3,014	0	0	988	0	4,002
Circuit/Clerk & Master Collections - Prior Years	31,365	0	0	12,468	0	43,833
Interest and Penalty	21,290	0	0	8,424	0	29,714
Payments in-Lieu-of Taxes - T.V.A.	207	0	0	0	0	207
<u>County Local Option Taxes</u>						
Local Option Sales Tax	3,570,529	0	0	0	0	3,570,529
Wheel Tax	857,625	0	0	268,008	0	1,125,633
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	1,791	0	0	0	0	1,791
Total Local Taxes	\$ 7,794,390	\$ 0	\$ 0	\$ 1,495,838	\$ 0	\$ 9,290,228
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,665	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,665
<u>Permits</u>						
Other Permits	279	0	0	0	0	279
Total Licenses and Permits	\$ 1,944	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,944
<u>Charges for Current Services</u>						
<u>Fees</u>						
Vending Machine Collections	\$ 691	\$ 0	\$ 0	\$ 512	\$ 0	\$ 1,203
<u>Education Charges</u>						
Tuition - Summer School	1,200	0	0	0	0	1,200
Lunch Payments - Children	0	0	406,305	0	0	406,305
Lunch Payments - Adults	0	0	61,319	0	0	61,319
Income from Breakfast	0	0	50,513	0	0	50,513
A la carte Sales	0	0	217,948	0	0	217,948
Contract for Administrative Services with Other LEAs	41,621	0	0	0	0	41,621
Receipts from Individual Schools	2,455	0	5,695	30,550	0	38,700
Total Charges for Current Services	\$ 45,967	\$ 0	\$ 741,780	\$ 31,062	\$ 0	\$ 818,809

(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 Transportation	Education Capital Projects	Total
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 81,197	\$ 0	\$ 5,945	\$ 0	\$ 5,896	\$ 93,038
Sale of Materials and Supplies	1,842	0	0	0	0	1,842
Refund of Telecommunication & Internet Fees (E-Rate)	48,238	0	0	0	0	48,238
Miscellaneous Refunds	0	0	7,928	74	0	8,002
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	9,863	0	9,863
Sale of Property	455	0	0	0	0	455
Damages Recovered from Individuals	0	0	0	38	0	38
Contributions and Gifts	500	0	0	0	0	500
Total Other Local Revenues	\$ 132,232	\$ 0	\$ 13,873	\$ 9,975	\$ 5,896	\$ 161,976
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-Behalf Contributions for OPEB	\$ 137,626	\$ 0	\$ 0	\$ 0	\$ 0	\$ 137,626
<u>State Education Funds</u>						
Basic Education Program	14,965,896	0	0	995,104	0	15,961,000
Early Childhood Education	665,717	0	0	0	0	665,717
School Food Service	0	0	21,628	0	0	21,628
Driver Education	15,567	0	0	0	0	15,567
Other State Education Funds	269,359	0	0	0	0	269,359
Career Ladder Program	109,447	0	0	0	0	109,447
Career Ladder - Extended Contract	74,500	0	0	0	0	74,500
Career Ladder - Extended Contract - ARRA	42,718	0	0	0	0	42,718
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	769,856	0	0	0	0	769,856
Safe Schools - ARRA	18,000	0	0	0	0	18,000
Total State of Tennessee	\$ 17,068,686	\$ 0	\$ 21,628	\$ 995,104	\$ 0	\$ 18,085,418
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,017,295	\$ 0	\$ 0	\$ 1,017,295
USDA - Commodities	0	0	91,196	0	0	91,196
Breakfast	0	0	341,786	0	0	341,786

(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 (Cont.)						
<u>Federal Through State (Cont.)</u>						
USDA - Other	\$ 0	\$ 0	\$ 3,615	\$ 0	\$ 0	\$ 3,615
Vocational Education - Basic Grants to States	0	48,595	0	0	0	48,595
Title I Grants to Local Education Agencies	0	652,347	0	0	0	652,347
Special Education - Grants to States	60,062	874,870	0	0	0	934,932
Special Education Preschool Grants	0	27,485	0	0	0	27,485
Eisenhower Professional Development State Grants	0	99,242	0	0	0	99,242
Race-to-the-Top - ARRA	0	124,659	0	0	0	124,659
Other Federal through State	412,271	281,371	0	0	0	693,642
Direct Federal Revenue	49,963	0	0	0	0	49,963
ROTC Reimbursement	522,296	2,108,569	1,453,892	0	0	4,084,757
Total Federal Government	\$ 25,565,515	\$ 2,108,569	\$ 2,231,173	\$ 2,531,979	\$ 5,896	\$ 32,443,132
Total						

Exhibit K-8

Dyer County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2012

General Fund

General Government

County Commission

Other Per Diem and Fees	\$ 71,662	
Social Security	4,241	
Employer Medicare	992	
Audit Services	11,501	
Total County Commission		\$ 88,396

Board of Equalization

Board and Committee Members Fees	\$ 1,940	
Total Board of Equalization		1,940

Other Boards and Committees

Board and Committee Members Fees	\$ 4,560	
Total Other Boards and Committees		4,560

County Mayor/Executive

County Official/Administrative Officer	\$ 81,930	
Secretary(ies)	77,621	
Other Per Diem and Fees	8,400	
Social Security	8,529	
Medical Insurance	16,439	
Local Retirement	6,156	
Employer Medicare	1,995	
Advertising	1,433	
Maintenance and Repair Services - Office Equipment	2,804	
Postal Charges	1,786	
Printing, Stationery, and Forms	1,645	
Other Contracted Services	6,439	
Office Supplies	5,205	
Total County Mayor/Executive		220,382

County Attorney

County Official/Administrative Officer	\$ 1,200	
Social Security	74	
Employer Medicare	17	
Legal Services	71,710	
Total County Attorney		73,001

Election Commission

County Official/Administrative Officer	\$ 70,267
Deputy(ies)	89,796

(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.)

Part-time Personnel	\$	33,788	
Election Commission		21,882	
Election Workers		17,932	
Social Security		11,128	
Medical Insurance		16,261	
Local Retirement		2,098	
Employer Medicare		2,602	
Audit Services		1,168	
Legal Notices, Recording, and Court Costs		5,059	
Maintenance and Repair Services - Equipment		22,146	
Postal Charges		13,988	
Printing, Stationery, and Forms		7,382	
Travel		6,688	
Office Supplies		1,875	
Other Charges		2,032	
Office Equipment		18,685	
Total Election Commission			\$ 344,777

Register of Deeds

County Official/Administrative Officer	\$	65,472	
Deputy(ies)		66,481	
Social Security		7,478	
Medical Insurance		11,445	
Local Retirement		6,225	
Employer Medicare		1,749	
Dues and Memberships		609	
Postal Charges		267	
Printing, Stationery, and Forms		1,667	
Travel		1,191	
Other Contracted Services		895	
Data Processing Supplies		13,648	
Office Supplies		782	
In Service/Staff Development		175	
Total Register of Deeds			178,084

Planning

County Official/Administrative Officer	\$	47,930	
Assistant(s)		7,490	
Secretary(ies)		29,297	
Other Per Diem and Fees		8,400	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Social Security	\$	3,925	
Medical Insurance		11,445	
Local Retirement		1,931	
Employer Medicare		918	
Contracts with Private Agencies		1,405	
Dues and Memberships		125	
Legal Notices, Recording, and Court Costs		390	
Postal Charges		450	
Other Contracted Services		11,562	
Office Supplies		925	
Other Charges		28	
Total Planning			\$ 126,221

County Buildings

Custodial Personnel	\$	43,402	
Social Security		2,768	
Medical Insurance		7,213	
Employer Medicare		647	
Janitorial Services		48,721	
Maintenance and Repair Services - Buildings		13,399	
Pest Control		1,520	
Custodial Supplies		10,658	
Drugs and Medical Supplies		497	
Liability Insurance		86,051	
Other Charges		419	
Office Equipment		1,787	
Other Construction		132,460	
Other Capital Outlay		153,099	
Total County Buildings			502,641

Other General Administration

Communication	\$	20,733	
Contributions		40,500	
Dues and Memberships		5,018	
Maintenance Agreements		9,120	
Maintenance and Repair Services - Buildings		7,548	
Maintenance and Repair Services - Office Equipment		1,497	
Pest Control		780	
Electricity		28,764	
Utilities		5,718	

(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.)

Workers' Compensation Insurance	\$	52,028	
Liability Claims		5,000	
Other Capital Outlay		46,094	
Total Other General Administration			\$ 222,800

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	61,535	
Assistant(s)		57,535	
Social Security		6,661	
Medical Insurance		11,507	
Local Retirement		2,977	
Employer Medicare		1,558	
Legal Notices, Recording, and Court Costs		217	
Printing, Stationery, and Forms		229	
Travel		128	
Other Contracted Services		8,706	
Data Processing Supplies		205	
Office Supplies		56	
Premiums on Corporate Surety Bonds		100	
Office Equipment		1,919	
Total Accounting and Budgeting			153,333

Property Assessor's Office

County Official/Administrative Officer	\$	63,835	
Deputy(ies)		127,342	
Other Per Diem and Fees		4,800	
Social Security		11,370	
Medical Insurance		26,931	
Local Retirement		5,682	
Employer Medicare		2,659	
Contracts with Private Agencies		39,587	
Data Processing Services		11,801	
Dues and Memberships		1,500	
Legal Notices, Recording, and Court Costs		76	
Postal Charges		1,251	
Rentals		3,283	
Travel		765	
Other Contracted Services		502	
Data Processing Supplies		3,001	

(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.)

Office Supplies	\$	1,593	
Premiums on Corporate Surety Bonds		100	
In Service/Staff Development		290	
Other Charges		444	
Office Equipment		500	
Total Property Assessor's Office			\$ 307,312

Reappraisal Program

Other Salaries and Wages	\$	29,987	
Other Per Diem and Fees		8,400	
Social Security		1,650	
Medical Insurance		3,750	
Local Retirement		750	
Employer Medicare		386	
Data Processing Services		3,608	
Postal Charges		1,081	
Office Supplies		90	
Other Charges		300	
Total Reappraisal Program			50,002

County Trustee's Office

County Official/Administrative Officer	\$	65,472	
Deputy(ies)		77,592	
Social Security		7,829	
Medical Insurance		13,909	
Local Retirement		6,094	
Employer Medicare		1,831	
Legal Notices, Recording, and Court Costs		264	
Maintenance and Repair Services - Office Equipment		540	
Postal Charges		10,466	
Printing, Stationery, and Forms		854	
Travel		1,578	
Other Contracted Services		15,948	
Data Processing Supplies		490	
Office Supplies		847	
In Service/Staff Development		750	
Office Equipment		3,530	
Total County Trustee's Office			207,994

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office

County Official/Administrative Officer	\$	65,472	
Deputy(ies)		177,498	
Social Security		14,072	
Medical Insurance		30,532	
Local Retirement		7,479	
Employer Medicare		3,291	
Dues and Memberships		634	
Legal Notices, Recording, and Court Costs		113	
Maintenance and Repair Services - Office Equipment		15,676	
Postal Charges		6,000	
Printing, Stationery, and Forms		1,623	
Rentals		1,400	
Travel		93	
Data Processing Supplies		15,232	
Other Supplies and Materials		4,529	
In Service/Staff Development		300	
Other Charges		1,836	
Office Equipment		1,295	
Total County Clerk's Office			\$ 347,075

Other Finance

Communication	\$	10,311	
Maintenance and Repair Services - Buildings		8,351	
Maintenance and Repair Services - Office Equipment		1,380	
Pest Control		540	
Electricity		20,218	
Utilities		3,840	
Refunds		9,362	
Total Other Finance			54,002

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	65,472
Deputy(ies)		213,333
Jury and Witness Expense		15,407
Other Per Diem and Fees		2,168
Social Security		15,535
Medical Insurance		37,183
Local Retirement		9,005
Employer Medicare		3,633

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Maintenance and Repair Services - Office Equipment	\$	7,047	
Postal Charges		6,196	
Printing, Stationery, and Forms		5,961	
Travel		4,629	
Data Processing Supplies		14,151	
Office Supplies		7,776	
Total Circuit Court			\$ 407,496

General Sessions Court

Judge(s)	\$	141,032	
Clerical Personnel		24,407	
Social Security		8,173	
Medical Insurance		3,700	
Local Retirement		9,830	
Employer Medicare		2,383	
Dues and Memberships		1,547	
Travel		1,188	
Other Contracted Services		576	
Office Supplies		500	
Other Charges		500	
Total General Sessions Court			193,836

Drug Court

Supervisor/Director	\$	9,599	
Probation Officer(s)		4,800	
Social Security		1,006	
Medical Insurance		1,257	
Local Retirement		194	
Employer Medicare		355	
Travel		3,303	
Drug Treatment		29,386	
Other Supplies and Materials		806	
Total Drug Court			50,706

Chancery Court

County Official/Administrative Officer	\$	65,472	
Deputy(ies)		134,069	
Social Security		11,722	
Medical Insurance		23,675	
Local Retirement		8,006	

(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.)

Employer Medicare	\$	2,741	
Advertising		2,635	
Maintenance and Repair Services - Office Equipment		1,317	
Postal Charges		1,587	
Printing, Stationery, and Forms		4,373	
Rentals		618	
Travel		1,251	
Other Contracted Services		219	
Data Processing Supplies		7,868	
Office Supplies		2,801	
Office Equipment		3,025	
Total Chancery Court			\$ 271,379

Juvenile Court

Probation Officer(s)	\$	99,736	
Youth Service Officer(s)		39,691	
Social Security		7,824	
Medical Insurance		21,058	
Local Retirement		842	
Employer Medicare		1,830	
Contracts with Government Agencies		80,352	
Contracts with Other Public Agencies		9,186	
Contracts with Private Agencies		1,950	
Dues and Memberships		25	
Maintenance and Repair Services - Office Equipment		3,265	
Postal Charges		300	
Printing, Stationery, and Forms		300	
Law Enforcement Supplies		280	
Office Supplies		2,162	
In Service/Staff Development		388	
Office Equipment		3,733	
Total Juvenile Court			272,922

Other Administration of Justice

Communication	\$	14,280	
Maintenance and Repair Services - Buildings		4,363	
Maintenance and Repair Services - Office Equipment		1,525	
Pest Control		240	
Other Contracted Services		16,380	
Electricity		28,414	

(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.)

Office Supplies	\$	651	
Utilities		8,064	
Other Supplies and Materials		63	
Office Equipment		1,189	
Total Other Administration of Justice			\$ 75,169

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	75,635
Deputy(ies)		504,333
Investigator(s)		209,464
Captain(s)		47,074
Lieutenant(s)		81,955
Sergeant(s)		144,836
Accountants/Bookkeepers		56,555
Salary Supplements		18,100
Dispatchers/Radio Operators		208,646
Other Salaries and Wages		58,117
Social Security		80,066
Medical Insurance		183,728
Unemployment Compensation		8,250
Local Retirement		19,107
Employer Medicare		18,725
Communication		30,184
Contracts with Government Agencies		4,671
Contracts with Private Agencies		15,545
Dues and Memberships		1,767
Maintenance and Repair Services - Office Equipment		483
Maintenance and Repair Services - Vehicles		34,299
Postal Charges		4,441
Printing, Stationery, and Forms		3,495
Rentals		2,023
Transportation - Other than Students		4,198
Travel		4,662
Data Processing Supplies		3,620
Gasoline		157,974
Law Enforcement Supplies		33,575
Lubricants		2,132
Office Supplies		6,945
Tires and Tubes		10,190

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Uniforms	\$ 15,531	
Vehicle and Equipment Insurance	9,000	
In Service/Staff Development	19,790	
Law Enforcement Equipment	2,423	
Motor Vehicles	64,282	
Total Sheriff's Department		\$ 2,145,821

Jail

Assistant(s)	\$ 40,156	
Deputy(ies)	248,790	
Lieutenant(s)	42,000	
Sergeant(s)	91,758	
Accountants/Bookkeepers	82,876	
Medical Personnel	31,500	
Attendants	592,490	
Cafeteria Personnel	64,737	
Other Salaries and Wages	44,932	
Social Security	70,681	
Medical Insurance	163,907	
Local Retirement	6,388	
Employer Medicare	16,530	
Laundry Service	5,634	
Maintenance and Repair Services - Buildings	45,561	
Maintenance and Repair Services - Equipment	13,982	
Medical and Dental Services	45,502	
Pest Control	480	
Drug Treatment	16,852	
Custodial Supplies	21,333	
Drugs and Medical Supplies	36,464	
Electricity	96,924	
Food Preparation Supplies	20,740	
Food Supplies	156,228	
Prisoners Clothing	7,196	
Uniforms	8,963	
Utilities	49,326	
Building and Contents Insurance	60,000	
Liability Insurance	45,000	
Furniture and Fixtures	9,906	
Law Enforcement Equipment	15,551	
Total Jail		2,152,387

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

County Official/Administrative Officer	\$	40,848	
Part-time Personnel		16,000	
Social Security		3,448	
Disability Insurance		5,450	
Local Retirement		1,022	
Employer Medicare		808	
Communication		3,758	
Contracts with Other Public Agencies		30,112	
Dues and Memberships		165	
Maintenance and Repair Services - Equipment		15,125	
Maintenance and Repair Services - Vehicles		5,028	
Postal Charges		100	
Electricity		731	
Uniforms		387	
Utilities		377	
Other Supplies and Materials		1,803	
Vehicle and Equipment Insurance		5,650	
Workers' Compensation Insurance		21,965	
Other Charges		917	
Motor Vehicles		27,000	
Other Equipment		8,246	
Total Fire Prevention and Control			\$ 188,940

Disaster Relief

Supervisor/Director	\$	7,021	
Other Salaries and Wages		7,025	
In-Service Training		1,365	
Social Security		745	
Local Retirement		350	
Employer Medicare		172	
Communication		2,818	
Postal Charges		200	
Instructional Supplies and Materials		1,204	
Office Supplies		850	
Other Supplies and Materials		500	
In Service/Staff Development		815	
Other Charges		1,412	
Office Equipment		500	
State Aid Projects		61,164	
Total Disaster Relief			86,141

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Contracts with Private Agencies	\$ 11,481	
Other Contracted Services	2,175	
Total County Coroner/Medical Examiner		\$ 13,656

Other Public Safety

Contributions	\$ 33,847	
Other Contracted Services	30,000	
Electricity	1,879	
Total Other Public Safety		65,726

Public Health and Welfare

Local Health Center

Salary Supplements	\$ 43,872	
Communication	5,409	
Janitorial Services	9,780	
Maintenance Agreements	2,890	
Maintenance and Repair Services - Buildings	1,753	
Maintenance and Repair Services - Office Equipment	1,435	
Postal Charges	1,492	
Drugs and Medical Supplies	3,052	
Electricity	17,334	
Office Supplies	9,481	
Utilities	6,641	
Other Supplies and Materials	387	
Office Equipment	1,115	
Total Local Health Center		104,641

Rabies and Animal Control

Contracts with Other Public Agencies	\$ 79,750	
Total Rabies and Animal Control		79,750

Crippled Children Services

Contributions	\$ 1,459	
Total Crippled Children Services		1,459

Other Local Health Services

Medical Personnel	\$ 24,711	
Social Security	1,532	
Medical Insurance	13	
Employer Medicare	358	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Travel	\$ 457	
Total Other Local Health Services		\$ 27,071

General Welfare Assistance

Supervisor/Director	\$ 26,898	
Equipment Operators	23,455	
Social Security	2,668	
Medical Insurance	12,800	
Local Retirement	586	
Employer Medicare	624	
Communication	3,627	
Maintenance and Repair Services - Buildings	344	
Maintenance and Repair Services - Vehicles	114	
Electricity	8,731	
Gasoline	3,512	
Office Supplies	1,341	
Utilities	2,787	
Total General Welfare Assistance		87,487

Aid to Dependent Children

Salary Supplements	\$ 5,400	
Educational Assistants	33,518	
Communication	810	
Rentals	4,100	
Travel	1,749	
Electricity	2,215	
Food Supplies	73,802	
Office Supplies	1,611	
Other Supplies and Materials	2,128	
Total Aid to Dependent Children		125,333

Sanitation Education/Information

Guards	\$ 31,269	
Other Salaries and Wages	8,120	
Social Security	2,227	
Medical Insurance	7,458	
Employer Medicare	521	
Consultants	7,200	
Maintenance and Repair Services - Vehicles	49	
Gasoline	2,637	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

Other Supplies and Materials	\$ 1,063	
Total Sanitation Education/Information		\$ 60,544

Other Public Health and Welfare

Other Per Diem and Fees	\$ 500	
Social Security	930	
Employer Medicare	218	
Other Contracted Services	15,000	
Total Other Public Health and Welfare		16,648

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$ 39,767	
Clerical Personnel	36,686	
Social Security	4,658	
Medical Insurance	120	
Unemployment Compensation	331	
Local Retirement	994	
Employer Medicare	1,089	
Dues and Memberships	155	
Maintenance and Repair Services - Office Equipment	205	
Maintenance and Repair Services - Vehicles	696	
Postal Charges	154	
Travel	655	
Other Contracted Services	649	
Gasoline	6,616	
Office Supplies	787	
Other Supplies and Materials	50	
Liability Insurance	802	
Other Charges	1,498	
Office Equipment	500	
Total Adult Activities		96,412

Senior Citizens Assistance

Assistant(s)	\$ 23,433
Supervisor/Director	30,432
Other Salaries and Wages	78,797
Social Security	8,364
Medical Insurance	7,200
Local Retirement	891

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Employer Medicare	\$	1,956	
Communication		499	
Dues and Memberships		90	
Maintenance and Repair Services - Office Equipment		1,635	
Maintenance and Repair Services - Vehicles		273	
Postal Charges		96	
Travel		1,745	
Other Contracted Services		9,520	
Gasoline		297	
Office Supplies		1,173	
Other Supplies and Materials		204	
Tax Relief Program		98,512	
Office Equipment		600	
Total Senior Citizens Assistance			\$ 265,717

Libraries

Contracts with Other Public Agencies	\$	130,895	
Total Libraries			130,895

Parks and Fair Boards

Contributions	\$	2,700	
Total Parks and Fair Boards			2,700

Other Social, Cultural, and Recreational

Communication	\$	8,269	
Contributions		80,974	
Dues and Memberships		14,185	
Maintenance and Repair Services - Buildings		5,151	
Maintenance and Repair Services - Office Equipment		1,285	
Electricity		21,016	
Utilities		5,984	
Total Other Social, Cultural, and Recreational			136,864

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	104,122	
Communication		1,613	
Maintenance and Repair Services - Buildings		2,768	
Maintenance and Repair Services - Office Equipment		2,770	
Pest Control		750	

(Continued)

Exhibit K-8

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

General Fund (Cont.)Agriculture and Natural Resources (Cont.)Agriculture Extension Service (Cont.)

Travel	\$	2,361	
Electricity		3,512	
Office Supplies		1,399	
Utilities		3,133	
Office Equipment		1,000	
Total Agriculture Extension Service			\$ 123,428

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	\$	880	
Social Security		55	
Employer Medicare		13	
Dues and Memberships		651	
Travel		236	
Office Supplies		5,051	
Total Other Agriculture and Natural Resources			6,886

Other OperationsIndustrial Development

Site Development	\$	62,499	
Other Capital Outlay		555,530	
Total Industrial Development			618,029

Miscellaneous

Bonus Payments	\$	70,500	
Medical Insurance		4,970	
Trustee's Commission		116,421	
Other Charges		6,710	
Total Miscellaneous			198,601

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Principal on Debt

General Government

Principal on Notes	\$ 39,584	
Principal on Capital Leases	92,256	
Total General Government		\$ 131,840

Interest on Debt

General Government

Interest on Notes	\$ 1,594	
Interest on Capital Leases	3,057	
Total General Government		4,651

Total General Fund \$ 11,083,134

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	\$ 9,824	
Social Security	609	
Employer Medicare	142	
Communication	408	
Contracts with Government Agencies	16,061	
Contracts with Private Agencies	75,324	
Utilities	1,060	
Trustee's Commission	606	
Other Charges	30	
Total Sanitation Management		\$ 104,064

Total Solid Waste/Sanitation Fund 104,064

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$ 8,000	
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(Continued)

Exhibit K-8

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Law Enforcement Supplies	\$	7,562	
Trustee's Commission		848	
Other Charges		1,044	
Law Enforcement Equipment		26,336	
Motor Vehicles		31,000	
Total Drug Enforcement			<u>\$ 74,790</u>

Total Drug Control Fund \$ 74,790

District Attorney General Fund

Administration of Justice

District Attorney General

Communication	\$	2,068	
Dues and Memberships		2,901	
Travel		17	
Custodial Supplies		49	
Office Supplies		149	
Other Supplies and Materials		14	
Trustee's Commission		60	
Total District Attorney General			<u>\$ 5,258</u>

Total District Attorney General Fund 5,258

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	75,338	
Accountants/Bookkeepers		37,045	
Bonus Payments		1,000	
Communication		5,722	
Data Processing Services		12,835	
Dues and Memberships		5,727	
Evaluation and Testing		813	
Legal Notices, Recording, and Court Costs		872	
Maintenance Agreements		1,528	
Postal Charges		597	
Printing, Stationery, and Forms		382	
Travel		1,421	
Electricity		8,057	
Natural Gas		282	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Office Supplies	\$	1,324	
Uniforms		2,811	
Water and Sewer		2,938	
Other Supplies and Materials		3,393	
Total Administration			\$ 162,085

Highway and Bridge Maintenance

Foremen	\$	39,686	
Equipment Operators		280,514	
Equipment Operators - Light		109,871	
Truck Drivers		155,480	
Laborers		115,104	
Overtime Pay		15,210	
Bonus Payments		10,750	
Contracts with Private Agencies		357,865	
Rentals		6,342	
Asphalt - Cold Mix		2,744	
Asphalt - Hot Mix		455,786	
Asphalt - Liquid		39,188	
Concrete		6,400	
Crushed Stone		204,360	
Fertilizer, Lime, and Seed		2,972	
Other Road Supplies		6,009	
Pipe - Metal		117,605	
Road Signs		8,912	
Sand		6,971	
Gravel and Chert		55,232	
Other Supplies and Materials		1,194	
Total Highway and Bridge Maintenance			1,998,195

Operation and Maintenance of Equipment

Mechanic(s)	\$	106,298	
Laborers		32,302	
Bonus Payments		2,000	
Diesel Fuel		246,293	
Equipment and Machinery Parts		108,204	
Garage Supplies		10,976	
Gasoline		34,155	
Lubricants		20,714	
Small Tools		3,122	

(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.)

Tires and Tubes	\$ 22,831	
Other Supplies and Materials	1,826	
Total Operation and Maintenance of Equipment		\$ 588,721

Other Charges

Liability Insurance	\$ 39,526	
Trustee's Commission	53,028	
Vehicle and Equipment Insurance	42,287	
Workers' Compensation Insurance	2,473	
Total Other Charges		137,314

Employee Benefits

Social Security	\$ 55,679	
Employee and Dependent Insurance	143,493	
Local Retirement	13,327	
Employer Medicare	13,022	
Total Employee Benefits		225,521

Capital Outlay

Engineering Services	\$ 36,815	
Bridge Construction	346,631	
Highway Equipment	889,400	
Other Equipment	3,000	
Other Capital Outlay	20,025	
Total Capital Outlay		1,295,871

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$ 130,711	
Total Highways and Streets		130,711

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$ 2,645	
Total Highways and Streets		2,645

Total Highway/Public Works Fund \$ 4,541,063

(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	\$ 335,000	
Principal on Notes	591,667	
Total General Government		\$ 926,667

Education

Principal on Bonds	\$ 1,265,000	
Principal on Other Loans	883,577	
Total Education		2,148,577

Interest on Debt

General Government

Interest on Bonds	\$ 303,370	
Interest on Notes	38,038	
Total General Government		341,408

Education

Interest on Bonds	\$ 1,074,904	
Interest on Other Loans	376,382	
Total Education		1,451,286

Other Debt Service

General Government

Financial Advisory Services	\$ 24,000	
Trustee's Commission	44,883	
Other Debt Service	533	
Total General Government		69,416

Education

Other Debt Service	\$ 500	
Total Education		500

Total General Debt Service Fund \$ 4,937,854

Total Governmental Funds - Primary Government \$ 20,746,187

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, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 7,897,213	
Career Ladder Program	62,876	
Career Ladder Extended Contracts	42,321	
Educational Assistants	615,010	
Other Salaries and Wages	2,500	
Certified Substitute Teachers	22,848	
Non-certified Substitute Teachers	74,498	
Social Security	492,073	
State Retirement	705,546	
Life Insurance	10,712	
Medical Insurance	1,300,152	
Unemployment Compensation	3,410	
Local Retirement	6,702	
Employer Medicare	117,013	
Other Fringe Benefits	5,075	
Contracts with Other School Systems	240,669	
Contracts with Private Agencies	8,566	
Maintenance and Repair Services - Equipment	11,347	
Instructional Supplies and Materials	496,316	
Textbooks	312,799	
Regular Instruction Equipment	333,540	
Total Regular Instruction Program		\$ 12,761,186

Special Education Program

Teachers	\$ 920,556
Career Ladder Program	10,000
Clerical Personnel	33,290
Educational Assistants	194,834
Speech Pathologist	78,836
Other Salaries and Wages	506
Social Security	69,135
State Retirement	88,947
Life Insurance	1,819
Medical Insurance	224,183
Local Retirement	1,982
Employer Medicare	16,470
Other Fringe Benefits	550
Contracts with Private Agencies	3,420
Maintenance and Repair Services - Equipment	419

(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	\$ 5,284	
Special Education Equipment	19,618	
Total Special Education Program		\$ 1,669,849

Vocational Education Program

Teachers	\$ 353,149	
Career Ladder Program	3,000	
Career Ladder Extended Contracts	2,831	
Educational Assistants	15,177	
Social Security	21,898	
State Retirement	32,488	
Life Insurance	424	
Medical Insurance	50,286	
Local Retirement	379	
Employer Medicare	5,121	
Other Fringe Benefits	50	
Other Contracted Services	3,873	
Instructional Supplies and Materials	41,125	
Total Vocational Education Program		529,801

Student Body Education Program

Instructional Supplies and Materials	\$ 5,298	
Other Supplies and Materials	2,952	
Total Student Body Education Program		8,250

Support Services

Attendance

Supervisor/Director	\$ 40,088	
Career Ladder Program	1,000	
Other Salaries and Wages	955	
Social Security	2,318	
State Retirement	3,805	
Life Insurance	39	
Medical Insurance	7,728	
Employer Medicare	542	
Communication	27,239	
Travel	2,264	
Other Contracted Services	13,971	
Attendance Equipment	3,166	
Total Attendance		103,115

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Medical Personnel	\$	100,335	
Other Salaries and Wages		69,766	
Social Security		10,019	
State Retirement		13,599	
Life Insurance		152	
Medical Insurance		15,712	
Employer Medicare		2,353	
Communication		2,375	
Postal Charges		700	
Printing, Stationery, and Forms		1,500	
Travel		11,833	
Other Contracted Services		2,343	
Drugs and Medical Supplies		9,871	
Other Supplies and Materials		31,711	
Total Health Services			\$ 272,269

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		160,290	
Clerical Personnel		20,178	
Social Security		10,536	
State Retirement		14,491	
Life Insurance		208	
Medical Insurance		24,254	
Employer Medicare		2,480	
Contracts with Government Agencies		48,770	
Evaluation and Testing		24,426	
Travel		713	
Other Supplies and Materials		1,547	
Total Other Student Support			308,893

Regular Instruction Program

Supervisor/Director	\$	71,346	
Career Ladder Program		4,000	
Librarians		47,473	
Materials Supervisor		33,936	
Instructional Computer Personnel		124,495	
Secretary(ies)		33,290	
Educational Assistants		33,290	

(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.)

Other Salaries and Wages	\$	34,078	
Social Security		21,938	
State Retirement		14,108	
Life Insurance		400	
Medical Insurance		63,418	
Local Retirement		3,607	
Employer Medicare		5,218	
Communication		5,255	
Consultants		25,596	
Contracts with Other School Systems		33,470	
Travel		36,139	
Other Contracted Services		32,235	
Library Books/Media		25,927	
Other Supplies and Materials		22,829	
In Service/Staff Development		37,427	
Other Equipment		25,031	
Total Regular Instruction Program			\$ 734,506

Special Education Program

Supervisor/Director	\$	70,480	
Career Ladder Program		2,800	
Clerical Personnel		16,968	
Other Salaries and Wages		1,868	
Social Security		5,493	
State Retirement		6,567	
Life Insurance		76	
Medical Insurance		2,091	
Employer Medicare		1,318	
Communication		199	
Maintenance and Repair Services - Equipment		261	
Travel		1,265	
Other Contracted Services		225	
Other Supplies and Materials		55	
In Service/Staff Development		198	
Total Special Education Program			109,864

Vocational Education Program

Clerical Personnel	\$	16,968	
Other Salaries and Wages		258	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Social Security	\$	1,001	
Life Insurance		25	
Medical Insurance		2,091	
Employer Medicare		234	
Maintenance and Repair Services - Equipment		3,479	
Travel		10,918	
Other Contracted Services		546	
Other Supplies and Materials		5,983	
Total Vocational Education Program			\$ 41,503

Other Programs

On-Behalf Payments to OPEB	\$	137,626	
Total Other Programs			137,626

Board of Education

Secretary to Board	\$	2,304	
Board and Committee Members Fees		25,338	
Social Security		1,714	
Employer Medicare		401	
Audit Services		11,125	
Dues and Memberships		8,499	
Legal Services		36,512	
Other Contracted Services		15,804	
Liability Insurance		50,453	
Premiums on Corporate Surety Bonds		1,123	
Trustee's Commission		157,539	
Workers' Compensation Insurance		105,754	
In Service/Staff Development		6,959	
Criminal Investigation of Applicants - TBI		7,170	
Total Board of Education			430,695

Director of Schools

County Official/Administrative Officer	\$	138,474	
Career Ladder Program		1,000	
Secretary(ies)		33,290	
Other Salaries and Wages		2,661	
Social Security		8,088	
State Retirement		15,201	
Life Insurance		84	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Local Retirement	\$	883	
Employer Medicare		2,930	
Other Fringe Benefits		26,399	
Communication		9,991	
Dues and Memberships		3,136	
Postal Charges		8,124	
Travel		7,853	
Other Contracted Services		5,652	
Office Supplies		5,193	
Total Director of Schools			\$ 268,959

Office of the Principal

Principals	\$	593,256	
Career Ladder Program		16,000	
Career Ladder Extended Contracts		18,648	
Assistant Principals		275,962	
Secretary(ies)		197,936	
Other Salaries and Wages		2,497	
Social Security		64,669	
State Retirement		81,662	
Life Insurance		951	
Medical Insurance		143,092	
Local Retirement		3,687	
Employer Medicare		15,146	
Other Fringe Benefits		275	
Communication		39,566	
Maintenance and Repair Services - Equipment		500	
Travel		11,135	
Other Contracted Services		15,211	
Office Supplies		12,840	
Other Equipment		23,689	
Total Office of the Principal			1,516,722

Fiscal Services

Accountants/Bookkeepers	\$	40,197
Purchasing Personnel		54,003
Clerical Personnel		33,936
Other Salaries and Wages		37,087
Social Security		9,960

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Life Insurance	\$	185	
Medical Insurance		18,589	
Local Retirement		4,128	
Employer Medicare		2,329	
Dues and Memberships		439	
Maintenance and Repair Services - Equipment		1,938	
Travel		4,224	
Other Contracted Services		14,600	
Office Supplies		16,084	
Administration Equipment		548	
Total Fiscal Services			\$ 238,247

Operation of Plant

Custodial Personnel	\$	520,384	
Other Salaries and Wages		395	
Social Security		29,058	
Life Insurance		1,187	
Medical Insurance		124,817	
Local Retirement		6,193	
Employer Medicare		6,796	
Pest Control		6,374	
Disposal Fees		33,943	
Other Contracted Services		83,736	
Custodial Supplies		68,457	
Electricity		718,626	
Natural Gas		140,460	
Water and Sewer		76,433	
Other Supplies and Materials		3,355	
Building and Contents Insurance		337,977	
Plant Operation Equipment		11,225	
Total Operation of Plant			2,169,416

Maintenance of Plant

Supervisor/Director	\$	54,003
Secretary(ies)		33,289
Other Salaries and Wages		312,027
Social Security		23,271
Life Insurance		489
Medical Insurance		55,005

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Local Retirement	\$	7,426	
Employer Medicare		5,442	
Communication		6,568	
Maintenance and Repair Services - Buildings		233,622	
Maintenance and Repair Services - Equipment		41,364	
Other Contracted Services		89,082	
Equipment and Machinery Parts		17,117	
Gasoline		24,645	
Other Supplies and Materials		159,749	
Maintenance Equipment		30,594	
Total Maintenance of Plant			\$ 1,093,693

Operation of Non-Instructional Services

Food Service

Career Ladder Program	\$	1,000	
Social Security		62	
State Retirement		6,648	
Employer Medicare		14	
Food Supplies		4,972	
Total Food Service			12,696

Community Services

Other Salaries and Wages	\$	57,963	
Social Security		3,384	
State Retirement		560	
Life Insurance		97	
Medical Insurance		6,260	
Local Retirement		30	
Employer Medicare		791	
Communication		1,539	
Postal Charges		297	
Travel		4,453	
Other Supplies and Materials		4,272	
Other Equipment		5,393	
Total Community Services			85,039

Early Childhood Education

Supervisor/Director	\$	15,745	
Teachers		283,241	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Educational Assistants	\$	109,924	
Certified Substitute Teachers		232	
Non-certified Substitute Teachers		4,145	
Social Security		23,421	
State Retirement		27,049	
Life Insurance		656	
Medical Insurance		72,334	
Local Retirement		481	
Employer Medicare		5,481	
Communication		2,952	
Other Supplies and Materials		75,553	
In Service/Staff Development		5,262	
Other Equipment		86,004	
Total Early Childhood Education			\$ 712,480

Capital Outlay

Regular Capital Outlay

Architects	\$	39,218	
Other Contracted Services		127,507	
Building Construction		379,429	
Building Improvements		205,439	
Communication Equipment		1,245	
Furniture and Fixtures		124,727	
Motor Vehicles		49,760	
Site Development		164,888	
Total Regular Capital Outlay			<u>1,092,213</u>

Total General Purpose School Fund \$ 24,297,022

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	212,248
Educational Assistants		192,837
Other Salaries and Wages		249,573
Social Security		38,088
State Retirement		40,351
Life Insurance		890
Medical Insurance		74,254

(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.)

Regular Instruction Program (Cont.)

Unemployment Compensation	\$	2,507	
Employer Medicare		8,974	
Other Fringe Benefits		1,227	
Instructional Supplies and Materials		7,259	
Other Charges		30	
Regular Instruction Equipment		2,950	
Total Regular Instruction Program			\$ 831,188

Special Education Program

Teachers	\$	128,027	
Educational Assistants		210,376	
Speech Pathologist		39,725	
Other Salaries and Wages		25,973	
Certified Substitute Teachers		51	
Non-certified Substitute Teachers		6,271	
Social Security		22,433	
State Retirement		16,827	
Life Insurance		791	
Medical Insurance		103,062	
Unemployment Compensation		1,164	
Employer Medicare		5,257	
Other Fringe Benefits		2,310	
Contracts with Private Agencies		70,217	
Maintenance and Repair Services - Equipment		1,472	
Instructional Supplies and Materials		28,865	
Other Supplies and Materials		12,314	
Special Education Equipment		25,044	
Total Special Education Program			700,179

Vocational Education Program

Other Salaries and Wages	\$	5,746	
Social Security		356	
State Retirement		498	
Unemployment Compensation		34	
Employer Medicare		83	
Other Supplies and Materials		3,861	
Vocational Instruction Equipment		18,979	
Total Vocational Education Program			29,557

(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

Health Services

Other Salaries and Wages	\$	1,880	
Social Security		117	
State Retirement		135	
Unemployment Compensation		11	
Employer Medicare		27	
Total Health Services			\$ 2,170

Other Student Support

Assessment Personnel	\$	60,611	
Other Salaries and Wages		14,816	
Social Security		4,377	
State Retirement		6,300	
Life Insurance		70	
Medical Insurance		10,025	
Unemployment Compensation		124	
Employer Medicare		1,024	
Travel		16,941	
Other Contracted Services		1,000	
Other Supplies and Materials		4,128	
Total Other Student Support			119,416

Regular Instruction Program

Supervisor/Director	\$	46,051	
Other Salaries and Wages		23,725	
Social Security		4,147	
State Retirement		6,097	
Life Insurance		30	
Medical Insurance		5,975	
Unemployment Compensation		196	
Employer Medicare		970	
Other Fringe Benefits		35	
Communication		1,989	
Travel		969	
Other Supplies and Materials		1,493	
In Service/Staff Development		22,905	
Other Charges		130	
Other Equipment		1,282	
Total Regular Instruction Program			115,994

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	34,222	
Psychological Personnel		51,570	
Speech Pathologist		17,397	
Other Salaries and Wages		35,647	
Social Security		5,298	
State Retirement		4,739	
Life Insurance		101	
Medical Insurance		3,794	
Unemployment Compensation		244	
Employer Medicare		1,988	
Other Fringe Benefits		1,065	
Communication		1,525	
Travel		22,974	
Other Contracted Services		12,359	
Other Supplies and Materials		7,837	
In Service/Staff Development		17,128	
Total Special Education Program			\$ 217,888

Vocational Education Program

Travel	\$	807	
Total Vocational Education Program			807

Office of the Principal

Other Salaries and Wages	\$	17,217	
Social Security		1,068	
State Retirement		1,288	
Unemployment Compensation		98	
Employer Medicare		250	
Other Fringe Benefits		64	
Total Office of the Principal			19,985

Operation of Plant

Other Salaries and Wages	\$	7,607	
Social Security		472	
Unemployment Compensation		46	
Employer Medicare		110	
Other Fringe Benefits		87	
Total Operation of Plant			8,322

(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.)

Maintenance of Plant

Other Salaries and Wages	\$	4,711	
Social Security		292	
Unemployment Compensation		28	
Employer Medicare		68	
Other Fringe Benefits		79	
Total Maintenance of Plant			\$ 5,178

Transportation

Other Salaries and Wages	\$	13,763	
Social Security		854	
Unemployment Compensation		82	
Employer Medicare		200	
Other Fringe Benefits		72	
Total Transportation			14,971

Operation of Non-Instructional Services

Food Service

Other Salaries and Wages	\$	9,619	
Social Security		596	
Unemployment Compensation		58	
Employer Medicare		140	
Other Fringe Benefits		27	
Total Food Service			10,440

Community Services

Other Salaries and Wages	\$	861	
Social Security		53	
Unemployment Compensation		5	
Employer Medicare		12	
Total Community Services			931

Early Childhood Education

Other Salaries and Wages	\$	6,015	
Social Security		373	
State Retirement		397	
Unemployment Compensation		36	
Employer Medicare		87	
Other Fringe Benefits		6	
Total Early Childhood Education			6,914

Total School Federal Projects Fund \$ 2,083,940

(Continued)

Exhibit K-9

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	72,448	
Accountants/Bookkeepers		33,795	
Cafeteria Personnel		639,990	
Other Salaries and Wages		44,658	
Social Security		46,484	
Life Insurance		2,483	
Medical Insurance		91,449	
Unemployment Compensation		100	
Local Retirement		2,655	
Employer Medicare		10,871	
Other Fringe Benefits		1,575	
Communication		6,970	
Data Processing Services		20,492	
Dues and Memberships		354	
Printing, Stationery, and Forms		904	
Transportation - Other than Students		5,720	
Travel		2,796	
Disposal Fees		4,330	
Permits		640	
Custodial Supplies		11,673	
Food Supplies		851,907	
Uniforms		60	
USDA - Commodities		91,196	
Other Supplies and Materials		70,477	
In Service/Staff Development		5,990	
Food Service Equipment		141,876	
Total Food Service			\$ 2,161,893

Total Central Cafeteria Fund \$ 2,161,893

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$	27,151	
Total Board of Education			\$ 27,151

Operation of Plant

Disposal Fees	\$	2,304	
Electricity		13,243	

(Continued)

Exhibit K-9

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

School Transportation Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Natural Gas	\$	1,839	
Water and Sewer		715	
Total Operation of Plant			\$ 18,101

Transportation

Supervisor/Director	\$	54,003	
Mechanic(s)		171,651	
Bus Drivers		757,571	
Clerical Personnel		33,290	
Other Salaries and Wages		22,375	
Social Security		62,737	
Life Insurance		2,678	
Medical Insurance		58,966	
Local Retirement		5,318	
Employer Medicare		14,678	
Communication		5,963	
Maintenance and Repair Services - Vehicles		27,500	
Travel		3,674	
Other Contracted Services		41,797	
Diesel Fuel		358,710	
Food Supplies		480	
Lubricants		14,815	
Tires and Tubes		39,303	
Vehicle Parts		82,130	
Other Supplies and Materials		36,462	
Vehicle and Equipment Insurance		61,007	
In Service/Staff Development		612	
Transportation Equipment		504,648	
Total Transportation			<u>2,360,368</u>

Total School Transportation Fund \$ 2,405,620

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$	75,014	
Other Contracted Services		499,792	
Building Construction		7,218,358	
Communication Equipment		71,776	

(Continued)

Exhibit K-9

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

<u>Education Capital Projects Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Education Capital Projects (Cont.)</u>		
Food Service Equipment	\$ 246,387	
Furniture and Fixtures	214,402	
Site Development	479,907	
Total Education Capital Projects	<u> </u>	<u>\$ 8,805,636</u>
Total Education Capital Projects Fund		<u>\$ 8,805,636</u>
Total Governmental Funds - Dyer County School Department		<u><u>\$ 39,754,111</u></u>

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, 2012

	Cities - Sales Tax Fund	Cities - Property Tax Fund	City School ADA - Dyersburg Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 0	\$ 2,468,353	\$ 2,468,353
Trustee's Collections - Prior Years	0	1,869	93,399	95,268
Trustee's Collections - Bankruptcy	0	0	1,981	1,981
Circuit/Clerk and Master Collections - Prior Years	0	0	24,236	24,236
Interest and Penalty	0	515	16,542	17,057
Local Option Sales Tax	3,303,140	0	4,787,201	8,090,341
Wheel Tax	0	0	661,090	661,090
Interstate Telecommunications Tax	0	0	1,402	1,402
Marriage Licenses	0	0	1,353	1,353
Other Permits	0	0	217	217
Total Cash Receipts	\$ 3,303,140	\$ 2,384	\$ 8,055,774	\$ 11,361,298
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 3,270,109	\$ 2,336	\$ 7,961,532	\$ 11,233,977
Trustee's Commission	33,031	48	106,440	139,519
Total Cash Disbursements	\$ 3,303,140	\$ 2,384	\$ 8,067,972	\$ 11,373,496
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 0	\$ (12,198)	\$ (12,198)
Cash Balance, July 1, 2011	0	0	143,430	143,430
Cash Balance, June 30, 2012	\$ 0	\$ 0	\$ 131,232	\$ 131,232

SINGLE AUDIT SECTION



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

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

January 18, 2013

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, 2012, which collectively comprise Dyer County's basic financial statements and have issued our report thereon dated January 18, 2013. 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

The management of Dyer County is responsible for establishing and maintaining effective 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: 12.01, 12.06, and 12.07. 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

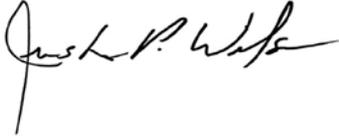
As part of obtaining reasonable assurance about whether Dyer County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 12.02, 12.03, 12.04, and 12.05.

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

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a prominent vertical line extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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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

Independent Auditor's Report

January 18, 2013

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited Dyer County's compliance 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, 2012. 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, 2012.

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 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

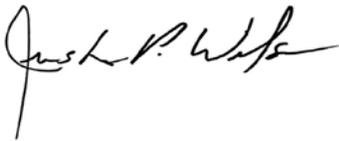
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dyer County as of and for the year ended June 30, 2012, and have issued our report thereon dated January 18, 2013. 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.

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

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

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Dyer County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2012

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	\$ 341,786
National School Lunch Program	10.555	N/A	1,017,295 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	91,196 (3)
Passed-through State Department of Human Services:			
Summer Food Service Program for Children	10.559	N/A	145,431
Passed-through State Department of Education:			
Child and Adult Care Food Program	10.558	N/A	3,615
Passed-through State Department of Health:			
Commodity Supplemental Food Program	10.565	GG1236889	57,735
Total U.S. Department of Agriculture			<u>\$ 1,657,058</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	GG1029733	\$ 9,000
Total U.S. Department of Justice			<u>\$ 9,000</u>
U.S. Department of Labor			
Direct Program:			
Employee Benefits Security Administration (EBSA), Recovery Act	17.151	N/A	\$ 676
Total U.S. Department of Labor			<u>\$ 676</u>
U.S. Department of Energy:			
Passed-through State Department of Economic and Community Development:			
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	GG1133305	\$ 100,000
Total U.S. Department of Energy			<u>\$ 100,000</u>
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	\$ 643,871
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	8,476
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	935,087
Special Education - Preschool Grants	84.173	N/A	27,485
Career and Technical Education - Basic Grants to States	84.048	N/A	48,595
Educational Technology State Grants Cluster:			
Educational Technology State Grants	84.318	(2)	981
Educational Technology State Grants, Recovery Act	84.386	(2)	684
Improving Teacher Quality State Grants	84.367	N/A	99,242
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	124,659
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	N/A	60,718
Education Jobs Fund	84.410	N/A	279,706
Total U.S. Department of Education			<u>\$ 2,229,504</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of 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)	\$ 225,763
Total U.S. Department of Health and Human Services			<u>\$ 225,763</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 656,359
Hazard Mitigation Grant	97.039	GG1135003	412,271
Total U.S. Department of Homeland Security			<u>\$ 1,068,630</u>
Total Expenditures of Federal Awards			<u>\$ 5,290,631</u>

<u>State Grants</u>		<u>Contract Number</u>	
Drug Court Treatment Resources Fund Grant - State Department of Finance and Administration	N/A	(2)	\$ 48,221
Preventive Health and Human Services - State Department of Health	N/A	Z124400300	28,953
Litter Program - State Department of Transportation	N/A	Z11LIT023	45,242
Library Grant - State Library and Archives	N/A	GG1237228	100,000
FastTrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	GG1237684	279,999
School Wastewater Improvements - State Department of Economic and Community Development	N/A	GG1135289	15,950
Recreation Educational Trail Program Grant - State Department of Environment and Conservation	N/A	(2)	18,783
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	(2)	21,837
Early Childhood Education - State Department of Education	N/A	(2)	665,717
Star Student Management System - State Department of Education	N/A	(2)	9,481
ACT/EXP - Internet Connectivity - State Department of Education	N/A	(2)	4,134
Coordinated School Health - State Department of Education	N/A	(2)	114,997
Family Resource - State Department of Education	N/A	(2)	59,223
Hazard Mitigation Grant - State Department of Military	N/A	(2)	68,682
ConnecTenn - State Department of Education	N/A	(2)	<u>12,842</u>
Total State Grants			<u>\$ 1,494,061</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Total for CFDA No. 10.555 is \$1,108,491.

Dyer County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2012

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, 2011, which have not been corrected.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.02	167	Unclaimed funds were not reported and paid to the state

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

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.03	168	Duties were not segregated adequately

DYER COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

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 was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Dyer County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036); and Hazard Mitigation Grant (CFDA No. 97.039) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Dyer County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 12.01 **THE SOLID WASTE/SANITATION FUND HAD A CASH OVERDRAFT AT JUNE 30, 2012**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

At June 30, 2012, the Solid Waste/Sanitation Fund had a cash overdraft of \$3,961. Sound business practices dictate that expenditures be held within available funds. This overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2012.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

There were considerably more invoices turned in at year-end than we had anticipated.

AUDITOR'S COMMENT

It is the responsibility of the office to authorize expenditures through the issuance of purchase orders; therefore, the office should know what invoices are outstanding.

FINDING 12.02 **THE OFFICE DID NOT FILE A REPORT ON DEBT OBLIGATION WITH THE STATE COMPTROLLER'S OFFICE**
(Noncompliance Under *Government Auditing Standards*)

The office did not file a Report on Debt Obligation with the state Comptroller's Office for two capital leases that were issued November 21, 2011, and December 16, 2011. Section 9-21-151, *Tennessee Code Annotated*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance. This deficiency was the result of a lack of management oversight. These reports were filed on August 21, 2012.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

The time span in getting all the paperwork completed simply extended beyond the acceptable time for filing the Report on Debt Obligation.

FINDING 12.03 **COMPENSATION WAS PAID IN-LIEU-OF INSURANCE BENEFITS TO SOME EMPLOYEES** (Noncompliance Under *Government Auditing Standards*)

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

The county will take this before the Insurance Committee for review.

OFFICE OF ROAD SUPERVISOR

FINDING 12.04 **EXPENDITURES EXCEEDED APPROPRIATIONS** (Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded appropriations approved by the County Commission in the Employee Benefits major appropriation category (the legal level of control) of the Highway/Public Works Fund by \$16,171. Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies." This deficiency exists because management failed to hold spending to

the limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

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

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 12.05 **UNCLAIMED FUNDS WERE NOT REPORTED AND PAID TO THE STATE**
(Noncompliance Under *Government Auditing Standards*)

The clerk did not report and pay to the state unclaimed funds (old outstanding checks) totaling \$20,024. At June 30, 2012, Circuit Court had 276 outstanding checks totaling \$15,445 and General Sessions Court had 70 outstanding checks totaling \$4,579 that were all issued before July 1, 2011. 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.

FINDING 12.06 **USERNAMES AND PASSWORDS WERE SHARED BY EMPLOYEES**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Although each employee had been assigned a unique username and password for accessing the office's accounting software, this information was shared with other employees. Employees also processed transactions using other users' logins. If inappropriate activity was to occur, the employee responsible for this activity would not be easily identified because employees had access to each other's username and password and sometimes used the shared user account. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

Each employee should access the application using his or her unique username and password to ensure that transactions are properly identified to that employee. Usernames and passwords should remain confidential and should not be shared among employees.

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

FINDING 12.07 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

RECOMMENDATION

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

BEST PRACTICE

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. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Dyer County. Therefore, 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.

**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, 2012

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