

**CITY OF DYERSBURG, TENNESSEE**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2019**

**CITY OF DYERSBURG, TENNESSEE  
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## **INTRODUCTORY SECTION**

**CITY OF DYERSBURG, TENNESSEE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**LIST OF PRINCIPAL OFFICIALS**

John Holden, Mayor  
James Baltimore, Board Member  
Edward Burks, Board Member  
Willie Cole, Board Member  
Meghan Gilbert, Board Member  
Rickie Hammond, Board Member  
Mary Claire Hopper, Board Member  
Dennis Moody, Board Member  
Vanneda Webb, Board Member  
John Lannom, City Attorney  
Steve Anderson, City Treasurer (CMFO)  
Robert C. Jones, City Recorder  
Steve Isbell, Police Chief  
Brett Sipes, Fire Chief  
Sue Teague, Director of Human Resources

## **FINANCIAL SECTION**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

As management of the City of Dyersburg, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019.

**FINANCIAL HIGHLIGHTS**

- > The assets and deferred outflows of resources of the City of Dyersburg exceeded its liabilities and deferred inflows of resources at June 30, 2019 by \$102,451,972 (net position). Of this amount, \$1,834,862 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. See page 19.
- > The City's total net position increased by \$3,309,087
- > At June 30, 2019, the governmental funds reported combined ending fund balances of \$10,083,478, of which \$2,209,867 was unassigned and available for use at the City's discretion. See page 21.
- > Governmental fund balances increased by \$1,222,765 (page 23) during the year.
- > During the fiscal year ended June 30, 2019, the City's total notes and bonds payable increased by \$2,559,540 (see page 15 of the report for debt payments by activity).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains required, supplementary, and other information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, schools, parks and recreation, and community services. The business-type activities of the City include Gas, Water and Sewer, Solid Waste Management and Electric operations.

The government-wide financial statements can be found on pages 18 - 20 of this report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories - governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental fund's balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 10 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and School Fund, both of which are considered to be major funds. Data from the other 8 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary and other information section of this report.

The City adopts an annual appropriated budget for its governmental funds and proprietary funds except for the Electric Fund. Budgetary comparison schedules have been provided for all funds except for proprietary funds to demonstrate compliance with the budget presented as required supplemental information. Comparison schedules for major funds are presented along with the fund financial statements. Non-major funds are presented as supplementary and other information.

The basic governmental fund financial statements can be found on pages 21-30 of this report.

**Proprietary Funds.** The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its gas, water and sewer, solid waste management, and electric operations. Internal service funds are an accounting device used to accumulate and allocate costs internally to the City's various funds for communication costs and utility billing and collecting costs. Because these services benefit both governmental functions and business-type functions, they have been allocated to governmental activities and business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Gas, Water and Sewer, and Electric funds since they are considered to be major funds of the City. Because the Solid Waste Management fund is the only remaining enterprise fund, it is being presented as a major fund even though it does not meet the criteria of a major fund established in Government Accounting Standards Board (GASB) Statement No 34. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 31-35 of this report.



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-81 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented following the required supplementary information on pensions. Combining and individual statements and schedules can be found on pages 94-110 of this report.

**GOVERNMENTAL-WIDE FINANCIAL ANALYSIS**

The City's combined net position increased \$3,309,087 or 3.3% from 2018 to 2019. Net position increased \$259,635 in governmental activities, with business-type activities increasing \$3,049,452. Combined net position (assets and deferred outflows exceeding liabilities and deferred inflows of resources) was \$102,451,972 at June 30, 2019. The table below provides a comparative summary of the City's net position as of June 30, 2019 and 2018.

**CITY OF DYERSBURG'S NET POSITION**

	Governmental Activities		Business-type		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 26,174,635	\$ 20,749,764	\$ 33,391,468	\$ 33,143,423	\$ 59,566,103	\$ 53,893,187
Capital assets	46,524,817	46,626,238	70,466,675	66,791,661	116,991,492	113,417,899
<b>Total Assets</b>	<b>72,699,452</b>	<b>67,376,002</b>	<b>103,858,143</b>	<b>99,935,084</b>	<b>176,557,595</b>	<b>167,311,086</b>
<b>Deferred Outflows of</b>						
<b>Resources</b>	18,077,679	18,553,729	5,032,757	5,586,548	23,110,436	24,140,277
Long-term liabilities	52,901,207	52,076,750	14,368,422	13,674,730	67,269,629	65,751,480
Other liabilities	7,057,555	3,262,403	7,808,728	7,827,743	14,866,283	11,090,146
<b>Total Liabilities</b>	<b>59,958,762</b>	<b>55,339,153</b>	<b>22,177,150</b>	<b>21,502,473</b>	<b>82,135,912</b>	<b>76,841,626</b>
<b>Deferred Inflows of</b>						
<b>Resources</b>	13,762,731	13,794,575	1,317,416	1,672,277	15,080,147	15,466,852
Net position:						
Investment in capital assets, net of related debt	25,481,995	27,267,956	67,516,675	65,519,142	92,998,670	92,787,098
Restricted	4,908,269	4,087,257	2,710,171	1,231,881	7,618,440	5,319,138
Unrestricted	(13,334,626)	(14,559,210)	15,169,488	15,595,859	1,834,862	1,036,649
<b>Total net position</b>	<b>\$ 17,055,638</b>	<b>\$ 16,796,003</b>	<b>\$ 85,396,334</b>	<b>\$ 82,346,882</b>	<b>\$ 102,451,972</b>	<b>\$ 99,142,885</b>

The largest portion of the City's net position (\$92,998,670 or 91%) reflects its investments in capital assets, less any debt used to acquire those assets that is still outstanding. The net investment in capital assets increased \$211,572 from 2018. Of this increase governmental activities decreased \$1,785,961, and business-type activities increased \$1,997,533. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$7,618,440 or 7%) represents resources that are subject to external restriction on how they may be used. Restricted net position increased \$2,299,302 from 2018. The remaining balance of net position (unrestricted net position of \$1,834,862) may be used to meet the government's ongoing obligation to citizens and creditors. Unrestricted net position increased \$798,213 from 2018.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Analysis of the City's Operations.** The following table provides a comparative summary of the City's operations for the years ended June 30, 2019 and 2018. Also, summary tables comparing 2019 with 2018 along with charts for 2019 are presented on pages 9 through 12 for Governmental expenses and program revenues and for Business-type expenses and program revenues. Governmental activities increased the City's net position by \$259,635 in 2019 compared to a decrease of \$1,686,724 in 2018. Business-type activities increased the City's net position by \$3,049,452 in 2019 compared to a decrease of \$2,565,508 in 2018.

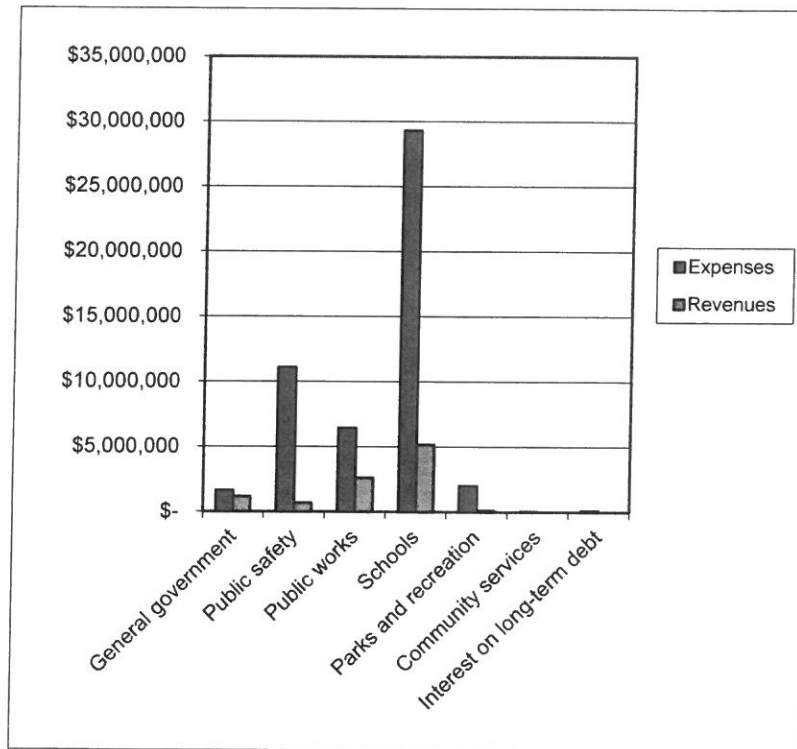
**CITY OF DYERSBURG'S CHANGES IN NET POSITION**

	Governmental Activities		Business-type		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 2,733,570	\$ 2,990,890	\$ 58,326,482	\$ 56,498,999	\$ 61,060,052	\$ 59,489,889
Operating grants and contributions	5,714,600	6,201,338	-	-	5,714,600	6,201,338
Capital grants and contributions	1,193,298	219,959	1,984,569	1,177,781	3,177,867	1,397,740
General revenues						
Sales and use tax	10,309,828	9,955,258	-	-	10,309,828	9,955,258
Property tax	11,148,999	10,639,407	-	-	11,148,999	10,639,407
Other taxes	3,215,600	3,158,450	-	-	3,215,600	3,158,450
Intergovernmental	13,867,429	13,805,848	-	-	13,867,429	13,805,848
Other sources	332,352	751,091	(381,179)	4,609	(48,827)	755,700
Unrestricted investment earnings	192,572	76,950	301,779	245,132	494,351	322,082
Total revenues	48,708,248	47,799,191	60,231,651	57,926,521	108,939,899	105,725,712
<b>Expenses</b>						
General government	1,616,258	1,488,321	-	-	1,616,258	1,488,321
Public safety	11,087,810	10,989,500	-	-	11,087,810	10,989,500
Public works	6,419,835	5,578,484	-	-	6,419,835	5,578,484
Schools	29,292,011	29,374,056	-	-	29,292,011	29,374,056
Parks and recreation	1,994,131	1,691,663	-	-	1,994,131	1,691,663
Community services	3,660	337,609	-	-	3,660	337,609
Interest on long-term debt	88,753	96,802	-	-	88,753	96,802
Electric	-	-	39,513,702	38,476,466	39,513,702	38,476,466
Gas	-	-	5,426,409	5,476,145	5,426,409	5,476,145
Water and sewer	-	-	7,138,253	6,386,352	7,138,253	6,386,352
Solid waste	-	-	3,049,990	3,052,876	3,049,990	3,052,876
Total expenses	50,502,458	49,556,435	55,128,354	53,391,839	105,630,812	102,948,274
<b>Increase in net position before transfers</b>	(1,794,210)	(1,757,244)	5,103,297	4,534,682	3,309,087	2,777,438
<b>Transfers</b>	2,053,845	1,969,174	(2,053,845)	(1,969,174)	-	-
Prior period adjustment	-	(1,898,654)	-	-	-	(1,898,654)
<b>Increase (decrease) in net position</b>	\$ 259,635	\$ (1,686,724)	\$ 3,049,452	\$ 2,565,508	\$ 3,309,087	\$ 878,784

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

The purpose of this bar chart is to present a comparison of expenses with their program revenues (i.e. revenues generated by the function) by function. The difference in the bars represents the amount of expenses being funded by tax revenues. The Table below presents the actual amounts that support the Chart below.

**Governmental Activities  
Chart of 2019 Expenses and Program Revenues**



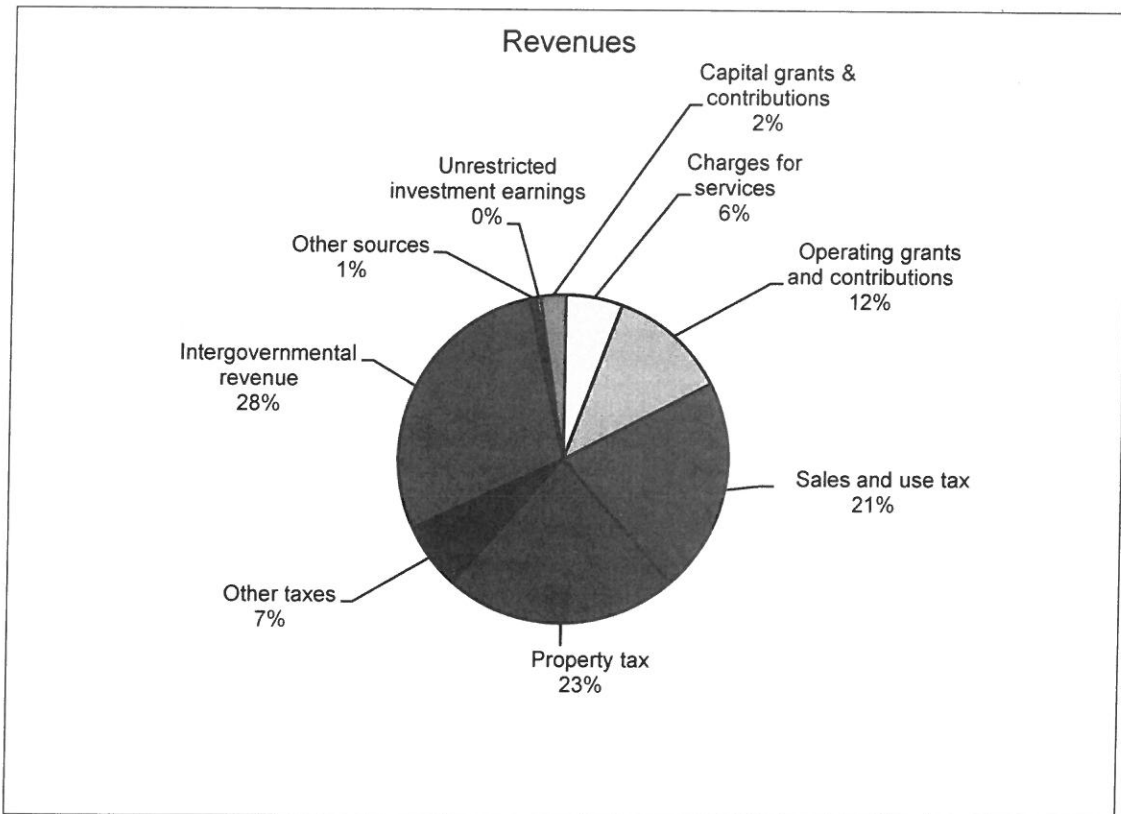
**Governmental Activities  
Table of Expenses and Program Revenues**

	2019		2018		Increase (Decrease)	
	Expenses	Program Revenues	Expenses	Program Revenues	Expenses	Program Revenues
General government	\$ 1,616,258	\$ 1,142,680	\$ 1,488,321	\$ 1,444,299	\$ 127,937	\$ (301,619)
Public safety	11,087,810	652,397	10,989,500	653,266	98,310	(869)
Public works	6,419,835	2,597,469	5,578,484	2,142,106	841,351	455,363
Schools	29,292,011	5,149,951	29,374,056	5,063,828	(82,045)	86,123
Parks and recreation	1,994,131	98,971	1,691,663	108,688	302,468	(9,717)
Community services	3,660	-	337,609	-	(333,949)	-
Interest on debt	88,753	-	96,802	-	(8,049)	-
	<b>\$ 50,502,458</b>	<b>\$ 9,641,468</b>	<b>\$ 49,556,435</b>	<b>\$ 9,412,187</b>	<b>\$ 946,023</b>	<b>\$ 229,281</b>

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

This Chart below presents revenue by source that fund City governmental functions. The Table below presents the actual amounts that support the Chart below.

**Governmental Activities  
Chart of 2019 Revenues by Source**



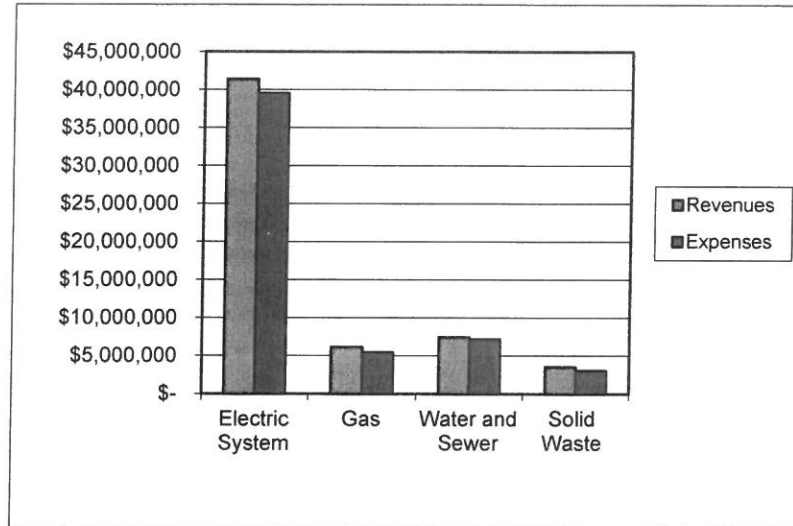
**Governmental Activities  
Table of Revenues by Source**

	2019		2018		Increase (Decrease) in Revenues
	Revenues	Percentage	Revenues	Percentage	
Charges for services	\$ 2,733,570	6%	\$ 2,990,890	6%	\$ (257,320)
Operating grants and contributions	5,714,600	12%	6,201,338	13%	(486,738)
Capital grants and contributions	1,193,298	2%	219,959	0%	973,339
Sales and use tax	10,309,828	21%	9,955,258	21%	354,570
Property tax	11,148,999	23%	10,639,407	22%	509,592
Other taxes	3,215,600	7%	3,158,450	7%	57,150
Intergovernmental revenue (Schools)	13,867,429	28%	13,805,848	29%	61,581
Other sources	332,352	1%	751,091	2%	(418,739)
Investment earnings	192,572	0%	76,950	0%	115,622
<b>Total</b>	<b>\$ 48,708,248</b>	<b>100%</b>	<b>\$ 47,799,191</b>	<b>100%</b>	<b>\$ 909,057</b>

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

This Chart below presents the income or loss of business-type activities by fund. The Table below presents the actual amounts that support the Chart below.

**Business-type Activities  
Chart of 2019 Expenses and Program Revenues**



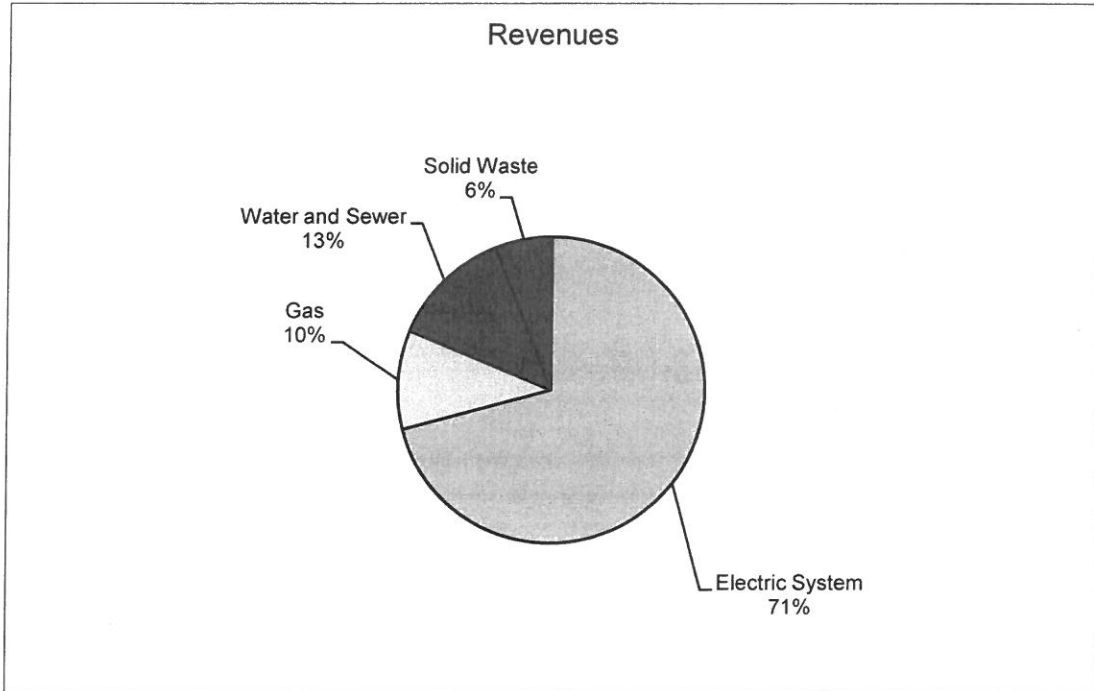
**Business-type Activities  
Table of Expenses and Program Revenues**

	2019		2018		Increase (Decrease)	
	Expenses	Program Revenues	Expenses	Program Revenues	Expenses	Program Revenues
Electric	\$ 39,513,702	\$ 41,324,742	\$ 38,476,466	\$ 40,206,960	\$ 1,037,236	\$ 1,117,782
Gas	5,426,409	6,110,154	5,476,145	5,928,621	(49,736)	181,533
Water and Sewer	7,138,253	7,390,467	6,386,352	8,449,496	751,901	(1,059,029)
Solid Waste	3,049,990	3,501,119	3,052,876	3,091,703	(2,886)	409,416
	<u>\$ 55,128,354</u>	<u>\$ 58,326,482</u>	<u>\$ 53,391,839</u>	<u>\$ 57,676,780</u>	<u>\$ 1,736,515</u>	<u>\$ 649,702</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

This Chart below presents revenue by type of service for business-type activities in relationship to total revenue for business-type activities. The Table below presents the actual amounts that support the Chart below.

**Business-type Activities  
Chart of 2019 Revenues by Service**



**Business-type Activities  
Table of Revenues by Service**

	2019		2018		Increase (Decrease)	
	Revenues	Percentage	Revenues	Percentage	Revenues	Percentage
Electric System	\$ 41,324,742	71%	\$ 40,206,960	70%	\$ 1,117,782	1%
Gas	6,110,154	10%	5,928,621	10%	181,533	0%
Water and Sewer	7,390,467	13%	8,449,496	15%	(1,059,029)	-2%
Solid Waste	3,501,119	6%	3,091,703	5%	409,416	1%
	<u>\$ 58,326,482</u>	<u>100%</u>	<u>\$ 57,676,780</u>	<u>100%</u>	<u>\$ 649,702</u>	

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**FINANCIAL ANALYSIS OF THE GOVERNMENTS FUNDS**

**Governmental funds.** The focus of the City of Dyersburg's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Dyersburg governmental funds reported combined ending fund balances of \$10,083,478, an increase of \$1,222,765 in comparison with the prior year. \$2,209,867 or 22% of the fund balance represents unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either non-spendable (\$128,070), restricted (\$7,695,048) or committed (\$50,493).

In the general fund, the City budgeted for an increase in the fund balance of \$20,500. Actual revenues were \$3,314,762 under budgeted revenues and actual expenditures were \$4,758,110 under budgeted expenditures. Total expenditures exceeded revenues by \$5,126,152. This amount netted against other financing sources (uses) of \$6,017,289 resulted in the fund balance increasing \$891,137 for fiscal year 2019. School fund balance increased \$546,644.

**Proprietary funds.** The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the respective proprietary funds are \$8,251,647 in Gas, (\$253,177) in Water and Sewer, (\$376,370) in Solid Waste Management, and \$6,826,285 in the Electric System. The Gas fund had an increase in net position of \$86,686, Electric System net position increased \$753,290, Water and Sewer fund net position increased \$1,689,833 and the Solid Waste Management fund net position increased \$525,139.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**CAPITAL ASSETS**

The City of Dyersburg's investment in capital assets for its governmental and business-type activities as of June 30, 2019, was \$116,991,492 (net of accumulated depreciation), an increase of \$3,573,593 or 3% from 2018. The increase is the result of net additions to capital assets of \$10,350,038 (a \$4,185,184 increase for Governmental activities and a \$6,164,854 increase for Business-type activities) net of depreciation of capital assets of \$6,776,445 (\$4,286,606 for Governmental activities and \$2,489,839 for Business-type activities). The investment in capital assets includes land, buildings and systems, improvements other than buildings, machinery, vehicles and equipment, infrastructure and construction in progress.

**Major capital asset additions** during the current fiscal year included the following (as rounded to the nearest hundred):

**Governmental Funds**

*General Fund -*

General government	\$ 607,400
Public safety	1,121,600
Public works	1,441,300
Public welfare	948,800
Schools	62,800

**Business-type Funds**

Gas system improvements	271,300
Water and sewer system improvements	2,534,400
Solid waste management improvements	1,261,100
Electric system improvements	2,108,100
	<u>\$ 10,356,800</u>

**Capital Assets at Year-end  
Net of Accumulated Depreciation**

	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 6,729,477	\$ 2,235,409	\$ 8,964,886	\$ 6,670,003	\$ 2,235,409	\$ 8,905,412
Construction in progress	2,144,268	4,199,384	6,343,652	291,443	1,341,579	1,633,022
Land improvements	-	1,856,547	1,856,547	-	2,125,394	2,125,394
Buildings and systems	19,574,054	57,278,301	76,852,355	22,479,144	56,716,127	79,195,271
Improvements other than buildings	4,849,411	-	4,849,411	4,930,661	-	4,930,661
Machinery, vehicles and equipment	3,967,140	4,789,680	8,756,820	2,696,382	4,255,707	6,952,089
Infrastructure	8,997,381	-	8,997,381	9,298,720	-	9,298,720
Allocated Internal Serv fund capital assets	263,086	107,354	370,440	259,885	117,445	377,330
	<u>\$ 46,524,817</u>	<u>\$ 70,466,675</u>	<u>\$ 116,991,492</u>	<u>\$ 46,626,238</u>	<u>\$ 66,791,661</u>	<u>\$ 113,417,899</u>

Additional information on the City of Dyersburg's capital assets can be found in Footnote IV. C. on pages 48-49 of this report.



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**DEBT ADMINISTRATION**

At June 30, 2019, the City of Dyersburg had total bonded debt and notes payable of \$23,992,822. Of this amount, \$11,826,098 comprises bonded debt backed by the full faith and credit of the government and \$2,950,000 represents bonds secured by electric revenues. The notes payable of \$9,216,724 pertains to the general fund (\$5,307,163) and schools (\$3,909,561).

Total debt increased \$2,559,540 or 11% from June 30, 2018 to June 30, 2019 as a result of new debt issued and payments made during the year.

**Outstanding Debt at Year End  
Bonds and Notes Payable**

The City's long-term debt at June 30, 2019 and 2018 is summarized below:

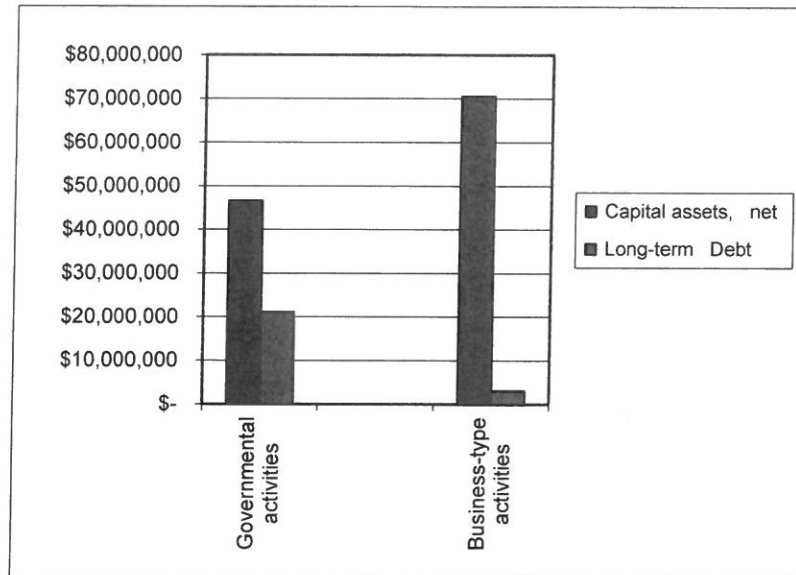
	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Notes Payable	\$ 9,216,724	\$ -	\$ 9,216,724	\$ 6,779,485	\$ -	\$ 6,779,485
General Obligation Bonds	11,826,098	-	11,826,098	12,578,797	785,000	13,363,797
Revenue Bonds	-	2,950,000	2,950,000	-	1,290,000	1,290,000
	<u>\$ 21,042,822</u>	<u>\$ 2,950,000</u>	<u>\$ 23,992,822</u>	<u>\$ 19,358,282</u>	<u>\$ 2,075,000</u>	<u>\$ 21,433,282</u>

The City's Bonds are insured thus holding an A credit rating from Standard and Poors and an A2 rating from Moody's.

Additional information on the City of Dyersburg's long term-debt and debt changes for the year can be found in Footnote IV. E on pages 50-52 of this report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Governmental and Business-type Activities  
Chart of 2019 Net Capital Assets and Long-term Debt**



**Governmental and Business-type Activities  
Table of Net Capital Assets and Long-term Debt**

	2019		2018	
	Capital Assets, net of Depreciation	Long-term Debt	Capital Assets, net of Depreciation	Long-term Debt
Governmental activities	\$ 46,524,817	\$ 21,042,822	\$ 46,626,238	\$ 19,358,282
Business-type activities	70,466,675	2,950,000	66,791,661	2,075,000
	<u>\$ 116,991,492</u>	<u>\$ 23,992,822</u>	<u>\$ 113,417,899</u>	<u>\$ 21,433,282</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The unemployment rate of Dyer County is 5.8%. This compares unfavorably to the state's average unemployment rate of 4.3% and the national average of 4.0%.

Inflationary trends in the region compare favorably to national indices.

As a result of the economic condition in the area, the City has made a concerted effort to limit appropriations to only those items truly necessary.

The property tax rate was increased to \$2.55 for the 2019-2020 fiscal year.

User rates remained the same for water and gas services and refuse collection for fiscal year 2019-2020.

Sewer rates were increased by 3% for fiscal year 2019-2020.

**REQUEST FOR INFORMATION**

The financial report is designed to provide our citizens, customers, investors and creditors with general overview of the City's finances. If you have questions about this report or need any additional information, contact the Treasurer's Office at P.O. Box 1358, Dyersburg, TN 38025-1358 or call (731) 288-7609.

Information for Dyersburg City Schools and Dyersburg Electric System is presented in their separately issued reports and therefore, not presented here.

**CITY OF DYERSBURG, TENNESSEE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash	\$ 9,854,061	\$ 14,651,879	\$ 24,505,940
Investments	1,535,298	8,558,610	10,093,908
Receivables (net of allowance for uncollectibles):			
Taxes	9,158,817	-	9,158,817
Accounts	4,116,813	3,594,928	7,711,741
Accrued interest and rents	-	131,147	131,147
Interfund balances	108,940	(108,940)	-
Inventories	70,846	1,004,763	1,075,609
Prepaid expenses	3,162	90,045	93,207
Deposits	121,578	25,434	147,012
Other assets	-	571,010	571,010
Net pension asset	1,166,314	-	1,166,314
Restricted assets - hybrid stabilization	38,947	-	38,947
Restricted assets - cash and cash investments	-	4,872,592	4,872,592
Capital assets not being depreciated:			
Land	6,729,477	2,235,409	8,964,886
Construction in progress	2,144,268	4,199,384	6,343,652
Capital assets net of accumulated depreciation	<u>37,651,072</u>	<u>64,031,882</u>	<u>101,682,954</u>
<b>Total Assets</b>	<u>72,699,593</u>	<u>103,858,143</u>	<u>176,557,736</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	<u>18,077,679</u>	<u>5,032,757</u>	<u>23,110,436</u>
<b>Total Deferred Outflows of Resources</b>	<u>18,077,679</u>	<u>5,032,757</u>	<u>23,110,436</u>

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

**CITY OF DYERSBURG, TENNESSEE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Accounts payable	2,897,914	4,021,365	6,919,279
Accrued liabilities	2,163,190	278,788	2,441,978
Deposits	29,231	3,020,373	3,049,604
Other current liabilities	130,745	113,202	243,947
Noncurrent liabilities:			
Due within one year:			
Current portion of notes payable	1,032,776	-	1,032,776
Current portion of bonds payable	803,699	375,000	1,178,699
Due in more than one year:			
Notes payable	8,183,948	-	8,183,948
Bonds payable	11,022,399	2,575,000	13,597,399
Net pension liability	29,377,150	9,576,384	38,953,534
Other post employment benefits	3,295,935	-	3,295,935
Other accrued liabilities	1,021,916	2,036,962	3,058,878
Advances from TVA	-	180,076	180,076
<b>Total Liabilities</b>	<b>59,958,903</b>	<b>22,177,150</b>	<b>82,136,053</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property taxes	7,756,212	-	7,756,212
Unavailable confiscated funds	12,725	-	12,725
Unearned grant revenue	1,160,323	-	1,160,323
Related to pensions	4,833,471	1,317,416	6,150,887
<b>Total Deferred Inflows of Resources</b>	<b>13,762,731</b>	<b>1,317,416</b>	<b>15,080,147</b>
<b>NET POSITION</b>			
Net investment in capital assets	25,481,995	67,516,675	92,998,670
Restricted for:			
Perpetual care	1,520,748	-	1,520,748
Debt service	1,851,150	2,710,171	4,561,321
Capital projects	1,302	-	1,302
Special revenue funds	316,543	-	316,543
Net pension asset	1,166,314	-	1,166,314
Other purposes	52,212	-	52,212
Unrestricted	(13,334,626)	15,169,488	1,834,862
<b>Total Net Position</b>	<b>\$ 17,055,638</b>	<b>\$ 85,396,334</b>	<b>\$ 102,451,972</b>

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

**CITY OF DYERSBURG, TENNESSEE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 1,616,258	\$ 1,142,680	\$ -	\$ -	\$ (473,578)	\$ -	\$ (473,578)
Public safety	11,087,810	568,911	83,486	-	(10,435,413)	-	(10,435,413)
Public works	6,419,835	403,003	1,001,168	1,193,298	(3,822,366)	-	(3,822,366)
Schools	29,292,011	520,005	4,629,946	-	(24,142,060)	-	(24,142,060)
Parks and recreation	1,994,131	98,971	-	-	(1,895,160)	-	(1,895,160)
Community services	3,660	-	-	-	(3,660)	-	(3,660)
Interest on long-term debt	88,753	-	-	-	(88,753)	-	(88,753)
<b>Total governmental activities</b>	<b>50,502,458</b>	<b>2,733,570</b>	<b>5,714,600</b>	<b>1,193,298</b>	<b>(40,860,990)</b>	<b>-</b>	<b>(40,860,990)</b>
<b>Business-type activities:</b>							
Electric	39,513,702	41,324,742	-	-	-	1,811,040	1,811,040
Gas	5,426,409	6,110,154	-	-	-	683,745	683,745
Water and sewer	7,138,253	7,390,467	-	1,984,569	-	2,236,783	2,236,783
Solid waste	3,049,990	3,501,119	-	-	-	451,129	451,129
<b>Total business-type activities</b>	<b>55,128,354</b>	<b>58,326,482</b>	<b>-</b>	<b>1,984,569</b>	<b>-</b>	<b>5,182,697</b>	<b>5,182,697</b>
<b>Total primary government</b>	<b>\$ 105,630,812</b>	<b>\$ 61,060,052</b>	<b>\$ 5,714,600</b>	<b>\$ 3,177,867</b>	<b>(40,860,990)</b>	<b>5,182,697</b>	<b>(35,678,293)</b>
<b>General revenues:</b>							
Property taxes					11,148,999	-	11,148,999
State and local sales taxes					10,309,828	-	10,309,828
Wholesale beer and liquor taxes					587,106	-	587,106
Business taxes					450,952	-	450,952
Franchise taxes					120,925	-	120,925
Room occupancy taxes					350,701	-	350,701
Wheel taxes					618,720	-	618,720
Other statutory local taxes					1,106	-	1,106
State taxes					1,086,090	-	1,086,090
Intergovernmental revenue					13,867,429	-	13,867,429
Other sources					332,352	(381,179)	(48,827)
Unrestricted investment earnings					192,572	301,779	494,351
<b>Transfers from business-type activities</b>					<b>2,053,845</b>	<b>(2,053,845)</b>	<b>-</b>
<b>Total general revenues and transfers</b>					<b>41,120,625</b>	<b>(2,133,245)</b>	<b>38,987,380</b>
Change in net position					259,635	3,049,452	3,309,087
Net position- beginning					16,796,003	82,346,882	99,142,885
Net position - ending					\$ 17,055,638	\$ 85,396,334	\$ 102,451,972

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

**CITY OF DYERSBURG, TENNESSEE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	<u>General</u>	<u>School</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash	\$ 3,353,683	\$ 3,351,730	\$ 3,188,846	\$ 9,894,259
Investments	10,000	-	1,525,298	1,535,298
Receivables (net of allowance for uncollectibles):				
Taxes	8,604,782	554,035	-	9,158,817
Accounts	3,698,645	108,220	299,159	4,106,024
Due from other funds	367,591	-	73,456	441,047
Inventories	-	-	70,846	70,846
Prepaid expenses	3,162	-	-	3,162
Deposits	54,062	-	92,950	147,012
Restricted retirement				
Hybrid stabilization (SRT)	-	38,947	-	38,947
<b>Total Assets</b>	<u><u>\$ 16,091,925</u></u>	<u><u>\$ 4,052,932</u></u>	<u><u>\$ 5,250,555</u></u>	<u><u>\$ 25,395,412</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,724,208	\$ 64,885	\$ 128,248	\$ 2,917,341
Accrued liabilities	170,018	1,816,438	282,986	2,269,442
Deposits	29,231	-	-	29,231
Due to other funds	92,951	-	342,141	435,092
<b>Total Liabilities</b>	<u><u>3,016,408</u></u>	<u><u>1,881,323</u></u>	<u><u>753,375</u></u>	<u><u>5,651,106</u></u>
<b>Deferred Inflows of Resources:</b>				
Unavailable confiscated funds	-	-	12,725	12,725
Deferred current property taxes	8,119,829	-	-	8,119,829
Delinquent property taxes	367,951	-	-	367,951
Unearned grant revenue	1,160,323	-	-	1,160,323
<b>Total Deferred Inflows of Resources</b>	<u><u>9,648,103</u></u>	<u><u>-</u></u>	<u><u>12,725</u></u>	<u><u>9,660,828</u></u>
<b>Fund Balances:</b>				
Non-spendable	57,224	-	70,846	128,070
Restricted	1,160,323	2,171,609	4,363,116	7,695,048
Committed	-	-	50,493	50,493
Unassigned	2,209,867	-	-	2,209,867
<b>Total Fund Balances</b>	<u><u>3,427,414</u></u>	<u><u>2,171,609</u></u>	<u><u>4,484,455</u></u>	<u><u>10,083,478</u></u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u><u>\$ 16,091,925</u></u>	<u><u>\$ 4,052,932</u></u>	<u><u>\$ 5,250,555</u></u>	<u><u>\$ 25,395,412</u></u>

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

**CITY OF DYERSBURG, TENNESSEE**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO**  
**NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**JUNE 30, 2019**

**Amounts reported for governmental activities in the statement of net position are different because of the following:**

<b>Total Governmental Fund Balances, page 21</b>	<b>\$ 10,083,478</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	46,261,731
Deferred outflows/inflows of resources related to pensions in which the consumption/acquisition of net position will occur in future periods.	
Deferred outflows	18,077,679
Deferred inflows	(4,833,471)
Net pension liability/asset are not a financial use/source in the current period and, therefore, are not reported in the funds.	
Net pension asset	1,166,314
Net pension liability	(29,377,150)
Internal service fund assets and liabilities allocated to governmental funds and, therefore, are included in governmental activities in the statement of net position.	302,168
Long-term assets are not available to pay for current period expenditures and therefore, are deferred in the governmental funds.	731,567
Long-term liabilities, including note payable, bonds payable and other post employment benefits, are not due and payable in the current period and therefore, are not reported in the current period.	<u>(25,356,678)</u>
<b>Net position of governmental activities (page 19)</b>	<b><u><u>\$ 17,055,638</u></u></b>

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



**CITY OF DYERSBURG, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	General	School	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Taxes	\$ 11,492,980	\$ 8,498,484	\$ 1,642,298	\$ 21,633,762
Licenses and permits	81,389	-	-	81,389
Intergovernmental	5,053,419	14,476,458	3,886,157	23,416,034
Charges for services	737,783	-	431,842	1,169,625
Fines, forfeits, and penalties	233,480	-	26,289	259,769
Sale of assets	415,344	-	23,502	438,846
Investment earnings	26,255	24,196	141,696	192,147
Miscellaneous	1,985,188	358,965	3,112,876	5,457,029
<b>Total Revenues</b>	<u>20,025,838</u>	<u>23,358,103</u>	<u>9,264,660</u>	<u>52,648,601</u>
<b>EXPENDITURES:</b>				
Current:				
General government	1,908,559	-	3,017,577	4,926,136
Public safety	8,851,137	-	-	8,851,137
Public works	4,764,176	-	-	4,764,176
Community services	-	-	-	-
Parks and recreation	1,478,081	-	-	1,478,081
Economic development	347,053	-	-	347,053
Municipal airport	491,979	-	-	491,979
Joint cost - communications	443,095	-	-	443,095
Education	-	22,798,487	4,486,445	27,284,932
Miscellaneous	1,843,703	-	-	1,843,703
Capital outlay	4,024,867	14,727	94,295	4,133,889
Debt service:				
Principal retirement	878,000	1,395,623	-	2,273,623
Interest	88,753	478,700	-	567,453
Other expense	32,587	-	-	32,587
<b>Total Expenditures</b>	<u>25,151,990</u>	<u>24,687,537</u>	<u>7,598,317</u>	<u>57,437,844</u>
<b>Revenues Over (Under) Expenditures</b>	(5,126,152)	(1,329,434)	1,666,343	(4,789,243)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	2,088,726	1,876,078	27,845	3,992,649
Operating transfers out	(29,600)	-	(1,909,204)	(1,938,804)
Sale of bonds	3,958,163	-	-	3,958,163
Capital lease acquisitions	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>6,017,289</u>	<u>1,876,078</u>	<u>(1,881,359)</u>	<u>6,012,008</u>
<b>Net Change in Fund Balance</b>	891,137	546,644	(215,016)	1,222,765
<b>Fund Balance - July 1, 2018</b>	<u>2,536,277</u>	<u>1,624,965</u>	<u>4,699,471</u>	<u>8,860,713</u>
<b>Fund Balance - June 30, 2019</b>	<u>\$ 3,427,414</u>	<u>\$ 2,171,609</u>	<u>\$ 4,484,455</u>	<u>\$ 10,083,478</u>

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

**CITY OF DYERSBURG, TENNESSEE  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Amounts reported for governmental activities in the statement of activities (page 20) are different because:

Net change in fund balances - total governmental funds (page 23)	\$ 1,222,765
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	367,951
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay.	(104,623)
Pension contributions are reported as expenditures in the governmental funds. However, pension expense in the statement of activities is primarily the result of changes in the components of the net pension asset/liability over current and future periods.	506,380
The issuance of long-term debt (e.g., bonds, notes) and the refunding of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(1,684,540)
The net expense of certain activities of internal service funds is reported with governmental activities.	5,496
The increase/decrease in the liability for compensated absences is not reported in governmental funds.	<u>(53,794)</u>
Change in net position of governmental activities (page 20)	<u><u>\$ 259,635</u></u>

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

**CITY OF DYERSBURG, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Original &amp; Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Taxes			
Property taxes - net	\$ 7,865,000	\$ 8,083,407	\$ 218,407
Property taxes - penalty and interest	80,000	84,718	4,718
Local sales tax	1,780,000	1,815,171	35,171
Wholesale beer tax	515,000	505,035	(9,965)
Wholesale liquor tax	80,000	82,071	2,071
Business taxes	420,000	450,952	30,952
Cable TV franchise tax	125,000	120,925	(4,075)
Room occupancy tax	315,000	350,701	35,701
Total taxes	<u>11,180,000</u>	<u>11,492,980</u>	<u>312,980</u>
Licenses and permits			
Beer licenses	7,000	6,950	(50)
Liquor licenses	11,000	11,050	50
Other licenses	1,600	1,205	(395)
Building permits and inspections	79,200	62,184	(17,016)
Total licenses and permits	<u>98,800</u>	<u>81,389</u>	<u>(17,411)</u>
Intergovernmental revenues			
Federal law enforcement grants	25,000	25,286	286
TVA replacement tax	195,500	203,031	7,531
Payment in lieu of taxes - Housing Authority	46,000	46,484	484
State sales tax	1,424,700	1,540,140	115,440
State income tax	170,000	167,368	(2,632)
State beer tax	8,300	7,937	(363)
State alcoholic beverage tax	55,500	71,599	16,099
State gasoline & motor fuel tax	350,000	324,642	(25,358)
State 1989 gasoline tax	56,000	51,789	(4,211)
State 3 cent gasoline tax	104,000	95,962	(8,038)
State gas 2017 tax	79,000	129,719	50,719
State petroleum special tax	35,000	34,043	(957)
State public safety grants	61,200	58,200	(3,000)
State airport grant	1,175,000	1,243,363	68,363
State community enhancement grant	50,000	46,469	(3,531)
State recreation grant	250,000	-	(250,000)
State CDBG grant	4,400,000	904,634	(3,495,366)
County intergovernmental revenue	108,000	102,753	(5,247)
Total intergovernmental revenues	<u>8,593,200</u>	<u>5,053,419</u>	<u>(3,539,781)</u>
Charges for services			
Public safety reimbursements	260,000	233,153	(26,847)
Special police and safety services	12,000	10,625	(1,375)
Fire protection charges	40,000	29,469	(10,531)
Cemetery burial, foundation and deed charges	128,500	125,720	(2,780)
Stormwater II charges	199,300	202,948	3,648
Swimming pool charges and fees	35,500	26,689	(8,811)
Parks and recreation charges	89,200	72,282	(16,918)
Other	36,000	36,897	897
Total charges for services	<u>800,500</u>	<u>737,783</u>	<u>(62,717)</u>

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

**CITY OF DYERSBURG, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Original &amp; Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues (continued):</b>			
Fines, forfeits and penalties			
City court revenue	\$ 230,200	\$ 225,272	\$ (4,928)
Safe driving fees	6,000	5,288	(712)
Other	4,000	2,920	(1,080)
Total fines, forfeits and penalties	<u>240,200</u>	<u>233,480</u>	<u>(6,720)</u>
Miscellaneous revenues			
Interest	22,000	26,255	4,255
Rents	344,400	352,740	8,340
Sales of fuel and supplies	360,000	355,989	(4,011)
Sale of property and equipment	10,000	155	(9,845)
Sale of cemetery lots	65,000	59,200	(5,800)
Joint expense reimbursements - Administrative charges	1,523,500	1,526,214	2,714
Other	103,000	106,234	3,234
Total miscellaneous revenues	<u>2,427,900</u>	<u>2,426,787</u>	<u>(1,113)</u>
<b>Total revenues</b>	<u>23,340,600</u>	<u>20,025,838</u>	<u>(3,314,762)</u>

**EXPENDITURES**

Current:

General government:

Legislative	94,400	75,105	19,295
Judicial	352,200	304,055	48,145
Executive	182,400	173,587	8,813
City recorder	94,900	90,298	4,602
City attorney	100,000	44,784	55,216
Accounting	263,600	255,137	8,463
Tax administration	83,900	83,435	465
Purchasing	93,100	90,030	3,070
Personnel	111,600	107,488	4,112
Engineering	345,800	364,455	(18,655)
Planning and zoning	13,400	12,868	532
City Hall	119,700	159,061	(39,361)
Professional Development Center	132,100	148,256	(16,156)
Total general government	<u>1,987,100</u>	<u>1,908,559</u>	<u>78,541</u>

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

**CITY OF DYERSBURG, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Original &amp; Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Expenditures (continued):</b>			
Public safety:			
Police department			
Traffic safety	\$ 117,200	\$ 109,475	\$ 7,725
Supplement pay	34,900	31,649	3,251
Administration	541,500	547,840	(6,340)
Operations	98,800	94,255	4,545
Criminal investigation	648,300	690,991	(42,691)
Patrol	2,755,900	2,631,434	124,466
Records and identification	272,400	250,486	21,914
Street crimes	264,100	160,860	103,240
Training	296,500	255,693	40,807
Education and public relations	3,000	2,766	234
Automotive services	167,000	184,844	(17,844)
Special response team	30,500	30,048	452
Police station	115,400	98,375	17,025
Total police department	<u>5,345,500</u>	<u>5,088,716</u>	<u>256,784</u>
Fire department			
Supplement pay	33,600	31,003	2,597
Administration	390,600	366,594	24,006
Fire fighting	2,896,400	2,681,304	215,096
Fire prevention	161,200	152,509	8,691
Training	113,100	78,519	34,581
Equipment repair services	98,700	136,704	(38,004)
Fire stations	88,800	83,770	5,030
Total fire department	<u>3,782,400</u>	<u>3,530,403</u>	<u>251,997</u>
Building inspection	<u>283,700</u>	<u>232,018</u>	<u>51,682</u>
Total public safety	<u>9,411,600</u>	<u>8,851,137</u>	<u>560,463</u>
Public works:			
Public works administration	414,200	431,329	(17,129)
Highways and streets	3,321,700	3,264,169	57,531
State Street Aid			
Street lighting	589,000	602,112	(13,112)
Storm drainage	102,900	100,173	2,727
Stormwater II	106,900	93,507	13,393
Cemeteries	298,700	272,886	25,814
Total public works	<u>4,833,400</u>	<u>4,764,176</u>	<u>69,224</u>

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

**CITY OF DYERSBURG, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Original &amp; Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Expenditures (continued):</b>			
Parks and recreation			
Dyersburg Activity Center	365,600	457,981	(92,381)
Bruce Recreation Center	164,000	184,613	(20,613)
Future City Recreation Center	183,800	145,263	38,537
Dyersburg Activity Center pool	38,500	36,489	2,011
Okeena pool	80,200	74,215	5,985
Bruce pool	16,800	13,548	3,252
Youth Programs	59,200	69,148	(9,948)
Men's softball league	500	-	500
Special recreation facilities	15,000	27,355	(12,355)
Playgrounds and parks	470,400	442,875	27,525
Golf course	25,000	26,594	(1,594)
Total parks and recreation	<u>1,419,000</u>	<u>1,478,081</u>	<u>(59,081)</u>
Tourism and economic development	<u>315,000</u>	<u>347,053</u>	<u>(32,053)</u>
Municipal airport	<u>577,400</u>	<u>491,979</u>	<u>85,421</u>
Capital outlay			
General government	905,000	582,153	322,847
Public safety	1,089,500	1,027,312	62,188
Public works	144,000	207,722	(63,722)
Parks and recreation	5,160,500	948,786	4,211,714
Municipal airport	1,100,000	1,258,894	(158,894)
Total capital outlay	<u>8,399,000</u>	<u>4,024,867</u>	<u>4,374,133</u>
Debt service			
Retirement of notes, bonds and capital leases	878,000	878,000	-
Interest	88,300	88,753	(453)
Bond issuance cost	-	27,600	(27,600)
Bank and loan remarketing fees	4,500	4,987	(487)
Total debt service	<u>970,800</u>	<u>999,340</u>	<u>(28,540)</u>
Joint costs - communications	<u>424,000</u>	<u>443,095</u>	<u>(19,095)</u>

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

CITY OF DYERSBURG, TENNESSEE  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
<b>Expenditures (continued):</b>			
Miscellaneous expenditures			
Vacation and sick leave	\$ 25,000	\$ 21,620	\$ 3,380
Insurance	16,000	12,910	3,090
Retirement	1,136,200	1,148,733	(12,533)
Professional services	75,000	72,232	2,768
Repairs and maintenance supplies	-	127,646	(127,646)
Payments in lieu of taxes	115,000	123,795	(8,795)
CDBG-NDR escrow acquisition	-	55,946	(55,946)
CDBG-NDR escrow relocation	-	155,877	(155,877)
Other	205,600	124,944	80,656
Total miscellaneous expenditures	1,572,800	1,843,703	(270,903)
<b>Total expenditures</b>	29,910,100	25,151,990	4,758,110
<b>Revenues over (under) expenditures</b>	(6,569,500)	(5,126,152)	1,443,348
<b>Other financing sources (uses)</b>			
Transfers in	2,025,000	2,088,726	63,726
Transfers out	(35,000)	(29,600)	5,400
Sale of bonds	4,600,000	3,958,163	(641,837)
Total other financing sources (uses)	6,590,000	6,017,289	(572,711)
<b>Net change in fund balance</b>	\$ 20,500	891,137	\$ 870,637
<b>Fund balance - July 1, 2018</b>		2,536,277	
<b>Fund balance - June 30, 2019</b>		\$ 3,427,414	

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

**CITY OF DYERSBURG, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SCHOOL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Real estate taxes	\$ 2,469,659	\$ 2,469,659	\$ 2,566,439	\$ 96,780
Other statutory local taxes	2,000	2,000	-	(2,000)
Sales tax	5,113,180	5,113,180	5,312,219	199,039
Other permits and licenses	1,200	1,200	1,106	(94)
Wheel tax	599,435	599,435	618,720	19,285
Intergovernmental	14,711,511	14,715,661	14,476,458	(239,203)
Miscellaneous	383,700	383,700	383,161	(539)
<b>Total Revenues</b>	<b>23,280,685</b>	<b>23,284,835</b>	<b>23,358,103</b>	<b>73,268</b>
<b>EXPENDITURES:</b>				
Education:				
Regular instruction program	11,756,892	11,852,804	11,712,769	140,035
Alternative instruction program	338,849	350,783	349,556	1,227
Special education program	1,713,580	1,705,915	1,710,051	(4,136)
Career and technical education	382,817	390,648	390,716	(68)
Health services	291,936	300,414	297,120	3,294
Other student support	938,164	879,006	829,995	49,011
Regular instruction support	580,712	565,011	562,333	2,678
Alternative education support	103,814	86,748	86,748	-
Special education support	88,878	73,257	73,016	241
Fiscal services	259,087	288,023	267,372	20,651
Operation of plant	2,239,424	2,315,818	2,317,449	(1,631)
Maintenance of plant	638,300	512,813	475,650	37,163
Board of education	899,039	832,473	605,467	227,006
Career and technical education	14,326	14,138	14,156	(18)
Early childhood education	579,680	625,149	623,018	2,131
Office of the superintendent	376,707	383,582	385,343	(1,761)
Community services	120,500	146,754	141,876	4,878
Transportation	1,800	1,776	1,776	-
Attendance services	106,947	123,118	123,118	-
Technology	378,071	374,259	378,259	(4,000)
Office of the principal	1,363,180	1,449,416	1,452,699	(3,283)
<b>Total education</b>	<b>23,172,703</b>	<b>23,271,905</b>	<b>22,798,487</b>	<b>473,418</b>
Capital outlay	140,000	14,727	14,727	-
<b>Total Expenditures</b>	<b>23,312,703</b>	<b>23,286,632</b>	<b>22,813,214</b>	<b>473,418</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(32,018)</b>	<b>(1,797)</b>	<b>544,889</b>	<b>546,686</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	130,017	128,596	1,755	(126,841)
Transfers to other funds	(97,999)	(126,799)	-	126,799
<b>Total other financing sources (uses)</b>	<b>32,018</b>	<b>1,797</b>	<b>1,755</b>	<b>(42)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>546,644</b>	<b>\$ 546,644</b>
<b>Fund balance - July 1, 2018</b>			<b>1,624,965</b>	
<b>Fund balance - June 30, 2019</b>			<b>\$ 2,171,609</b>	

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



CITY OF DYERSBURG, TENNESSEE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2019

	Business-Type Activities -- Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Gas	Water and Sewer	Solid Waste Management	Electric System			
<b>ASSETS</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ 7,626,823	\$ 1,234,553	\$ 1,303,398	\$ 2,290,699	\$ 12,455,473	\$ 2,156,208	
Investments	765,445	-	327,125	7,466,040	8,558,610	-	
Accounts receivable - net	143,674	524,002	320,805	2,597,914	3,586,395	19,322	
Accrued interest receivable	-	-	-	37,816	37,816	-	
Accrued rents receivable	-	-	-	93,331	93,331	-	
Due from other funds	586,495	606,202	344,191	-	1,536,888	91,872	
Inventories	52,482	149,430	-	802,851	1,004,763	-	
Prepaid expenses	-	-	-	90,045	90,045	-	
<b>Total current assets</b>	<u>9,174,919</u>	<u>2,514,187</u>	<u>2,295,519</u>	<u>13,378,696</u>	<u>27,363,321</u>	<u>2,267,402</u>	
<b>Noncurrent assets:</b>							
Cash in bank and with trustees	-	-	-	4,872,592	4,872,592	-	
Capital assets:							
Plant in service	14,038,844	62,706,164	11,996,744	64,711,950	153,453,702	2,275,727	
Construction in progress	222,272	2,954,043	203,749	819,320	4,199,384	-	
Less - accumulated depreciation	(8,926,509)	(39,658,908)	(8,422,062)	(30,286,286)	(87,293,765)	(1,905,287)	
Net Capital Assets	5,334,607	26,001,299	3,778,431	35,244,984	70,359,321	370,440	
Other assets	-	84,183	146,912	238,312	469,407	101,462	
<b>Total noncurrent assets</b>	<u>5,334,607</u>	<u>26,085,482</u>	<u>3,925,343</u>	<u>40,355,888</u>	<u>75,701,320</u>	<u>471,902</u>	
<b>Total Assets</b>	<u>14,509,526</u>	<u>28,599,669</u>	<u>6,220,862</u>	<u>53,734,584</u>	<u>103,064,641</u>	<u>2,739,304</u>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Differences between expected and actual experience - pension	(61,302)	1,791,566	1,078,738	64,069	2,873,071	-	
Contributions - pension	-	-	-	539,288	539,288	-	
Changes in assumption - pension	-	-	-	795,113	795,113	-	
Net difference between projected and actual earnings on pension plan investment	-	-	-	825,285	825,285	-	
<b>Total Deferred Outflows of Resources</b>	<u>(61,302)</u>	<u>1,791,566</u>	<u>1,078,738</u>	<u>2,223,755</u>	<u>5,032,757</u>	<u>-</u>	

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

CITY OF DYERSBURG, TENNESSEE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2019

	Business-Type Activities -- Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Gas	Water and Sewer	Solid Waste Management	Electric System		
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Accounts payable	380,166	295,447	46,052	3,256,156	3,977,821	24,116
Bonds payable within one year	-	-	-	375,000	375,000	-
Accrued payroll	9,109	27,223	15,663	-	51,995	21,766
Accrued interest payable	-	-	-	26,006	26,006	-
Accrued compensated absences	24,530	108,314	40,877	-	173,721	26,544
Customer deposits	337,633	520,319	-	2,162,421	3,020,373	-
Due to other funds	19,661	57,245	21,029	-	97,935	1,536,780
Other current liabilities	82,823	-	-	33,628	116,451	-
<b>Total current liabilities</b>	<b>853,922</b>	<b>1,008,548</b>	<b>123,621</b>	<b>5,853,211</b>	<b>7,839,302</b>	<b>1,609,206</b>
<b>Noncurrent liabilities:</b>						
Other accrued liabilities	-	159,179	1,652,517	208,342	2,020,038	20,778
Net pension liability	11,836	3,111,740	1,916,716	4,536,092	9,576,384	-
Advances from TVA - conservation	-	-	-	180,076	180,076	-
Bonds payable - long-term	-	-	-	2,575,000	2,575,000	-
<b>Total noncurrent liabilities</b>	<b>11,836</b>	<b>3,270,919</b>	<b>3,569,233</b>	<b>7,499,510</b>	<b>14,351,498</b>	<b>20,778</b>
<b>Total Liabilities</b>	<b>865,758</b>	<b>4,279,467</b>	<b>3,692,854</b>	<b>13,352,721</b>	<b>22,190,800</b>	<b>1,629,984</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Differences between expected and actual experience - pension	(3,788)	363,646	204,685	332,051	896,594	-
Changes in assumptions - pension	-	-	-	420,822	420,822	-
<b>Total Deferred Inflows of Resources</b>	<b>(3,788)</b>	<b>363,646</b>	<b>204,685</b>	<b>752,873</b>	<b>1,317,416</b>	<b>-</b>
<b>NET POSITION</b>						
Net investment in capital assets	5,334,607	26,001,299	3,778,431	32,316,289	67,430,626	370,440
Restricted	-	-	-	2,710,171	2,710,171	-
Unrestricted	8,251,647	(253,177)	(376,370)	6,826,285	14,448,385	738,880
<b>Net Position</b>	<b>\$ 13,586,254</b>	<b>\$ 25,748,122</b>	<b>\$ 3,402,061</b>	<b>\$ 41,852,745</b>	<b>\$ 84,589,182</b>	<b>\$ 1,109,320</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						
					807,152	
<b>Total Net Position of business-type activities</b>					<b>\$ 85,396,334</b>	

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

CITY OF DYERSBURG, TENNESSEE  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-Type Activities -- Enterprise Funds				Totals	Governmental
	Gas	Water and Sewer	Solid Waste Management	Electric System		Activities - Internal Service Funds
<b>Operating revenues:</b>						
Charges for service	\$ 6,009,085	\$ 7,227,910	\$ 3,260,576	\$ 39,967,882	\$ 56,465,453	\$ -
Interest and penalties	28,332	43,232	-	244,851	316,415	-
Rent	-	-	-	1,029,285	1,029,285	-
Miscellaneous	7,775	53,891	220,902	82,724	365,292	2,081,712
Total operating revenues	<u>6,045,192</u>	<u>7,325,033</u>	<u>3,481,478</u>	<u>41,324,742</u>	<u>58,176,445</u>	<u>2,081,712</u>
<b>Operating expenses:</b>						
Purchased power	3,110,765	-	-	32,869,679	35,980,444	-
Transmission and distribution	683,374	616,757	-	1,871,197	3,171,328	-
Customers' accounting and collecting	468,200	507,025	77,824	556,322	1,609,371	-
General and administrative	887,495	1,182,642	661,444	1,877,212	4,608,793	2,017,843
Purification	-	1,209,210	-	-	1,209,210	-
Sewer plant operation	-	765,341	-	-	765,341	-
Sewage treatment and disposal	-	1,263,679	-	-	1,263,679	-
Residential and dumpster operations	-	-	1,035,512	-	1,035,512	-
Landfill operations	-	-	683,959	-	683,959	-
General plant maintenance	-	-	-	27,924	27,924	-
Depreciation and amortization	306,730	1,403,880	590,541	2,172,755	4,473,906	68,779
Taxes other than tax equivalents	-	-	-	138,613	138,613	-
Total operating expenses	<u>5,456,564</u>	<u>6,948,534</u>	<u>3,049,280</u>	<u>39,513,702</u>	<u>54,968,080</u>	<u>2,086,622</u>
<b>Operating income (loss)</b>	588,628	376,499	432,198	1,811,040	3,208,365	(4,910)
<b>Nonoperating revenues (expenses):</b>						
Investment earnings	63,389	11,100	13,139	209,410	297,038	4,677
Interest expense	-	(22,269)	-	(54,031)	(76,300)	-
Miscellaneous income (expense)	(325,331)	(66)	79,802	(59,284)	(304,879)	233
Total nonoperating revenues (expenses)	<u>(261,942)</u>	<u>(11,235)</u>	<u>92,941</u>	<u>96,095</u>	<u>(84,141)</u>	<u>4,910</u>
<b>Income (loss) before capital contributions and transfers</b>	326,686	365,264	525,139	1,907,135	3,124,224	-
Capital contributions - CDBG grant	-	1,984,569	-	-	1,984,569	-
Transfers out	(240,000)	(660,000)	-	(1,153,845)	(2,053,845)	-
	<u>(240,000)</u>	<u>1,324,569</u>	<u>-</u>	<u>(1,153,845)</u>	<u>(69,276)</u>	<u>-</u>
<b>Change in net position</b>	86,686	1,689,833	525,139	753,290	3,054,948	-
<b>Net position - July 1, 2018</b>	<u>13,499,568</u>	<u>24,058,289</u>	<u>2,876,922</u>	<u>41,099,455</u>		<u>1,109,320</u>
<b>Net position - June 30, 2019</b>	<u>\$ 13,586,254</u>	<u>\$ 25,748,122</u>	<u>\$ 3,402,061</u>	<u>\$ 41,852,745</u>		<u>\$ 1,109,320</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(5,496)	
Change in net position of business-type activities					<u>\$ 3,049,452</u>	

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

CITY OF DYERSBURG, TENNESSEE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-type Activities -- Enterprises Funds				Total	Governmental
	Gas	Water and Sewer	Solid Waste Management	Electric System		Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 6,005,196	\$ 7,580,237	\$ 3,186,807	\$ 41,805,464	\$ 58,577,704	\$ 1,354,706
Payments to suppliers	(3,364,645)	(2,460,172)	(751,890)	(35,057,179)	(41,633,886)	(672,269)
Payments to employees for services	(424,125)	(1,327,869)	(814,676)	(2,459,360)	(5,026,030)	(1,076,614)
Payments for employee benefits	(180,360)	(515,755)	(231,378)	-	(927,493)	(355,344)
Payments to other funds	(1,207,137)	(1,486,105)	(505,746)	-	(3,198,988)	(21,998)
Other receipts (payments)	20,704	103,736	220,902	-	345,342	760,241
Net Cash Provided by (used for)						
Operating Activities	<u>849,633</u>	<u>1,894,072</u>	<u>1,104,019</u>	<u>4,288,925</u>	<u>8,136,649</u>	<u>(11,278)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers to other funds	(240,000)	(660,000)	-	(1,153,845)	(2,053,845)	-
Contributions	(325,331)	-	-	-	(325,331)	-
Net cash from (used by) financing activities	<u>(565,331)</u>	<u>(660,000)</u>	<u>-</u>	<u>(1,153,845)</u>	<u>(2,379,176)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(271,309)	(2,534,378)	(1,261,116)	(3,536,850)	(7,603,653)	(54,963)
Salvage from retirement of plant	-	-	-	56,879	56,879	-
Cost of removal on retired plant	-	-	-	(612,213)	(612,213)	-
Proceeds received on capital debt	-	-	-	2,750,000	2,750,000	-
Principal paid on notes and bonds	-	(785,000)	-	(1,090,000)	(1,875,000)	-
Interest paid on notes and bonds	-	(24,886)	-	(45,108)	(69,994)	-
Capital grant proceeds	-	1,984,569	-	-	1,984,569	-
Other receipts (payments)	-	(66)	79,802	(63,108)	16,628	233
Net cash from (used by) capital and related financing activities	<u>(271,309)</u>	<u>(1,359,761)</u>	<u>(1,181,314)</u>	<u>(2,540,400)</u>	<u>(5,352,784)</u>	<u>(54,730)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Net change in investments	(16,766)	-	(7,165)	4,028	(19,903)	-
Interest and investment earnings	63,389	11,100	13,139	203,454	291,082	4,677
Decrease in customer deposits	-	-	-	(30,954)	(30,954)	-
Decrease in temporary cash investments	-	-	-	(154,486)	(154,486)	-
Net cash provided by (used for) investing activities	<u>46,623</u>	<u>11,100</u>	<u>5,974</u>	<u>22,042</u>	<u>85,739</u>	<u>4,677</u>
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>59,616</b>	<b>(114,589)</b>	<b>(71,321)</b>	<b>616,722</b>	<b>490,428</b>	<b>(61,331)</b>
<b>Cash and cash equivalents - July 1, 2018</b>	<b>7,567,207</b>	<b>1,349,142</b>	<b>1,374,719</b>	<b>4,173,573</b>	<b>14,464,641</b>	<b>2,217,539</b>
<b>Cash and cash equivalents - June 30, 2019</b>	<b><u>\$ 7,626,823</u></b>	<b><u>\$ 1,234,553</u></b>	<b><u>\$ 1,303,398</u></b>	<b><u>\$ 4,790,295</u></b>	<b><u>\$ 14,955,069</u></b>	<b><u>\$ 2,156,208</u></b>
<b>Cash, Cash Equivalents, and Restricted Cash - June 30, 2018</b>						
Cash and cash equivalents - unrestricted	\$ 7,626,823	\$ 1,234,553	\$ 1,303,398	\$ 2,290,699	\$ 12,455,473	\$ 2,156,208
Construction fund - cash and cash equivalents	-	-	-	1,425,221	1,425,221	-
Bond reserve fund - cash and cash equivalents	-	-	-	343,689	343,689	-
Bond retirement fund - cash and cash equivalents	-	-	-	235,733	235,733	-
Renewal and replacement fund - cash and cash equivalents	-	-	-	494,953	494,953	-
<b>Cash, Cash Equivalents, and Restricted Cash - June 30, 2019</b>	<b><u>\$ 7,626,823</u></b>	<b><u>\$ 1,234,553</u></b>	<b><u>\$ 1,303,398</u></b>	<b><u>\$ 4,790,295</u></b>	<b><u>\$ 14,955,069</u></b>	<b><u>\$ 2,156,208</u></b>

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

CITY OF DYERSBURG, TENNESSEE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(CONTINUED)

	Business-type Activities -- Enterprises Funds					Governmental Activities - Internal Service Funds
	Gas	Water and Sewer	Solid Waste Management	Electric System	Total	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ 588,628	\$ 376,499	\$ 432,198	\$ 1,811,040	\$ 3,208,365	\$ (4,910)
Adjustments to reconcile net income (loss) from operations to net cash provided by operating activities						
Depreciation	306,730	1,403,880	590,541	2,172,755	4,473,906	61,853
Amortization	-	-	106,200	-	106,200	6,926
Provision for doubtful accounts	17,787	29,516	43,024	-	90,327	-
Deferrals - pension	-	-	-	252,808	252,808	-
(Increase) Decrease in Assets						
Accounts receivable, net of allowance	(3,889)	352,327	(73,769)	480,738	755,407	42,058
Due from other funds	119,115	(11,748)	(3,070)	-	104,297	(46,937)
Inventory	(1,882)	(18,110)	-	(18,615)	(38,607)	-
Prepaid expenses	-	-	-	(516)	(516)	-
Other assets	-	-	-	(16)	(16)	(87,129)
Increase (Decrease) in Liabilities						
Accounts payable	(197,821)	(64,135)	35,639	(353,745)	(580,062)	17,556
Accrued payroll	765	2,467	774	-	4,006	1,124
Accrued vacation	-	-	-	(12,640)	(12,640)	-
Customer deposits	(15,403)	6,613	-	-	(8,790)	-
Due to other funds	7,285	(231,357)	(90,552)	-	(314,624)	24,939
Other current liabilities	29,815	33,553	57,335	(42,884)	77,819	5,582
Compensated absences	(1,497)	14,567	5,699	-	18,769	(32,340)
Net cash provided by (used for) operating activities	<u>\$ 849,633</u>	<u>\$ 1,894,072</u>	<u>\$ 1,104,019</u>	<u>\$ 4,288,925</u>	<u>\$ 8,136,649</u>	<u>\$ (11,278)</u>

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

CITY OF DYERSBURG, TENNESSEE  
 DYERSBURG CITY SCHOOLS  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY TRUST FUND  
 For the Year ended December 31, 2018

<b>Assets</b>	
Investments	
AUL fixed account	\$ 381,305
Mutual funds	5,065,914
Total Investments	<u>5,447,219</u>
Contributions Receivable	<u>31,907</u>
Net assets available for benefits	5,479,126
<b>Liabilities</b>	<u>-</u>
<b>Net position restricted for pensions</b>	<b><u><u>\$ 5,479,126</u></u></b>

CITY OF DYERSBURG, TENNESSEE  
 DYERSBURG CITY SCHOOLS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY TRUST FUND  
 For the Year ended December 31, 2018

<b>Additions</b>	
Contributions	
Employer	\$ 232,530
Employee	150,214
Total Contributions	<u>382,744</u>
Investment Income	
Earnings from mutual funds	<u>(246,239)</u>
Total Investment Income	<u>(246,239)</u>
Total Additions	136,505
<b>Deductions</b>	
Benefit Payments	462,183
Plan Expenses	16,906
Total deductions	<u>479,089</u>
<b>Net change in Net Position</b>	<b><u>(342,584)</u></b>
<b>Net Position restricted for pensions</b>	
Beginning of Year	<u>5,821,710</u>
<b>End of Year</b>	<b><u><u>\$ 5,479,126</u></u></b>

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

**CITY OF DYERSBURG, TENNESSEE  
DYERSBURG ELECTRIC SYSTEM  
STATEMENT OF FIDUCIARY NET POSITION  
For the Year ended December 31, 2018**

<b>Assets</b>	
Cash	\$ 435,177
Investments	
Mutual funds - equities	2,961,182
Mutual funds - alternative investments	3,061,439
Total Investments	<u>6,022,621</u>
Contributions receivable	-
Net Assets	<u>6,457,798</u>
<b>Liabilities</b>	
	<u>-</u>
<b>Net Position restricted for pensions</b>	<b><u><u>\$6,457,798</u></u></b>

**CITY OF DYERSBURG, TENNESSEE  
DYERSBURG ELECTRIC SYSTEM  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
For the Year ended December 31, 2018**

<b>Additions</b>	
Contributions	
Employer	\$ 521,288
Employee	63,712
Total Contributions	<u>585,000</u>
Investment income	
Mutual fund income	<u>(288,470)</u>
Total Additions	296,530
<b>Deductions</b>	
Benefit payments	246,605
Administrative and other expenses	18,505
Total Deductions	<u>265,110</u>
<b>Net Increase in Fiduciary Net Position</b>	<b><u>31,420</u></b>
<b>Net Position restricted for pensions</b>	
Beginning of Year	<u>6,426,378</u>
<b>End of Year</b>	<b><u><u>\$6,457,798</u></u></b>

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

**CITY OF DYERSBURG, TENNESSEE**  
**STATEMENT OF FIDUCIARY NET POSITION**  
For the Fiscal Year ended June 30, 2018

<b>Assets</b>	
Cash	\$1,139,472
Accrued Income	3,300
Investments	
Domestic Equities	2,613,825
International Equities	34,972
Real Estate	9,217
Total Investments	<u>2,658,014</u>
Net Assets	<u>3,800,786</u>
<b>Liabilities</b>	
	<u>-</u>
<b>Net Position restricted for pensions</b>	<b><u><u>\$3,800,786</u></u></b>

**CITY OF DYERSBURG, TENNESSEE**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
For the Fiscal Year ended June 30, 2018

<b>Additions</b>	
Contributions	\$1,323,428
Investment Income	
Net Appreciation	270,839
Interest and Dividends	131,537
Total Investment Income	<u>402,376</u>
Total Additions	1,725,804
<b>Deductions</b>	
Benefit Payments/Refunds	1,156,787
Expenses	
Administrative	<u>58,799</u>
Total Deductions	<u>1,215,586</u>
Change in Net Position	<u>510,218</u>
<b>Net Position restricted for pensions</b>	
Beginning of Year	<u>3,290,568</u>
<b>End of Year</b>	<b><u><u>\$3,800,786</u></u></b>

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



**CITY OF DYERSBURG, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2019

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Dyersburg, TN (City) is a municipal corporation governed by an elected mayor and eight-member Board of Aldermen. The accompanying financial statements include the accounts of all City operations. Based on the criteria of Section 2100 of GASB's Codification of *Governmental Accounting and Financial Reporting Standards*, the City has no component units.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise 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 fund financial statements. 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.

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 are 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 City considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The **general fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **school fund** accounts for the activities of the Dyersburg City Schools. The City provides elementary through secondary educational opportunities for its residents.

**CITY OF DYERSBURG, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

The government reports the following major proprietary funds:

The **water and sewer fund** accounts for the activities of the City's Water and Sewer system. The City operates the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution and purification system.

The **natural gas fund** accounts for the activities of the City's natural gas distribution system.

The **solid waste management fund** accounts for the activities of the City's landfill and the collection system of residential, commercial, and industrial garbage.

The **electric fund** accounts for the activities of the City's electric distribution operations.

Additionally, the government reports the following fund types:

The **internal service funds** account for data processing, utility billing, utility collection, and communication services provided to other funds of the City on a cost reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers for goods and services provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. 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. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the City's internal service funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of fees charged that are intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

#### **D. Assets, Liabilities, and Net Assets or Equity**

##### *1. Deposits and Investments*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three (3) months or less from the date of acquisition.

The City is allowed to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Tennessee or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Tennessee or the United States; (4) certificates of deposits issued by state and national banks domiciled in Tennessee that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or secured by obligations mentioned above; and (5) fully collateralized direct repurchase agreements having a defined termination date.

Investments for the City are reported at fair value.

**CITY OF DYERSBURG, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

*2. Receivables and Payables*

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. These amounts are classified as Due to/from other funds.

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. The allowances for uncollectible accounts have been established at an amount considered sufficient by the City to offset losses from customers nonpayment.

The City's property tax schedule as defined by the City Charter is as follows: Property taxes are levied as of September 1 on the property values assessed as of the prior January 1. Taxes are due September 1 through December 31 and are delinquent on the following January 1. Tax bills are mailed on September 1. Tax liens are automatic on January 1 each year and continue until such taxes and any penalty, interest or other charges accruing thereon are paid. Assessed values are established by the County Tax Assessor at 25% of appraised market value for residential real property, 40% for commercial real property, 55% for public utilities, and 30% for business personal property. A complete reappraisal of all property is required every six (6) years with an update after the third year. A revaluation was completed in 2014. The City's tax rate applicable to 2019 was \$2.37 on each \$100 of tax valuation.

*3. Inventories and Prepaid Items*

The inventory of materials and supplies of the proprietary funds are valued at the lower of market or average cost. The inventory of the Dyersburg City Schools is valued at cost, using the first-in/first-out (FIFO) method. Inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

*4. Capital Assets, Depreciation, and Amortization*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two (2) years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. However, the Dyersburg Electric System does not capitalize construction period interest into the cost of fixed assets because the borrowings are not related to specific projects and are incurred for general repairs, maintenance, and plant expansion.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Vehicles	5
Office equipment	5
Computer equipment	5

The City policy for amortization of deferred charges and of acquisition cost of utility customers is to amortize these costs over their estimated benefit period. Amortization periods range from five (5) to twelve (12) years.

**CITY OF DYERSBURG, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

5. *Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable. Unpaid compensated absences for proprietary fund types are recorded as expenses and liabilities in those funds as the benefits accrue to employees.

6. *Long-Term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

7. *Fund Equity*

GASB 54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

**Nonspendable:** This classification 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. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long term notes receivable.

**Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Mayor and Aldermen (the City's highest level of decision-making authority) either by ordinance or resolution. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

**Assigned:** This classification includes spendable amounts that are reported in governmental funds other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the Board of Mayor and Aldermen, or a subordinate high-level body, such as the Finance Committee, that has the authority to assign amounts to be used for specific purposes.

**Unassigned:** This classification is the residual fund balance for the General Fund. It also represents the 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 Fund.

In the government-wide financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Governmental funds also report fund balance amounts representing funds invested in capital assets net of related debt and unrestricted funds.

When fund balance resources are available for a specific purpose in multiple classifications, the Board would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

8. *Estimates*

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

**CITY OF DYERSBURG, TENNESSEE**  
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9. *Vacation and Sick Leave*

The City has established various vacation and sick leave policies for different segments of employees.

a) Dyersburg School System - The School System provides one day of vacation for each month of service for professional employees. Any unused vacation is paid at year end to the employee. Professional employees receive one day of sick leave for each month of service. Any sick leave unused is not paid, but is used to increase retirement benefits. Nonprofessional employees receive .75 days per month or the equivalent of 9 days per year to be used as sick leave or vacation. The non-professional employees can accumulate up to a maximum of 15 days. The days accumulated in excess of the maximum are to be paid to the employees as .5 days pay for days accumulated in excess of the maximum allowed.

b) Dyersburg Electric System - Electric System employees accrue vacation days under the following terms:

Employment Term	Days Earned
1 month to 10 years	1 day per month
11 years to 15 years	1.25 days per month
16 years to 20 years	1.50 days per month
Over 20 years	1.75 days per month

A maximum of 252 hours may be carried forward into the next calendar year. Sick leave accumulates at the rate of one day for each full calendar month of employment service. Unused sick leave days may accumulate from year to year up to a maximum of ninety days.

c) Firefighters accrue vacation days under the following terms:

Employment Term	Days Earned
1 to 2 years	3 shift days (1 week)
2 to 10 years	5 shift days (2 weeks)
10 to 20 years	8 shift days (3 weeks)
Over 20 years	10 shift days (4 weeks)

Vacation leave shall begin to accrue at the end of the first full month of employment, but may be granted only after the probation period is completed. Vacation time not used during the anniversary year may be carried forward to the following anniversary year subject to the approval of the department head. Sick leave with pay shall be granted to all full-time employees at the rate of one-half shift day for each completed month of service and may be accrued to a maximum of forty-five (45) days. Employees shall accrue sick leave from their employment date. No payment will be made for accrued sick leave upon separation, except for those employees that have accumulated twenty years of service with the City and that were employed prior to March 18, 1991.

d) Other City employees - All other City employees are allowed paid vacations of five days after one year of service, ten days after two years, fifteen days after ten years, and twenty days after twenty years. Unused vacations may be accumulated to a maximum of three hundred sixty (360) hours and carried forward to the following year. Sick leave with pay shall be granted all full-time employees at the rate of one working day for each completed month of service and may be accrued to a maximum of ninety (90) days. Employees shall accrue sick leave from their employment date. No payment will be made for accrued sick leave upon separation, except for those employees that have accumulated twenty years of service with the City and that were employed prior to March 18, 1991.

10. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City presently has deferred outflows of resources related to pensions.

**CITY OF DYERSBURG, TENNESSEE**  
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In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. Unavailable revenue is reported as deferred inflows of resources in the fund financial statements for property taxes and confiscated funds that are not collectible in the current fiscal period or within sixty days of the end of the current fiscal period. Unavailable revenues are reported in the government wide financial statements for property taxes that are levied but not due until September of the next fiscal year. There are also deferred inflows related to pensions.

*11. Utility Pole Rental*

The Electric System contracts with other utilities to share poles for lines. These contracts are renewed on an annual basis. Pole rent expense for the year ended June 30, 2019, was \$15,947.

*12 Pensions*

**Dyersburg Electric System**

The System has a defined benefit pension plan covering substantially all of its employees. Payments made after the measurement date for the defined benefit plan are deferred in the financial statements. Investments are reported at fair value. Employees hired or rehired after December 31, 2012 are mostly participants in the defined contribution plan. Employer contributions to this plan are expensed as incurred.

**Dyersburg City Schools**

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

**City of Dyersburg**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's participation in their single employer defined benefit pension plan, and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the retirement plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the retirement plan. Investments are reported at fair value.

**II. Reconciliation of Government-Wide and Fund Financial Statement**

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$25,356,678 difference are as follows:

Bonds payable	\$ 11,826,098
Notes payable	9,216,724
Compensated absences	<u>4,313,856</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 25,356,678</u></u>

**CITY OF DYERSBURG, TENNESSEE**  
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**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**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense." The details of this (\$104,623) difference are as follows:

Capital outlay	\$	4,181,983
Less depreciation expense		<u>(4,286,606)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$	<u><u>(104,623)</u></u>

**III. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse the fiscal year end.

The appropriated budget is prepared by fund, function, and department and approved by a budget ordinance. No budgeted appropriation may be exceeded without an amendment of the budget ordinance. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

**IV. Detail Notes on All Funds**

**A. Deposits and Investments**

Cash and certificates of deposit are carried at cost which approximates market value.

The City is mandated by law to require that the financial institutions in which they maintain deposits pledge securities to collateralize deposits which are in excess of the amount covered by federal insurance. At June 30, 2019, the City's bank deposits were entirely insured with FDIC Insurance or through the state bank collateral pool.

At year end, the government's investment balances were as follows:

	Investments	Trust Funds	Total
Time Deposits	\$ 10,000	\$ -	\$ 10,000
Certificates of Deposit	7,466,040	-	7,466,040
U. S. Agencies and Instrumentalities	-	1,525,298	1,525,298
Total Securities	7,476,040	1,525,298	9,001,338
Local Government Investment Pool	1,092,570	-	1,092,570
Total Investments	\$ 8,568,610	\$ 1,525,298	\$ 10,093,908

Local Government Investment Pool investments are not categorized, in accordance with GASB No. 3, because they are not evidenced by securities that exist in physical or book entry form.

The State Treasurer operates the State Pooled Investment Fund of which the Local Government Investment Pool is a part. The funds are invested by the State at various financial institutions in the State and in other approved investments. The funds may be liquidated as needed.

**CITY OF DYERSBURG, TENNESSEE**  
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The State Pooled Investment Fund (SPIF) operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Therefore, the SPIF uses amortized cost accounting measures to report investments and share prices. Accordingly, the fair value of the position in SPIF is the same as the value of SPIF shares.

The investments reported in the fiduciary funds are related to the School's non-professional employees' pension plan, Dyersburg Electric pension plan, and the City of Dyersburg pension plan. Each plan's policy in regard to the allocation of invested assets is established and may be amended through a majority vote of the members of each fund's appointed Board of Directors. It is the policy of those Boards to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following information is related to each individual funds' fiduciary fund investments.

**Dyersburg City Schools**

The following is the asset allocation as of December 31, 2018:

	Market Value	Percentage of Total
Pooled separate accounts	\$ 5,065,914	93.00%
Fixed account	381,305	7.00%
Total	\$ 5,447,219	100.00%

For the plan year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -4.3 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Dyersburg Electric System**

The following is the asset allocation as of December 31, 2018:

	Market Value	Percentage of Total
Equities	\$ 2,961,182	49.16%
Alternative investments	3,061,439	50.84%
Total	\$ 6,022,621	100.00%

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.77 percent. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

**City of Dyersburg**

The following is the asset allocation as of June 30, 2018:

	Market Value	Percentage of Total
Domestic equities	\$ 2,613,825	98.30%
International equities	34,972	1.30%
Real estate	9,217	0.40%
Total	\$ 2,658,014	100.00%

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.17 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.



**CITY OF DYERSBURG, TENNESSEE**  
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**B. Receivables**

Receivables as of year end for the City's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

**Governmental Funds:**

	General	School	Nonmajor Funds	Total
Taxes	\$ 529,953	\$ 554,035	\$ -	\$ 1,083,988
Accounts	3,932,128	108,220	144,666	4,185,014
Intergovernmental	-	-	154,493	154,493
Unassessed property taxes	8,119,829	-	-	8,119,829
Gross receivables	12,581,910	662,255	299,159	13,543,324
Less: allowance for uncollectibles	(278,483)	-	-	(278,483)
Net total receivables	<u>\$ 12,303,427</u>	<u>\$ 662,255</u>	<u>\$ 299,159</u>	<u>\$ 13,264,841</u>

**Business-type Funds:**

	Proprietary Funds				Total	Internal Service Funds
	Gas	Water and Sewer	Solid Waste Management	Electric System		
Accounts	\$ 178,474	\$ 629,002	\$ 397,805	\$ 2,810,083	\$ 4,015,364	\$ 26,822
Gross receivables	178,474	629,002	397,805	2,810,083	4,015,364	26,822
Less: allowance for uncollectibles	(34,800)	(105,000)	(77,000)	(212,169)	(428,969)	(7,500)
Net total receivables	<u>\$ 143,674</u>	<u>\$ 524,002</u>	<u>\$ 320,805</u>	<u>\$ 2,597,914</u>	<u>\$ 3,586,395</u>	<u>\$ 19,322</u>

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. At the end of the current fiscal year, deferred revenue reported in the governmental funds was as follows:

	Unavailable
Property taxes receivable (general fund)	\$ 8,119,829
Delinquent property taxes (general fund)	367,951
Unearned grant revenue (general fund)	1,160,323
Confiscated funds (TIP fund)	12,725
Total deferred revenue for governmental funds	<u>\$ 9,660,828</u>

**CITY OF DYERSBURG, TENNESSEE**  
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**C. Capital Assets**

Capital asset activity for the year ended June 30, 2019 was as follows:

**Primary Government**

	Beginning Balance	Additions & Adjustments	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 6,670,003	\$ 59,474	\$ -	\$ 6,729,477
Construction in progress	291,443	1,852,825	-	2,144,268
Capital assets being depreciated:				
Buildings	60,800,415	-	-	60,800,415
Improvements other than buildings	8,844,074	346,910	-	9,190,984
Machinery and equipment	15,100,365	1,931,570	(8,796)	17,023,139
Infrastructure	26,724,415	-	-	26,724,415
Total capital assets, being depreciated	111,469,269	2,278,480	(8,796)	113,738,953
Less accumulated depreciation for:				
Buildings	(38,321,271)	(2,905,090)	-	(41,226,361)
Improvements other than buildings	(3,913,413)	(428,160)	-	(4,341,573)
Machinery and equipment	(12,403,982)	(657,368)	5,351	(13,055,999)
Infrastructure	(17,425,695)	(301,339)	-	(17,727,034)
Total accumulated depreciation	(72,064,361)	(4,291,957)	5,351	(76,350,967)
Total capital assets, being depreciated, net	39,404,908	(2,013,477)	(3,445)	37,387,986
Allocated Internal Service Fund capital assets, being depreciated, net	259,885	3,201	-	263,086
Governmental activities depreciable capital assets, net	39,664,793	(2,010,276)	(3,445)	37,651,072
Total capital assets, net	\$ 46,626,239	\$ (97,977)	\$ (3,445)	\$ 46,524,817

Depreciation expense for Dyersburg Electric System for the year ending June 30, 2019 was \$2,336,688; however, \$163,933 was charged to transportation expense.

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 2,235,409	\$ -	\$ -	\$ 2,235,409
Construction in progress	1,341,578	2,872,584	(14,778)	4,199,384
Capital assets being depreciated:				
Land and land improvements	7,499,610	-	-	7,499,610
Buildings and systems	124,108,442	3,507,610	(1,559,131)	126,056,921
Machinery and equipment	16,293,102	1,402,199	(33,539)	17,661,762
Total capital assets, being depreciated	147,901,154	4,909,809	(1,592,670)	151,218,293
Less accumulated depreciation	(84,803,926)	(4,637,839)	2,148,000	(87,293,765)
Total capital assets, being depreciated, net	63,097,228	271,970	555,330	63,924,528
Allocated Internal Service Fund capital assets, being depreciated, net	117,445	-	(10,091)	107,354
Business-type activities depreciable capital assets, net	63,214,673	271,970	545,239	64,031,882
Total capital assets, net	\$ 66,791,660	\$ 3,144,554	\$ 530,461	\$ 70,466,675

**CITY OF DYERSBURG, TENNESSEE**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

**Government activities:**

General government	\$ 201,522
Public safety	414,287
Public works	744,853
Schools	2,800,817
Parks & recreation	130,478
Capital assets held by the government's internal service funds charged to functions based on usage	25,536
Total depreciation expense - governmental activities	<u>\$ 4,317,493</u>

**Business-type activities:**

Gas	\$ 306,730
Water and Sewer	1,403,880
Solid Waste Management	590,541
Electric	2,336,688
Capital assets held by the government's internal service funds charged to functions based on usage	36,317
Total depreciation expense - business-type activities	<u>\$ 4,674,156</u>

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

The composition of interfund balances at June 30, 2019, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Enterprise	\$ 82,474
	Nonmajor governmental	239,073
	Internal Service	46,044
Enterprise	Nonmajor governmental	72,999
	Internal Service	1,463,889
Nonmajor governmental	General	73,456
Internal Service	General	19,495
	Enterprise	15,461
	Internal Service	26,847
	Nonmajor governmental	30,069
Total		<u>\$ 2,069,807</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ending June 30, 2019:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
General	Gas (Tax Equivalents)	\$ 240,000
	Water and Sewer (Tax Equivalents)	660,000
	Electric (Tax Equivalents)	1,153,845
	Cemetery Trust (Per Trust Agreement)	34,881
Cemetery Trust	General (Per Trust Agreement)	27,845
School General Purpose	Debt Service (School Debt)	1,876,078
Total		<u>\$ 3,992,649</u>

Interfund transfers occur in the normal course of business activities.

**CITY OF DYERSBURG, TENNESSEE**  
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**E. Long-Term Debt**

**1. General Obligation bonds**

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

\$2,960,000 General Obligation Qualified School Construction Bonds, Series 2009 dated December 17, 2009, due in monthly installments at 1.515% interest, secured by revenues of the City.	\$ 1,313,098
\$9,600,000 General Obligation School Bonds, Series 2013 dated August 16, 2013, due in annual installments at 2.00-4.10% interest, secured by revenues of the City.	9,045,000
\$2,840,944 General Obligation Refunding Bonds, Series 2016 dated September 28, 2016, due in installments at 2.24% interest, secured by revenues of the City.	<u>1,468,000</u>
Total General Obligation Bonds Payable	<u><u>\$ 11,826,098</u></u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest
2020	\$ 803,699	\$ 405,645
2021	819,699	391,836
2022	863,699	377,235
2023	404,699	361,197
2024	889,699	355,037
2025-2029	4,299,603	1,288,663
2030-2035	<u>3,745,000</u>	<u>393,344</u>
Totals	<u><u>\$ 11,826,098</u></u>	<u><u>\$ 3,572,957</u></u>

**2. Revenue Bonds**

The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at year end are as follows:

\$3,800,000 Electric System Revenue Refunding Bonds, Series 2015 dated February 20, 2015, due in annual installments at 1.00 - 2.00% interest, secured by revenues of the System	\$ 200,000
\$2,750,000 Electric System Refunding Bonds, Series 2019 dated January 30, 2019, due in annual installments at 3.29% interest, secured by revenues of the System	<u>2,750,000</u>
Total Revenue Bonds Payable	<u><u>\$ 2,950,000</u></u>

**CITY OF DYERSBURG, TENNESSEE**  
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Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2020	\$ 375,000	\$ 80,358
2021	300,000	84,718
2022	305,000	74,848
2023	315,000	64,813
2024	130,000	54,450
2025-2029	700,000	206,449
2030-2034	825,000	83,074
Totals	<u>\$ 2,950,000</u>	<u>\$ 648,710</u>

**3. Notes Payable**

The City has executed notes payable for the construction or acquisition of major capital facilities. Notes outstanding at year end are as follows:

\$10,000,000 Tennessee Municipal Bond Fund Variable Rate Loan Program, dated September 19, 2000, secured by revenues of the City	\$ 3,168,000
\$500,000 Energy Efficient Schools Initiative Loan Agreement, dated April 9, 2012, due in monthly installments at 0% interest, secured by revenues of the City	183,308
\$1,500,000 Tennessee Municipal Bond Fund Variable Rate Loan Program, dated February 18, 2016, secured by revenues of the City	1,349,000
\$4,600,000 Tennessee Municipal Bond Fund Variable Rate Loan Program, dated October 16, 2018, secured by revenues of the City	3,958,163
\$671,173 Energy Efficient Schools Initiative Loan Agreement, dated February 13, 2018, due in monthly installments at 0.75% interest, secured by revenues of the City	<u>558,253</u>
Total notes payable - Governmental activities	<u>\$ 9,216,724</u>

Annual debt service requirements to maturity for notes payable are as follows:

Year Ending June 30,	Principal	Interest
2020	\$ 1,032,776	\$ 281,054
2021	1,066,628	254,112
2022	1,068,492	226,168
2023	1,078,648	198,194
2024	929,017	169,401
2025-2029	3,503,163	489,170
2030-2035	538,000	73,940
Totals	<u>\$ 9,216,724</u>	<u>\$ 1,692,039</u>

**CITY OF DYERSBURG, TENNESSEE**  
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4. Changes in long-term debt

Long – term liability activity for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Due in One Year
<b>Governmental Activities</b>					
Notes Payable	\$ 6,779,485	\$ 3,958,163	\$ (1,520,924)	\$ 9,216,724	\$ 1,032,776
General Obligation Bonds	12,578,797	-	(752,699)	11,826,098	803,699
Total governmental activities	<u>19,358,282</u>	<u>3,958,163</u>	<u>(2,273,623)</u>	<u>21,042,822</u>	<u>1,836,475</u>
<b>Business Type Activities</b>					
General Obligation Bonds	785,000	-	(785,000)	-	-
Revenue Bonds	1,290,000	2,750,000	(1,090,000)	2,950,000	375,000
Total business type activities	<u>2,075,000</u>	<u>2,750,000</u>	<u>(1,875,000)</u>	<u>2,950,000</u>	<u>375,000</u>
Total of all fund types	<u>\$ 21,433,282</u>	<u>\$ 6,708,163</u>	<u>\$ (4,148,623)</u>	<u>\$ 23,992,822</u>	<u>\$ 2,211,475</u>

Compensated absences for governmental activities and business-type activities are generally liquidated by the general fund and the respective business-type activity.

**F. Fund Balances - Governmental Funds**

	General Fund	School Fund	Other Govt. Funds	Total
<b>Nonspendable</b>				
Inventory	\$ -	\$ -	\$ 70,846	\$ 70,846
Deposits	3,162	-	-	3,162
Unredeemed property	54,062	-	-	54,062
<b>Restricted</b>				
Public safety	-	-	316,543	316,543
Education	-	2,171,609	671,654	2,843,263
Capital projects	1,160,323	-	1,302	1,161,625
Community development	-	-	1,719	1,719
Perpetual care	-	-	1,520,748	1,520,748
Debt service	-	-	1,851,150	1,851,150
<b>Committed</b>				
Employee health claims	-	-	50,493	50,493
Unassigned	2,209,867	-	-	2,209,867
Totals	<u>\$ 3,427,414</u>	<u>\$ 2,171,609</u>	<u>\$ 4,484,455</u>	<u>\$ 10,083,478</u>

**G. Industrial Park Property**

The City of Dyersburg has purchased several parcels of industrial property in an equal partnership with the County of Dyer, Tennessee. When the property is sold, the County of Dyer receives one-half of the net proceeds from the sales after allowance has been made for reimbursement to the City for costs of developing the property, if any. At June 30, 2019, approximately 308 acres of undeveloped industrial park property is owned jointly by these two governmental bodies.

**CITY OF DYERSBURG, TENNESSEE**  
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**H. Closure and Postclosure Care Costs**

State and Federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. At June 30, 2019, the estimated remaining useful life of the landfill was 56 years.

The recognition of the landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs has a balance of \$1,637,100 as of June 30, 2019, which is based on 28.5% usage (filled) of the landfill. It is estimated that an additional \$4,101,643 will be recognized as closure and postclosure care expenses between the date of the statement of net position and the date the landfill is expected to be filled to capacity. The estimated total current cost of the landfill closure and postclosure care (\$5,738,743) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2019. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The City is required by state and Federal laws and regulations to make annual contributions to finance closure and postclosure care. At June 30, 2019, the City has \$327,125 on deposit for the funding of this liability. The City has executed contracts in lieu of performance bonds with the State of Tennessee in the sum of \$6,002,918 which states that the City shall properly operate the solid waste facility and perform closure of the facility in accordance with all requirements of the permit and the closure/postclosure plan pursuant to all applicable laws and regulations. Failure of the City to perform would entitle the State of Tennessee to collect any state funds disbursed to the City for the cost of any violations.

Once the City funds the closure/postclosure liability, it would be anticipated that future inflation costs would be financed in part from earnings on investments held by the trustee. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

**I. Fair Value Measurements**

Each fiduciary fund of the City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The funds have the following recurring fair value measurements:

**Dyersburg City Schools**

As of December 31, 2018:

	Fair Value Measurements Using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Total	Total		
Investments by fair value level:			
Debt securities			
Pooled separate accounts - fixed	\$ 381,305	\$ -	\$ 381,305
Equity securities			
Pooled separate accounts	5,065,914	5,065,914	-
Total investments at fair value	<u>\$ 5,447,219</u>	<u>\$ 5,065,914</u>	<u>\$ 381,305</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

The fair value of the AUL Fixed Account for which a quoted market price is not available is valued based on the underlying mutual funds and therefore is a Level 2 investment.

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**Dyersburg Electric**

As of December 31, 2018:

	Fair Value Measurements Using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Total	Total	Total	Total
Investments by fair value level:			
Alternative/fixed income investments			
Mutual funds	\$ 3,061,439	\$ 3,061,439	\$ -
Equity securities			
Mutual funds	2,961,182	2,961,182	-
Total investments at fair value	<u>\$ 6,022,621</u>	<u>\$ 6,022,621</u>	<u>\$ -</u>

Alternative investments and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

**City of Dyersburg**

As of June 30, 2018

	Fair Value Measurements Using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Total	Total	Total	Total
Investments by fair value level:			
Equity securities			
Domestic equities	\$ 2,613,825	\$ 2,613,825	\$ -
International equities	34,972	34,972	-
Real estate	9,217	-	9,217
Total investments at fair value	<u>\$ 2,658,014</u>	<u>\$ 2,648,797</u>	<u>\$ 9,217</u>

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

The fair value of the real estate for which a quoted market price is not available and therefore is a Level 3 investment.



**CITY OF DYERSBURG, TENNESSEE**  
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**V. Other Information**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**Dyersburg City Schools**

During the year ended June 30, 2019, the School obtained insurance from the Tennessee School Board Liability Trust (TSBLT), which is a public entity risk pool established to provide insurance coverage to local School boards in Tennessee. The Board pays an annual premium to TSBLT for insurance. The creation of TSBLT provides for it to be self-sustaining through member premiums. The TSBLT reinsures through commercial insurance companies for claims in excess of \$100,000 for each insured event.

It is the policy of the School Board to purchase commercial insurance for the risks of losses to which it is exposed, other than those risks noted above. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**Dyersburg Electric System**

The Electric System is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the System carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**Other City Segments**

The City through the City of Dyersburg Healthcare Network provides City employees with self-funded healthcare coverage. The City entered an agreement with Underwriters Safety & Claims, Inc. for claims administration and payment. Claims in excess of a self-insured aggregate limit of \$3,601,751 and specific underlying coverage of \$100,000 per employee was covered through third party insurance policies. Revenues are recognized from payroll deductions for employee dependent coverage and from City contributions for employee coverage. There were no reductions in insurance coverage, and claims paid in excess of self-insured limits have been reimbursed to the City or recorded as a receivable at June 30, 2019.

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**B. Concentration of Credit Risk**

The City bills local property owners for property taxes and customers of the Enterprise Funds for utility services. At June 30, 2019, these property owners and customers are indebted to the City as noted on the Balance Sheet and Statement of Net Position of the General and Proprietary Funds. The majority of the property owners and customers are local businesses or individuals. The property is subject to foreclosure in the event of non-payment after certain legal requirements are met. The utility services are sold to the customers without requiring any collateral although deposits are required in certain situations. The ability of customers to pay is dependent upon the economic conditions of the area.

**C. Pending or Threatened Litigation**

At June 30, 2019 Dyersburg Electric had no litigation or pending litigation.

At June 30, 2019 Dyersburg City Schools had no litigation or pending litigation.

At June 30, 2019 the City of Dyersburg is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

**CITY OF DYERSBURG, TENNESSEE**  
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**D. Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**E. Employee Retirement Systems and Pension Plans**

**Dyersburg City Schools**

1. Teachers Legacy Plan

*Plan Description.* The Tennessee Consolidated Retirement System (TCRS) was created by state statute under Tennessee Codes Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>. Teachers employed by Dyersburg City Schools with membership in the TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employers pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

*Benefits Provided.* Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Dyersburg City Schools for the year ended June 30, 2019 to the Teacher Legacy Pension Plan were \$1,105,172 which is 10.46 percent of covered payroll. The employer rate, when combined with members contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**CITY OF DYERSBURG, TENNESSEE**  
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**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liabilities (Assets).* At June 30, 2019, the Dyersburg City Schools reported an asset of \$1,078,432 for its proportionate share of net pension asset. The net pension asset was measured as of June 30, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. Dyersburg City Schools' proportion of the net pension liability was based on Dyersburg City Schools' employer contributions to the pension plan relative to the contributions of all participating LEAs. At the June 30, 2018 measurement date, Dyersburg City Schools' proportion was 0.306467 percent. The proportion measured as of June 30, 2017 was 0.309314 percent.

*Pension Expense.* For the year ended June 30, 2019, Dyersburg City Schools recognized pension expense of \$317,026.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2019, Dyersburg City Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 217,988	\$ 1,454,890
Changes in assumptions	636,927	-
Net difference between projected and actual earning on pension plan investments	-	234,712
Changes in proportion of Net Pension Liability (asset)	82,525	69,298
LEAs contributions subsequent to the measurement date of June 30, 2017	<u>1,105,172</u>	<u>N/A</u>
Total	<u>\$ 2,042,612</u>	<u>\$ 1,758,900</u>

Dyersburg City Schools employer contributions of \$1,105,172, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net position asset in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Years Ending June 30:**

2020	\$ 213,992
2021	(352,720)
2022	(581,088)
2023	(101,644)
2024	-
Thereafter	-

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

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*Actuarial assumptions.* The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	Graded salary ranges from 8.72 percent to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 Percent

Mortality rates were based on actuarial experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	31%	5.69%
Developed market international equity	14%	5.29%
Emerging market international equity	4%	6.36%
Private equity and strategic lending	20%	5.79%
U.S. fixed income	20%	2.01%
Real Estate	10%	4.32%
Short-term securities	1%	0.00%
Total	<u>100%</u>	

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the three factors described above.

**CITY OF DYERSBURG, TENNESSEE  
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*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by the state statute. based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the proportionate share of net pension liability (asset) to changes in the discount rate.* The following presents Dyersburg City school' proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what Dyersburg City Schools' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate.

**Dyersburg City Schools' Proportionate  
Share of the Net Pension Liability (Asset)**

1% Decrease (6.25%)	\$ 8,313,233
Current Discount Rate ( 7.25%)	\$ (1,078,432)
1% Increase (8.25%)	\$ (8,848,726)

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

*Payable to the pension plan.* At June 30, 2019, the Dyersburg City Schools Board of Education reported a payable of \$151,805 for the outstanding amount of contributions due to TCRS for the year.

**2. Teacher Retirement Plan (TCRS)**

*Plan Description.* The Tennessee Consolidated Retirement System (TCRS) was created by state statute under Tennessee Codes Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>. Teachers employed by Dyersburg City Schools with membership in the TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employers pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

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*Benefits Provided.* Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members are entitled to receive unreduced service retirement benefits which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by and actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are no remitted. Employer contributions for the year ended June 30, 2019 to the Teacher Retirement Plan were \$37,510, which is 1.94 percent of covered payroll. The employer rate, when combined with members contributions, is expected to finance the cost of benefits earned by members during the year, the cost of administration, as well as amortized portion of any unfunded liability.

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

*Pension Assets.* At June 30, 2019, Dyersburg City Schools reported an asset of \$87,882 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018, and the total pension asset used to calculate the net pension asset was determined by an actuarial value as of that date. Dyersburg City Schools' proportion of the net pension asset was determined by an actuarial value as of that date. Dyersburg City Schools' proportion of the net pension asset was based on Dyersburg City Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, Dyersburg City Schools' proportion was 0.193774 percent. The proportion measured at June 30, 2017 was 0.198496 percent.

*Pension Expense.* For the year ended June 30, 2019, Dyersburg City Schools recognized pension expense of \$30,293.

**CITY OF DYERSBURG, TENNESSEE**  
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*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2019, Dyersburg City Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,977	\$ 3,500
Net difference between projected and actual earnings on pension plan investments	-	4,964
Changes in assumptions	4,146	-
Changes in net proportion of net pension liability	3,312	-
Dyersburg City School's contributions subsequent to the measurement date of June 30, 2015	<u>37,510</u>	<u>N/A</u>
	<u>\$ 49,945</u>	<u>\$ 8,464</u>

Dyersburg City Schools' employer contributions of \$37,510 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as a reduction in net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2020	\$ (363)
2021	(520)
2022	(1,228)
2023	69
2024	731
Thereafter	5,282

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

*Actuarial assumptions.* The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

Mortality rates were based on actuarial experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

**CITY OF DYERSBURG, TENNESSEE  
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The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. Equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	1%
		<hr style="width: 100%; border: 0.5px solid black;"/> 100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the three factors described above.

*Discount Rate.* The discount rate used to measure the total liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (asset) to Changes in the Discount Rate.* The following presents Dyersburg City Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what Dyersburg City Schools' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate.

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Dyersburg City Schools' proportionate share of the net pension liability (asset)	\$13,587	(\$87,881)	(\$162,640)

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

*Payable to the Pension Plan.* At June 30, 2019, the Dyersburg City Schools Board of Education reported a payable of \$0 for the outstanding amount of contributions due to TCRS for the year.



**CITY OF DYERSBURG, TENNESSEE**  
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**TCRS Stabilization Trust**

*Legal Provisions.* The Dyersburg City Schools is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The School System has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the School Department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Dyersburg City Schools may not impose any restrictions on investments placed by the trust on their behalf.

*Investment Balances.* Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value or amortized which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair Securities and securities transactions are recorded in the financial statements on a trade-date-basis. The fair value of assets of the TRGT held at June 30, 2019, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments using the Net Asset Value ("NAV") per share have no readily determinable fair value and have been determined using amortized cost which approximate fair value.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan's custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes so to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

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US Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute ("MAI"), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type. Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2019, the Dyersburg City Schools had the following investments held by the trust on its behalf:

Asset Class	Percentage Target Allocations	Stabilization Trust Allocation
U.S. equity	31%	\$ 12,074
Developed market international equity	14%	5,453
Emerging market international equity	4%	1,558
Private equity and strategic lending	20%	7,789
U.S. fixed income	20%	7,789
Real estate	10%	3,895
Short-term securities	1%	389
Total		<u>\$ 38,947</u>

Investment by Fair Value Level	Fair Value 6/30/2019	Fair Value Measurement Using			Amortized Cost
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
U.S. equity	\$ 12,074	\$ 12,074	\$ -	\$ -	\$ -
Developed market international equity	5,453	5,453	-	-	-
Emerging market international equity	1,558	1,558	-	-	-
Private equity and strategic lending	7,789	-	-	-	7,789
U.S. fixed income	7,789	-	7,789	-	-
Real estate	3,895	-	-	3,895	-
Short-term securities	389	-	389	-	-
Total	<u>\$ 38,947</u>	<u>\$ 19,085</u>	<u>\$ 8,178</u>	<u>\$ 3,895</u>	<u>\$ 7,789</u>

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*Risks and Uncertainties.* The trust's investments include various types of investment funds, which in turn invest in any combination of stocks, bonds and other investments exposed to various risks, such as interest rate, credit and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Dyersburg City Schools does not have the ability to limit trust 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. The Dyersburg City Schools does not have the ability to limit the credit ratings of individual investments made by the trust.

*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. Dyersburg City Schools places no limit on the amount the county may invest in one issuer.

*Custodial Credit Risk.* Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Dyersburg City Schools to pay retirement benefits of the School Department employees.

For further information concerning the School System's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be observed at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2019/aq18092.pdf>.

**3. Non-Professional Employees' Pension Plan**

*Plan Description.* The Dyersburg City Schools Retirement Plan (DCSRP) is a single-employer defined benefit retirement plan administered by the Dyersburg City Schools' Board of Education for employees of the Dyersburg City Schools. The plan was established by statute. With the exception of maximum contribution rates, which are set forth in the statutes, required contributions and benefit provisions are established and amended by the Dyersburg City Schools Board of Education.

The Dyersburg City Schools Retirement Plan issues a publicly available report that can be obtained by contacting the Dyersburg City Schools Board of Education.

*Benefits Provided.* DCSRП provides retirement, disability, and death benefits to plan members and their beneficiaries. Monthly retirement benefits are calculated as 1.75 percent of an employee's final 5-year average salary times years of service. Employees with 10 years of continuous service are eligible to retire at age 60. Employees may retire at any age after 30 years of service. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately at an amount equal to 90% of the participant's accrued benefit. Death benefits equal two times the employee's final full-year salary. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to that employee's retirement date. Annual adjustments equal one-half of the change in the Consumer Price Index, limited to a maximum increase in retirement allowance of 3 percent.

At December 31, 2018, the following employees were covered by the Plan:

Active employees	100
Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to but not yet receiving benefits	5
	149

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*Contributions.* Required contributions are determined by the Dyersburg City Schools Board of Education based on actuarial calculations performed by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employee contributions are based on the employee's annual covered salary. For the year ended December 31, 2018, the employee contribution rate was 5%. The Dyersburg City Schools' Board of Education is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. However, per statute, the Dyersburg City Schools' contribution rate may not exceed 15 percent of covered payroll. The Dyersburg City Schools' contribution rate and required contribution for the year ended December 31, 2018 were 7.74 percent and \$227,068, respectively. Actual contributions for the year equaled \$232,530, or 102.41% of required contributions.

*Net Pension Liability.* The Dyersburg City Schools' net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation method	Entry age normal, with level dollar amortization
Salary increases	4.0 percent, including inflation
Investment rate of return	7.00 percent, net of Plan investment expense, including inflation

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of January 1, 2018. In addition, mortality rates were based on the 2018 TCRS Non-teacher mortality (RP-2014 Blue Collar Mortality, loaded 102% for males and 97% for females, and MP-2017 Mortality Improvement Scale from 2017 and 2024).

*Discount Rate.* The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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*Changes in School's Net Pension Liability.* Changes in the Dyersburg City Schools' net pension liability for the year ended December 31, 2018 were as follows:

**Schedule of Changes in Net Pension Liability, Deferrals, & Pension Expense - Non Professional Plan**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2017	<u>\$ 7,941,571</u>	<u>\$ 5,821,710</u>	<u>\$ 2,119,861</u>
Changes for the Year:			
Service cost	194,319		194,319
Interest expense	573,257		573,257
Benefit changes			
Experience losses (gains)	(17,003)		(17,003)
Changes of assumptions	153,508		153,508
Contributions - employer		232,530	(232,530)
Contributions - employee		150,214	(150,214)
Net investment income		(246,239)	246,239
Expected return on plan investments			
Current expense of asset (gain)/loss			
Non expensed asset gain/(loss)			
Benefits paid	(462,183)	(462,183)	-
Plan administrative expenses		(16,906)	16,906
Recognition of prior post-measurement contribution			-
Post-measurement contribution			-
Other changes			-
Amortization of or change in beginning balances			-
Net changes	<u>441,898</u>	<u>(342,584)</u>	<u>784,482</u>
Balances at 12/31/2018	<u>\$ 8,383,469</u>	<u>\$ 5,479,126</u>	<u>\$ 2,904,343</u>

*Determination of Net Pension Liability.* The components of the net pension liability at December 31, 2018 were as follows:

	<u>December 31, 2018</u>
Total Pension Liability (7.00%)	\$ 8,383,469
Plan Fiduciary Net Position	<u>(5,479,126)</u>
Net Pension Liability	<u>\$ 2,904,343</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	65.36%

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*Sensitivity of Net Pension Liability to Discount Rate.* The following represents the net pension liability calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$3,910,675	\$2,904,343	\$2,113,060

*Plan Fiduciary Net Position.* Detailed information about the Plan's fiduciary net position is available in the separately issued Dyersburg City Schools Retirement Plan financial report.

*Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources.* For the year ended June 30, 2019, the Dyersburg City schools recognized pension expense of \$439,854. At June 30, 2019, the Dyersburg City Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,240	\$ 15,203
Changes of assumptions	125,597	-
Net difference between projected and actual earnings on Plan investment	474,539	-
Dyersburg City School's contributions subsequent to the measurement date of December 31, 2018	118,719	-
Total	\$ 745,095	\$ 15,203

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,	
2020	\$ 203,102
2021	122,220
2022	116,080
2023	157,366
2024	12,405
Thereafter	-

*Payable to DCSRP.* At June 30, 2019, the Dyersburg City Schools Board of Education reported a payable of \$28,745 for the outstanding amount of contributions due to DCSRP for the year.

*Defined Contribution Component of the Hybrid Plan.* Upon first becoming a public school teacher in the Hybrid Plan, 2% of the employee's compensation will be deferred automatically into the defined contribution component of the Hybrid Plan unless the employee makes an affirmative election not to contribute. The System will make a contribution to the defined contribution component of the plan on behalf of each member which equals to 5% of the member's compensation, regardless of whether the member makes any employee contribution. The 5% employer contribution rate is established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees immediately vest in the employee and employer contributions to the defined contribution portion of the Hybrid Plan. During the fiscal year 2019, the System contributed a total of \$96,675 into the defined contribution portion of the Hybrid Plan. There were no forfeitures during the year ended June 30, 2019. At June 30, 2019, the Dyersburg City Schools Board of Education reported a payable of \$15,313 for the outstanding amount of contributions due to TCRS for the year.

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**Dyersburg Electric System**

The Retirement Committee accounts for the activity of the Dyersburg Electric System Defined Benefit Plan and the Dyersburg Electric System 401(a) Defined Contribution Plan. The first is a defined benefit single-employer public employee retirement system (PERS). The second is defined contribution PERS.

1. Defined Benefit Plan

*Plan Description.* All employees of the system were eligible to participate following the attainment of age 21 and the completion of three (3) years of service. On December 19, 2012 the Power Board adopted resolutions to discontinue new participants in to the existing defined benefit plan and established the new defined contribution retirement plan. Employees hired or rehired after December 31, 2012 and meeting the eligibility requirements participate in the Defined Contribution Plan, and existing participants in the Defined Benefit Plan may elect to participate in the defined contribution plan provided they discontinue participation in the Defined Benefit Plan. This plan is administered by Dyersburg Electric System. Any amendments to the Defined Benefit Plan would be initiated by the System's Board.

*Plan participants.* At January 1, 2018 valuation, pension plan participants consisted of the following:

Active plan participants (vested and non-vested)	33
Inactive plan participants or beneficiaries currently receiving benefits	5
Total	38

As of December 31, 2012, the plan is closed to new entrants.

*Benefits Provided.* The Defined Benefit Plan provides retirement benefits as well as death and disability benefits. The Defined Benefit Plan benefit formula accrual rate is 2.0% per year of service. Retirement benefits begin vesting after five (5) years of service and are completely vested after fifteen (15) years of service. Employees may retire after age 55 and the completion of ten (10) years of service with a reduction for early commencement. There is no reduction if the employees' age plus years of service is 85 or greater. The normal retirement date is the first day of the month following the participant's attainment of age 65.

*Contributions.* Effective July 1, 2016, employees are required to contribute 3% of compensation. Dyersburg Electric System intends to contribute amounts necessary to fund the Plan, as determined by the Actuary. For the year ended June 30, 2018, the system's contribution rate was 23.49% of covered-employee payroll.

*Investment Policy.* The following was the Plan's adopted asset allocation policy as of June 30, 2018, as provided by the Plan's investment advisor.

Asset Class	Target Allocation	Long-Term Expected Rate of Return*	Rate Weighting
US Equity - Large Cap	50%	6.52%	3.26%
Non-US Equity - Developed	15%	6.81%	1.02%
Non-US Debt - Developed	15%	1.27%	0.19%
Hedge Funds	20%	3.80%	0.76%
	100%		5.23%
Lon-term inflation assumption			2.50%
Long-term expected nominal rate of return			7.73%

\*Long-term real rates of return were provided by Stifel Investment Advisory Services. Returns are arithmetic means.

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*Rate of return.* For the year ended June 30, 2018, the annual money-weighted rate of return on pension investments, net of pension plan investment expenses, was 2.77%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

*Net Pension Liability.* The System's net pension liability of \$4,536,092 was measured as of June 30, 2018, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of January 1, 2018.

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement. Assumptions were reviewed as part of an experience study for the period January 1, 2010 through December 31, 2014. Please refer to the report, dated August 11, 2015, for further details. We anticipate future experience reviews every five years.

Measurement Date:	June 30, 2018
Valuation Date:	January 1, 2018
Mortality:	Linked to the current mortality assumption utilized by the Tennessee Consolidated Retirement System (TCRS)
Discount Rate:	6.75% per annum - current year
Inflation:	2.5% per annum. This assumption is an underlying component of a number of these economic assumptions. This assumption reflects the following factors: <ul style="list-style-type: none"> <li>• Consumer price indices</li> <li>• Forecasts of inflation</li> <li>• Yields on government securities of various maturities</li> <li>• Yields on nominal and inflation-indexed debt</li> </ul>
Salary projection:	3.50% per annum

Retirement Age: Based upon eligibility for full (unreduced) benefits, as follows:

Years Following First Eligibility	Rate
0	50%
1	25%
2 or more	5%

Participants are assumed to retire no later than Normal Retirement	
Withdrawal rates:	Crocker Sarason Table T-5
Disability rates:	25% of the 1952 Intercompany Disability Table

The following information was provided by the Plan's investment advisor. The long-term expected rate of return on pension plan investments was determined using an arithmetic basis and a time horizon on 10-15 years. See table under Investment Policy for the analysis of the Long-term Expected Rate of Return on pension Plan Investments.

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the plan and member contributions will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (6.75%) was applied to all periods of projected benefit payments to determine the total pension liability.



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*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.*

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 5,922,589	\$ 4,536,092	\$ 3,352,994

*Changes in Net Pension Liability*

	Net Pension Liability	Plan Fiduciary Net Position	Total Pension Liability
Balances at June 30, 2017	\$ 4,340,085	\$ 6,136,818	\$ 10,476,903
Changes for the year:			
Service Cost	193,496	-	193,496
Interest	712,065	-	712,065
Change of benefit terms	-	-	-
Difference between expected and actual experience	47,229	-	47,229
Contributions - employer	(518,951)	518,951	-
Contributions - employee	(63,841)	63,841	-
Net investment income	(173,991)	173,991	-
Benefit payments, including refunds of employee contributions	-	(246,605)	(246,605)
Administrative expenses	-	-	-
Net changes	196,007	510,178	706,185
Balances at June 30, 2018	<u>\$ 4,536,092</u>	<u>\$ 6,646,996</u>	<u>\$ 11,183,088</u>

*Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources.* For the year ended June 30, 2019, the system recognized \$792,096 in pension income. Deferred outflows of resources and deferred inflows of resources related to pensions are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 64,069	\$ 332,051
Changes of assumptions	795,113	420,822
Net difference between projected and actual earnings on pension plan investments	825,285	-
Contributions subsequent to the measurement date of June 30, 2018	539,288	-
Total:	<u>\$ 2,223,755</u>	<u>\$ 752,873</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2018," will be recognized as a reduction to the net pension liability in the following measurement period.

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

**Years Ending June 30:**

2020	\$ 311,199
2021	\$ 198,389
2022	\$ 132,583
2023	\$ 183,019
2024	\$ 126,141
Thereafter	\$ (19,737)

*Payable to Plan.* At June 30, 2019, the system reported a payable of \$0.00 for the outstanding amount of contributions to the pension plan.

*Financial Statements for the Pension Plan.* The System's administered plan issued financial statements as of December 31, 2018, which were audited by other auditors and included in this report. The plan financial statements as of June 30, 2018 are as follows:

Statement of Fiduciary Net Position  
(Market Value of Plan Assets)  
June 30, 2017 and 2018

<b>Assets</b>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Cash	\$ 1,306,285	423,190
Receivables from Employee	4,813	-
Receivables from Employer	43,000	-
Investments		
Mutual Funds	1,085,999	6,223,806
Alternative Investments	3,696,721	-
Total Investments	<u>4,782,720</u>	<u>6,223,806</u>
Total Assets	<u>\$ 6,136,818</u>	<u>\$ 6,646,996</u>
<b>Net Position</b>		
Net Position	<u>\$ 6,136,818</u>	<u>\$ 6,646,996</u>

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Statement of Changes in Fiduciary Net Position  
For the year ended June 30, 2018

Net position at beginning of year		\$ 6,136,818
Contributions received or receivable		
Employer	518,951	
Employee	63,841	
Total contributions		582,792
Net unrealized appreciation/(depreciation)		48,978
Net realized appreciation/(depreciation)		56,050
Interest and dividends		84,089
Total Income		771,909
Distribution of benefits		
Benefit payments	246,605	
Total distribution of benefits		246,605
Expenses		
Administrative	15,126	
Total expenses		15,126
Net increase in net position		510,178
Net position at year end		\$ 6,646,996

2. Defined Contribution Plan

*Plan Name and Administration.* The System's plan name is Dyersburg Electric System 401(a) Defined Contribution Plan. The plan is administered by VOYA Financial Advisors, Inc. The Board of the System is the decision making authority for the plan.

*Benefit Terms.* All employees of the System are eligible to make contributions to Dyersburg Electric System's 401(a) Defined Contribution Plan after a 6 month probationary period. After the probationary period, the System makes contributions whether or not the employee does. An employee is considered fully vested after the probationary period is met. Benefit terms may only be amended by the Board of the System.

*Contributions.* The Defined Contribution Plan requires the system to contribute 3% of gross wages of employees meeting the eligibility requirements. The system will also match a contribution of an eligible employee (dollar for dollar) up to 4% of gross wages. The employees are not required to contribute any certain amount to the plan. During the year ended June 20, 2019, the system contributed \$15,552 to the defined contribution plan. There were no nonemployer contributions for the year.

*Forfeitures.* Due to the terms of the contributions being 100% vested immediately, there are never any amounts forfeited.

*Payable to Plan.* At June 30, 2019, there were no amounts due from the System for contributions to the defined contribution plan.

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**City of Dyersburg Pension Plan**

*Plan Description.* The City of Dyersburg Pension Board administers the City of Dyersburg Pension Plan, a single employer defined benefit pension plan that provides pensions for all permanent full-time general and public safety employees of the City. The regulations of the City grant the authority to establish and amend the benefit terms to the City of Dyersburg Board of Mayor and Aldermen.

At June 30, 2018, the following employees were covered by the Plan:

Active employees	94
Inactive employees or beneficiaries currently receiving benefits	48
Terminated employees entitled to deferred benefits	39
Total	181

*Benefits provided.* Each participant shall accrue a monthly benefit payable at his/her normal retirement date of two percent (2%) of average monthly compensation per year of credited service, with a maximum of 35 years of credited service. Retirement benefits begin vesting after four (4) years of continuous service and are fully vested after ten (10) years of continuous service. For participants hired before February 1, 1989, the normal retirement date is the first day of the month coinciding with or next following the participant's 60th birthday. The early retirement date is the first day of the month coinciding with or next following the participant's 55th birthday and completion of ten (10) years of continuous service. For participants hired on or after February 1, 1989, the normal retirement date is the first day of the month coinciding with or next following the participant's 65th birthday and completion of five years of participation in the plan. The early retirement date is the first day of the month coinciding with or next following the participant's 60th birthday and completion of ten years of continuous service. The deferred early retirement benefit, to commence at the participant's normal retirement date, is computed in the same manner as above for normal retirement. Upon written application to the employer, basic retirement benefits may commence immediately upon early retirement; in that event, the benefit is reduced by 0.4% for each month by which the participant's actual retirement date precedes his/her normal retirement date.

*Contributions.* The Regulations of the City grant the authority to establish and amend the contribution requirements of the City and active plan members to the City of Dyersburg Pension Board. The Board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefit earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2019, the average active member contribution rate was 5.0 percent of annual pay, and the City's average contribution rate was 38.60 percent of annual payroll.

The City selected the assumptions and funding methods described below based on the review of plan experience in conjunction with the June 30, 2018 Actuarial Valuation Report. The actuary annually reviews the assumptions and method for reasonableness. Periodically, a complete plan experience study is conducted.

*Investment policy.* The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

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<u>Asset Class</u>	<u>Actual Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equities	63.42%	6.25%
Developing Markets	3.20%	6.75%
Fixed Income	11.78%	1.25%
Real Estate	7.71%	5.75%
Cash	<u>13.89%</u>	0.50%
Total	<u><u>100.00%</u></u>	

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that reduced risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

*Discount Rate.* 3.56% per annum, compounded annually. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contributions rate of 5% and that employer contributions will continue at approximately 65% of the recommended contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2028. The long-term expected rate of return on pension plan investments was applied to periods of projected benefit payments through this date, and the municipal bond rate was used for the period thereafter to determine the total pension liability. The discount used to measure the total pension liability on the second basis was 2.98%. This is equivalent to an average assumed rate of return of approximately 3.56%.

*Net Pension Liability.* The components of the net pension liability at June 30, 2018 were as follows:

Total Pension Liability	\$ 35,310,585
Plan Fiduciary Net Position	<u>(3,797,486)</u>
Net Pension Liability	<u><u>\$ 31,513,099</u></u>

*Plan Fiduciary Net Position as a Percentage of Total Pension Liability.* 10.75%

**CITY OF DYERSBURG, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following represents the net pension liability calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	2.56%	\$ 36,269,656
Current discount rate	3.56%	\$ 31,513,099
1% increase	4.56%	\$ 27,594,435

*Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources.* For the year ended June 30, 2018, the recognized pension expense will be \$2,328,327. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources relation to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between experience losses (gains)	\$ 3,711,648	\$ 2,262,614
Changes of assumptions	12,902,082	1,277,328
Net difference between projected and actual earnings on investments	-	75,504
Contributions subsequent to the measurement date of June 30, 2018	<u>1,435,299</u>	<u>-</u>
Total:	<u>\$ 18,049,029</u>	<u>\$ 3,615,446</u>

Contributions after the measurement date of June 30, 2018 will be recognized as a reduction to the net pension liability in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

**Years Ending June 30:**

2019	\$ 1,660,852
2020	\$ 1,652,437
2021	\$ 1,620,420
2022	\$ 1,838,536
2023	\$ 1,866,750
Thereafter	\$ 4,359,288

**CITY OF DYERSBURG, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

**F. Postemployment Healthcare Plan**

Dyersburg City Schools

The Schools changed to the Tennessee OPEB plan effective July 1, 2018. The Tennessee OPEB plan uses a measurement date that is one year behind the reporting date. Therefore, there is no information to report this year. Thus, the following information is for the plan that was in place for the plan year beginning July 1, 2017.

*Plan description.* The Dyersburg City Schools (Schools) provide medical and dental/vision insurance benefits to age 65 to eligible retirees and their covered dependents. The plan is considered to be a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB).

*Benefits Provided.* The Schools pay a percentage of the cost for medical coverage for retirees meeting certain eligibility requirements. The percentage depends on the years of eligible service at retirement and varies from 25% to 100% for certified retirees. Non-certified retirees pay the full contribution rate for elected coverage. All active employees who retire directly from the Schools and meet the eligibility requirements may participate. Surviving spouses of eligible retirees may be eligible to continue coverage. Provided coverage continues to age 65. dental/vision benefits are also available with the retiree paying 100% of the contribution. Insurance coverage is the only postemployment benefit provided to retirees. All members have the option of choosing among four PPO plans. Retired plan members receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. The Schools pay a portion of the medical coverage for retirees as mentioned above. This is considered an explicit subsidy. For purposes of reporting under GASB 75, a federal subsidy is created by providing drug coverage to Medicare eligible retirees that equals the standard benefit provided by Medicare. This federal subsidy amounted to \$253,581 for the year ended June 30, 2018. The OPEB plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

*Employees Covered by Benefit Terms.* At July 1, 2017, the following employees of the Schools were covered by the benefit terms of the plan:

Inactive employees/dependents/beneficiaries currently receiving benefit payments	39
Active employees, including dependents	293
	332
	332

An insurance committee establishes the required payments to the plan by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the Schools paid \$157,492 to the plan for OPEB benefits as they came due.

*Actuarial Assumptions.* The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial method	Individual Entry Age Normal Cost Method
Discount rate	3.88% (0.88% rate of return plus 3.00% inflation)
Salary increases	Graded salary ranges from 3.45 to 8.75 percent based on age. Including inflation, averaging 4 percent
Healthcare cost trend rates	Level 5%
Retiree's share of benefit-related costs	Retiree pays a percentage of the individual monthly contribution rate based on years of service at retirement. Retirees with 30 or more years of TCRS service and at least 20 years of service with Dyersburg City Schools do not contribute for individual coverage.

**CITY OF DYERSBURG, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, valuations were the same as those employed in the July 1, 2017 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

*Discount Rate.* The discount rate used to measure the total OPEB liability was 3.88 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date.

*Changes in Total OPEB Liability*

	Total OPEB Liability (a)
Balance at June 30, 2017	<u>\$ 3,439,542</u>
Changes for the year:	
Service cost	136,683
Interest cost	130,783
Changes of benefit terms	-
Differences between expected and actual experience	-
Change in assumptions	-
Benefit payments	<u>(411,073)</u>
Net changes	(143,607)
Balance at June 30, 2018	<u>\$ 3,295,935</u>

The Schools have a special funding situation related to benefits considered paid by Medicare for its eligible retired employees participating in the plan. The Schools total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the drug coverage to Medicare eligible retirees, actuarially determined. The Schools recognized \$253,581 in revenue for federal subsidies considered provided by Medicare for benefits paid by the plan for the School's retirees for the year ended June 30, 2018.

*Changes in Assumptions.* The discount rate was changed from 3.75% as of the beginning of the measurement period to 3.88% as of June 30, 2018. This change in assumption decreased the total OPEB liability.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability related to the plan, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.88%) or 1-percentage point higher (4.88%) than the current discount rate:

	1% Decrease (2.88%)	Current Discount Rate (3.88%)	1% Increase (4.88%)
Total OPEB Liability	\$ 3,090,472	\$ 3,295,935	\$ 3,519,440



**CITY OF DYERSBURG, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the total OPEB liability related to the plan, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current healthcare cost trend rate:

	1% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB Liability	\$ 3,032,479	\$ 3,295,935	\$ 3,607,545

*OPEB Expense.* For the fiscal year ended June 30, 2018, the Schools recognized OPEB expense of \$267,466.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* Since the plan is pay-as-you-go type of plan, there are no assets accumulating in a trust solely dedicated for the purpose of providing post-retirement benefits. Since there are no assets set aside to pay these benefits, there are currently no deferred outflows of resources or deferred inflows of resources related to OPEB benefits in the School's OPEB plan.

**G. Fairview Cemetery Trust Fund**

Pursuant to the General Cemetery Act of 1968, the Fairview Cemetery Trust was established by the City in May of 1969. The purpose of the Trust is to provide perpetual "improvement care" of the cemetery grounds as defined in TCA Section 46-102 (11). However, such care shall be furnished only insofar as net income derived from the trust will permit.

In the trust document, the City agrees to deposit in this trust minimum monthly amounts equivalent to one-half the sales price of cemetery lots and mausoleums plus one-half the amounts received for special care of any lot, grave, mausoleum, monument, etc. The trustee is to pay the net income from the trust to the City at regular intervals which are to be not more frequent than quarterly.

**H. Tax Abatements**

The City negotiates property tax abatement agreements on an individual basis. The City has tax abatement agreements with several companies in the current fiscal year:

Entity and Terms	Percentage of Taxes Abated During Year Ended June 30, 2019	Amount of Taxes Abated During Year Ended June 30, 2019
<b>Caterpillar</b>		
Effective 2002, 2003-2012 0%, 2013 increasing every year by 10%, 2022 100%	100% Personal Property	\$ 57
Effective 2003, 2004-2013 0%, 2014 increasing every year by 10%, 2023 100%	100% Personal Property	157
Effective 2004, 2005-2014 0%, 2015 increasing every year by 10%, 2024 100%	100% Personal Property	671
Effective 2005, 2006-2015 0%, 2016 increasing every year by 10%, 2025 100%	100% Personal Property	132
Effective 2006, 2007-2016 0%, 2017 increasing every year by 10%, 2026 100%	100% Personal Property	6,702

**CITY OF DYERSBURG, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

Entity and Terms	Percentage of Taxes Abated During Year Ended June 30, 2019	Amount of Taxes Abated During Year Ended June 30, 2019
<b>Caterpillar (continued)</b>		
Effective 2007, 2008-2017 0%, 2018 increasing every year by 10%, 2027 100%	100% Personal Property	3,384
Effective 2008, 2009-2018 0%, 2019 increasing every year by 10%, 2028 100%	100% Personal Property	3,477
Effective 2009, 2010-2019 0%, 2020 increasing every year by 10%, 2029 100%	100% Personal Property	1,863
Effective 2010, 2011-2020 0%, 2021 increasing every year by 10%, 2030 100%	100% Personal Property	116
Effective 2011, 2012-2021 0%, 2022 increasing every year by 10%, 2031 100%	100% Personal Property	82
Effective 2012, 2013-2022 0%, 2023 increasing every year by 10%, 2032 100%	100% Personal Property	783
Effective 2013, 2014-2023 0%, 2024 increasing every year by 10%, 2033 100%	100% Personal Property	314
Effective 2014, 2015-2024 0%, 2025 increasing every year by 10%, 2034 100%	100% Personal Property	4,702
Effective 2015, 2016-2025 0%, 2026 increasing every year by 10%, 2035 100%	100% Personal Property	4,655
Effective 2016, 2017-2026 0%, 2027 increasing every year by 10%, 2036 100%	100% Personal Property	9,045
Effective 2017, 2018-2027 0%, 2028 increasing every year by 10%, 2037 100%	100% Personal Property	122,224
		<u><u>\$ 158,364</u></u>
<b>NSK</b>		
Effective 2007, 2008-2016 0%, 2017 increasing every year by 10%, 2026 100%	100% Real Property	64,398
Effective 2007, 2008-2016 0%, 2017 increasing every year by 10%, 2026 100%	100% Personal Property	1,219
Effective 2008, 2009-2017 0%, 2018 increasing every year by 10%, 2027 100%	100% Personal Property	244
Effective 2009, 2010-2018 0%, 2019 increasing every year by 10%, 2028 100%	100% Personal Property	4,456

**CITY OF DYERSBURG, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

Entity and Terms	Percentage of Taxes Abated During Year Ended June 30, 2019	Amount of Taxes Abated During Year Ended June 30, 2019
<b>NSK (continued)</b>		
Effective 2010, 2011-2019 0%, 2020 increasing every year by 10%, 2029 100%	100% Personal Property	8,684
Effective 2011, 2012-2020 0%, 2021 increasing every year by 10%, 2030 100%	100% Personal Property	15,825
Effective 2012, 2013-2021 0%, 2022 increasing every year by 10%, 2031 100%	100% Personal Property	27,003
Effective 2013, 2014-2022 0%, 2023 increasing every year by 10%, 2032 100%	100% Personal Property	37,172
Effective 2014, 2015-2023 0%, 2024 increasing every year by 10%, 2033 100%	100% Personal Property	7,743
Effective 2015, 2016-2024 0%, 2025 increasing every year by 10%, 2034 100%	100% Personal Property	6,456
Effective 2016, 2017-2025 0%, 2026 increasing every year by 10%, 2035 100%	100% Personal Property	7,779
Effective 2017, 2018-2026 0%, 2027 increasing every year by 10%, 2036 100%	100% Personal Property	9,914
		<u>\$ 190,893</u>
<b>DOT Foods</b>		
Effective 2013, 2014-2028 0% 2029 - 25%, 2030 - 50% 2031 - 75%, 2032 - 100%	100% Real Property	154,111
Effective 2014, 2015-2029 0% 2030 - 25%, 2031- 50% 2032 - 75%, 2033 - 100%	100% Personal Property	1,918
Effective 2015, 2016-2030 0% 2031 - 25%, 2032- 50% 2033 - 75%, 2034 - 100%	100% Personal Property	2,281
Effective 2016, 2017-2031 0% 2032 - 25%, 2033- 50% 2034 - 75%, 2035 - 100%	100% Personal Property	1,704
		<u>\$ 160,014</u>

**I. Subsequent Events**

The City has evaluated subsequent events through February 25, 2020, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION SECTION**

**CITY OF DYERSBURG, TENNESSEE  
DYERSBURG CITY SCHOOLS  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
TEACHER LEGACY PENSION PLAN OF TCRS  
FOR THE FISCAL YEAR ENDED JUNE 30,**

	2018	2017	2016	2015	2014
Dyersburg City Schools' proportion of the net pension liability (asset)	0.306467%	0.309314%	0.296077%	0.292639%	0.307025%
Dyersburg City Schools' proportionate share of the net pension liability (asset)	\$ (1,078,432)	\$ (101,202)	\$ 1,850,316	\$ 119,875	\$ 49,890
Dyersburg City Schools' covered payroll	\$ 10,731,456	\$ 10,934,120	\$ 10,687,813	\$ 10,954,981	\$ 12,050,701
Dyersburg City Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-10.05%	-0.93%	17.31%	1.09%	0.41%
Plan fiduciary net position as a percentage of the total pension liability	101.49%	100.14%	97.14%	99.81%	100.08%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

See independent auditor's report

CITY OF DYERSBURG, TENNESSEE  
 DYERSBURG CITY SCHOOLS  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
 TEACHER RETIREMENT PLAN OF TCRS  
 FOR THE FISCAL YEAR ENDED JUNE 30,

	2018	2017	2016	2015
Dyersburg City Schools' proportion of the net pension liability (asset)	0.193774%	0.198496%	0.212778%	0.248278%
Dyersburg City Schools' proportionate share of the net pension liability (asset)	\$ (87,882)	\$ (52,370)	(\$22,151)	(9,988)
Dyersburg City Schools' covered payroll	1,693,358	1,302,814	\$936,230	\$515,864
Dyersburg City Schools' proportionate share of the net pension liability (asset) as a percentage of its' covered-employee payroll	(5.19)%	(4.02)%	(2.37)%	(1.94)%
Plan fiduciary net position as a percentage of the total pension liability	126.97%	126.81%	121.88%	127.46%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE  
DYERSBURG CITY SCHOOLS  
SCHEDULE OF CONTRIBUTIONS  
TEACHER LEGACY PENSION PLAN OF TCRS  
FOR THE FISCAL YEAR ENDED JUNE 30,**

	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 1,105,172	\$ 974,419	\$ 988,444	\$ 966,175	\$ 990,327	\$ 1,070,102
Contribution in relation to the contractually required contribution	<u>1,105,172</u>	<u>974,419</u>	<u>988,444</u>	<u>966,175</u>	<u>990,327</u>	<u>1,070,102</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Dyersburg City Schools' covered payroll	\$ 10,565,701	\$ 10,731,445	10,934,120	\$ 10,687,813	\$ 10,954,981	\$ 12,050,701
Contributions as a percentage of Dyersburg City Schools' covered payroll	10.46%	9.08%	9.04%	9.04%	9.04%	8.88%

GASB 68 requires a 10 year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

*Changes of assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE  
DYERSBURG CITY SCHOOLS  
SCHEDULE OF CONTRIBUTIONS  
TEACHER RETIREMENT PENSION PLAN OF TCRS  
FOR THE FISCAL YEAR ENDED JUNE 30,**

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 37,510	\$ 27,614	\$ 52,112	\$ 23,436	\$ 516
Contributions in relation to the contractually required contribution	37,510	67,734	52,112	37,449	20,634
Contribution deficiency (excess)	\$ -	\$ (40,120)	\$ -	\$ (14,013)	\$ (20,118)
Dyersburg City Schools' covered payroll	\$ 1,933,497	\$ 1,693,358	\$ 1,302,814	\$ 936,230	\$ 515,864
Contributions as a percentage of Dyersburg City Schools' covered payroll	1.94%	4.00%	4.00%	4.00%	4.00%

GASB 68 requires a 10 year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

In FY 2019 the School Department placed the actuarially determined contribution rate (1.94%) of covered payroll into the pension plan and placed 2.06 percent of covered payroll into the Pension Stabilization Reserve Trust.

*Changes of assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

See independent auditor's report



**CITY OF DYERSBURG, TENNESSEE  
DYERSBURG CITY SCHOOLS  
SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS  
NON-PROFESSIONAL EMPLOYEES PENSION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	\$ 194,319	\$ 185,951	\$ 154,102	\$ 147,466	\$ 154,945
Interest	573,257	548,298	515,464	489,615	467,004
Difference between actual and expected experience	(17,003)	-	57,725	-	(14,196)
Changes of assumptions	153,508	-	-	-	-
Benefit payments/refunds	(462,183)	(338,904)	(273,613)	(300,765)	(276,019)
Net change in total pension liability	441,898	395,345	453,678	336,316	331,734
Total pension liability - beginning	7,941,571	7,546,226	7,092,548	6,756,232	6,424,498
<b>Total pension liability - ending (a)</b>	<b>8,383,469</b>	<b>7,941,571</b>	<b>7,546,226</b>	<b>7,092,548</b>	<b>6,756,232</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	150,214	153,278	151,597	139,330	135,007
Contributions - employee	232,530	222,199	170,684	111,008	39,835
Net investment income	(246,239)	607,825	344,302	(56,640)	236,873
Benefit payments/refunds	(462,183)	(338,904)	(273,613)	(300,765)	(276,019)
Administrative expenses	(16,906)	(23,681)	(12,850)	(7,271)	(8,948)
<b>Net change in plan fiduciary net position</b>	<b>(342,584)</b>	<b>620,717</b>	<b>380,120</b>	<b>(114,338)</b>	<b>126,748</b>
Plan fiduciary net position - beginning	5,821,710	5,200,993	4,820,873	4,935,211	4,808,463
<b>Plan fiduciary net position - ending (b)</b>	<b>5,479,126</b>	<b>5,821,710</b>	<b>5,200,993</b>	<b>4,820,873</b>	<b>4,935,211</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 2,904,343</b>	<b>\$ 2,119,861</b>	<b>\$ 2,345,233</b>	<b>\$ 2,271,675</b>	<b>\$ 1,821,021</b>
Plan fiduciary net position as a % of the total pension liability	65.36%	73.31%	68.92%	67.97%	73.05%
Covered-employee payroll	\$ 2,926,845	\$ 3,020,158	\$ 3,020,158	\$ 2,571,722	\$ 2,571,722
Net pension liability as a % of covered employee payroll	99.23%	70.19%	77.65%	88.33%	70.81%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date.

See independent auditor's report

CITY OF DYERSBURG, TENNESSEE  
 DYERSBURG CITY SCHOOLS  
**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS**  
**NON-PROFESSIONAL EMPLOYEES PENSION PLAN**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Schedule of Employer Contributions**

	Plan years ending December 31,			
	2018	2017	2016	2015
Actuarially determined contribution	\$ 227,068	\$ 170,752	\$ 170,752	\$ 170,567
Contributions in relation to the actuarially determined contribution	232,530	222,199	170,684	111,008
Contribution deficiency (excess)	<u>\$ (5,462)</u>	<u>\$ (51,447)</u>	<u>\$ 68</u>	<u>\$ 59,559</u>
Covered-employee payroll	\$ 2,926,845	\$ 3,020,158	\$ 3,020,158	\$ 2,571,722
Contributions as a percentage of covered employee payroll	7.94%	7.36%	5.65%	4.32%
				1.55%

**Schedule of Investment Returns**

	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-4.3%	11.7%	7.2%	-1.2%	5.0%

GASB 68 requires a 10 year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date.

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE  
DYERSBURG CITY SCHOOLS  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
NON-PROFESSIONAL EMPLOYEES PENSION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Salary Scale

4.5% annual increase to normal retirement

Rate of Retirement

100% at normal retirement age

Rate of Investment Return

7.25% per annum for funding purposes

Actuarial Valuation Method

Entry age normal method - with level dollar amortization

Asset Valuation Method

Fair market value

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE  
DYERSBURG CITY SCHOOLS  
SCHEDULE OF CHANGES IN THE SCHOOLS' TOTAL  
OPEB LIABILITY AND RATIOS  
FOR THE FISCAL YEAR ENDED JUNE 30,**

<b>Total OPEB Liability</b>	2019	2018
Service cost	\$ -	\$ 136,683
Interest	-	130,783
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Benefit payments	-	(411,073)
Net change in total OPEB liability	-	(143,607)
Total OPEB liability - beginning	3,295,935	3,439,542
Total OPEB liability - ending (a)	\$ 3,295,935	\$ 3,295,935
Covered-employee payroll	\$ 13,387,236	\$ 13,387,236
Total OPEB liability as a percentage of covered-employee payroll	24.62%	24.62%

**Note to Schedule:**

The School System switched to the Tennessee OPEB plan effective July 1, 2018. This plan uses a measurement date that is one year prior to the reporting date. Thus, there is no information to report for the new plan for the year ending June 30, 2019. The information above pertains to the OPEB plan in effect for the year ending June 30, 2018.

There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this OPEB plan.

This schedule is intended to display ten years of information. Additional years will be displayed as they become available.

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE  
DYERSBURG ELECTRIC SYSTEM  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
FOR THE FISCAL YEAR ENDED JUNE 30,**

Measurement Period Ended June 30,	2014	2015	2016	2017	2018
<b>Total pension liability</b>					
Service cost	\$ 199,281	\$ 151,433	\$ 202,475	\$ 194,275	\$ 193,496
Interest	666,182	579,581	660,677	673,043	712,065
Change in benefit terms	-	-	(87,835)	-	-
Differences between expected and actual experience	(309,905)	40,702	(320,826)	(12,852)	47,229
Changes of assumptions	(1,183,177)	1,436,333	-	-	-
Benefit payments, including refunds of employee contributions	(772,834)	(174,754)	(223,826)	(303,644)	(246,605)
Net change in total pension liability	(1,400,453)	2,033,295	230,665	550,822	706,185
Total pension liability - beginning*	9,062,574	7,662,121	9,695,416	9,926,081	10,476,903
Total pension liability - ending (a)	\$ 7,662,121	\$ 9,695,416	\$ 9,926,081	\$ 10,476,903	\$ 11,183,088
<b>Plan fiduciary net position</b>					
Contributions - total	\$ 518,955	\$ 596,336	\$ 585,183	\$ 626,663	\$ 582,792
Net investment income	87,971	(140,669)	(162,968)	(71,027)	173,991
Benefit payments, including refunds of employee contributions	(772,834)	(174,754)	(223,826)	(303,644)	(246,605)
Administrative expenses	-	-	(32,514)	-	-
Net change in plan fiduciary net position	(165,908)	280,913	165,875	251,992	510,178
Plan fiduciary net position - beginning*	5,603,946	5,438,038	5,718,951	5,884,826	6,136,818
Plan fiduciary net position - ending (b)	\$ 5,438,038	\$ 5,718,951	\$ 5,884,826	\$ 6,136,818	\$ 6,646,996
Net pension liability -- ending (a) - (b)	\$ 2,224,083	\$ 3,976,465	\$ 4,041,255	\$ 4,340,085	\$ 4,536,092
Plan fiduciary net position as a percentage of the total pension liability	70.97%	58.99%	59.29%	58.57%	59.44%
Covered-employee payroll	\$ 2,241,803	\$ 2,268,421	\$ 2,222,558	\$ 2,184,228	\$ 2,209,476
Net pension liability as a percentage of covered-employee payroll	99.21%	175.30%	181.83%	198.70%	205.30%

\*As this plan was not subject to GASB No. 67 on 06/30/2013, the beginning value at 06/30/2013 shown here was not previously reported. The liability values the 01/01/2013 data, rolled forward to 07/01/2013, using this year's discount rate of 7.50%.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future years until 10 years of information is available.

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE  
DYERSBURG ELECTRIC SYSTEM  
SCHEDULE OF CONTRIBUTIONS  
FOR THE FISCAL YEAR ENDED JUNE 30,**

	2014	2015	2016	2017	2018
Actuarially Determined Contributions*					
Contributions in relation to the actuarially determined contribution	\$ 348,722	\$ 353,937	\$ 400,043	\$ 409,977	\$ 402,786
Contribution deficiency (excess)	\$ 518,955	\$ 596,336	\$ 585,183	\$ 560,669	\$ 518,951
Covered-employee payroll	\$ (170,233)	\$ (242,399)	\$ (185,140)	\$ (150,692)	\$ (116,165)
Contributions as a percentage of covered-employee payroll	23.15%	26.29%	26.33%	25.67%	23.49%

\*Since this plan year is equal to the calendar year, contributions are determined on a calendar year basis. The amount displayed is equal to the sum of one-half of the prior plan year contribution, representing the period July 1 - December 31, and one-half of the current plan year contribution, representing the period January 1 - June 30.

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Actuarial Methods Assumptions**

Actuarial cost method: Individual entry age normal, level percentage of compensation  
 Amortization method: Level percentage of payroll, closed  
 Remaining amortization period: 28 years as of 1/1/18  
 Asset valuation method: Market value of assets adjusted to phase in asset gains and losses from 01/01/2016 over a five-year period at 20% per year.  
 Salary increases: 3.50%  
 Investment rate of return: 6.75%, net of pension plan investment expenses  
 Retirement age: Graded scale based on eligibility for unreduced benefits  
 Mortality: Linked to the current mortality assumption utilized by the Tennessee Consolidated Retirement System (TCRS).  
 Disabled mortality: Same as above

**Schedule of Investment Returns**

	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Annual money-weighted rate of return, net of investment expense	1.58%	-2.52%	-2.78%	-0.56%	2.77%

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**CITY OF DYERSBURG, TENNESSEE**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**BASED ON PARTICIPATION IN THE CITY OF DYERSBURG PENSION PLAN**  
**FOR THE FISCAL YEAR ENDED JUNE 30,**

	2018	2017	2016	2015	2014
Total pension liability	\$ 107,402	\$ 128,325	\$ 147,906	\$ 307,788	\$ 228,092
Service cost	1,083,430	1,077,568	1,594,600	1,580,201	1,366,509
Interest	-	-	(3,199,658)	-	-
Change in benefit terms	1,140,472	1,766,623	(4,269,455)	1,480,375	1,185,379
Experience losses (gains)	(478,565)	(1,427,515)	1,704,042	(1,071,261)	19,079,843
Changes of assumptions	(1,156,537)	(1,357,704)	(1,919,959)	(2,055,619)	(2,094,336)
Benefit payments, including refunds of employee contributions	696,202	187,297	(5,942,524)	2,384,006	19,765,487
Net change in total pension liability	34,614,383	34,427,086	40,369,610	37,985,604	18,220,117
Total pension liability - beginning	\$ 35,310,585	\$ 34,614,383	\$ 34,427,086	\$ 40,369,610	\$ 37,985,604
Total pension liability - ending (a)					
Plan fiduciary net position					
Contributions - employer	1,092,500	\$ 863,600	\$ 2,103,281	\$ 725,193	\$ 724,200
Contributions - employee	230,928	245,720	336,670	434,424	456,147
Net investment income	362,662	332,770	65,896	192,358	578,519
Benefit payments, including refunds of employee contributions	(1,156,537)	(1,357,704)	(1,919,959)	(2,055,619)	(2,094,336)
Administrative expenses	(22,635)	(61,655)	(142,286)	(91,727)	(49,374)
Net change in plan fiduciary net position	506,918	22,731	443,602	(795,371)	(384,844)
Plan fiduciary net position - beginning	3,290,568	3,267,837	2,824,235	3,619,606	4,004,450
Plan fiduciary net position - ending (b)	\$ 3,797,486	\$ 3,290,568	\$ 3,267,837	\$ 2,824,235	\$ 3,619,606
Net pension liability -- ending (a) - (b)	\$ 31,513,099	\$ 31,323,815	\$ 31,159,249	\$ 37,545,375	\$ 34,365,998
Plan fiduciary net position as a percentage of the total pension liability	10.75%	9.51%	9.49%	7.00%	9.53%
Covered-employee payroll	\$ 4,573,568	\$ 4,859,654	\$ 5,157,214	\$ 5,630,192	\$ 8,003,375
Net pension liability as a percentage of covered-employee payroll	689.00%	644.60%	604.20%	489.30%	429.40%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future years until 10 years of information is available.

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**CITY OF DYERSBURG, TENNESSEE  
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION IN  
THE CITY OF DYERSBURG PENSION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30,**

	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,600,000	\$ 1,600,000	\$ 1,700,000	\$ 2,100,000	\$ 1,500,000
Contributions in relation to the actuarially determined contribution	<u>1,100,000</u>	<u>900,000</u>	<u>2,100,000</u>	<u>700,000</u>	<u>700,000</u>
Contribution deficiency (excess)	<u>\$ 500,000</u>	<u>\$ 700,000</u>	<u>\$ (400,000)</u>	<u>\$ 1,400,000</u>	<u>\$ 800,000</u>
Covered-employee payroll	\$ 4,600,000	4,900,000	\$ 5,200,000	\$ 7,700,000	\$ 800,000
Contributions as a percentage of covered employee payroll	23.90%	17.80%	40.80%	9.50%	9.00%

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

The actuarially determined contribution for 2019 was not available as of the report date.

**Notes to Schedule**

Valuation date: Actuarially determined contribution rates are calculated as of June 30.

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry age normal
Amortization method:	Level dollar, open (not to exceed 10 years)
Remaining amortization period:	24
Asset valuation:	No smoothing period
Inflation	3.0%
Salary increases:	N/A
Investment rate of return	7.5% per annum
Retirement age:	N/A
Mortality:	RP-2000 (Healthy and Disabled) with generational projection per Scale AA for healthy participants
Cost of living adjustments:	1% from age 70 through age 74, then 2.0% after age 75

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## **SUPPLEMENTARY AND OTHER INFORMATION SECTION**

CITY OF DYERSBURG, TENNESSEE  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2019

	Special Revenue Funds						Total	Debt Service Fund	Capital Project Fund	Permanent Fund Cemetery Care	Total Nonmajor Governmental Funds
	TIP	Cafeteria	Federal Projects	Community Development	Insurance Reserve						
<b>ASSETS</b>											
Cash	\$ 259,012	\$ 697,731	\$ 113,237	\$ 1,719	\$ 381,162	\$ 1,452,861	\$ 1,734,683	\$ 1,302	\$ -	\$ 3,188,846	
Investments	-	-	-	-	-	-	-	-	-	-	
Accounts receivable	-	43,569	110,924	-	-	154,493	-	-	1,525,298	1,525,298	
Notes receivable	-	-	-	-	-	-	144,666	-	-	299,159	
Due from other funds	70,256	-	-	-	-	-	-	-	-	-	
Inventory	-	70,846	-	-	-	70,256	-	-	3,200	73,456	
Deposits	-	-	-	-	-	70,846	-	-	-	70,846	
	-	-	-	-	92,950	92,950	-	-	-	92,950	
<b>Total Assets</b>	<b>\$ 329,268</b>	<b>\$ 812,146</b>	<b>\$ 224,161</b>	<b>\$ 1,719</b>	<b>\$ 474,112</b>	<b>\$ 1,841,406</b>	<b>\$ 1,879,349</b>	<b>\$ 1,302</b>	<b>\$ 1,528,498</b>	<b>\$ 5,250,555</b>	

**LIABILITIES AND FUND BALANCES**

	Special Revenue Funds						Total	Debt Service Fund	Capital Project Fund	Permanent Fund Cemetery Care	Total Nonmajor Governmental Funds
	TIP	Cafeteria	Federal Projects	Community Development	Insurance Reserve						
<b>Liabilities:</b>											
Accounts payable	\$ -	\$ 28,789	\$ 9,525	\$ -	\$ 89,934	\$ 128,248	\$ -	\$ -	\$ -	\$ 128,248	
Accrued liabilities	-	41,740	213,753	-	-	255,493	27,493	-	-	282,986	
Due to other funds	-	-	-	-	-	333,685	706	-	7,750	342,141	
Unavailable confiscated funds	12,725	-	-	-	-	12,725	-	-	-	12,725	
<b>Total Liabilities</b>	<b>12,725</b>	<b>70,529</b>	<b>223,278</b>	<b>-</b>	<b>423,619</b>	<b>730,151</b>	<b>28,199</b>	<b>-</b>	<b>7,750</b>	<b>766,100</b>	
<b>Fund balances:</b>											
Non-spendable	-	70,846	-	-	-	70,846	-	-	-	70,846	
Restricted	316,543	670,771	883	1,719	-	989,916	1,851,150	1,302	1,520,748	4,363,116	
Committed	-	-	-	-	50,493	50,493	-	-	-	50,493	
Unassigned	-	-	-	-	-	-	-	-	-	-	
<b>Total Fund Balances</b>	<b>316,543</b>	<b>741,617</b>	<b>883</b>	<b>1,719</b>	<b>50,493</b>	<b>1,111,255</b>	<b>1,851,150</b>	<b>1,302</b>	<b>1,520,748</b>	<b>4,484,455</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$ 329,268</b>	<b>\$ 812,146</b>	<b>\$ 224,161</b>	<b>\$ 1,719</b>	<b>\$ 474,112</b>	<b>\$ 1,841,406</b>	<b>\$ 1,879,349</b>	<b>\$ 1,302</b>	<b>\$ 1,528,498</b>	<b>\$ 5,250,555</b>	

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**CITY OF DYERSBURG, TENNESSEE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds					Total	Debt Service Fund	Capital Project Fund	Permanent Fund Cemetery Care	Total Nonmajor Governmental Funds
	T I P	Cafeteria	Federal Projects	Community Development	Insurance Reserve					
<b>Revenues:</b>										
Local sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,642,298	\$ -	\$ -	\$ -	\$ 1,642,298
Unauthorized substance tax	-	-	-	-	-	-	-	-	-	-
U.S.D.A. reimbursements	-	1,431,341	-	-	-	1,431,341	-	-	-	1,431,341
State school matching funds	-	15,733	-	-	-	15,733	-	-	-	15,733
State housing grants	-	-	-	-	-	-	-	-	-	-
State education grants	-	-	2,439,083	-	-	2,439,083	-	-	-	2,439,083
Charges for service	-	431,842	-	-	-	431,842	-	-	-	431,842
Fines, forfeits, and penalties	26,289	-	-	-	-	26,289	-	-	-	26,289
Sale of assets	23,502	-	-	-	-	23,502	-	-	-	23,502
Investment earnings	233	-	-	2	295	530	45,845	5	95,316	141,696
Joint cost reimbursements	-	-	-	-	2,965,961	2,965,961	-	-	-	2,965,961
Miscellaneous	-	146,915	-	-	-	146,915	-	-	-	146,915
Total revenues	50,024	2,025,831	2,439,083	2	2,966,256	7,481,196	1,688,143	5	95,316	9,264,660
<b>Expenditures:</b>										
Current:										
General and administrative	35,788	-	-	3,660	2,966,256	3,005,704	-	-	11,873	3,017,577
Education	-	2,050,000	2,436,445	-	-	4,486,445	-	-	-	4,486,445
Capital outlay	94,295	-	-	-	-	94,295	-	-	-	94,295
Total expenditures	130,083	2,050,000	2,436,445	3,660	2,966,256	7,586,444	-	-	11,873	7,598,317
<b>Revenues over (under) expenditures</b>	(80,059)	(24,169)	2,638	(3,658)	-	(105,248)	1,688,143	5	83,443	1,666,343
<b>Other financing sources (uses):</b>										
Transfer from other funds	-	-	(1,755)	-	-	(1,755)	-	-	29,600	27,845
Transfer to other funds	-	-	-	-	-	-	(1,874,323)	-	(34,881)	(1,909,204)
Total other financing sources (uses)	-	-	(1,755)	-	-	(1,755)	(1,874,323)	-	(5,281)	(1,881,359)
<b>Net change in fund balances</b>	(80,059)	(24,169)	883	(3,658)	-	(107,003)	(186,180)	5	78,162	(215,016)
<b>Fund balances - July 1, 2018</b>	396,602	765,786	-	5,377	50,493	1,218,258	2,037,330	1,297	1,442,586	4,699,471
<b>Fund balances - June 30, 2019</b>	\$ 316,543	\$ 741,617	\$ 883	\$ 1,719	\$ 50,493	\$ 1,111,255	\$ 1,851,150	\$ 1,302	\$ 1,520,748	\$ 4,484,455

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CITY OF DYERSBURG, TENNESSEE  
TIP FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Unauthorized substance tax	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Fines, forfeits, and penalties	40,000	40,000	26,289	(13,711)
Miscellaneous revenue	70,000	70,000	23,502	(46,498)
Investment earnings	1,000	1,000	233	(767)
Total revenues	<u>121,000</u>	<u>121,000</u>	<u>50,024</u>	<u>(70,976)</u>
<b>EXPENDITURES:</b>				
General and administrative				
Small items of equipment	5,000	5,000	6,245	(1,245)
Repair and maintenance	20,000	20,000	21,043	(1,043)
Other	30,000	10,000	8,500	1,500
Total general and administrative	<u>55,000</u>	<u>35,000</u>	<u>35,788</u>	<u>(788)</u>
Capital outlay	<u>50,000</u>	<u>100,000</u>	<u>94,295</u>	<u>5,705</u>
Total expenditures	<u>105,000</u>	<u>135,000</u>	<u>130,083</u>	<u>4,917</u>
<b>Net Change in Fund Balance</b>	<u>\$ 16,000</u>	<u>\$ (14,000)</u>	<u>(80,059)</u>	<u>\$ (66,059)</u>
<b>Fund balance - July 1, 2018</b>			<u>396,602</u>	
<b>Fund balance - June 30, 2019</b>			<u>\$ 316,543</u>	

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CITY OF DYERSBURG, TENNESSEE  
COMMUNITY DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>			
State grants	\$ 497,000	\$ -	\$ (497,000)
Investment earnings	-	2	2
Miscellaneous revenue	3,000.00	-	(3,000)
Total revenues	500,000	2	(499,998)
 <b>EXPENDITURES:</b>			
General and administrative:			
Miscellaneous	500,000	3,660	496,340
Total general and administrative	500,000	3,660	496,340
Total expenditures	500,000	3,660	496,340
<b>Net Change in Fund Balance</b>	\$ -	(3,658)	\$ (3,658)
<b>Fund balance - July 1, 2018</b>		5,377	
<b>Fund balance - June 30, 2019</b>		1,719.00	

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CITY OF DYERSBURG, TENNESSEE  
INSURANCE RESERVE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 295	\$ 295
Joint cost reimbursements	3,287,000	3,500,000	2,965,961	(534,039)
Total revenues	<u>3,287,000</u>	<u>3,500,000</u>	<u>2,966,256</u>	<u>(533,744)</u>
<b>EXPENDITURES:</b>				
Hospital and health care expenditures:				
Medical claims	2,150,000	2,363,000	1,810,117	552,883
Drug claims	725,000	725,000	755,790	(30,790)
Life insurance	25,000	25,000	44,132	(19,132)
Re-insurance costs	300,000	300,000	271,197	28,803
Insurance administration	87,000	87,000	85,020	1,980
Total hospital and health care	<u>3,287,000</u>	<u>3,500,000</u>	<u>2,966,256</u>	<u>533,744</u>
Total expenditures	<u>3,287,000</u>	<u>3,500,000</u>	<u>2,966,256</u>	<u>533,744</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund balance - July 1, 2018</b>			<u>50,493</u>	
<b>Fund balance - June 30, 2019</b>			<u>\$ 50,493</u>	

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CITY OF DYERSBURG, TENNESSEE  
CAFETERIA FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
U.S.D.A. reimbursements	\$ 1,401,000	\$ 1,427,500	\$ 1,431,341	\$ 3,841
State school matching funds	20,000	20,000	15,733	(4,267)
Charges for service	479,000	455,500	431,842	(23,658)
Miscellaneous revenue	150,000	147,000	146,915	(85)
Total revenues	<u>2,050,000</u>	<u>2,050,000</u>	<u>2,025,831</u>	<u>(24,169)</u>
<b>EXPENDITURES:</b>				
Education:				
Food	761,850	759,000	756,170	2,830
Cafeteria labor	914,700	899,023	900,686	(1,663)
Other expenditures	373,450	391,977	393,144	(1,167)
Total education	<u>2,050,000</u>	<u>2,050,000</u>	<u>2,050,000</u>	<u>-</u>
Total expenditures	<u>2,050,000</u>	<u>2,050,000</u>	<u>2,050,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	(24,169)	<u>\$ (24,169)</u>
<b>Fund balance - July 1, 2018</b>			<u>765,786</u>	
<b>Fund balance - June 30, 2019</b>			<u>\$ 741,617</u>	

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CITY OF DYERSBURG, TENNESSEE  
 FEDERAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
State education grants	\$ 2,366,818	\$ 2,687,458	\$ 2,439,083	\$ (248,375)
Total revenues	2,366,818	2,687,458	2,439,083	(248,375)
<b>EXPENDITURES:</b>				
Education:				
Regular instruction	1,151,296	1,240,522	1,190,624	49,898
Vocational education	53,183	56,793	54,880	1,913
Special education	699,926	741,475	712,392	29,083
Student support	30,760	173,335	26,624	146,711
Regular instruction support services	175,617	193,297	172,518	20,779
Special education support services	97,341	123,341	116,907	6,434
Community service	162,500	162,500	162,500	-
Total education	2,370,623	2,691,263	2,436,445	254,818
Total expenditures	2,370,623	2,691,263	2,436,445	254,818
<b>Revenues Over (Under) Expenditures</b>	(3,805)	(3,805)	2,638	6,443
Other financing sources (uses)				
Transfers	3,805	3,805	(1,755)	5,560
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	883	<u>\$ 883</u>
Fund balance - July 1, 2018			-	
Fund balance - June 30, 2019			<u>\$ 883</u>	

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CITY OF DYERSBURG, TENNESSEE  
SCHOOL DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>			
Local Sales Tax	\$ 1,600,000	\$ 1,642,298	\$ 42,298
Interest income	10,000	45,845	35,845
Total revenues	<u>1,610,000</u>	<u>1,688,143</u>	<u>78,143</u>
<b>EXPENDITURES:</b>			
	-	-	-
Revenues Over (Under) Expenditures	1,610,000	1,688,143	78,143
<b>Other Financing Sources (Uses):</b>			
Transfer to other funds	<u>(1,931,700)</u>	<u>(1,874,323)</u>	<u>57,377</u>
Total other financing sources (uses)	<u>(1,931,700)</u>	<u>(1,874,323)</u>	<u>57,377</u>
<b>Net Change in Fund Balance</b>	<u>\$ (321,700)</u>	<u>\$ (186,180)</u>	<u>\$ 135,520</u>
Fund balance - July 1, 2018		<u>2,037,330</u>	
Fund balance - June 30, 2019		<u>\$ 1,851,150</u>	

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CITY OF DYERSBURG, TENNESSEE  
 CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>			
Interest income	\$ -	\$ 5	\$ 5
Total revenues	-	5	5
 <b>EXPENDITURES</b>	-	-	-
<b>Net Change in Fund Balance</b>	\$ -	5	\$ 5
<b>Fund balance - July 1, 2018</b>		1,297	
<b>Fund balance - June 30, 2019</b>		\$ 1,302	

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CITY OF DYERSBURG, TENNESSEE  
 CEMETERY TRUST FUND  
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Investment earnings	\$ 35,000	\$ 38,829	\$ 3,829
Net decrease in fair value of investments	5,000	54,966	49,966
Miscellaneous revenues	1,000	1,521	521
<b>Total revenues</b>	<b>41,000</b>	<b>95,316</b>	<b>54,316</b>
<b>Expenditures:</b>			
Trustee fees	15,000	11,873	3,127
<b>Revenues Over (under) expenditures</b>	<b>26,000</b>	<b>83,443</b>	<b>57,443</b>
<b>Other financing sources (uses)</b>			
Transfers in	35,000	29,600	(5,400)
Transfers out	(35,000)	(34,881)	119
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(5,281)</b>	<b>(5,281)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 26,000</b>	<b>78,162</b>	<b>\$ 52,162</b>
<b>Fund balance - July 1, 2018</b>		<b>1,442,586</b>	
<b>Fund balance - June 30, 2019</b>		<b>\$ 1,520,748</b>	

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**CITY OF DYERSBURG, TENNESSEE**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2019**

	Internal Service Fund	Communications Service Fund	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 2,072,199	\$ 84,009	\$ 2,156,208
Accounts receivable (net of allowance for uncollectibles)	173	19,149	19,322
Due from other funds	15,717	76,155	91,872
Total current assets	2,088,089	179,313	2,267,402
<b>Noncurrent assets:</b>			
Capital assets:			
Property, plant, and equipment	559,058	1,716,669	2,275,727
Less - accumulated depreciation	(488,075)	(1,417,212)	(1,905,287)
Net property, plant, and equipment	70,983	299,457	370,440
Other assets	101,462	-	101,462
<b>Total Assets</b>	<b>2,260,534</b>	<b>478,770</b>	<b>2,739,304</b>
 <b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	15,804	8,312	24,116
Accrued payroll	9,210	12,556	21,766
Accrued compensated absences	8,846	17,698	26,544
Due to other funds	1,532,910	3,870	1,536,780
Total current liabilities	1,566,770	42,436	1,609,206
<b>Noncurrent liabilities:</b>			
Other accrued liabilities	20,778	-	20,778
<b>Total Liabilities</b>	<b>1,587,548</b>	<b>42,436</b>	<b>1,629,984</b>
 <b>NET POSITION</b>			
Investment in capital assets	70,983	299,457	370,440
Unrestricted	602,003	136,877	738,880
<b>Total Net Position</b>	<b>\$ 672,986</b>	<b>\$ 436,334</b>	<b>\$ 1,109,320</b>

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**CITY OF DYERSBURG, TENNESSEE**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Internal Service</u>	<u>Communication Services</u>	<u>Total</u>
<b>Operating revenues:</b>			
Joint costs	\$ 983,722	\$ 763,956	\$ 1,747,678
Miscellaneous revenues	16,799	317,235	334,034
Total operating revenues	<u>1,000,521</u>	<u>1,081,191</u>	<u>2,081,712</u>
<b>Operating expenses:</b>			
Customer service and collection	927,203	-	927,203
Communication services	-	774,392	774,392
General and administrative	53,181	212,009	265,190
Emergency warning system	-	51,058	51,058
Depreciation and amortization	24,751	44,028	68,779
Total operating expense	<u>1,005,135</u>	<u>1,081,487</u>	<u>2,086,622</u>
<b>Operating income (loss)</b>	(4,614)	(296)	(4,910)
<b>Nonoperating revenues (expenses):</b>			
Interest income	4,614	63	4,677
Miscellaneous income	-	233	233
Total nonoperating revenues (expenses)	<u>4,614</u>	<u>296</u>	<u>4,910</u>
<b>Change in net position</b>	-	-	-
<b>Total net position - July 1, 2018</b>	<u>672,986</u>	<u>436,334</u>	<u>1,109,320</u>
<b>Total net position - June 30, 2019</b>	<u>\$ 672,986</u>	<u>\$ 436,334</u>	<u>\$ 1,109,320</u>

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**CITY OF DYERSBURG, TENNESSEE**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Internal Service</u>	<u>Communication Services</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,000,347	\$ 354,359	\$ 1,354,706
Payments to suppliers	(410,930)	(261,339)	(672,269)
Payments to employees for services	(482,334)	(594,280)	(1,076,614)
Payments for employee benefits	(151,134)	(204,210)	(355,344)
Payments to other funds	63,837	(85,835)	(21,998)
Other receipts (payments)	(3,715)	763,956	760,241
Net cash provided by (used for) operating activities	<u>16,071</u>	<u>(27,349)</u>	<u>(11,278)</u>
<b>CASH FLOWS FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(5,416)	(49,547)	(54,963)
Other receipts (payments)	-	233	233
Net cash provided by (used for) capital and related financing activities	<u>(5,416)</u>	<u>(49,314)</u>	<u>(54,730)</u>
<b>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES</b>			
Interest and investment earnings	4,614	63	4,677
Net cash provided by (used for) investing activities	<u>4,614</u>	<u>63</u>	<u>4,677</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>15,269</b>	<b>(76,600)</b>	<b>(61,331)</b>
<b>Cash and cash equivalents - July 1, 2018</b>	<b>2,056,930</b>	<b>160,609</b>	<b>2,217,539</b>
<b>Cash and cash equivalents - June 30, 2019</b>	<b><u>\$ 2,072,199</u></b>	<b><u>\$ 84,009</u></b>	<b><u>\$ 2,156,208</u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
<b>OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (4,614)	\$ (296)	\$ (4,910)
Adjustments to reconcile net income (loss) from operations to net cash provided (used) by operating activities			
Depreciation	17,825	44,028	61,853
Amortization	6,926	-	6,926
(Increase) Decrease in Assets			
Accounts receivable, net of allowance	(174)	42,232	42,058
Due from other funds	(535)	(46,402)	(46,937)
Other assets	(87,129)		(87,129)
Increase (Decrease) in Liabilities			
Accounts payable	14,886	2,670	17,556
Accrued payroll	208	916	1,124
Due to other funds	64,372	(39,433)	24,939
Other current liabilities	5,582		5,582
Compensated absences	(1,276)	(31,064)	(32,340)
Net cash provided by (used for) operating activities	<u>\$ 16,071</u>	<u>\$ (27,349)</u>	<u>\$ (11,278)</u>

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**CITY OF DYERSBURG, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**BUDGET AND ACTUAL - INTERNAL SERVICE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Original &amp; Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Operating Revenues:</b>			
Miscellaneous revenues:			
Joint cost	\$ 1,014,700	\$ 962,722	\$ (51,978)
Computer services	21,000	21,000	-
Other	10,000	16,799	6,799
Total miscellaneous revenues	<u>1,045,700</u>	<u>1,000,521</u>	<u>(45,179)</u>
<b>Operating Expenses:</b>			
Customer service and collection:			
Salaries	164,700	160,963	3,737
Payroll taxes	12,600	11,470	1,130
Hospital and health insurance	49,100	34,724	14,376
Employee education	500	150	350
Publicity, subscriptions, and dues	3,500	2,877	623
Telephone	2,000	1,949	51
Office supplies	5,000	3,595	1,405
Small items of equipment	4,500	4,419	81
Postage	8,000	8,185	(185)
Repairs and maintenance	1,500	153	1,347
Other	3,600	3,715	(115)
Total customer service and collection	<u>255,000</u>	<u>232,200</u>	<u>22,800</u>
Billing:			
Salaries	132,100	105,829	26,271
Payroll taxes	10,100	7,346	2,754
Hospital and health insurance	47,600	23,734	23,866
Office supplies	5,000	3,274	1,726
Small items of equipment	1,500	1,256	244
Postage	32,000	31,956	44
Repairs and maintenance	1,500	1,001	499
Total billing	<u>229,800</u>	<u>174,396</u>	<u>55,404</u>
Meter reading:			
Salaries	125,000	121,559	3,441
Payroll taxes	9,600	8,602	998
Hospital and health insurance	41,400	30,255	11,145
Publicity, subscriptions, and dues	500	-	500
Telephone	1,500	947	553
Professional services	1,000	455	545
Operating supplies	500	-	500
Uniforms	-	(202)	202
Repairs and maintenance	6,000	4,399	1,601
Gas and oil	5,000	6,120	(1,120)
Insurance	1,000	1,862	(862)
Total meter reading	<u>191,500</u>	<u>173,997</u>	<u>17,503</u>

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CITY OF DYERSBURG, TENNESSEE  
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 BUDGET AND ACTUAL - INTERNAL SERVICE FUND (CONTINUED)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Original Final	Actual	Variance- Positive (Negative)
<b>Operating Expenses (continued):</b>			
Computer operations:			
Salaries	58,300	59,628	(1,328)
Payroll taxes	4,500	4,495	5
Hospital and health insurance	21,000	17,121	3,879
Training	2,500	-	2,500
Publicity, subscriptions, dues	2,500	542	1,958
Telephone	4,500	4,252	248
Travel	2,000	118	1,882
Automobile allowance	2,700	2,700	-
Small items of equipment	15,200	13,739	1,461
Operating supplies	7,000	2,788	4,212
Repairs and maintenance	160,200	229,229	(69,029)
Insurance	12,000	11,998	2
Total computer operations	<u>292,400</u>	<u>346,610</u>	<u>(54,210)</u>
Administrative expenses:			
Vacation and sick leave	1,000	(1,277)	2,277
Hospital and health insurance	100	-	100
Retirement	49,900	49,606	294
Professional service	9,000	4,411	4,589
Other	200	441	(241)
Total administrative expenses	<u>60,200</u>	<u>53,181</u>	<u>7,019</u>
Depreciation and amortization expense	<u>19,800</u>	<u>24,751</u>	<u>(4,951)</u>
Total operating expense	<u>1,048,700</u>	<u>1,005,135</u>	<u>43,565</u>
<b>Operating Income (loss)</b>	<b>(3,000)</b>	<b>(4,614)</b>	<b>(1,614)</b>
<b>Nonoperating Revenues (Expenses):</b>			
Interest income	<u>3,000</u>	<u>4,614</u>	<u>1,614</u>
<b>Change in Net Position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Net Position - July 1, 2018</b>		<u>672,986</u>	
<b>Total Net Position - June 30, 2019</b>		<u>\$ 672,986</u>	

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**CITY OF DYERSBURG, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**BUDGET AND ACTUAL - COMMUNICATIONS SERVICE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Original &amp; Final</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Operating Revenues:</b>			
Miscellaneous revenues			
Joint cost	\$ 731,100	\$ 763,956	\$ 32,856
Miscellaneous	405,500	317,235	(88,265)
Total miscellaneous revenues	<u>1,136,600</u>	<u>1,081,191</u>	<u>(55,409)</u>
<b>Operating Expenses:</b>			
General and administrative			
Salaries	67,500	67,585	(85)
Payroll taxes	5,200	7,453	(2,253)
Hospital and health insurance	14,700	14,471	229
Retirement	66,100	67,433	(1,333)
Postage	100	4	96
Publicity, subscriptions and dues	1,000	334	666
Utility services	24,000	24,402	(402)
Professional services	4,000	5,109	(1,109)
Travel	1,500	1,154	346
Automobile allowance	5,400	4,892	508
Insurance	14,000	14,002	(2)
Other	-	5,170	(5,170)
Total general and administrative	<u>203,500</u>	<u>212,009</u>	<u>(8,509)</u>
Communication services			
Salaries	466,900	474,015	(7,115)
Payroll taxes	35,700	33,927	1,773
Hospital and health insurance	132,500	100,686	31,814
Training	2,500	420	2,080
Publicity, subscriptions and dues	7,500	2,805	4,695
Telephone	18,000	17,009	991
Travel	3,500	1,081	2,419
Other contractual services	75,000	47,537	27,463
Mobile data services	30,000	28,091	1,909
Office supplies	1,500	866	634
Small items of equipment	10,000	4,727	5,273
Operating supplies	12,000	5,924	6,076
Uniforms	1,500	916	584
Repairs and maintenance	55,000	56,388	(1,388)
Total communication services	<u>851,600</u>	<u>774,392</u>	<u>77,208</u>

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CITY OF DYERSBURG, TENNESSEE  
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 BUDGET AND ACTUAL - COMMUNICATIONS SERVICE FUND (CONTINUED)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
<b>Operating Expenses (continued)</b>			
Emergency warning system			
Salaries	2,500	3,093	(593)
Payroll taxes	200	219	(19)
Publicity, subscriptions and dues	500	-	500
Utility services	25,000	25,707	(707)
Operating supplies	500	324	176
Repairs and maintenance	6,000	21,715	(15,715)
Total emergency warning system	<u>34,700</u>	<u>51,058</u>	<u>(16,358)</u>
Depreciation and Amortization expense	47,100	44,028	3,072
Total operating expense	<u>1,136,900</u>	<u>1,081,487</u>	<u>55,413</u>
<b>Operating Income (loss)</b>	(300)	(296)	4
<b>Nonoperating Revenues (Expenses):</b>			
Interest income	-	63	63
Miscellaneous income	300	233	(67)
Total nonoperating revenues (expenses)	<u>300</u>	<u>296</u>	<u>(4)</u>
<b>Change in Net Position</b>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Total Net Position - July 1, 2018</b>		<u>436,334</u>	
<b>Total Net Position - June 30, 2019</b>		<u>\$ 436,334</u>	

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**CITY OF DYERSBURG, TENNESSEE**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE**  
**JUNE 30, 2019**

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 6/30/2018	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2019
<b>Governmental Activities:</b>									
<b>Notes Payable</b>									
General Obligation Capital Outlay Refund Note, Series 2015	\$ 855,000	1.25%	6/1/2015	6/30/2019	\$ 545,000	\$ -	\$ 545,000	\$ -	\$ -
Variable Rate Tennessee Municipal Bond Fund, Series 2016	\$ 1,500,000	3.00%	2/18/2018	5/25/2035	1,424,000	-	75,000	-	1,349,000
Variable Rate Tennessee Municipal Bond Fund, Series 1999	\$ 10,000,000	Variable	9/19/2000	6/25/2020	3,906,000	-	738,000	-	3,168,000
Tennessee Municipal Bond Fund, 2018	\$ 4,600,000	4.05%	9/1/2018	9/1/2030	-	3,958,163	-	-	3,958,163
Energy Efficient Schools Initiative, 2012	\$ 500,000	0%	4/9/2012	3/1/2023	233,312	-	50,004	-	183,308
Energy Efficient Schools Initiative, 2018	\$ 689,955	0.75%	5/1/2018	5/1/2024	671,173	-	112,920	-	558,253
<b>Total Notes Payable</b>					<b>6,779,485</b>	<b>3,958,163</b>	<b>1,520,924</b>	<b>-</b>	<b>9,216,724</b>
<b>Bonds Payable</b>									
General Obligation Refunding Bonds, Series 2016	\$ 2,840,944	2.240%	9/28/2016	6/1/2019	1,936,000	-	468,000	-	1,468,000
Qualified School Construction Bonds, Series 2009	\$ 2,960,000	1.515%	12/17/2009	9/15/2026	1,497,797	-	184,699	-	1,313,098
General Obligation School Bonds, Series 2013	\$ 960,000	2.00%	8/16/2013	6/1/2033	9,145,000	-	100,000	-	9,045,000
<b>Total Bonds Payable</b>					<b>12,578,797</b>	<b>-</b>	<b>752,699</b>	<b>-</b>	<b>11,826,098</b>
<b>Total Governmental Activities</b>					<b>19,358,282</b>	<b>3,958,163</b>	<b>2,273,623</b>	<b>-</b>	<b>21,042,822</b>
<b>Business Type Activities:</b>									
<b>Bonds Payable</b>									
Refunding Bonds, Series 2009	\$ 8,365,000	3.00%	4/28/2009	6/30/2019	785,000	-	785,000	-	-
Revenue Bonds, 2007	\$ 2,000,000	3.7% - 4.0%	3/27/2007	2/1/2023	890,000	-	890,000	-	-
Refunding Bonds, 2015	\$ 1,060,000	1.0% - 2.0%	2/20/2015	6/30/2020	400,000	-	200,000	-	200,000
Revenue Bonds, 2019	\$ 2,750,000	3.29%	3/22/2019	6/30/2034	-	2,750,000	-	-	2,750,000
<b>Total Bonds Payable</b>					<b>2,075,000</b>	<b>2,750,000</b>	<b>1,875,000</b>	<b>-</b>	<b>2,950,000</b>
<b>Total Business-Type Activities</b>					<b>2,075,000</b>	<b>2,750,000</b>	<b>1,875,000</b>	<b>-</b>	<b>2,950,000</b>
<b>Total Long-Term Debt</b>					<b>\$ 21,433,282</b>	<b>\$ 6,708,163</b>	<b>\$ 4,148,623</b>	<b>\$ -</b>	<b>\$ 23,982,822</b>

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**CITY OF DYERSBURG, TENNESSEE**  
**DEBT SERVICE REQUIREMENTS**  
**JUNE 30, 2019**

Principal and interest on Electric System bonds is scheduled to be repaid as follows:

Year Ended June 30,	1.00 - 2.00%		3.29%	
	Electric System Revenue Refunding and Improvement Bonds Series 2015		Electric System Refunding Bonds Series 2019	
	Principal	Interest	Principal	Interest
2020	\$ 200,000	\$ 2,700	\$ 175,000	\$ 77,658
2021			300,000	84,718
2022			305,000	74,848
2023			315,000	64,813
2024			130,000	54,450
2025			130,000	50,173
2026			135,000	45,896
2027			140,000	41,454
2028			145,000	36,848
2029			150,000	32,078
2030			155,000	27,143
2031			160,000	22,043
2032			165,000	16,779
2033			170,000	11,351
2034			175,000	5,758
	<u>\$ 200,000</u>	<u>\$ 2,700</u>	<u>\$ 2,750,000</u>	<u>\$ 646,010</u>

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE  
DEBT SERVICE REQUIREMENTS  
JUNE 30, 2019**

Principal and interest on General Obligation bonds is scheduled to be repaid as follows:

Year Ended June 30,	1.52% General Obligation Qualified School Construction Bonds Series 2009		3.79% General Obligation School Bonds Series 2013		2.24% General Obligation Refunding Bonds Series 2016	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 184,699	\$ 44,844	\$ 140,000	\$ 327,918	\$ 479,000	\$ 32,883
2021	184,699	44,844	145,000	324,838	490,000	22,154
2022	184,699	44,844	180,000	321,213	499,000	11,178
2023	184,699	44,844	220,000	316,353		
2024	184,699	44,844	705,000	310,193		
2025	184,699	44,844	725,000	289,395		
2026	204,904	44,844	750,000	266,920		
2027			780,000	242,545		
2028			810,000	215,245		
2029			845,000	184,870		
2030			880,000	153,183		
2031			915,000	117,983		
2032			955,000	81,383		
2033			995,000	40,795		
	<u>\$ 1,313,098</u>	<u>\$ 313,908</u>	<u>\$ 9,045,000</u>	<u>\$ 3,192,834</u>	<u>\$ 1,468,000</u>	<u>\$ 66,215</u>

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE**  
**SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Year of Levy</u>	<u>Balance July 1, 2018</u>	<u>Current Assessments &amp; Adjustments</u>	<u>Collections</u>	<u>Write-offs</u>	<u>Balance June 30, 2019</u>
2008	\$ 9,193	\$ -	\$ -	\$ (9,193)	\$ -
2009	4,648	-	-	-	4,648
2010	4,420	-	(68)	-	4,352
2011	9,611	-	-	-	9,611
2012	5,778	-	(43)	-	5,735
2013	6,160	-	(518)	-	5,642
2014	6,776	-	(212)	-	6,564
2015	11,636	(7)	(1,800)	-	9,829
2016	46,207	(4,340)	(26,270)	-	15,597
2017	386,370	5,896	(291,460)	-	100,806
2018	8,043,152	(23,774)	(7,652,209)	-	367,169
	<u>\$ 8,533,951</u>	<u>\$ (22,225)</u>	<u>\$ (7,972,580)</u>	<u>\$ (9,193)</u>	<u>529,953</u>
					8,119,829
					(45,000)
					<u>\$ 8,604,782</u>

Unassessed property tax receivable  
Allowance for uncollectible taxes  
Net property taxes receivable

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE  
 SCHEDULE OF PROPERTY TAX RATES AND ASSESSMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Assessment Year</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Assessment</u>
2010	\$ 300,012,097	\$ 1.99	\$ 6,666,484
2011	297,218,571	1.99	6,735,790
2012	307,174,378	2.14	7,006,899
2013	312,683,654	2.14	7,182,286
2014	309,409,491	2.2355	7,421,476
2015	310,765,868	2.37	8,047,494
2016	304,762,903	2.37	7,897,833
2017	304,890,730	2.37	7,653,200
2018	315,774,985	2.37	8,043,152
2019	317,072,587	2.37	8,119,829

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Program/Cluster name	Federal CFDA #	Grant Number	Unearned (due from) 6/30/2018	Receipts	Expenditures	Unearned (due from) 6/30/2019
<b>Federal Awards</b>						
<b>U.S. Department of Housing and Urban Development</b>						
<b>Passed through Tennessee Department of Economic and Community Development</b>						
Community Development Block Grant - Commercial Façade						
Passed through to subrecipient						
Community Development Block Grant - NDR -Parks	14.228*	33004-94717	\$ (5,809)	\$ 44,642	\$ 38,833	-
Community Development Block Grant - NDR - Water & Sewer	14.228*	33004-23417	(24,495)	1,969,454	904,635	1,040,324
Community Development Block Grant - Water & Sewer - 2018	14.228*	33004-23817	(419,335)	2,343,628	1,934,628	(10,335)
Community Development Block Grant - Water & Sewer - 2018	14.228*	33004-21519	-	49,942	49,942	-
Total U.S. Department of Housing and Urban Development			(449,639)	4,407,666	2,928,038	1,029,989
<b>U.S. Department of Justice</b>						
<b>Office of Justice Programs</b>						
Bulletproof Vest Partnership Program	16.607	unknown	-	4,238	4,238	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0755	-	11,640	11,640	-
Total U.S. Department of Justice			-	15,878	15,878	-
<b>U.S. Department of Transportation</b>						
<b>Passed through Tennessee Department of Transportation</b>						
Airport Improvement Program - Upgrade Security Camera System	20.106*	23-555-0135-19	-	22,105	22,105	-
Airport Improvement Program - Runway Closure	20.106*	23-555-0133-18	-	12,773	14,258	(1,485)
Airport Improvement Program - Ramp Rehabilitation	20.106*	23-555-0130-17	-	1,054,433	1,130,494	(76,061)
Total U.S. Department of Transportation			-	1,089,311	1,166,857	(77,546)
<b>Passed through Tennessee Department of Safety and Homeland Security</b>						
State and Community Highway Safety - Seatbelt/Child Restraint	20.600	Z18THSO98	(1,523)	3,449	1,926	-
State and Community Highway Safety - Community Based Traffic Safety Enforcement and Education	20.600	Z19THSO84	-	7,482	7,482	-
Total U.S. Department of Transportation			(1,523)	10,931	9,408	-
<b>Total Federal Awards</b>			\$ (451,162)	\$ 5,523,786	\$ 4,120,181	\$ 952,443

See independent auditor's report



**CITY OF DYERSBURG, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Program/Cluster name	Federal CFDA #	Grant Number	Unearned (due from) 6/30/2017	Receipts	Expenditures	Unearned (due from) 6/30/2018
<b>State Awards</b>						
<b>Tennessee Department of Economic and Community Development</b>						
Tourism Enhancement Grant - Round 2		33007-11017	\$ (29,605)	\$ 37,242	\$ 7,637	\$ -
<b>Tennessee Department of Transportation</b>						
Airport Improvement Program - Maintenance		23-555-0434-19	-	5,722	5,722	-
Airport Improvement Program - Purchase of Airfield Equipment		23-555-0336-19	-	-	5,959	(5,959)
Airport Improvement Program - Upgrade Security Camera System		23-555-0135-19	-	1,227	1,227	-
Airport Improvement Program - Runway Closure		23-555-0133-18	-	710	792	(82)
Airport Improvement Program - Ramp Rehabilitation		23-555-0130-17	-	58,580	62,805	(4,225)
			-	66,239	76,505	(10,266)
<b>Total State Awards</b>			\$ (29,605)	\$ 103,481	\$ 84,142	\$ (10,266)

\* denotes major program

**Basis of Presentation:** The Schedule of Expenditures of Federal Awards and State Financial Assistance summarizes the expenditures of The City of Dyersburg, Tennessee under the federal award programs and state assistance for the year ended June 30, 2019, and is presented on the accrual basis of accounting. The Schedule of Expenditures of Federal Awards and State Financial Assistance for Dyersburg Electric and Dyersburg City Schools were presented in their separately issued audit reports and, therefore, are not reported here.

**Summary of Significant Accounting Policies:** Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**OTHER MISCELLANEOUS INFORMATION SECTION**

**CITY OF DYERSBURG, TENNESSEE**  
**SCHEDULE OF CURRENT UTILITY RATES IN FORCE (UNAUDITED)**  
**JUNE 30, 2019**

	Rates	TVA Fuel Rate
<b>Gas:</b>		
City Residential (G2)		
Service charge per month	\$ 5.00	
Base rate per MCF consumed	2.32	
Transportation charges and commodity costs per MCF consumed	Variable	
County Residential (G22)		
Service charge per month	\$ 5.00	
Base rate per MCF consumed	2.77	
Transportation charges and commodity costs per MCF consumed	Variable	
City Small commercial (G1)		
Service charge per month	\$ 7.50	
Base rate per MCF consumed	2.37	
Transportation charges and commodity costs per MCF consumed	Variable	
County Small commercial (G21)		
Service charge per month	\$ 7.50	
Base rate per MCF consumed	2.83	
Transportation charges and commodity costs per MCF consumed	Variable	
City Large commercial, light industrial, schools, and government buildings (G3/G6)		
Service charge per month	\$ 50.00/22.00	
Base rate per MCF consumed	1.74	
Transportation charges and commodity costs per MCF consumed	Variable	
County Large commercial, light industrial, schools, and government buildings (G23)		
Service charge per month	\$ 50.00	
Base rate per MCF consumed	2.14	
Transportation charges and commodity costs per MCF consumed	Variable	
City Industrial - Firm (G5)		
Service charge per month	\$ 50.00	
Base rate per MCF consumed	1.00	
Transportation charges and commodity costs per MCF consumed	Variable	
County Industrial - Firm (G25)		
Service charge per month	\$ 50.00	
Base rate per MCF consumed	1.00	
Transportation charges and commodity costs per MCF consumed	Variable	
City Industrial - Interruptible (G7)		
Service charge per month	\$ 50.00	
Base rate per MCF consumed	1.00	
Transportation charges and commodity costs per MCF consumed	Variable	
<b>Water:</b>		
Base rate per month - city	\$ 4.94	
Base rate per month - rural	11.01	
Residential Customers		
City - per 1,000 gallons consumed	\$ 4.09	
Rural - per 1,000 gallons consumed	4.50	

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE**  
**SCHEDULE OF CURRENT UTILITY RATES IN FORCE (UNAUDITED)**  
**JUNE 30, 2019**

	<b>Rates</b>	
Commercial Customers		
City - per 1,000 gallons consumed	\$	3.62
Rural - per 1,000 gallons consumed		3.97
Industrial Customers		
City - per 1,000 gallons consumed	\$	3.82
Rural - per 1,000 gallons consumed		4.16
<b>Sewer:</b>		
Base rate per month	\$	4.74
Residential - per 1,000 gallons used		4.16
Commercial - per 1,000 gallons used		4.37
Industrial - per 1,000 gallons used		4.76
<b>Electrical:</b>		
Residential Rate Schedule - RS		
Customer charge - per delivery point per month	\$	21.04
Energy charges - per kWh		
First 800 kWh per month	0.07724	0.01833
Additional kWh per month	0.06476	0.01833
General Power Rate Schedule - GSA		
GSA - 1 (0 - 50 kW)		
Customer charge - per delivery point per month	\$	31.78
First 1500 kWh per month	0.08074	0.01813
Additional kWh per month	0.06955	0.01813
GSA - 2 (51 - 1,000 kW) (a.)		
Customer charge - per delivery point per month	\$	143.19
Demand charge - per kW per month		
First 50 kW	12.12	
Additional kW	9.31	
Energy charge - per kW		
First 15,000 kWh	0.03968	0.01802
Additional kWh	0.03968	0.01802
GSA - 3 (1,001 - 5,000 kW)		
Customer charge - per delivery point per month	\$	2,880.00
Demand charge - per kw per month		
First 1,000 kW	14.83	
Excess over 1,000 kW	9.73	
Excess demand charge - higher of 1,000 kW or contract demand	-	
Energy charge - per kWh	0.03946	0.01791
General Power Rate Schedule - GSB (5,001 - 15,000 kW)		
Customer charge - per delivery point per month	\$	1,830.00
Demand charge - per kW per month		
On peak kW	10.24	
Maximum kW	1.95	
Off peak excess of contract kW	10.24	
Energy charge - per kWh per month		
On peak kWh	0.05779	0.01671
Off peak kWh - First 200 HUD	0.03279	0.01671
Off peak kWh - Next 200 HUD	0.00310	0.01671
Off peak kWh - Over 400 HUD	0.00055	0.01671

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE**  
**SCHEDULE OF CURRENT UTILITY RATES IN FORCE (UNAUDITED)**  
**JUNE 30, 2019**

	<b>Rates</b>	
<b>Electrical (continued):</b>		
TGSA - 2 (51 - 1,000 kW))		
Customer charge - per delivery point per month	\$	143.19
Demand Charge - per kW per month		
First 50 kW		12.13
Over 50 kW		9.32
On peak Energy		0.05766
Off peak Energy		0.03443
		0.01802
		0.01802
TGSA - 3 (1,001 - 5,000 kW)		
Customer charge - per delivery point per month	\$	2,880.00
Demand charge - per kW per month		
First 1,000 kW		14.84
Over 1,000 kW		9.74
On peak Energy		0.05733
Off peak Energy		0.03424
		0.01791
		0.01791
TDMSA - 3 (1,001 - 5,000 kW)		
Customer charge - per delivery point per month	\$	1,250.00
Demand charge per kW per month		
On peak kW		10.24
Maximum kW		5.02
Off peak excess of contract kW		10.24
Energy charge - per kWh		
On peak kWh		0.05553
Off peak kWh - first 200 HUD		0.03053
Off peak kWh - next 200 HUD		0.00310
Off peak kWh - over 400 HUD		0.00055
		0.01799
		0.01799
		0.01799
		0.01799
Facilities Rental		
General power - over 5,000 kW		
46 kv to 161 kv delivery - per kW		0.36000
Less than 46 kv delivery - per kW		
First 10,000 kW		0.93000
Over 10,000 kW		0.73000
Outdoor Lighting Schedule - LS		
Customer charge - per delivery point per month	\$	31.78
Energy charge - per kWh		0.05019
		0.01833
Drainage Pump Schedule - DPS		
Customer charge - per delivery point per month	\$	500.00
Energy charge - per kWh		0.04683
		0.01813

**Notes:**

- a. If the customer's billing demand is less than 50 kW and its energy takings for any month during the latest 12-month period exceeds 15,000 kWh.

See independent auditor's report

CITY OF DYERSBURG, TENNESSEE  
 SCHEDULE OF UTILITY CUSTOMERS IN SERVICE (UNAUDITED)  
 JUNE 30, 2019

<u>Utility Service</u>	<u>Customers</u>		
	<u>6/30/2018</u>	<u>Increase (Decrease)</u>	<u>6/30/2019</u>
Water	8,093	(33)	8,060
Sewer	7,562	(21)	7,541
Gas	7,875	(68)	7,807
Electric	11,951	(74)	11,877

See independent auditor's report

**AWWA Free Water Audit Software:  
 Reporting Worksheet**

WAS v5.0  
 American Water Works Association  
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Click to access definition  
 Click to add a comment

Water Audit Report for: **City of Dyersburg Water Plant (000211)**  
 Reporting Year: **2019** **7/2018 - 6/2019**

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

**All volumes to be entered as: MILLION GALLONS (US) PER YEAR**

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

**WATER SUPPLIED**

Volume from own sources:     MG/Yr  
 Water imported:    MG/Yr  
 Water exported:    MG/Yr

**Master Meter and Supply Error Adjustments**

Enter grading in column 'E' and 'J' → Pcnt:    Value:  MG/Yr  
     MG/Yr  
     MG/Yr

**WATER SUPPLIED:**   MG/Yr

Enter negative % or value for under-registration  
 Enter positive % or value for over-registration

**AUTHORIZED CONSUMPTION**

Billed metered:     MG/Yr  
 Billed unmetered:    MG/Yr  
 Unbilled metered:    MG/Yr  
 Unbilled unmetered:     MG/Yr

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

**AUTHORIZED CONSUMPTION:**   MG/Yr

Click here:  for help using option buttons below

Pcnt:    Value:  MG/Yr

Use buttons to select percentage of water supplied OR value

Pcnt:    Value:  MG/Yr

MG/Yr  
     MG/Yr

**WATER LOSSES (Water Supplied - Authorized Consumption)**

MG/Yr

**Apparent Losses**

Unauthorized consumption:     MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:     MG/Yr  
 Systematic data handling errors:     MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

**Apparent Losses:**   MG/Yr

**Real Losses (Current Annual Real Losses or CARL)**

Real Losses = Water Losses - Apparent Losses:   MG/Yr

**WATER LOSSES:**  MG/Yr

**NON-REVENUE WATER**

**NON-REVENUE WATER:**   MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

**SYSTEM DATA**

Length of mains:     miles  
 Number of active AND inactive service connections:      
 Service connection density:    conn./mile main

Are customer meters typically located at the curbstop or property line?

Average length of customer service line:   (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure:     psi

**COST DATA**

Total annual cost of operating water system:     \$/Year  
 Customer retail unit cost (applied to Apparent Losses):     \$/1000 gallons (US)  
 Variable production cost (applied to Real Losses):     \$/Million gallons  Use Customer Retail Unit Cost to value real losses

**WATER AUDIT DATA VALIDITY SCORE:**

\*\*\* YOUR SCORE IS: 85 out of 100 \*\*\*

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

**PRIORITY AREAS FOR ATTENTION:**

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Billed metered

2: Unauthorized consumption

3: Systematic data handling errors



Water Audit Report for:   
 Reporting Year:

\*\*\* YOUR WATER AUDIT DATA VALIDITY SCORE IS: 85 out of 100 \*\*\*

**System Attributes:**

Apparent Losses:	<input type="text" value="4.528"/>	MG/Yr
+ Real Losses:	<input type="text" value="267.839"/>	MG/Yr
= <b>Water Losses:</b>	<input type="text" value="272.367"/>	MG/Yr
<input type="text" value="?"/> Unavoidable Annual Real Losses (UARL):	<input type="text" value="41.49"/>	MG/Yr
Annual cost of Apparent Losses:	<input type="text" value="\$19,469"/>	
Annual cost of Real Losses:	<input type="text" value=""/>	

Valued at **Variable Production Cost**

Return to Reporting Worksheet to change this assumption

**Performance Indicators:**

Financial:	Non-revenue water as percent by volume of Water Supplied:	<input type="text" value="27.2%"/>	
	Non-revenue water as percent by cost of operating system:	<input type="text" value="0.5%"/>	
Operational Efficiency:	Apparent Losses per service connection per day:	<input type="text" value="1.55"/>	gallons/connection/day
	Real Losses per service connection per day:	<input type="text" value="91.65"/>	gallons/connection/day
	Real Losses per length of main per day*:	<input type="text" value="N/A"/>	
	Real Losses per service connection per day per psi pressure:	<input type="text" value="1.67"/>	gallons/connection/day/psi
From Above, Real Losses = Current Annual Real Losses (CARL):		<input type="text" value="267.84"/>	million gallons/year
<input type="text" value="?"/> Infrastructure Leakage Index (ILI) [CARL/UARL]:		<input type="text" value="6.46"/>	

\* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline



**CITY OF DYERSBURG, TENNESSEE  
SCHEDULE OF OFFICIAL BONDS OF PRINCIPAL OFFICIALS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Name</u>	<u>Title</u>	<u>Bonded Amount</u>
John K. Holden	Mayor	\$ 100,000
Stephen T. Anderson	Treasurer	\$ 100,000
Robert C. Jones	Recorder	\$ 100,000

See independent auditor's report

## **INTERNAL CONTROL AND COMPLIANCE SECTION**