

CITY OF DYERSBURG, TENNESSEE

ANNUAL FINANCIAL REPORT

JUNE 30, 2017

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INTRODUCTORY SECTION

**CITY OF DYERSBURG, TENNESSEE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

PRINCIPAL OFFICIALS

John Holden, Mayor
Kevin Chaney, Board Member
Bill Escue, Board Member
Terry Glover, Board Member
Bob Kirk, Board Member
Dennis Moody, Board Member
Mike Morgan, Board Member
Carolyn Norman, Board Member
Robert Taylor Jr., Board Member
John Lannom, City Attorney
Steve Anderson, City Treasurer (CMFO)
Robert C. Jones, City Recorder
Steve Isbell, Police Chief
Tim Ware, Fire Chief
Sue Teague, Director of Human Resources

FINANCIAL SECTION



Independent Auditor's Report

The Honorable Mayor and
Board of Aldermen
City of Dyersburg
City of Dyersburg, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, fiduciary funds of the City of Dyersburg Pension Plan and Dyersburg Electric Defined Benefit Plan, the aggregate remaining fund information of the City of Dyersburg, Tennessee (the City), as of and for the year ended June 30, 2017 and the fiduciary fund of the Dyersburg City Schools Retirement Plan for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dyersburg Electric System, which is both a major fund and 52 percent, 51 percent, and 72 percent, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Dyersburg Electric System is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, fiduciary funds of the City of Dyersburg Pension Plan and Dyersburg Electric Defined Benefit Plan, the aggregate remaining fund information of the City of Dyersburg, Tennessee, as of June 30, 2017 and the fiduciary fund of the Dyersburg City Schools Retirement Plan for the year ended December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and school general purpose funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and other post-employment benefits schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dyersburg's basic financial statements. The introductory section, supplementary and other information section, and the other miscellaneous information section – unaudited are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The other miscellaneous information section – unaudited and the introductory section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Alexander Thompson Arnold PLLC

Dyersburg, Tennessee
April 9, 2018

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017.

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, 2017 by \$98,264,101 (net position). Of this amount, \$5,165,281 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 \$316,387.
- > At June 30, 2017, the governmental funds reported combined ending fund balances of \$7,829,334, of which \$1,190,315 was unassigned and available for use at the City's discretion. See page 21.
- > Governmental fund balances increased by \$66,259 (page 23) during the year.
- > During the fiscal year ended June 30, 2017, the City's total notes and bonds payable decreased by \$2,251,185 (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, 2017**

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, all 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 elsewhere in 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 and are presented as required supplemental 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 electrical 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, 2017**

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 39-75 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 89-106 of this report.

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

The City's combined net position increased \$316,387 or less than 1% from 2016 to 2017. Net position decreased \$715,522 in governmental activities, with business-type activities increasing \$1,031,909. Combined net position (assets and deferred outflows exceeding liabilities and deferred inflows of resources) was \$98,264,101 at June 30, 2017. The table below provides a comparative summary of the City's net position as of June 30, 2017 and 2016.

CITY OF DYERSBURG'S NET POSITION

	Governmental Activities		Business-type		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 19,258,412	\$ 19,352,009	\$ 32,307,413	\$ 34,130,487	\$ 51,565,825	\$ 53,482,496
Capital assets	49,282,757	52,322,990	65,109,424	64,260,685	114,392,181	116,583,675
Total Assets	68,541,169	71,674,999	97,416,837	98,391,172	165,958,006	170,066,171
Deferred Outflows of Resources	20,427,370	18,031,103	4,678,477	6,080,976	25,105,847	24,112,079
Long-term liabilities	51,459,444	51,677,191	8,435,700	9,644,396	59,895,144	61,321,587
Other liabilities	5,598,207	5,766,659	12,910,463	14,935,281	18,508,670	20,701,940
Total Liabilities	57,057,651	57,443,850	21,346,163	24,579,677	78,403,814	82,023,527
Deferred Inflows of Resources	13,428,161	13,064,003	967,777	1,143,006	14,395,938	14,207,009
Net position:						
Investment in capital assets, net of related debt	28,470,210	30,268,613	61,918,378	62,251,111	90,388,588	92,519,724
Restricted	1,511,564	737,659	1,198,668	1,235,663	2,710,232	1,973,322
Unrestricted	(11,499,047)	(11,808,023)	16,664,328	15,262,691	5,165,281	3,454,668
Total net position	\$ 18,482,727	\$ 19,198,249	\$ 79,781,374	\$ 78,749,465	\$ 98,264,101	\$ 97,947,714

The largest portion of the City's net position (\$90,388,588 or 93%) reflects its investments in capital assets, less any debt used to acquire those assets that is still outstanding. The net investment in capital assets decreased \$2,131,136 from 2016. Of this decrease governmental activities decreased \$1,798,403, and business-type activities decreased \$332,733. 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 (\$2,710,232 or 3%) represents resources that are subject to external restriction on how they may be used. Restricted net position increased \$736,910 from 2016. The remaining balance of net position (unrestricted net position of \$5,165,281) may be used to meet the government's ongoing obligation to citizens and creditors. Unrestricted net position increased \$1,710,613 from 2016.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Analysis of the City's Operations. The following table provides a comparative summary of the City's operations for the years ended June 30, 2017 and 2016. Also, summary tables comparing 2017 with 2016 along with charts for 2017 are presented on pages 9 through 12 for Governmental expenses and program revenues and for Business-type expenses and program revenues. Governmental activities decreased the City's net position by \$715,522 in 2017 compared to a decrease of \$988,350 in 2016. Business-type activities increased the City's net position by \$1,031,909 in 2017 compared to an increase of \$296,704 in 2016.

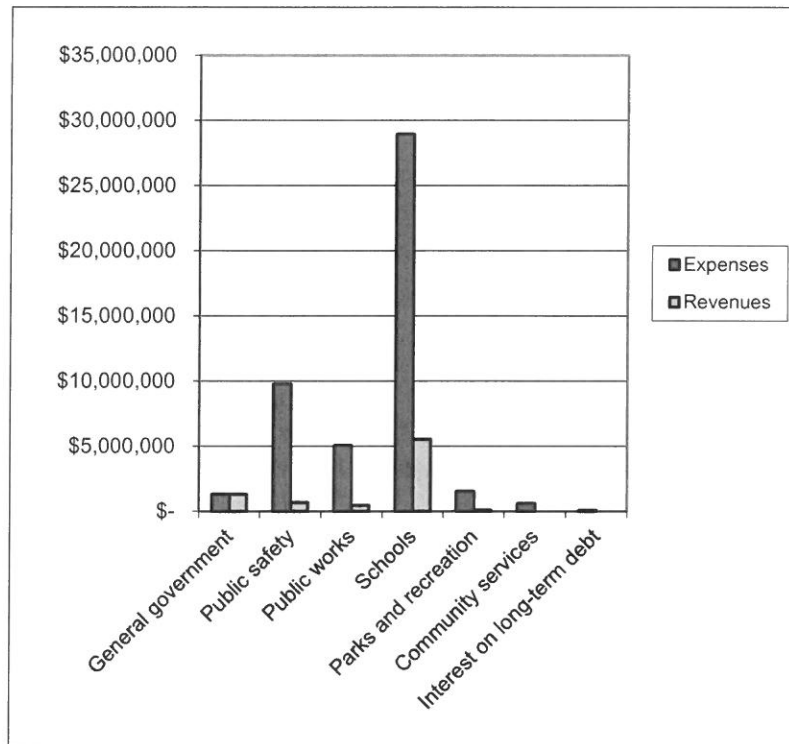
CITY OF DYERSBURG'S CHANGES IN NET POSITION

	Governmental Activities		Business-type		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	\$ 2,651,852	\$ 2,658,939	\$ 54,551,305	\$ 52,085,534	\$ 57,203,157	\$ 54,744,473
Operating grants and contributions	5,435,707	4,279,293	-	-	5,435,707	4,279,293
Capital grants and contributions	18,515	120,021	216,402		234,917	120,021
General revenues						
Sales and use tax	9,965,606	9,659,788	-	-	9,965,606	9,659,788
Property tax	10,249,134	10,729,590	-	-	10,249,134	10,729,590
Other taxes	3,066,315	3,144,246	-	-	3,066,315	3,144,246
Intergovernmental	13,199,523	12,943,374	-	-	13,199,523	12,943,374
Other sources	536,748	1,400,539	(151,495)	6,816	385,253	1,407,355
Unrestricted investment earnings	76,421	145,028	249,493	271,064	325,914	416,092
Total revenues	45,199,821	45,080,818	54,865,705	52,363,414	100,065,526	97,444,232
Expenses						
General government	1,312,204	1,448,943	-	-	1,312,204	1,448,943
Public safety	9,777,492	11,098,088	-	-	9,777,492	11,098,088
Public works	5,072,635	4,451,055	-	-	5,072,635	4,451,055
Schools	28,967,621	28,520,230	-	-	28,967,621	28,520,230
Parks and recreation	1,536,805	1,785,348	-	-	1,536,805	1,785,348
Community services	604,631	568,305	-	-	604,631	568,305
Interest on long-term debt	92,504	44,615	-	-	92,504	44,615
Electric	-	-	37,722,892	36,344,320	37,722,892	36,344,320
Gas	-	-	4,992,131	4,671,559	4,992,131	4,671,559
Water and sewer	-	-	6,215,146	6,113,577	6,215,146	6,113,577
Solid waste	-	-	2,465,043	2,736,449	2,465,043	2,736,449
Total expenses	47,363,892	47,916,584	51,395,212	49,865,905	98,759,104	97,782,489
Increase in net position before transfers	(2,164,071)	(2,835,766)	3,470,493	2,497,509	1,306,422	(338,257)
Transfers	2,002,699	2,070,540	(2,002,699)	(2,070,540)	-	-
Prior period adjustment	(554,150)	(223,124)	(435,885)	(130,265)	(990,035)	(353,389)
Increase (decrease) in net position	<u>\$ (715,522)</u>	<u>\$ (988,350)</u>	<u>\$ 1,031,909</u>	<u>\$ 296,704</u>	<u>\$ 316,387</u>	<u>\$ (691,646)</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 presents the actual amounts that support the Chart.

**Governmental Activities
Chart of 2017 Expenses and Program Revenues**



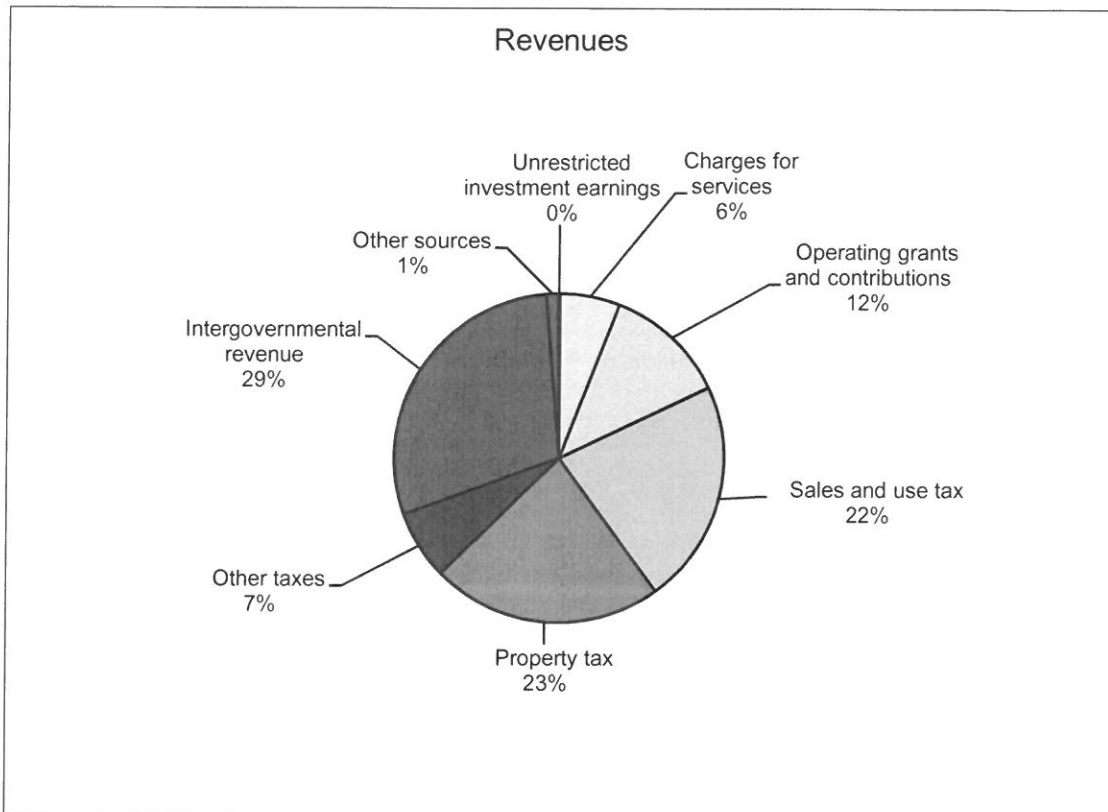
**Governmental Activities
Table of Expenses and Program Revenues**

	2017		2016		Increase (Decrease)	
	Expenses	Program Revenues	Expenses	Program Revenues	Expenses	Program Revenues
General government	\$ 1,312,204	\$ 1,314,213	\$ 1,448,943	\$ 1,289,460	\$ (136,739)	\$ 24,753
Public safety	9,777,492	685,466	11,098,088	673,809	(1,320,596)	11,657
Public works	5,072,635	467,983	4,451,055	749,738	621,580	(281,755)
Schools	28,967,621	5,536,856	28,520,230	4,112,856	447,391	1,424,000
Parks and recreation	1,536,805	101,556	1,785,348	232,390	(248,543)	(130,834)
Community services	604,631	-	568,305	-	36,326	-
Interest on debt	92,504	-	44,615	-	47,889	-
	<u>\$ 47,363,892</u>	<u>\$ 8,106,074</u>	<u>\$ 47,916,584</u>	<u>\$ 7,058,253</u>	<u>\$ (552,692)</u>	<u>\$ 1,047,821</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**Governmental Activities
Chart of 2017 Revenues by Source**



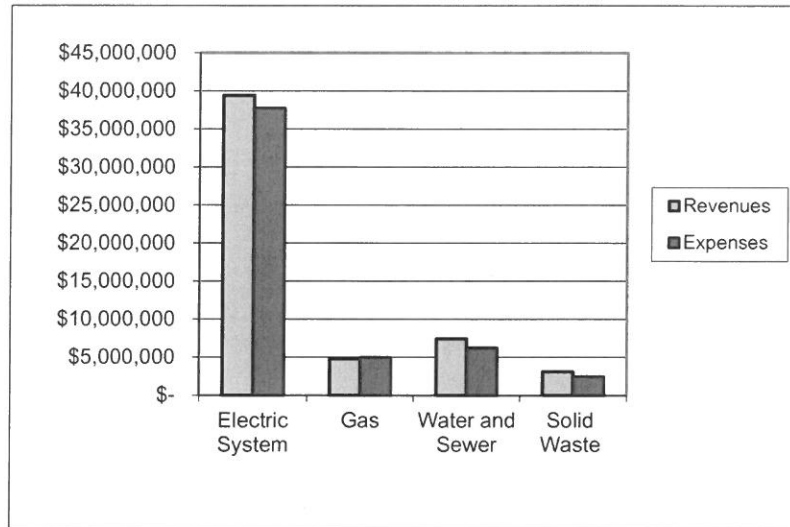
**Governmental Activities
Table of Revenues by Source**

	2017		2016		Increase (Decrease) in Revenues
	Revenues	Percentage	Revenues	Percentage	
Charges for services	\$ 2,651,852	6%	\$ 2,658,939	6%	\$ (7,087)
Operating grants and contributions	5,435,707	12%	4,279,293	9%	1,156,414
Capital grants and contributions	18,515	0%	120,021	0%	(101,506)
Sales and use tax	9,965,606	22%	9,659,788	21%	305,818
Property tax	10,249,134	23%	10,729,590	24%	(480,456)
Other taxes	3,066,315	7%	3,144,246	7%	(77,931)
Intergovernmental revenue (Schools)	13,199,523	29%	12,943,374	29%	256,149
Other sources	536,748	1%	1,400,539	3%	(863,791)
Investment earnings	76,421	0%	145,028	0%	(68,607)
	<u>\$ 45,199,821</u>	<u>100%</u>	<u>\$ 45,080,818</u>	<u>100%</u>	<u>\$ 119,003</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**Business-type Activities
Chart of 2017 Expenses and Program Revenues**



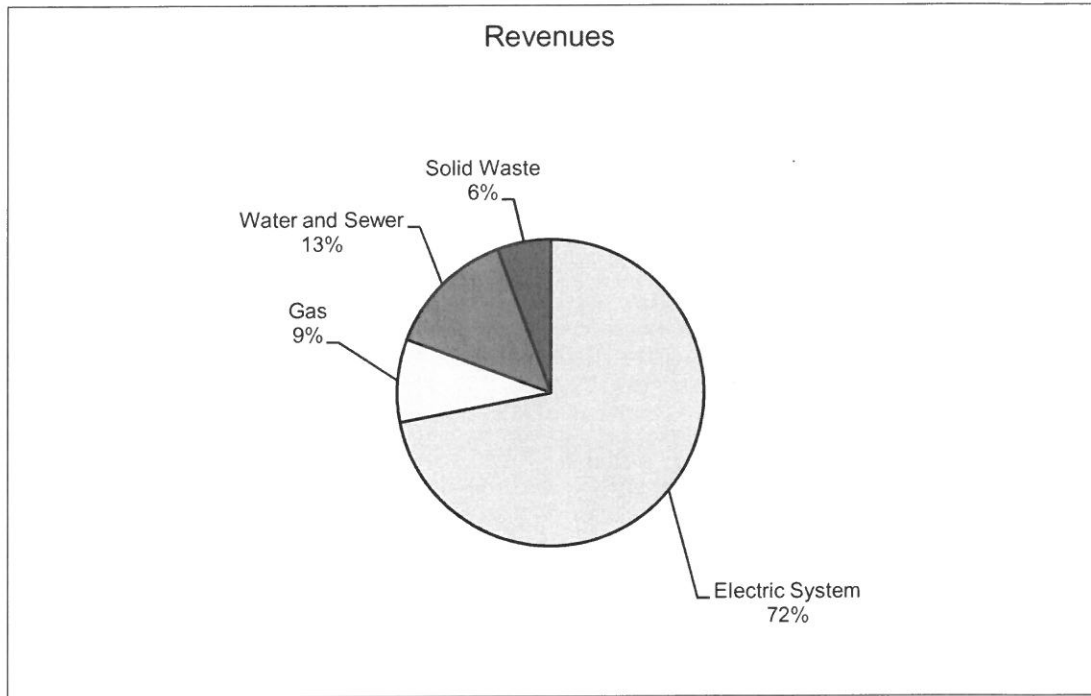
**Business-type Activities
Table of Expenses and Program Revenues**

	2017		2016		Increase (Decrease)	
	Expenses	Program Revenues	Expenses	Program Revenues	Expenses	Program Revenues
Electric	\$ 37,722,892	\$ 39,407,056	\$ 36,344,320	\$ 37,657,218	\$ 1,378,572	\$ 1,749,838
Gas	4,992,131	4,787,606	4,671,559	4,787,376	320,572	230
Water and Sewer	6,215,146	7,469,846	6,113,577	7,184,137	101,569	285,709
Solid Waste	2,465,043	3,103,199	2,736,449	2,456,803	(271,406)	646,396
	<u>\$ 51,395,212</u>	<u>\$ 54,767,707</u>	<u>\$ 49,865,905</u>	<u>\$ 52,085,534</u>	<u>\$ 1,529,307</u>	<u>\$ 2,682,173</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**Business-type Activities
Chart of 2017 Revenues by Service**



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

	2017		2016		Increase (Decrease)	
	Revenues	Percentage	Revenues	Percentage	Revenues	Percentage
Electric System	\$ 39,407,056	72%	\$ 37,657,218	72%	\$ 1,749,838	5%
Gas	4,787,606	9%	4,787,376	9%	230	0%
Water and Sewer	7,469,846	13%	7,184,137	14%	285,709	4%
Solid Waste	3,103,199	6%	2,456,803	5%	646,396	26%
	<u>\$ 54,767,707</u>	<u>100%</u>	<u>\$ 52,085,534</u>	<u>100%</u>	<u>\$ 2,682,173</u>	<u>5%</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 \$7,829,334, an increase of \$66,259 in comparison with the prior year. Approximately \$1,190,315 or approximately 15% 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 (\$88,866), restricted (\$6,499,660) or committed (\$50,493).

In the general fund, the City budgeted for an increase in the fund balance of \$2,600. Actual revenues were \$294,596 under budgeted revenues and actual expenditures were \$250,932 under budgeted expenditures. Net transfers and other financing sources (uses) of (\$37,807) and a prior period adjustment of \$125,475 resulted in the fund balance increasing \$46,604 for fiscal year 2017. School fund balance increased \$208,072.

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 \$7,866,050 in Gas, (\$193,648) in Water and Sewer, (\$527,036) in Solid Waste Management, and \$8,724,981 in the Electric System. The Gas fund had a decrease in net position of \$1,157,469, Electric System net position increased \$706,925, Water and Sewer fund net position increased \$893,141 and the Solid Waste Management fund net position increased \$510,901.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

CAPITAL ASSETS

The City of Dyersburg's investment in capital assets for its governmental and business-type activities as of June 30, 2017, was \$114,392,181 (net of accumulated depreciation), a decrease of \$2,191,494 or 2% from 2016. The decrease is the result of net additions to capital assets of \$5,115,584 (a \$1,094,001 increase for Governmental activities and a \$4,021,580 increase for Business-type activities) net of depreciation of capital assets of \$7,307,078 (\$4,134,236 for Governmental activities and \$3,172,842 for Business-type activities). The investment in capital assets includes land, buildings and systems, improvements other than buildings, machinery and equipment, infrastructure and construction in progress.

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

Governmental Funds

General Fund -

General government	\$ 17,700
Public safety	194,900
Public works	98,800
Public welfare	13,700
Schools	754,200

Business-type Funds

Gas system improvements	95,900
Water and sewer system improvements	471,200
Solid waste management improvements	1,629,100
Electric system improvements	1,840,100
	<u>\$ 5,115,600</u>

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

	2017			2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 6,449,961	\$ 2,179,875	\$ 8,629,836	\$ 6,406,228	\$ 2,179,874	\$ 8,586,102
Construction in progress	-	770,621	770,621	156,500	1,060,279	1,216,779
Land improvements	-	2,198,263	2,198,263	-	1,025,080	1,025,080
Buildings and systems	24,350,876	55,459,862	79,810,738	26,213,269	55,027,521	81,240,790
Improvements other than buildings	5,333,942	-	5,333,942	5,734,038	-	5,734,038
Machinery, vehicles and equipment	3,222,340	4,389,031	7,611,371	3,504,171	4,830,758	8,334,929
Infrastructure	9,638,419	-	9,638,419	9,992,538	-	9,992,538
Allocated Internal Serv fund capital assets	287,219	111,772	398,991	316,246	137,172	453,418
	<u>\$ 49,282,757</u>	<u>\$ 65,109,424</u>	<u>\$ 114,392,181</u>	<u>\$ 52,322,990</u>	<u>\$ 64,260,684</u>	<u>\$ 116,583,674</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

DEBT ADMINISTRATION

At June 30, 2017, the City of Dyersburg had total bonded debt and notes payable of \$24,133,182. Of this amount, \$14,875,498 comprises bonded debt backed by the full faith and credit of the government and \$1,660,000 represents bonds secured by electric revenues. The notes payable of \$7,597,684 pertains to the general fund (\$2,698,368) and schools (\$4,899,316).

Total debt decreased \$2,251,185 or 8.5% from June 30, 2016 to June 30, 2017 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, 2017 and 2016 is summarized below:

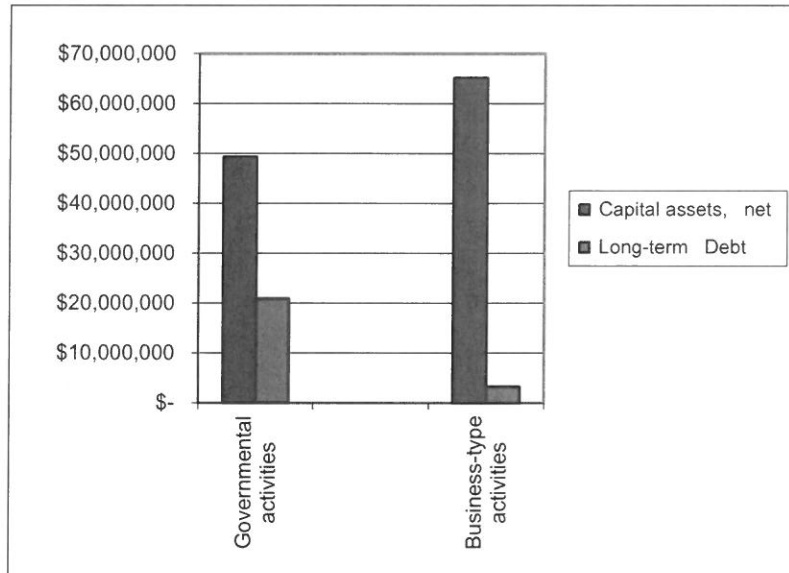
	2017			2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Notes Payable	\$ 7,597,684	\$ -	\$ 7,597,684	\$ 10,842,170	\$ -	\$ 10,842,170
General Obligation Bonds	13,320,498	1,555,000	14,875,498	11,212,197	2,290,000	13,502,197
Revenue Bonds	-	1,660,000	1,660,000	-	2,040,000	2,040,000
	<u>\$ 20,918,182</u>	<u>\$ 3,215,000</u>	<u>\$ 24,133,182</u>	<u>\$ 22,054,367</u>	<u>\$ 4,330,000</u>	<u>\$ 26,384,367</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. F. on pages 50-52 of this report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Governmental and Business-type Activities
Chart of 2017 Net Capital Assets and Long-term Debt**



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

	2017		2016	
	Capital Assets, net of Depreciation	Long-term Debt	Capital Assets, net of Depreciation	Long-term Debt
Governmental activities	\$ 49,282,757	\$ 20,918,182	\$ 52,322,990	\$ 22,054,367
Business-type activities	65,109,424	3,215,000	64,260,684	4,330,000
	<u>\$ 114,392,181</u>	<u>\$ 24,133,182</u>	<u>\$ 116,583,674</u>	<u>\$ 26,384,367</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate of Dyer County is 6.2%. This compares unfavorably to the state's average unemployment rate of 4.1% and the national average of 3.4%.

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 remained at \$2.37 for the 2017-2018 fiscal year.

User rates remained the same for Water, Sewer and Gas services for fiscal year 2017-2018.

User rates remained the same for Refuse Collection for fiscal year 2017-2018.

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.

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 7,254,204	\$ 15,600,924	\$ 22,855,128
Investments	1,405,679	8,562,650	9,968,329
Receivables (net of allowance for uncollectibles):			
Taxes	8,515,682	-	8,515,682
Accounts	2,181,040	3,180,955	5,361,995
Accrued interest and rents	-	120,753	120,753
Interfund balances	(274,180)	274,180	-
Inventories	69,413	874,301	943,714
Prepaid expenses	(31)	91,688	91,657
Deposits	84,596	24,467	109,063
Other assets	22,009	459,530	481,539
Restricted assets - cash and cash investments	-	3,117,965	3,117,965
Capital assets not being depreciated:			
Land	6,449,961	2,179,875	8,629,836
Construction in progress	-	770,621	770,621
Capital assets net of accumulated depreciation	42,832,796	62,158,928	104,991,724
Total Assets	68,541,169	97,416,837	165,958,006
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	20,427,370	4,678,477	25,105,847
Total Deferred Outflows of Resources	20,427,370	4,678,477	25,105,847

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts payable	755,168	3,878,505	4,633,673
Accrued liabilities	2,682,182	246,367	2,928,549
Deposits	32,172	2,756,235	2,788,407
Other current liabilities	3,249	4,889,356	4,892,605
Noncurrent liabilities:			
Due within one year:			
Current portion of notes payable	1,383,737	-	1,383,737
Current portion of bonds payable	741,699	1,140,000	1,881,699
Due in more than one year:			
Notes payable	6,108,312	-	6,108,312
Bonds payable	12,578,799	2,075,000	14,653,799
Less bond discount	-	(5,968)	(5,968)
Other accrued liabilities	32,772,333	5,988,006	38,760,339
Advances from TVA	-	378,662	378,662
Total Liabilities	57,057,651	21,346,163	78,403,814
DEFERRED INFLOWS OF RESOURCES			
Unavailable current property taxes	7,653,200	-	7,653,200
Delinquent property taxes	334,832	-	334,832
Unavailable confiscated funds	12,725	-	12,725
Related to pensions	5,427,404	967,777	6,395,181
Total Deferred Inflows of Resources	13,428,161	967,777	14,395,938
NET POSITION			
Net investment in capital assets	28,470,210	61,918,378	90,388,588
Restricted for:			
Perpetual care	1,463,476		1,463,476
Debt service	2,405,476	1,198,668	3,604,144
Capital projects	1,293		1,293
Special revenue funds	284,003		284,003
Other purposes	55,872		55,872
Unrestricted	(14,197,603)	16,664,328	2,466,725
Total Net Position	\$ 18,482,727	\$ 79,781,374	\$ 98,264,101

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, 2017

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Operating		Governmental Activities	Business-type Activities		Total
		Charges for Services	Grants and Contributions		Capital Grants and Contributions	Primary Government	
Primary government:							
Governmental activities:							
General government	\$ 1,312,204	\$ 1,080,926	\$ 233,287	\$ 2,009	\$ -	\$ 2,009	(9,092,026)
Public safety	9,777,492	589,437	96,029	(9,092,026)	-	-	(4,604,652)
Public works	5,072,635	424,682	43,301	(4,604,652)	-	-	(23,430,765)
Schools	28,967,621	455,251	5,063,090	(23,430,765)	-	-	(1,435,249)
Parks and recreation	1,536,805	101,556	-	(1,435,249)	-	-	(604,631)
Community services	604,631	-	-	(604,631)	-	-	(92,504)
Interest on long-term debt	92,504	-	-	(92,504)	-	-	(39,257,818)
Total governmental activities	47,363,892	2,651,852	5,435,707	(39,257,818)	-	-	1,684,164
Business-type activities:							
Electric	37,722,892	39,407,056	-	-	1,684,164	1,684,164	(204,525)
Gas	4,992,131	4,787,606	-	-	(204,525)	(204,525)	1,254,700
Water and sewer	6,215,146	7,253,444	-	-	1,254,700	1,254,700	638,156
Solid waste	2,465,043	3,103,199	-	-	638,156	638,156	3,372,495
Total business-type activities	51,395,212	54,551,305	-	-	3,372,495	3,372,495	(35,885,323)
Total primary government	\$ 98,759,104	\$ 57,203,157	\$ 5,435,707	(39,257,818)	3,372,495	3,372,495	10,249,134
General revenues:							
Property taxes				10,249,134	-	-	9,965,606
State and local sales taxes				9,965,606	-	-	595,829
Wholesale beer and liquor taxes				595,829	-	-	419,289
Business taxes				419,289	-	-	130,668
Franchise taxes				130,668	-	-	317,190
Room occupancy taxes				317,190	-	-	640,232
Wheel taxes				640,232	-	-	3,250
Other statutory local taxes				3,250	-	-	959,857
State taxes				959,857	-	-	13,199,523
Intergovernmental revenue				13,199,523	-	-	(151,495)
Other sources				536,748	(151,495)	(151,495)	249,493
Unrestricted investment earnings				76,421	249,493	249,493	2,002,699
Transfers from business-type activities				2,002,699	(2,002,699)	-	39,096,446
Total general revenues and transfers				39,096,446	(1,904,701)	-	(161,372)
Change in net position				(161,372)	1,467,794	1,306,422	19,198,249
Net position- beginning				19,198,249	78,749,465	97,947,714	(554,150)
Prior period adjustment				(554,150)	(435,885)	(990,035)	18,644,099
Net position, beginning restated				18,644,099	78,313,580	96,957,679	\$ 18,482,727
Net position - ending				\$ 18,482,727	\$ 79,781,374	\$ 98,264,101	

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

**CITY OF DYERSBURG, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	<u>General</u>	<u>School</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 1,124,226	\$ 2,978,116	\$ 3,987,499	\$ 8,089,841
Investments	10,000	-	1,467,626	1,477,626
Receivables (net of allowance for uncollectibles):				
Taxes	8,001,558	514,124	-	8,515,682
Accounts	1,125,712	17,663	694,499	1,837,874
Notes	-	-	-	-
Due from other funds	492,597	9,945	557,015	1,059,557
Inventories	-	-	69,413	69,413
Prepaid expenses	3,340	-	-	3,340
Deposits	16,113	-	92,950	109,063
Total Assets	<u>\$ 10,773,546</u>	<u>\$ 3,519,848</u>	<u>\$ 6,869,002</u>	<u>\$ 21,162,396</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 222,677	\$ 192,605	\$ 429,194	\$ 844,476
Accrued liabilities	763,882	1,606,745	288,842	2,659,469
Deposits	32,172	-	-	32,172
Due to other funds	57,015	-	1,739,173	1,796,188
Total Liabilities	<u>1,075,746</u>	<u>1,799,350</u>	<u>2,457,209</u>	<u>5,332,305</u>
Deferred Inflows of Resources:				
Unavailable confiscated funds			12,725	12,725
Deferred current property taxes	7,653,200			7,653,200
Delinquent property taxes	334,832			334,832
Total Deferred Inflows of Resources	<u>7,988,032</u>	<u>-</u>	<u>12,725</u>	<u>8,000,757</u>
Fund Balances:				
Non-spendable	19,453	-	69,413	88,866
Restricted	-	1,720,498	4,779,162	6,499,660
Committed	-	-	50,493	50,493
Unassigned	1,690,315	-	(500,000)	1,190,315
Total Fund Balances	<u>1,709,768</u>	<u>1,720,498</u>	<u>4,399,068</u>	<u>7,829,334</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 10,773,546</u>	<u>\$ 3,519,848</u>	<u>\$ 6,869,002</u>	<u>\$ 21,162,396</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, 2017

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

Total Governmental Fund Balances, page 21	\$ 7,829,334
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	48,995,538
Deferred outflows/inflows of resources related to pensions in which the consumption/acquisition of net position will occur in future periods.	
Deferred outflows	20,534,236
Deferred inflows	(5,534,270)
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	22,151
Net pension liability	(30,637,287)
Internal service fund assets and liabilities allocated to governmental funds and, therefore, are included in governmental activities in the statement of net position.	203,567
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the current period.	<u>(22,930,542)</u>
Net position of governmental activities (page 19)	<u><u>\$ 18,482,727</u></u>

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, 2017

	General	School	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	\$ 10,935,305	\$ 8,320,410	\$ 1,596,399	\$ 20,852,114
Licenses and permits	105,155	-	-	105,155
Intergovernmental	2,675,482	14,049,820	4,224,216	20,949,518
Charges for services	777,251	-	274,907	1,052,158
Fines, forfeits, and penalties	206,170	-	63,300	269,470
Sale of assets	438,820	-	40,215	479,035
Investment earnings	21,799	-	42,932	64,731
Miscellaneous	1,814,722	582,626	3,086,058	5,483,406
Total Revenues	16,974,704	22,952,856	9,328,027	49,255,587
EXPENDITURES:				
Current:				
General government	1,864,838	-	3,158,116	5,022,954
Public safety	8,746,042	-	-	8,746,042
Public works	4,076,372	-	-	4,076,372
Community services	329,582	-	-	329,582
Parks and recreation	1,328,792	-	-	1,328,792
Economic development	315,818	-	-	315,818
Municipal airport	430,230	-	-	430,230
Joint cost - communications	464,964	-	-	464,964
Education	-	22,275,262	4,361,149	26,636,411
Miscellaneous	1,150,606	-	-	1,150,606
Capital outlay	325,240	226,728	543,207	1,095,175
Debt service:				
Principal retirement	3,717,579	1,226,703	-	4,944,282
Interest	92,504	469,666	-	562,170
Other expense	22,201	-	-	22,201
Total Expenditures	22,864,768	24,198,359	8,062,472	55,125,599
Revenues Over (Under) Expenditures	(5,890,064)	(1,245,503)	1,265,555	(5,870,012)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	2,036,319	1,760,316	339,964	4,136,599
Operating transfers out	(33,223)	(306,741)	(1,793,936)	(2,133,900)
Sale of bonds	3,808,097	-	-	3,808,097
Capital lease acquisitions	-	-	-	-
Total other financing sources (uses)	5,811,193	1,453,575	(1,453,972)	5,810,796
Net Change in Fund Balance	(78,871)	208,072	(188,417)	(59,216)
Fund Balance - July 1, 2016	1,663,164	1,512,426	4,587,485	7,763,075
Prior Period Adjustment	125,475	-	-	125,475
Fund Balance - July 1, 2016, as restated	1,788,639	1,512,426	4,587,485	7,888,550
Fund Balance - June 30, 2017	\$ 1,709,768	\$ 1,720,498	\$ 4,399,068	\$ 7,829,334

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, 2017**

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)	\$ (59,216)
Proceeds from the sale of bonds and capital lease acquisitions are not reported as revenue in the statement of activities	(3,808,097)
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.	(3,011,205)
Accrual for post employment benefits.	255
Pension income in statement of activities and not reported as income in fund statements	490,015
Pension expense in statement of activities and not reported as an expense in fund statements	706,500
Pension expense shown in fund statements and not reported in government wide statements	633,250
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.	4,944,282
The net expense of certain activities of internal service funds is reported with governmental activities.	(78,411)
The increase/decrease in the liability for compensated absences is not reported in governmental funds.	<u>21,255</u>
Change in net position of governmental activities (page 20)	<u><u>\$ (161,372)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Property taxes - net	\$ 7,731,000	\$ 7,731,000	\$ 7,616,262	\$ (114,738)
Property taxes - penalty and interest	90,000	90,000	91,625	1,625
Local sales tax	1,725,000	1,725,000	1,764,442	39,442
Wholesale beer tax	535,000	535,000	516,610	(18,390)
Wholesale liquor tax	75,000	75,000	79,219	4,219
Business taxes	430,000	430,000	419,289	(10,711)
Cable TV franchise tax	140,000	140,000	130,668	(9,332)
Room occupancy tax	290,000	290,000	317,190	27,190
Total taxes	<u>11,016,000</u>	<u>11,016,000</u>	<u>10,935,305</u>	<u>(80,695)</u>
Licenses and permits				
Beer licenses	6,500	6,500	7,100	600
Liquor licenses	12,000	12,000	11,050	(950)
Other licenses	2,100	2,100	1,465	(635)
Building permits and inspections	56,500	56,500	85,540	29,040
Total licenses and permits	<u>77,100</u>	<u>77,100</u>	<u>105,155</u>	<u>28,055</u>
Intergovernmental revenues				
Federal law enforcement grants	10,000	10,000	36,629	26,629
Federal surface transportation grant	-	-	13,146	13,146
TVA replacement tax	201,500	201,500	193,901	(7,599)
Payment in lieu of taxes - Housing Authority	38,000	38,000	46,189	8,189
State sales tax	1,390,500	1,390,500	1,422,879	32,379
State income tax	270,000	270,000	191,717	(78,283)
State beer tax	8,600	8,600	8,278	(322)
State alcoholic beverage tax	58,000	58,000	55,240	(2,760)
State gasoline & motor fuel tax	325,000	325,000	326,540	1,540
State 1989 gasoline tax	55,000	55,000	52,356	(2,644)
State 3 cent gasoline tax	100,000	100,000	97,174	(2,826)
State petroleum special tax	35,000	35,000	34,651	(349)
State public safety grants	299,000	299,000	59,400	(239,600)
State airport grant	30,000	30,000	30,155	155
County intergovernmental revenue	100,000	100,000	107,227	7,227
Total intergovernmental revenues	<u>2,920,600</u>	<u>2,920,600</u>	<u>2,675,482</u>	<u>(245,118)</u>
Charges for services				
Public safety reimbursements	250,000	250,000	257,212	7,212
Special police and safety services	16,000	16,000	11,762	(4,238)
Fire protection charges	48,000	48,000	28,753	(19,247)
Cemetery burial, foundation and deed charges	123,700	123,700	139,979	16,279
Stormwater II charges	196,300	196,300	198,876	2,576
Swimming pool charges and fees	42,500	42,500	32,644	(9,856)
Parks and recreation charges	88,400	88,400	68,912	(19,488)
Other	35,600	35,600	39,113	3,513
Total charges for services	<u>800,500</u>	<u>800,500</u>	<u>777,251</u>	<u>(23,249)</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, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues (continued):				
Fines, forfeits and penalties				
City court revenue	\$ 235,500	\$ 235,500	\$ 193,803	\$ (41,697)
Parking fines	1,500	1,500	55	(1,445)
Safe driving fees	3,000	3,000	6,487	3,487
Other	2,700	2,700	5,825	3,125
Total fines, forfeits and penalties	<u>242,700</u>	<u>242,700</u>	<u>206,170</u>	<u>(36,530)</u>
Miscellaneous revenues				
Interest	18,000	18,000	21,799	3,799
Rents	349,400	349,400	349,133	(267)
Sales of fuel and supplies	350,000	350,000	325,354	(24,646)
Sale of property and equipment	5,000	5,000	47,021	42,021
Sale of cemetery lots	75,000	75,000	66,445	(8,555)
Joint expense reimbursements - Administrative charges	1,341,500	1,341,500	1,376,175	34,675
Other	73,500	73,500	89,414	15,914
Total miscellaneous revenues	<u>2,212,400</u>	<u>2,212,400</u>	<u>2,275,341</u>	<u>62,941</u>
Total revenues	<u>17,269,300</u>	<u>17,269,300</u>	<u>16,974,704</u>	<u>(294,596)</u>

EXPENDITURES

Current:

General government:

Legislative	88,800	88,800	86,020	2,780
Judicial	312,200	312,200	284,528	27,672
Executive	181,700	181,700	173,884	7,816
City recorder	93,700	93,700	88,309	5,391
City attorney	85,000	85,000	135,314	(50,314)
Accounting	261,300	261,300	247,647	13,653
Tax administration	88,300	88,300	77,322	10,978
Purchasing	92,700	92,700	88,252	4,448
Personnel	114,800	114,800	106,914	7,886
Engineering	290,300	290,300	291,165	(865)
Planning and zoning	12,900	12,900	12,974	(74)
City Hall	118,100	118,100	124,004	(5,904)
Professional Development Center	96,100	96,100	148,505	(52,405)
Total general government	<u>1,835,900</u>	<u>1,835,900</u>	<u>1,864,838</u>	<u>(28,938)</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, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Public safety:				
Police department				
Traffic safety	\$ 112,500	\$ 112,500	\$ 99,801	\$ 12,699
Supplement pay	38,800	38,800	30,357	8,443
Administration	531,100	531,100	537,689	(6,589)
Operations	101,300	101,300	94,850	6,450
Criminal investigation	737,900	737,900	642,576	95,324
Patrol	2,803,500	2,803,500	2,553,842	249,658
Records and identification	264,800	264,800	246,042	18,758
Street crimes	269,400	269,400	267,931	1,469
Training	289,000	289,000	260,976	28,024
Education and public relations	3,000	3,000	2,888	112
Automotive services	185,000	185,000	151,658	33,342
Special response team	30,000	30,000	21,089	8,911
Police station	118,100	118,100	131,664	(13,564)
Total police department	<u>5,484,400</u>	<u>5,484,400</u>	<u>5,041,363</u>	<u>443,037</u>
Fire department				
Supplement pay	31,700	31,700	33,587	(1,887)
Administration	408,100	408,100	366,091	42,009
Fire fighting	2,858,100	2,858,100	2,670,405	187,695
Fire prevention	140,400	140,400	146,211	(5,811)
Training	103,800	103,800	101,703	2,097
Equipment repair services	79,400	79,400	94,796	(15,396)
Fire stations	77,300	77,300	70,136	7,164
Total fire department	<u>3,698,800</u>	<u>3,698,800</u>	<u>3,482,929</u>	<u>215,871</u>
Building inspection	<u>213,500</u>	<u>213,500</u>	<u>221,750</u>	<u>(8,250)</u>
Total public safety	<u>9,396,700</u>	<u>9,396,700</u>	<u>8,746,042</u>	<u>650,658</u>
Public works:				
Public works administration	342,500	342,500	385,498	(42,998)
Highways and streets	2,396,800	2,396,800	2,761,877	(365,077)
State Street Aid				
Street lighting	480,000	480,000	476,070	3,930
Storm drainage	108,100	108,100	95,147	12,953
Stormwater II	97,400	97,400	75,211	22,189
Cemeteries	317,000	317,000	282,569	34,431
Total public works	<u>3,741,800</u>	<u>3,741,800</u>	<u>4,076,372</u>	<u>(334,572)</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, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Community services				
Rabies control	\$ 84,500	\$ 84,500	\$ 84,450	\$ 50
Social services	114,000	114,000	115,132	(1,132)
Library	130,000	130,000	130,000	-
Total community services	<u>328,500</u>	<u>328,500</u>	<u>329,582</u>	<u>(1,082)</u>
Parks and recreation				
Dyersburg Activity Center	333,200	333,200	298,026	35,174
Bruce Recreation Center	149,600	149,600	157,375	(7,775)
Future City Recreation Center	132,300	132,300	132,054	246
Dyersburg Activity Center pool	34,200	34,200	39,421	(5,221)
Okeena pool	85,500	85,500	139,544	(54,044)
Bruce pool	16,800	16,800	10,744	6,056
Youth Programs	55,400	55,400	65,878	(10,478)
Men's softball league	2,000	2,000	8,500	(6,500)
Special recreation facilities	11,500	11,500	12,734	(1,234)
Playgrounds and parks	442,000	442,000	459,998	(17,998)
Golf course	-	-	4,518	(4,518)
Total parks and recreation	<u>1,262,500</u>	<u>1,262,500</u>	<u>1,328,792</u>	<u>(66,292)</u>
Tourism and economic development	<u>290,000</u>	<u>290,000</u>	<u>315,818</u>	<u>(25,818)</u>
Municipal airport	<u>461,600</u>	<u>461,600</u>	<u>430,230</u>	<u>31,370</u>
Capital outlay				
General government	272,200	272,200	45,170	227,030
Public safety	138,000	138,000	151,378	(13,378)
Public works	16,000	16,000	52,579	(36,579)
Parks and recreation	93,000	93,000	13,686	79,314
Municipal airport	-	-	62,427	(62,427)
Total capital outlay	<u>519,200</u>	<u>519,200</u>	<u>325,240</u>	<u>193,960</u>
Debt service				
Retirement of notes, bonds and capital leases	889,600	3,713,600	3,717,579	(3,979)
Interest	81,100	81,100	92,504	(11,404)
Bond issuance cost	-	-	16,944	(16,944)
Bank and loan remarketing fees	6,800	6,800	5,257	1,543
Total debt service	<u>977,500</u>	<u>3,801,500</u>	<u>3,832,284</u>	<u>(30,784)</u>
Joint costs - communications	<u>492,200</u>	<u>492,200</u>	<u>464,964</u>	<u>27,236</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (continued):				
Miscellaneous expenditures				
Vacation and sick leave	\$ 35,000	\$ 35,000	\$ 41,441	\$ (6,441)
Insurance	21,000	21,000	29,834	(8,834)
Retirement	694,500	694,500	706,068	(11,568)
Professional services	30,000	30,000	150,339	(120,339)
Payments in lieu of taxes	135,000	135,000	124,295	10,705
Other	70,300	70,300	98,629	(28,329)
Total miscellaneous expenditures	<u>985,800</u>	<u>985,800</u>	<u>1,150,606</u>	<u>(164,806)</u>
Total expenditures	<u>20,291,700</u>	<u>23,115,700</u>	<u>22,864,768</u>	<u>250,932</u>
Revenues over (under) expenditures	(3,022,400)	(5,846,400)	(5,890,064)	(43,664)
Other financing sources (uses)				
Transfers in	2,095,000	2,095,000	2,036,319	(58,681)
Transfers out	(40,000)	(40,000)	(33,223)	6,777
Sale of bonds	970,000	3,794,000	3,808,097	14,097
Total other financing sources (uses)	<u>3,025,000</u>	<u>5,849,000</u>	<u>5,811,193</u>	<u>(37,807)</u>
Net change in fund balance	2,600	2,600	(78,871)	(81,471)
Fund balance - July 1, 2016	1,663,164	1,663,164	1,663,164	-
Prior period adjustment	-	-	125,475	125,475
Fund balance - July 1, 2016, as restated	<u>1,663,164</u>	<u>1,663,164</u>	<u>1,788,639</u>	<u>125,475</u>
Fund balances - June 30, 2017	<u>\$ 1,665,764</u>	<u>\$ 1,665,764</u>	<u>\$ 1,709,768</u>	<u>\$ 44,004</u>

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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES:				
Real estate taxes	\$ 2,446,467	\$ 2,446,467	\$ 2,495,058	\$ 48,591
Other statutory local taxes	2,250	2,250	1,911	(339)
Sales tax	4,940,000	4,940,000	5,181,886	241,886
Other permits and licenses	1,680	1,680	1,323	(357)
Wheel tax	650,500	650,500	640,232	(10,268)
Intergovernmental	13,913,508	13,897,766	14,049,820	152,054
Miscellaneous	476,850	472,620	582,626	110,006
Total Revenues	22,431,255	22,411,283	22,952,856	541,573
EXPENDITURES:				
Education:				
Regular instruction	11,145,574	11,317,359	11,298,670	18,689
Vocational education	399,514	377,993	376,210	1,783
Special education	1,702,092	1,713,907	1,671,047	42,860
Early childhood education	578,854	584,442	584,281	161
Attendance services	103,417	99,381	99,381	-
Health services	282,428	289,266	287,646	1,620
Student support	855,917	904,936	903,518	1,418
Regular instruction support services	579,918	549,922	548,307	1,615
Special education support services	68,570	82,246	81,857	389
Vocational education support services	12,855	12,798	12,742	56
Alternative education support services	-	98,913	98,846	67
Operation of plant	2,288,163	2,320,164	2,328,634	(8,470)
Maintenance of plant	449,683	609,820	570,815	39,005
Board of education	758,039	832,740	757,018	75,722
Alternative education	307,706	278,869	274,867	4,002
Office of the superintendent	366,594	426,044	423,825	2,219
Community services	70,304	82,980	79,859	3,121
Transportation	1,800	836	486	350
Office of the principal	1,296,855	1,319,373	1,311,361	8,012
Technology	315,847	381,278	318,832	62,446
Fiscal services	288,086	247,998	247,060	938
Total education	21,872,216	22,531,265	22,275,262	256,003
Capital outlay	314,125	226,728	226,728	-
Total Expenditures	22,186,341	22,757,993	22,501,990	256,003
Revenues Over (Under) Expenditures	244,914	(346,710)	450,866	797,576
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	63,947	63,947
Transfers to other funds	(999)	(95,831)	(26,093)	69,738
Transfers to City of Dyersburg-debt service	(362,000)	(279,544)	(280,648)	(1,104)
Total other financing sources (uses)	(362,999)	(375,375)	(242,794)	132,581
Net Change in Fund Balance	(118,085)	(722,085)	208,072	930,157
Fund Balance - July 1, 2016	1,512,426	1,512,426	1,512,426	-
Fund Balance - June 30, 2017	\$ 1,394,341	\$ 790,341	\$ 1,720,498	\$ 930,157

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, 2017

	Business-Type Activities -- Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Gas	Water and Sewer	Solid Waste Management	Electric System		
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 6,478,953	\$ 1,439,877	\$ 954,280	\$ 3,867,096	\$ 12,740,206	\$ 2,025,081
Investments	739,050	-	315,845	7,435,808	8,490,703	-
Accounts receivable - net	144,273	450,846	284,979	2,630,255	3,510,353	13,768
Accrued interest receivable	-	-	-	31,795	31,795	-
Accrued rents receivable	-	-	-	88,958	88,958	-
Due from other funds	1,424,775	568,340	381,506	-	2,374,621	77,262
Inventories	41,137	108,848	-	724,316	874,301	-
Prepaid expenses	-	-	-	88,317	88,317	-
Total current assets	8,828,188	2,567,911	1,936,610	14,866,545	28,199,254	2,116,111
Noncurrent assets:						
Cash in bank and with trustees	-	-	-	3,117,965	3,117,965	-
Capital assets:						
Plant in service	13,666,817	61,354,508	10,449,798	60,412,873	145,883,996	2,177,968
Construction in progress	-	67,103	-	703,518	770,621	-
Less - accumulated depreciation	(8,324,695)	(36,955,168)	(7,214,206)	(29,162,896)	(81,656,965)	(1,778,977)
Net Capital Assets	5,342,122	24,466,443	3,235,592	31,953,495	64,997,652	398,991
Other assets	-	1,906	645	435,498	438,049	21,339
Total noncurrent assets	5,342,122	24,468,349	3,236,237	35,506,958	68,553,666	420,330
Total Assets	14,170,310	27,036,260	5,172,847	50,373,503	96,752,920	2,536,441
DEFERRED OUTFLOWS OF RESOURCES						
Differences between expected and actual earnings - pension	-	1,812,310	1,066,848	915,550	3,794,708	-
Contributions - pension	-	-	-	512,669	512,669	-
Changes in assumption - pension	-	-	-	389,959	389,959	-
Total Deferred Outflows of Resources	-	1,812,310	1,066,848	1,818,178	4,697,336	-

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, 2017

	Business-Type Activities -- Enterprise Funds				Governmental Activities - Internal Service Funds
	Gas	Water and Sewer	Solid Waste Management	Electric System	
LIABILITIES					
Current liabilities:					
Accounts payable	477,291	38,996	20,261	3,240,775	11,872
Bonds payable within one year	-	770,000	-	370,000	-
Accrued payroll	8,218	24,173	13,329	-	19,637
Accrued interest payable	-	5,183	-	20,831	-
Accrued compensated absences	22,844	85,334	39,484	-	30,049
Customer deposits	345,674	491,264	-	1,919,297	-
Due to other funds	25,103	309,568	46,214	-	-
Other current liabilities	83,008	2,990,835	1,748,034	70,728	1,334,367
Total current liabilities	962,138	4,715,353	1,867,322	5,621,631	1,395,925
Noncurrent liabilities:					
Other accrued liabilities	-	275,312	1,454,775	4,243,774	31,196
Advances from TVA - conservation	-	-	-	378,662	-
Bonds payable - long-term	-	785,000	-	1,284,032	-
Total noncurrent liabilities	-	1,060,312	1,454,775	5,906,468	31,196
Total Liabilities	962,138	5,775,665	3,322,097	11,528,099	1,427,121
DEFERRED INFLOWS OF RESOURCES					
Differences between expected and actual experience - pension	-	355,110	209,042	422,484	986,636
Total Deferred Inflows of Resources	-	355,110	209,042	422,484	986,636
NET POSITION					
Net investment in capital assets	5,342,122	22,911,443	3,235,592	30,317,449	398,991
Restricted	-	-	-	1,198,668	-
Unrestricted	7,866,050	(193,648)	(527,036)	8,724,981	710,329
Net Position	\$ 13,208,172	\$ 22,717,795	\$ 2,708,556	\$ 40,241,098	\$ 1,109,320
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					905,753
Total Net Position of business-type activities					\$ 79,781,374

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, 2017

	Business-Type Activities -- Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Gas	Water and Sewer	Solid Waste Management	Electric System		
Operating revenues:						
Charges for service	\$ 4,690,221	\$ 7,103,342	\$ 2,957,916	\$ 38,108,465	\$ 52,859,944	\$ -
Interest and penalties	22,987	43,668	-	209,525	276,180	-
Rent	-	-	-	1,002,371	1,002,371	-
Miscellaneous	16,556	48,776	127,204	86,695	279,231	1,917,955
Total operating revenues	<u>4,729,764</u>	<u>7,195,786</u>	<u>3,085,120</u>	<u>39,407,056</u>	<u>54,417,726</u>	<u>1,917,955</u>
Operating expenses:						
Purchased power	2,823,968	-	-	31,360,305	34,184,273	-
Transmission and distribution	658,614	490,907	-	1,745,955	2,895,476	-
Customers' accounting and collecting	371,304	400,698	58,752	508,686	1,339,440	-
General and administrative	788,557	1,012,738	574,766	1,797,839	4,173,900	1,846,806
Purification	-	1,095,890	-	-	1,095,890	-
Sewer plant operation	-	383,935	-	-	383,935	-
Sewage treatment and disposal	-	1,185,588	-	-	1,185,588	-
Residential and dumpster operations	-	-	1,007,674	-	1,007,674	-
Landfill operations	-	-	446,589	-	446,589	-
General plant maintenance	-	-	-	24,067	24,067	-
Depreciation and amortization	308,108	1,391,770	616,150	2,147,022	4,463,050	72,520
Taxes other than tax equivalents	-	-	-	139,018	139,018	-
Total operating expenses	<u>4,950,551</u>	<u>5,961,526</u>	<u>2,703,931</u>	<u>37,722,892</u>	<u>51,338,900</u>	<u>1,919,326</u>
Operating income (loss)	(220,787)	1,234,260	381,189	1,684,164	3,078,826	(1,371)
Nonoperating revenues (expenses):						
Investment earnings	46,445	12,415	7,022	182,467	248,349	989
Interest expense	-	(83,636)	-	(55,248)	(138,884)	-
Miscellaneous income (expense)	-	(764)	(88)	(11,759)	(12,611)	382
Total nonoperating revenues (expenses)	<u>46,445</u>	<u>(71,985)</u>	<u>6,934</u>	<u>115,460</u>	<u>96,854</u>	<u>1,371</u>
Income (loss) before capital contributions and transfers	(174,342)	1,162,275	388,123	1,799,624	3,175,680	-
Capital contributions - CDBG grant	-	52,988	-	-	52,988	-
Capital contributions - EDA grant	-	163,414	-	-	163,414	-
Transfers out	(246,300)	(663,700)	-	(1,092,699)	(2,002,699)	-
	<u>(246,300)</u>	<u>(447,298)</u>	<u>-</u>	<u>(1,092,699)</u>	<u>(1,786,297)</u>	<u>-</u>
Change in net position	(420,642)	714,977	388,123	706,925	1,389,383	-
Net position - July 1, 2016	14,365,641	21,824,654	2,197,655	39,534,173		1,109,320
Change in accounting principle	(736,827)	178,164	122,778	-		-
Net position - July 1, 2016 as restated	<u>13,628,814</u>	<u>22,002,818</u>	<u>2,320,433</u>	<u>39,534,173</u>		<u>1,109,320</u>
Net position - June 30, 2017	<u>\$ 13,208,172</u>	<u>\$ 22,717,795</u>	<u>\$ 2,708,556</u>	<u>\$ 40,241,098</u>		<u>\$ 1,109,320</u>
					78,411	
					<u>\$ 1,467,794</u>	

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in net position of business-type activities

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, 2017

	Business-type Activities -- Enterprises Funds				Total	Governmental Activities - Internal Service Funds
	Gas	Water and Sewer	Solid Waste Management	Electric System		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 4,677,005	\$ 7,432,638	\$ 2,851,858	\$ 39,314,494	\$ 54,275,995	\$ 1,025,740
Payments to suppliers	(2,977,767)	(2,044,175)	(671,004)	(33,397,803)	(39,090,749)	(502,465)
Payments to employees for services	(408,464)	(1,143,891)	(641,007)	(2,080,652)	(4,274,014)	(1,001,556)
Payments for employee benefits	(175,979)	(472,890)	(268,837)	-	(917,706)	(362,349)
Payments to other funds	(977,396)	(1,357,545)	(446,889)	-	(2,781,830)	359,413
Other receipts (payments)	47,363	106,761	127,204	-	281,328	887,767
Net Cash Provided by (used for) Operating Activities	184,762	2,520,898	951,325	3,836,039	7,493,024	406,550
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to other funds	(246,300)	(663,700)	-	(1,092,699)	(2,002,699)	-
Net cash from (used by) financing activities	(246,300)	(663,700)	-	(1,092,699)	(2,002,699)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(95,911)	(481,837)	(1,862,043)	(2,745,296)	(5,185,087)	(15,096)
Salvage from retirement of plant	-	-	125,900	39,130	165,030	-
Cost of removal on retired plant	-	-	-	(312,556)	(312,556)	-
Principal paid on notes and bonds	-	(735,000)	-	(380,000)	(1,115,000)	-
Interest paid on notes and bonds	-	(86,086)	-	(59,000)	(145,086)	-
Capital grant proceeds	-	216,402	-	-	216,402	-
Other receipts (payments)	-	(764)	(88)	(6,643)	(7,495)	382
Net cash from (used by) capital and related financing activities	(95,911)	(1,087,285)	(1,736,231)	(3,464,365)	(6,383,792)	(14,714)
CASH FLOWS FROM INVESTING ACTIVITIES						
Net change in investments	(3,797)	-	(1,623)	(134,797)	(140,217)	-
Interest and investment earnings	46,445	12,415	7,022	183,557	249,439	989
Increase (decrease) in customer deposits	-	-	-	93,062	93,062	-
Net cash provided by (used for) investing activities	42,648	12,415	5,399	141,822	202,284	989
Net increase(decrease) in cash and cash equivalents	(114,801)	782,328	(779,507)	(579,203)	(691,183)	392,825
Cash and cash equivalents - July 1, 2016	6,593,754	657,549	1,733,787	5,441,439	14,426,529	1,632,186
Cash and cash equivalents - June 30, 2017	\$ 6,478,953	\$ 1,439,877	\$ 954,280	\$ 4,862,236	\$ 13,735,346	\$ 2,025,011

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, 2017
 (CONTINUED)

	Business-type Activities -- Enterprises Funds				Total	Governmental Activities - Internal Service Funds
	Gas	Water and Sewer	Solid Waste Management	Electric System		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (220,787)	\$ 1,234,260	\$ 381,189	\$ 1,684,164	\$ 3,078,826	\$ (1,371)
Adjustments to reconcile net income (loss) from operations to net cash provided by operating activities						
Depreciation	308,108	1,387,196	616,150	2,147,022	4,458,476	67,003
Amortization	-	4,574	84,900	-	89,474	5,517
Provision for doubtful accounts	184	15,356	23,952	-	39,492	-
Deferrals - pension	-	-	-	81,781	81,781	-
(Increase) Decrease in Assets						
Accounts receivable, net of allowance	(13,216)	329,296	(106,058)	(91,191)	118,831	744
Due from other funds	48,752	(195,319)	(91,648)	-	(238,215)	5,806
Inventory	7,780	20,712	-	16,282	44,774	-
Prepaid expenses	1,365,781	-	-	2,528	1,368,309	-
Other assets	-	-	-	(1,371)	(1,371)	-
Increase (Decrease) in Liabilities						
Accounts payable	83,984	(153,999)	1,604	(14,343)	(82,754)	3,055
Accrued payroll	(7,694)	(17,524)	(8,015)	-	(33,233)	(15,711)
Accrued vacation	-	-	-	4,492	4,492	-
Customer deposits	7,820	14,317	-	-	22,137	-
Due to other funds	(3,289)	(69,977)	33,786	-	(39,480)	353,607
Other current liabilities	(1,365,929)	(46,225)	7,983	6,675	(1,397,496)	6,392
Compensated absences	(26,732)	(1,769)	7,482	-	(21,019)	(18,492)
Net cash provided by (used for) operating activities	\$ 184,762	\$ 2,520,898	\$ 951,325	\$ 3,836,039	\$ 7,493,024	\$ 406,550

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
For the Year ended December 31, 2016**

Assets	
Investments	
Fixed account	\$ 361,943
Mutual funds	4,808,232
Total Investments	5,170,175
Contributions Receivable	30,818
Net assets	5,200,993
Liabilities	
	-
Net position restricted for pensions	\$ 5,200,993

**CITY OF DYERSBURG, TENNESSEE
DYERSBURG CITY SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year ended December 31, 2016**

Additions	
Contributions	
Employer	\$ 170,684
Employee	151,597
Total Contributions	322,281
Investment Income	
Earnings from mutual funds	344,302
Total Investment Income	344,302
Total Additions	666,583
Deductions	
Benefit Payments/Refunds	273,613
Administrative expense	12,850
Total deductions	286,463
Net change in Net Position	380,120
Net Position restricted for pensions	
Beginning of Year	4,820,873
End of Year	\$ 5,200,993

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 June 30, 2016**

Assets	
Cash	\$1,272,985
Investments	
Mutual funds - equities	152,316
Mutual funds - alternative investments	<u>4,600,216</u>
Total Investments	<u>4,752,532</u>
Contributions receivable	43,594
Net Assets	<u>6,069,111</u>
Liabilities	
	<u>-</u>
Net Position restricted for pensions	<u><u>\$6,069,111</u></u>

**CITY OF DYERSBURG, TENNESSEE
DYERSBURG ELECTRIC SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year ended June 30, 2016**

Additions	
Contributions	\$ 585,000
Investment Income	
Mutual fund income	<u>13,723</u>
Total Additions	598,723
Deductions	
Benefit Payments/Refunds	276,682
Expenses	
Investment	<u>34,112</u>
Total Deductions	<u>310,794</u>
Change in Net Position	<u>287,929</u>
Net Position restricted for pensions	
Beginning of Year	<u>5,781,182</u>
End of Year	<u><u>\$6,069,111</u></u>

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, 2016**

Assets	
Cash	\$1,105,949
Receivables	1,567
Investments	
Domestic Equities	2,005,299
Real Estate	155,022
Total Investments	<u>2,160,321</u>
Net Assets	<u>3,267,837</u>
Liabilities	
	<u>-</u>
Net Position restricted for pensions	<u><u>\$3,267,837</u></u>

**CITY OF DYERSBURG, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year ended June 30, 2016**

Additions	
Contributions	\$2,439,951
Investment Income	
Net appreciation	<u>65,896</u>
Total Additions	2,505,847
Deductions	
Benefit Payments/Refunds	1,919,959
Expenses	
Administrative	<u>142,286</u>
Total Deductions	<u>2,062,245</u>
Change in Net Position	<u>443,602</u>
Net Position restricted for pensions	
Beginning of Year	<u>2,824,235</u>
End of Year	<u><u>\$3,267,837</u></u>

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

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

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, 2017

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.

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

D. Impact of Recently Issued Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for financial statements for periods beginning after June 15, 2017. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local government employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. Management is going to implement this standard in the fiscal year ended June 30, 2018, as required.

In August 2015, the GASB issued Statement NO. 77 - *Tax Abatement Disclosures*, effective for reporting periods beginning after December 15, 2015. The objective of this Statement was to provide financial statement users with information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements; 1) Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients, 2) The gross dollar amount of taxes abated during the period, and 3) Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. Management has implemented this standard in this financial statement.

E. 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.

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.

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

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 2017 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:

<u>Assets</u>	<u>Years</u>
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, 2017

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
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

9. *Vacation and Sick Leave*

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

1) 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.

2) 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.

3) 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.

4) 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, 2017, was \$14,587.

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.

13 On Behalf Payments for Post Retirement Insurance Benefits

Dyersburg City Schools

The Board recognizes as revenues and expenses contributions made by the State of Tennessee to the Teacher Group Plan and the Medicare Plan on behalf of the Board's employees. For the year ended June 30, 2017, the State made contributions to the Teacher Group Plan of \$118,240 and to the Medicare Plan of \$52,338.

CITY OF DYERSBURG, TENNESSEE
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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 assets. 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 \$22,930,542 difference are as follows:

Bonds payable	\$ 13,320,498
Notes payable	7,597,684
Compensated absences	<u>2,012,360</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ 22,930,542</u>

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 (\$3,011,205) difference are as follows:

Capital outlay	\$ 1,123,031
Less depreciation expense	<u>(4,134,236)</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>\$ (3,011,205)</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, 2017, the City's bank deposits were entirely insured with FDIC Insurance or through the state bank collateral pool.

CITY OF DYERSBURG, TENNESSEE
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At year end, the government's investment balances were as follows:

	Investments	Trust Funds
Time Deposits	\$ 10,000	\$ -
Certificates of Deposit	7,435,808	
U. S. Agencies and Instrumentalities	-	1,467,626
Total Securities	7,445,808	1,467,626
Local Government Investment Pool	1,054,895	-
Total Investments	\$ 8,500,703	\$ 1,467,626

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.

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.

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	\$ 101,125	\$ 514,124	\$ -	\$ 615,249
Accounts	1,352,604	17,663	549,772	1,920,039
Intergovernmental	-	-	144,727	144,727
Unassessed property taxes	7,945,433	-	-	7,945,433
Gross receivables	9,399,162	531,787	694,499	10,625,448
Less: allowance for uncollectibles	(271,892)	-	-	(271,892)
Net total receivables	\$ 9,127,270	\$ 531,787	\$ 694,499	\$ 10,353,556

Business-type Funds:

	Proprietary Funds					Internal Service Funds
	Gas	Water and Sewer	Solid Waste Management	Electric System	Total	
Interest	\$ -	\$ -	\$ -	\$ 31,795	\$ 31,795	\$ -
Accounts	175,273	522,846	337,979	2,877,544	3,913,642	16,968
Other assessments	-	-	-	88,958	88,958	-
Gross receivables	175,273	522,846	337,979	2,998,297	4,034,395	16,968
Less: allowance for uncollectibles	(31,000)	(72,000)	(53,000)	(247,289)	(403,289)	(3,200)
Net total receivables	\$ 144,273	\$ 450,846	\$ 284,979	\$ 2,751,008	\$ 3,631,106	\$ 13,768

CITY OF DYERSBURG, TENNESSEE
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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)	\$ 7,988,032
Confiscated funds (TIP fund)	12,725
Total deferred revenue for governmental funds	\$ 8,000,757

C. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

Primary Government

	Beginning Balance	Additions & Adjustments	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,406,228	\$ 43,733	\$ -	\$ 6,449,961
Construction in progress	\$ 156,500	\$ -	\$ (156,500)	\$ -
Capital assets being depreciated:				
Buildings	\$ 58,984,107	\$ 875,703	\$ -	\$ 59,859,810
Improvements other than buildings	8,801,995	22,886	-	8,824,881
Machinery and equipment	14,685,306	337,206	-	15,022,512
Infrastructure	26,724,415	-	-	26,724,415
Total capital assets, being depreciated	109,195,823	1,235,795	-	110,431,618
Less accumulated depreciation for:				
Buildings	(32,770,837)	(2,738,097)	-	(35,508,934)
Improvements other than buildings	(3,067,957)	(422,982)	-	(3,490,939)
Machinery and equipment	(11,181,134)	(619,038)	-	(11,800,172)
Infrastructure	(16,731,877)	(354,119)	-	(17,085,996)
Total accumulated depreciation	(63,751,805)	(4,134,236)	-	(67,886,041)
Total capital assets, being depreciated, net	45,444,018	(2,898,441)	-	42,545,577
Allocated Internal Service Fund capital assets, being depreciated, net	316,246	-	(29,027)	287,219
Governmental activities capital assets, net	\$ 45,760,264	\$ (2,898,441)	\$ (29,027)	\$ 42,832,796
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,179,875	\$ -	\$ -	\$ 2,179,875
Construction in progress	\$ 1,060,279	\$ -	\$ (289,658)	\$ 770,621
Capital assets being depreciated:				
Land and land improvements	\$ 5,681,079	\$ 1,534,142	\$ -	\$ 7,215,221
Buildings and systems	118,096,163	3,529,099	(867,237)	120,758,025
Machinery and equipment	15,590,241	460,481	(319,847)	15,730,875
Total capital assets, being depreciated	139,367,483	5,523,722	(1,187,084)	143,704,121
Less accumulated depreciation	(78,484,123)	(4,614,467)	1,441,625	(81,656,965)
Total capital assets, being depreciated, net	60,883,360	909,255	254,541	62,047,156
Allocated Internal Service Fund capital assets, being depreciated, net	137,172	-	(25,400)	111,772
Business-type activities capital assets, net	\$ 61,020,532	\$ 909,255	\$ 229,141	\$ 62,158,928

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	\$ 198,212
Public safety	368,851
Public works	778,237
Schools	2,643,651
Parks & recreation	145,285
Capital assets held by the government's internal service funds charged to functions based on usage	29,027
Total depreciation expense - governmental activities	<u>\$ 4,163,263</u>
Business-type activities:	
Gas	\$ 308,108
Water and Sewer	1,387,197
Solid Waste Management	616,149
Electric	2,303,013
Capital assets held by the government's internal service funds charged to functions based on usage	25,400
Total depreciation expense - business-type activities	<u>\$ 4,639,867</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances at June 30, 2017, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Enterprise	\$ 130,304
	Nonmajor governmental	303,607
	Internal Service	58,686
Enterprise	Nonmajor governmental	863,029
	Internal Service	1,261,011
	Enterprise	250,581
Nonmajor governmental	General	57,015
Internal Service	Internal Service	14,670
	Nonmajor governmental	62,592
Total		<u>\$ 3,001,495</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, 2017:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
General	Gas (Tax Equivalents)	\$ 246,300
	Water and Sewer (Tax Equivalents)	663,700
	Electric (Tax Equivalents)	1,092,699
	Cemetery Trust (Per Trust Agreement)	33,620
Cemetery Trust	General (Per Trust Agreement)	33,223
School General Purpose	Debt Service (School Debt)	1,696,369
School Debt Service	School General Purpose (School Debt)	280,648
Total		<u>\$ 4,046,559</u>

Interfund transfers occur in the normal course of business activities.

CITY OF DYERSBURG, TENNESSEE
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June 30, 2017

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:

\$8,365,000 General Obligation Water and Sewer Refunding Bonds, Series 2009 dated April 28, 2009, due in annual installments at 3.00-4.00% interest, secured by revenues of the City.	\$ 1,555,000
\$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.	\$ 1,682,498
\$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.	\$ 9,245,000
\$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>\$ 2,393,000</u>
Total General Obligation Bonds Payable	<u><u>\$ 14,875,498</u></u>

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

<u>Year Ending June 30,</u>	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 741,699	\$ 430,365	\$ 770,000	\$ 46,800
2019	752,699	418,128	785,000	15,700
2020	803,699	405,645	-	-
2021	819,699	391,836	-	-
2022	863,699	377,235	-	-
2023-2027	3,939,003	1,604,782	-	-
2028-2032	4,405,000	752,664	-	-
2033-2037	995,000	40,795	-	-
Totals	<u>\$ 13,320,498</u>	<u>\$ 4,421,450</u>	<u>\$ 1,555,000</u>	<u>\$ 62,500</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 2005 dated March 22, 2005, due in annual installments at 3.10-4.10% interest, secured by revenues of the System	\$ 610,000
\$2,000,000 Electric System Revenue Refunding Bonds, Series 2007 dated March 26, 2007, due in annual installments at 3.70 - 4.00% interest, secured by revenues of the System	<u>1,050,000</u>
Total Revenue Bonds Payable	<u><u>\$ 1,660,000</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
2018	\$ 370,000	\$ 49,995
2019	365,000	41,000
2020	370,000	31,700
2021	180,000	22,200
2022	185,000	15,000
2023-2027	190,000	7,600
Totals	<u>\$ 1,660,000</u>	<u>\$ 167,495</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:

Governmental activities

\$10,000,000 Tennessee Municipal Bond Fund Variable Rate Loan Program, dated September 19, 2000, secured by revenues of the City	\$ 4,616,000
\$2,180,000 Capital Outlay Refunding Notes dated February 20, 2015, secured by revenues of the	1,095,000
\$500,000 Energy Efficient Schools Initiative Loan Agreement, dated April 9, 2012	283,316
\$1,500,000 Tennessee Municipal Bond Fund Variable Rate Loan Program, dated February 18, 2016, secured by revenues of the City	1,497,733
\$316,904 Capital Lease secured by revenues of the City	105,635
Total notes payable - Governmental activities	<u>\$ 7,597,684</u>

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

Year Ending June 30,	Principal	Interest
2018	\$ 1,489,372	\$ 193,661
2019	1,408,004	163,307
2020	894,004	135,510
2021	927,004	110,190
2022	928,004	83,880
2023-2027	1,242,296	167,520
2028-2032	435,000	80,550
2033-2037	274,000	16,440
Totals	<u>\$ 7,597,684</u>	<u>\$ 951,058</u>

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

Long – term liability activity for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Due in One Year
Governmental Activities					
Compensated Absences	\$ 1,948,182	\$ 64,178	\$ -	2,012,360	\$ -
Notes Payable	10,842,170	967,153	(4,211,639)	7,597,684	1,489,372
General Obligation Bonds	11,212,197	2,840,944	(732,643)	13,320,498	741,699
Total governmental activities	<u>24,002,549</u>	<u>3,872,275</u>	<u>(4,944,282)</u>	<u>22,930,542</u>	<u>2,231,071</u>
Business Type Activities					
Compensated Absences	100,996	55,796	-	156,792	-
Closure/Postclosure Costs	1,357,000	84,900	-	1,441,900	-
General Obligation Bonds	2,290,000	-	(735,000)	1,555,000	770,000
Revenue Bonds	2,040,000	-	(380,000)	1,660,000	370,000
Less Bond Discount	(7,247)	1,279	-	(5,968)	-
Total business type activities	<u>5,780,749</u>	<u>141,975</u>	<u>(1,115,000)</u>	<u>4,807,724</u>	<u>1,140,000</u>
Total of all fund types	<u>\$ 29,783,298</u>	<u>\$ 4,014,250</u>	<u>\$ (6,059,282)</u>	<u>\$ 27,738,266</u>	<u>\$ 3,371,071</u>
OPEB	<u>\$ 1,752,666</u>	<u>\$ -</u>	<u>\$ (254)</u>	<u>\$ 1,752,412</u>	<u>\$ -</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
Nonspendable				
Inventory	\$ 3,340	\$ -	\$ 69,413	\$ 72,753
Prepaid expenses	16,113	-	-	16,113
Unredeemed property	-	-	-	-
Restricted				
Public safety	-	-	289,382	289,382
Education	-	1,720,498	619,535	2,340,033
Capital projects	-	-	1,293	1,293
Community development	-	-	-	-
Perpetual care	-	-	1,463,476	1,463,476
Debt service	-	-	1,905,476	1,905,476
Committed				
Employee health claims	-	-	50,493	50,493
Unassigned	1,690,315	-	-	1,690,315
Totals	<u>\$ 1,709,768</u>	<u>\$ 1,720,498</u>	<u>\$ 4,399,068</u>	<u>\$ 7,829,334</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, 2017, 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, 2017, the estimated remaining useful life of the landfill was 58 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 \$1,441,900 as of June 30, 2017, which is based on 25.1% usage (filled) of the landfill. It is estimated that an additional \$4,296,843 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, 2017. 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, 2017, the City has \$315,845 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 \$5,981,336 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.

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, 2017, 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.

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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 \$3,431,620 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, 2017.

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, 2017, 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, 2017 Dyersburg Electric had no litigation or pending litigation.

At June 30, 2017 Dyersburg City Schools had no litigation or pending litigation.

At June 30, 2017 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.

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. Teachers with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 of Dyersburg City Schools are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer 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. The TCRS was created by state statute under Tennessee Code 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 www.treasury.tn.gov/tcrs.

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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 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. Under the Teacher Legacy Plan , benefit terms and conditions, including COLA's, 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 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, 2017 to the Teacher Legacy Pension Plan were \$987,950 which is 9.04 percent of covered payroll. The employer rate, when combined with members during the year, the cost of administration, as well as an 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 Liabilities (Assets). At June 30, 2017, the Dyersburg City Schools reported a liability of \$1,850,316 for its proportionate share of net pension asset. The net pension asset was measured as of June 30, 2016, 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, 2016 measurement date, Dyersburg City Schools' proportion was 0.296077 percent. The proportion measured as of June 30, 2015 was 0.292639 percent.

Pension Expense. For the year ended June 30, 2017, Dyersburg City Schools recognized a pension expense of \$199,837.

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Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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	\$ 77,868	\$ 2,240,120
Net difference between projected and actual earning on pension plan investments	2,065,903	
Changes in proportion of Net Pension Liability (asset)	55,394	123,062
LEAs contributions subsequent to the measurement date of June 30, 2015	987,950	N/A
Total	\$ 3,187,115	\$ 2,363,182

Dyersburg City Schools employer contributions of \$987,950, 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, 2018. 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:

2018	\$ (365,445)
2019	(364,445)
2020	626,567
2021	79,069
2022	(140,762)
Thereafter	-

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

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	Graded salary ranges from 8.97 percent to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.5 Percent

Mortality rates are customized based on the June 30, 2012 actuarial experience study and included some adjustment for expected future improvement in life expectancy.

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The actuarial assumptions used in the June 30, 2015 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. 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, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as 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. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established 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 inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return 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	33%	6.46%
Developed market international equity	17%	6.26%
Emerging market international equity	5%	6.40%
Private equity and strategic lending	8%	4.61%
U.S. fixed income	29%	0.98%
Real Estate	7%	4.73%
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 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 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.

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Sensitivity of the 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 7.5 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 (6.5 percent) or 1 percentage-point higher (8.5 percent) than the current rate:

	Net Pension Liability
1% Decrease (6.5%)	\$ 10,160,406
Current Discount Rate (7.5%)	\$ 1,850,316
1% Increase (8.5%)	\$ (5,033,387)

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, 2017, the Dyersburg City Schools Board of Education reported a payable of \$126,968 for the outstanding amount of contributions due to TCRS for the year.

2. Teacher Retirement Plan (TCRS)

Plan Description. Teachers with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 of Dyersburg City Schools are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014 are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by the state statute under Tennessee Code 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 www.treasury.tn.gov/tcrs.

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.

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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, 2017 to the Teacher Retirement Plan were \$52,606, which is 4 percent of covered payroll. The employer rate, when combined with members during the year, the cost of administration, as well as an 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, 2017, Dyersburg City Schools reported an asset of \$22,151 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, 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, 2016, Dyersburg City Schools' proportion was 0.212778 percent.

Pension Expense. For the year ended June 30, 2017, Dyersburg City Schools recognized pension expense of \$18,616.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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	\$ 2,146	\$ 2,554
Net difference between projected and actual earnings on pension plan investments	3,627	
Changes in net proportion of net pension liability	852	
Dyersburg City School's contributions subsequent to the measurement date of June 30, 2015	<u>52,606</u>	N/A
	<u>\$ 59,231</u>	<u>\$ 2,554</u>

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Dyersburg City Schools' employer contributions of \$52,606 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, 2018. 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:

2018	\$	968
2019		968
2020		968
2021		795
2022		18
Thereafter		356

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, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.5 percent

Mortality rates are customized based on the June 30, 2012 actuarial experience study and included an adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. 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, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as 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. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established 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 inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. Equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
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 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total liability was 7.5 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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Dyersburg City Schools' proportionate share of the net pension liability (asset)	\$10,460	(\$22,151)	(\$46,178)

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, 2017, the Dyersburg City Schools Board of Education reported a payable of \$17,320 for the outstanding amount of contributions due to TCRS for the year.

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.

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Benefits Provided. DCSR provides retirement, disability, and death benefits to plan members and their beneficiaries. Retirement benefits are calculated as 3 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 without an actuarial reduction. 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, 2016, the following employees were covered by the Plan:

Active employees	109
Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to but not yet receiving benefits	6
	151

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, 2016, 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, 2016 were 5 percent and \$170,684, respectively. Actual contributions for the year equaled \$170,684, or 100% of required contributions.

Net Pension Liability. The Dyersburg City Schools' net pension liability was measured as of December 31, 2016 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, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.0 percent, including inflation
Investment rate of return	7.0 percent, net of Plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study as of January 1, 2017. In addition, mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on 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 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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	Target Allocation	Long-term Expected Real Rate of Return
Domestic equities	45%	8.0%
International equities	25%	7.5%
Fixed income	4%	2.0%
Real estate	1%	5.0%
Cash	25%	0.0%
Total	100%	

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 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.

Changes in School's Net Pension Liability. Changes in the Dyersburg City Schools' net pension liability for the year ended June 30, 2017 were as follows:

Schedule of Changes in NPL, Deferrals, & Pension Expense - Non Professional Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 12/31/2015	\$ 7,092,548	\$ 4,820,873	\$ 2,271,675
Changes for the Year:			
Service cost	154,102		154,102
Interest expense	515,464		515,464
Benefit changes			
Experience losses (gains)	57,725		57,725
Changes of assumptions			
Contributions - employer		170,684	(170,684)
Contributions - employee		151,597	(151,597)
Net investment income		344,302	(344,302)
Expected return on plan investments			
Current expense of asset (gain)/loss			
Non expensed asset gain/(loss)			
Benefits paid	(273,613)	(273,613)	-
Plan administrative expenses		(12,850)	12,850
Recognition of prior post-measurement contribution			-
Post-measurement contribution			-
Other changes			-
Amortization of or change in beginning balances			-
Net changes	453,678	380,120	73,558
Balances at 12/31/2016	\$ 7,546,226	\$ 5,200,993	\$ 2,345,233

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Determination of Net Pension Liability. The components of the net pension liability at December 31, 2016 were as follows:

	<u>December 31, 2016</u>
Total Pension Liability (7.25%)	\$ 7,546,226
Plan Fiduciary Net Position	(5,200,993)
Net Pension Liability	\$ 2,345,233
 Plan Fiduciary Net Position as a % of Total Pension Liability	68.92%

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 (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$3,265,535	\$2,345,233	\$1,566,071

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, 2017, the Dyersburg City schools recognized pension expense of \$298,435. At June 30, 2017, 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	\$ 47,230	\$ 6,453
Changes of assumptions	-	-
Net difference between projected and actual earnings on Plan investment	292,887	-
Dyersburg City School's contributions subsequent to the measurement date of June 30, 2015	103,534	-
Total	\$ 443,651	\$ 6,453

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

Year ending June 30,	
2018	\$ 112,378
2019	112,376
2020	92,271
2021	11,389
2022	5,250
Thereafter	-

Payable to DCSRP. At June 30, 2017, the Dyersburg City Schools Board of Education reported a payable of \$29,508 for the outstanding amount of contributions due to DCSRP for the year.

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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.

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, 2016 valuation, pension plan participants consisted of the following:

Active plan participants	36
Inactive plan participants or beneficiaries currently receiving benefits	3
Total	39

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. Employees are required to contribute 1% 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, 2016, the system's contribution rate was 26.33% of covered-employee payroll.

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Investment Policy. The following was the Plan's adopted asset allocation policy as of June 30, 2016, as provided by the Plan's investment advisor.

<u>Asset Class</u>	<u>Asset Category</u>	<u>Strategic Weight</u>
Domestic Equity	Large Growth	10%
Domestic Equity	Lg Value/Long/Short	35%
Domestic Equity	Long/short	5%
Alternative	Event Driven/Fixed	15%
Alternative	Managed Futures	20%
Balanced	Global Allocation	5%
Balanced	Global Tactical	10%
Total:		<u>100%</u>

Rate of return. For the year ended June 30, 2016, the annual money-weighted rate of return on pension investments, net of pension plan investment expenses, was -2.78%. 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 \$4,041,255 was measured as of June 30, 2016, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of January 1, 2016.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement.

Measurement Date:	June 30, 2016								
Valuation Date:	January 1, 2016								
Mortality:	Customized table based on actual experience including an adjustment for some anticipated improvement								
Discount Rate:	6.75% per annum								
Salary projection:	3.50% per annum								
Retirement Age: Based upon eligibility for full (unreduced) benefits, as follows:									
	<table border="1"> <thead> <tr> <th style="text-align: center;"><u>Years Following First Eligibility</u></th> <th style="text-align: center;"><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">50%</td> </tr> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">25%</td> </tr> <tr> <td style="text-align: center;">2 or more</td> <td style="text-align: center;">5%</td> </tr> </tbody> </table>	<u>Years Following First Eligibility</u>	<u>Rate</u>	0	50%	1	25%	2 or more	5%
<u>Years Following First Eligibility</u>	<u>Rate</u>								
0	50%								
1	25%								
2 or more	5%								

Participants are assumed to retire no later than Normal Retirement

Cost of Living Increase: Not applicable

Long term inflation: 2.00%

Withdrawal rates: Crocker Sarason Table T-5

Disability rates: 25% of the 1952 Intercompany Disability Table

The January 2016 valuation report is based on the cost method and assumptions noted above. The assumptions remained the same as those for the prior valuation.

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.

CITY OF DYERSBURG, TENNESSEE
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June 30, 2017

<u>Asset Class</u>	<u>Long-term Expected Rate of Return</u>
Large Blend	7-10%
Large Value	7-10%
Alternatives	5-7%
Event Driven/Fixed Income	6-8%
Managed Futures	8-9%
Global Balanced	6-8%

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.

Changes in Net Pension Liability

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at June 30, 2015	\$ 9,695,416	\$ 5,718,951	\$ 3,976,465
Changes for the year:			
Service Cost	180,750	-	180,750
Interest	659,210	-	659,210
Change of benefit terms	(87,835)		
Difference between expected and actual experience	(297,634)	-	(297,634)
Contributions - employer	-	563,829	(563,829)
Contributions - employee	-	21,354	(21,354)
Net investment income	-	(162,968)	162,968
Benefit payments, including refunds of employee contributions	(223,826)	(223,826)	-
Administrative expenses	-	(32,514)	32,514
Net changes	230,665	165,875	64,790
Balances at June 30, 2016	<u>\$ 9,926,081</u>	<u>\$ 5,884,826</u>	<u>\$ 4,041,255</u>

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

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net Pension Liability	\$ 5,321,825	\$ 4,041,255	\$ 2,951,898

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended June 30, 2017, the system recognized \$594,450 in pension income. Deferred outflows of resources and deferred inflows of resources related to pensions are as follows:

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 31,616	\$ 454,100
Changes of assumptions	1,115,723	725,764
Net difference between projected and actual earnings on pension plan investments	915,550	-
Contributions subsequent to the measurement date of June 30, 2016	<u>512,669</u>	<u>-</u>
Total:	<u>\$ 2,575,558</u>	<u>\$ 1,179,864</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2016," 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:

2018	\$ 228,197
2019	\$ 228,199
2020	\$ 163,602
2021	\$ 50,792
2022	\$ (15,016)
Thereafter	\$ 227,251

Payable to Plan. At June 30, 2017, the system reported a payable of \$0.00 for the outstanding amount of contributions to the pension plan.

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, 2017, the system contributed \$8,727 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, 2017, there were no amounts due from the System for contributions to the defined contribution plan.

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

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 Pension Board.

At June 30, 2016, the following employees were covered by the Plan:

Active employees	100
Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to deferred benefits	37
Total	181

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, 2017, the average active member contribution rate was 5.0 percent of annual pay, and the City's average contribution rate was 31.38 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, 2016 Actuarial Valuation Report. The actuary annually reviews the assumptions and method for reasonableness. Periodically, a complete plan experience study is conducted.

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:

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.

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

<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>	

Discount Rate. 3.13% 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 50% 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, 2026. 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 2.70%. This is equivalent to an average assumed rate of return of approximately 3.13%.

Net Pension Liability. The components of the net pension liability at June 30, 2016 were as follows:

Total Pension Liability	\$ 34,427,086
Plan Fiduciary Net Position	<u>\$ (3,267,837)</u>
Net Pension Liability	<u><u>\$ 31,159,249</u></u>

Plan Fiduciary Net Position as a Percentage of Total Pension Liability. 9.49%

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	2.13%	\$ 36,147,808
Current discount rate	3.13%	\$ 31,159,249
1% increase	4.13%	\$ 27,083,003

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended June 30, 2017, the recognized pension expense will be \$435,153. At June 30, 2016, 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>
Experience losses (gains)	\$ 2,131,430	\$ 3,600,508
Changes of assumptions	16,732,155	-
Contribution subject to measurement date of June 30, 2016	\$ 863,600	\$ -
Net difference between projected and actual earnings on investments	<u>153,312</u>	<u>125,725</u>
Total:	<u>\$ 19,880,497</u>	<u>\$ 3,726,233</u>

Contributions after the measurement date of June 30, 2016 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:

2017	\$ 1,442,365
2018	\$ 1,442,365
2019	\$ 1,505,227
2020	\$ 1,496,813
2021	\$ 1,464,796
Thereafter	\$ 7,939,099

F. Postemployment Healthcare Plan

Dyersburg City Schools

1. Plan Description

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

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

2. Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants, however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2017, the district contributed \$284,406 for postemployment benefits.

<u>Annual OPEB Cost and Net OPEB Obligation</u> (dollars in thousands)	<u>Teacher Group Plan</u>
ARC	\$ 284,406
Interest on the NPO	65,725
Adjustment	<u>(65,979)</u>
Annual OPEB cost	284,152
Amount of contribution	<u>(284,406)</u>
Increase/Decrease in NPO	(254)
Net OPEB obligation - beginning of year	<u>1,752,666</u>
Net OPEB obligation - end of year	<u><u>\$ 1,752,412</u></u>

<u>Year End*</u>	<u>Plan</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation At Year End</u>
6/30/2017	Teacher Group	\$ 284,152	100.09%	\$ 1,752,412
6/30/2016	Teacher Group	\$ 409,416	53.29%	\$ 1,752,666
6/30/2015	Teacher Group	\$ 472,985	38.97%	\$ 1,561,426

3. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2017, was as follows (dollars in thousands):

	<u>Teacher Group Plan</u>
Actuarial valuation date	6/30/2017
Actuarial accrued liability (AAL)	\$ 1,970,503
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$ 1,970,503
Actuarial Value of Assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 15,803,248
UAAL as a percentage of covered payroll	12.47%

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

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

4. Actuarial Methods and Assumptions

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

In the July 1, 2015, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 6 percent for fiscal year 2016. The trend will decrease to 5.75 percent in fiscal year 2017 and then be reduced by decrements to an ultimate rate of 4.645 percent by fiscal year 2052. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

5. On-Behalf Payments for Postretirement Insurance Benefits

The Dyersburg City Schools recognizes as revenues and expenses contributions made by the State of Tennessee to the Teacher Group Plan and Medicare Plan on behalf of the School's employees. For the year ended June 30, 2017, the State made contributions to the Teacher Group Plan of approximately \$118,240 and to the Medicare Plan of approximately \$52,338.

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, 2017	Amount of Taxes Abated During Year Ended June 30, 2017
Caterpillar		
Effective 2002, 2003-2012 0%, 2013 increasing every year by 10%, 2022 100%	100% Personal Property	\$ 392
Effective 2003, 2004-2013 0%, 2014 increasing every year by 10%, 2023 100%	100% Personal Property	477
Effective 2004, 2005-2014 0%, 2015 increasing every year by 10%, 2024 100%	100% Personal Property	764
Effective 2005, 2006-2015 0%, 2016 increasing every year by 10%, 2025 100%	100% Personal Property	179

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Entity and Terms	Percentage of Taxes Abated During Year Ended June 30, 2017	Amount of Taxes Abated During Year Ended June 30, 2017
Effective 2006, 2007-2016 0%, 2017 increasing every year by 10%, 2026 100%	100% Personal Property	8,500
Effective 2007, 2008-2017 0%, 2018 increasing every year by 10%, 2027 100%	100% Personal Property	3,843
Effective 2008, 2009-2018 0%, 2019 increasing every year by 10%, 2028 100%	100% Personal Property	3,492
Effective 2009, 2010-2019 0%, 2020 increasing every year by 10%, 2029 100%	100% Personal Property	1,908
Effective 2011, 2012-2021 0%, 2022 increasing every year by 10%, 2031 100%	100% Personal Property	119
Effective 2012, 2013-2022 0%, 2023 increasing every year by 10%, 2032 100%	100% Personal Property	41
Effective 2013, 2014-2023 0%, 2024 increasing every year by 10%, 2033 100%	100% Personal Property	1,038
Effective 2014, 2015-2024 0%, 2025 increasing every year by 10%, 2034 100%	100% Personal Property	2,728
Effective 2015, 2016-2025 0%, 2026 increasing every year by 10%, 2035 100%	100% Personal Property	5,736
Effective 2016, 2017-2026 0%, 2027 increasing every year by 10%, 2036 100%	100% Personal Property	5,652
		<u>5,652</u>
		\$ 34,869
NSK		
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	1,563
Effective 2008, 2009-2017 0%, 2018 increasing every year by 10%, 2027 100%	100% Personal Property	414
Effective 2009, 2010-2018 0%, 2019 increasing every year by 10%, 2028 100%	100% Personal Property	4,461
Effective 2010, 2011-2019 0%, 2020 increasing every year by 10%, 2029 100%	100% Personal Property	15,997

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Entity and Terms	Percentage of Taxes Abated During Year Ended June 30, 2017	Amount of Taxes Abated During Year Ended June 30, 2017
Effective 2011, 2012-2020 0%, 2021 increasing every year by 10%, 2030 100%	100% Personal Property	9,365
Effective 2012, 2013-2021 0%, 2022 increasing every year by 10%, 2031 100%	100% Personal Property	48,362
Effective 2013, 2014-2022 0%, 2023 increasing every year by 10%, 2032 100%	100% Personal Property	60,901
Effective 2014, 2015-2023 0%, 2024 increasing every year by 10%, 2033 100%	100% Personal Property	9,359
Effective 2015, 2016-2024 0%, 2025 increasing every year by 10%, 2034 100%	100% Personal Property	29,269
Effective 2016, 2017-2025 0%, 2026 increasing every year by 10%, 2035 100%	100% Personal Property	8,164
		<u>8,164</u>
		\$ 252,253
DOT Foods		
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	2,464
Effective 2015, 2016-2030 0% 2031 - 25%, 2032- 50% 2033 - 75%, 2034 - 100%	100% Personal Property	2,752
Effective 2016, 2017-2031 0% 2032 - 25%, 2033- 50% 2034 - 75%, 2035 - 100%	100% Personal Property	20,116
		<u>20,116</u>
		\$ 179,443

REQUIRED SUPPLEMENTARY INFORMATION SECTION

**CITY OF DYERSBURG, TENNESSEE
DYERSBURG CITY SCHOOLS
SCHEDULE OF FUNDING PROGRESS - POST EMPLOYMENT HEALTHCARE PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2017	\$ -	\$ 1,970,503	\$ 1,970,503	0%	\$ 15,803,248	12.47%
7/1/2015	-	4,415,000	4,415,000	0%	12,560,273	35.15%
7/1/2011	-	4,920,000	4,920,000	0%	15,005,586	32.79%
7/1/2009	-	4,478,000	4,478,000	0%	13,932,936	32.14%
7/1/2007	-	4,442,000	4,442,000	0%	12,641,593	35.14%

The above schedule is designed to show the extent to which a post employment healthcare plan has been successful over time in setting aside assets sufficient to cover its actuarial accrued liability.

See independent auditor's report

**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,**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Dyersburg City Schools' proportion of the net pension liability (asset)	0.296077%	0.292639%	0.307025%
Dyersburg City Schools' proportionate share of the net pension liability (asset)	\$ 1,850,316	\$ 119,875	\$ 49,890
Dyersburg City Schools' covered payroll	\$ 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-employee payroll	17.31%	1.09%	0.41%
Plan fiduciary net position as a percentage of the total pension liability	97.14%	99.81%	100.08%

* The amounts presented were determined as of June 30 of the prior fiscal year.

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.

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,**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 987,950	\$ 966,175	\$ 990,327	\$ 1,070,102
Contribution in relation to the contractually required contribution	<u>\$ 987,950</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>
Dyersburg City Schools' covered payroll	\$ 10,927,779	10,687,813	\$ 10,954,981	\$ 12,050,701
Contributions as a percentage of Dyersburg City Schools' covered payroll	9.04%	9.04%	9.04%	8.88%

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.

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,**

	<u>2016</u>	<u>2015</u>
Dyersburg City Schools' proportion of the net pension liability (asset)	0.212778	0.248278
Dyersburg City Schools' proportionate share of the net pension liability (asset)	(\$22,151)	(9,988)
Dyersburg City Schools' covered payroll	\$936,230	\$515,864
Dyersburg City Schools' proportionate share of the net pension liability (asset) as a percentage of its' covered-employee payroll	(2.37)%	(1.94)%
Plan fiduciary net position as a percentage of the total pension liability	121.88%	127.46%

* The amounts presented were determined as of June 30 of the prior fiscal year.

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.

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,**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 32,879	\$ 23,436	\$ 12,897
Contributions in relation to the contractually required contribution	<u>52,606</u>	<u>37,449</u>	<u>20,634</u>
Contribution deficiency (excess)	<u>\$ (19,727)</u>	<u>\$ (14,014)</u>	<u>\$ (7,738)</u>
Dyersburg City Schools' covered payroll	\$ 1,315,154	\$ 936,230	\$ 515,864
Contributions as a percentage of Dyersburg City Schools' covered payroll	4.00%	4.00%	4.00%

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.

See independent auditor's report

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

	2016	2015	2014
Total Pension Liability			
Service cost	\$ 154,102	\$ 147,466	\$ 154,945
Interest	515,464	489,615	467,004
Changes of benefit terms	-	-	-
Difference between expected and actual experience	57,725	-	(14,196)
Changes of assumptions	-	-	-
Benefit payments/refunds	(273,613)	(300,765)	(276,019)
Net change in total pension liability	453,678	336,316	331,734
Total pension liability - beginning	7,092,548	6,756,232	6,424,498
Total pension liability - ending (a)	7,546,226	7,092,548	6,756,232
Plan Fiduciary Net Position			
Contributions - employer	151,597	139,300	135,007
Contributions - employee	70,684	111,008	39,835
Net investment income	344,302	(56,640)	236,873
Benefit payments/refunds	(273,613)	(300,765)	(276,019)
Administrative expenses	(12,850)	(7,271)	(8,948)
Other	-	-	-
Net change in plan fiduciary net position	380,120	(114,368)	126,748
Plan fiduciary net position - beginning	4,820,873	4,935,211	4,808,463
Plan fiduciary net position - ending (b)	5,200,993	4,820,873	4,935,211
Net pension liability - ending (a) - (b)	\$ 2,345,233	\$ 2,271,675	\$ 1,821,021
Plan fiduciary net position as a % of the total pension liability	68.92%	67.97%	73.05%
Covered-employee payroll	\$ 3,020,158	\$ 2,571,722	\$ 2,571,722
Net pension liability as a % of covered-employee payroll	77.65%	88.33%	70.81%

Notes to schedule

See summary of plan provisions for notes regarding benefit changes. See summary of actuarial assumptions and methods for notes regarding changes in assumptions. Plan year-end is December 31. This schedule is required to present ten years of data. However, information measured in accordance with the requirements of GASB Statement No. 68 is not available for years prior to those presented above. During the transition period, this information will be presented for as many years as are available.

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,**

Schedule of Employer Contributions

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 170,752	\$ 170,567	\$ 170,567
Contributions in relation to the contractually required contribution	<u>170,684</u>	<u>111,008</u>	<u>39,835</u>
Contribution deficiency (excess)	<u>\$ (68)</u>	<u>\$ (59,559)</u>	<u>\$ (130,732)</u>
Covered-employee payroll	\$ 3,020,158	\$ 2,571,722	\$ 2,571,722
Contributions as a percentage of covered-employee payroll	5.7%	4.3%	1.5%

Schedule of Investment Returns

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	7.2%	-1.2%	5.0%

See summary of plan provisions for notes regarding benefit changes. See summary of actuarial assumptions and methods for notes regarding changes in assumptions. Plan year-end is December 31. This schedule is required to present ten years of data. However, information measured in accordance with the requirements of GASB Statement No. 68 is not available for years prior to those presented above. During the transition period, this information will be presented for as many years as are available.

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,**

Salary Scale

4.5% annual increase to normal retirement

Rate of Retirement

Assume retirement as soon as eligible

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 values for Statement No. 67 and Statement No. 68

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
Total pension liability			
Service cost	\$ 199,281	\$ 151,433	\$ 180,750
Interest	666,182	579,581	659,210
Change in benefit terms	-	-	(87,835)
Differences between expected and actual experience	(309,905)	40,702	(297,634)
Changes of assumptions	(1,183,177)	1,436,333	-
Benefit payments, including refunds of employee contributions	(772,834)	(174,754)	(223,826)
Net change in total pension liability	(1,400,453)	2,033,295	230,665
Total pension liability - beginning*	9,062,574	7,662,121	9,695,416
Total pension liability - ending (a)	<u>\$ 7,662,121</u>	<u>\$ 9,695,416</u>	<u>\$ 9,926,081</u>
Plan fiduciary net position			
Contributions - total	\$ 518,955	\$ 596,336	\$ 585,183
Net investment income	87,971	(140,669)	(162,968)
Benefit payments, including refunds of employee contributions	(772,834)	(174,754)	(223,826)
Administrative expenses	-	-	(32,514)
Other changes	-	-	-
Net change in plan fiduciary net position	(165,908)	280,913	165,875
Plan fiduciary net position - beginning*	5,603,946	5,438,038	5,718,951
Plan fiduciary net position - ending (b)	<u>\$ 5,438,038</u>	<u>\$ 5,718,951</u>	<u>\$ 5,884,826</u>
Net pension liability -- ending (a) - (b)	<u>\$ 2,224,083</u>	<u>\$ 3,976,465</u>	<u>\$ 4,041,255</u>
Plan fiduciary net position as a percentage of the total pension liability	70.97%	58.99%	59.29%
Covered-employee payroll	\$ 2,241,803	\$ 2,268,421	\$ 2,222,558
Net pension liability as a percentage of covered-employee payroll	99.21%	175.30%	181.83%

*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,**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially Determined Contributions*	\$ 348,722	\$ 353,937	\$ 400,043	\$ 512,669
Contributions in relation to the actuarially determined contribution	<u>518,955</u>	<u>596,336</u>	<u>585,183</u>	<u>512,669</u>
Contribution deficiency (excess)	<u>\$ (170,233)</u>	<u>\$ (242,399)</u>	<u>\$ (185,140)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,241,803	\$ 2,268,421	\$ 2,222,558	\$ 2,091,164
Contributions as a percentage of covered-employee payroll	23.15%	26.29%	26.33%	24.52%

*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:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Asset valuation method:	Market value of assets adjusted to phase in asset gains and losses from 01/01/2015 over a five-year period at 20% per year. Valuation assets are further limited to a 20% corridor around market value.
Salary increases:	3.50%
Investment rate of return	6.75%, net of pension plan investments
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

	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Annual money-weighted rate of return, net of investment expense	1.58%	-2.52%	-2.78%	Unavailable

See independent auditor's report

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,

	2016	2015	2014
Total pension liability			
Service cost	\$ 147,906	\$ 307,788	\$ 228,092
Interest	1,594,600	1,580,201	1,366,509
Change in benefit terms	(3,199,658)	-	-
Experience losses (gains)	(4,269,455)	1,480,375	1,185,379
Changes of assumptions	1,704,042	1,071,261	19,079,843
Benefit payments, including refunds of employee contributions	(1,919,959)	(2,055,619)	(2,094,336)
Net change in total pension liability	(5,942,524)	2,384,006	19,765,487
Total pension liability - beginning	40,369,610	37,985,604	18,220,117
Total pension liability - ending (a)	<u>\$ 34,427,086</u>	<u>\$ 40,369,610</u>	<u>\$ 37,985,604</u>
Plan fiduciary net position			
Contributions - employer	\$ 2,103,281	\$ 725,193	\$ 724,200
Contributions - employee	336,670	434,424	456,147
Net investment income	65,896	192,358	578,519
Benefit payments, including refunds of employee contributions	(1,919,959)	(2,055,619)	(2,094,336)
Administrative expenses	(142,286)	(91,727)	(49,374)
Net change in plan fiduciary net position	443,602	(795,371)	(384,844)
Plan fiduciary net position - beginning	2,824,235	3,619,606	4,004,450
Plan fiduciary net position - ending (b)	<u>\$ 3,267,837</u>	<u>\$ 2,824,235</u>	<u>\$ 3,619,606</u>
Net pension liability -- ending (a) - (b)	<u>\$ 31,159,249</u>	<u>\$ 37,545,375</u>	<u>\$ 34,365,998</u>
Plan fiduciary net position as a percentage of the total pension liability	9.49%	7.00%	9.53%
Covered-employee payroll	\$ 5,157,214	\$ 5,630,192	\$ 8,003,375
Net pension liability as a percentage of covered-employee payroll	604.2%	489.3%	429.4%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,600,000	\$ 1,700,000	\$ 2,100,000	\$ 1,507,494
Contributions in relation to the actuarially determined contribution	<u>863,600</u>	<u>2,100,000</u>	<u>700,000</u>	<u>724,200</u>
Contribution deficiency (excess)	<u>736,400</u>	<u>\$ (400,000)</u>	<u>\$ 1,400,000</u>	<u>\$ 783,294</u>
Covered-employee payroll	4,900,000	\$ 5,200,000	\$ 7,700,000	\$ 8,003,375
Contributions as a percentage of covered employee payroll	17.8%	40.80%	9.50%	9.05%

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.

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:	10
Asset valuation:	No smoothing period
Inflation	3.0%
Salary increases:	N/A
Investment rate of return	7.5%
Retirement age:	N/A
Mortality:	RP-2000 (Healthy and Disabled) with generational projection per Scale AA for healthy participants
Cost of living adjustments:	2.5%

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SUPPLEMENTARY AND OTHER INFORMATION SECTION

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF FUNDING PROGRESS - EMPLOYEE RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2016	\$ 3,267,837	\$ 21,090,920	\$ 17,823,083	15.00%	\$ 5,200,000	342.75%
7/1/2015	2,008,959	20,583,408	18,574,449	9.76%	7,700,000	241.22%
7/1/2014	3,619,606	25,997,752	22,378,146	13.92%	8,003,375	279.61%
7/1/2013	4,004,450	15,516,122	11,511,672	25.81%	10,631,688	108.28%
7/1/2011	4,263,221	14,829,284	10,566,063	28.75%	11,070,387	95.44%

- a. The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies, and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the pension benefit obligations as a factor.
- b. Looking at the actuarial accrued liability or the unfunded actuarial accrued liability in isolation can be misleading.
- (i.) Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the extent to which a plan is funded. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan is.
- (ii.) Expressing the unfunded actuarial accrued liability as a percentage of the annual covered payroll approximately adjusts for the effects of inflation and aids analysis of funding progress. Generally, the smaller the unfunded percentage, the stronger the plan.

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CITY OF DYERSBURG, TENNESSEE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2017

	Special Revenue Funds										Total	Debt Service Fund	Capital Project Fund	School Capital Project Fund	Permanent Fund Cemetery Care	Total Nonmajor Governmental Funds
	TIP	Cafeteria	Federal Projects	Community Development	Insurance Reserve											
Cash	\$ 243,313	\$ 624,797	\$ 127,137	\$ 5,379	\$ 1,602,216	\$ 2,602,842	\$ 1,383,364	\$ 1,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,987,499	
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,467,626	
Accounts receivable	-	32,504	112,223	-	-	144,727	549,772	-	-	-	-	-	-	-	694,499	
Notes receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Due from other funds	53,415	-	-	-	-	53,415	500,000	-	-	-	-	-	3,600	-	557,015	
Inventory	-	69,413	-	-	-	69,413	-	-	-	-	-	-	-	-	69,413	
Deposits	-	-	-	-	92,950	92,950	-	-	-	-	-	-	-	-	92,950	
Total Assets	\$ 296,728	\$ 726,714	\$ 239,360	\$ 5,379	\$ 1,695,166	\$ 2,963,347	\$ 2,433,136	\$ 1,293	\$ -	\$ 1,471,226	\$ -	\$ 1,293	\$ -	\$ 1,471,226	\$ 6,869,002	

LIABILITIES AND FUND BALANCES

Liabilities:																
Accounts payable	\$ -	\$ -	\$ 5,999	\$ -	\$ 423,195	\$ 429,194	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 429,194	
Accrued liabilities	-	37,766	223,416	-	-	261,182	27,660	-	-	-	-	-	-	-	288,842	
Due to other funds	-	-	9,945	-	1,221,478	1,231,423	-	-	-	500,000	-	-	7,750	-	1,739,173	
Unavailable confiscated funds	12,725	-	-	-	-	12,725	-	-	-	-	-	-	-	-	12,725	
Total Liabilities	12,725	37,766	239,360	-	1,644,673	1,934,524	27,660	-	-	500,000	-	-	7,750	-	2,469,934	
Fund balances:																
Non-spendable	-	69,413	-	-	-	69,413	-	-	-	-	-	-	-	-	69,413	
Restricted	284,003	619,535	-	5,379	-	908,917	2,405,476	1,293	-	-	-	-	1,463,476	-	4,779,162	
Committed	-	-	-	-	50,493	50,493	-	-	-	-	-	-	-	-	50,493	
Unassigned	-	-	-	-	-	-	-	-	-	(500,000)	-	-	-	-	(500,000)	
Total Fund Balances	284,003	688,948	-	5,379	50,493	1,028,823	2,405,476	1,293	-	(500,000)	(500,000)	-	1,463,476	-	4,399,068	
Total Liabilities and Fund Balances	\$ 296,728	\$ 726,714	\$ 239,360	\$ 5,379	\$ 1,695,166	\$ 2,963,347	\$ 2,433,136	\$ 1,293	\$ -	\$ 1,471,226	\$ -	\$ 1,293	\$ -	\$ 1,471,226	\$ 6,869,002	

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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, 2017

	T I P	Special Revenue Funds					Total	Debt Service Fund	Capital Project Fund	School Capital Project Fund	Permanent Fund Cemetery Care	Total Nonmajor Governmental Funds
		Cafeteria	Federal Projects	Community Development	Insurance Reserve							
Revenues:												
Local sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,596,399	\$ -	\$ -	\$ -	\$ 1,596,399	
Unauthorized substance tax	-	-	-	-	-	-	-	-	-	-	-	
U.S.D.A. reimbursements	-	1,446,018	-	-	-	1,446,018	-	-	-	-	1,446,018	
State school matching funds	-	158,318	-	-	-	158,318	-	-	-	-	158,318	
State housing grants	-	-	233,287	-	-	233,287	-	-	-	-	233,287	
State education grants	-	-	2,386,593	-	-	2,386,593	-	-	-	-	2,386,593	
Charges for service	-	274,907	-	-	-	274,907	-	-	-	-	274,907	
Fines, forfeits, and penalties	63,300	-	-	-	-	63,300	-	-	-	-	63,300	
Sale of assets	40,215	-	-	-	-	40,215	-	-	-	-	40,215	
Investment earnings	239	-	30,227	666	-	31,132	8,974	5	-	2,821	42,932	
Joint cost reimbursements	-	-	-	2,849,602	-	2,849,602	-	-	-	-	2,849,602	
Miscellaneous	-	196,956	-	2,000	-	198,956	-	-	37,500	-	236,456	
Total revenues	103,754	2,076,199	2,386,593	265,514	2,850,268	7,682,328	1,605,373	5	37,500	2,821	9,328,027	
Expenditures:												
Current:												
General and administrative	44,929	-	251,849	2,850,268	-	3,147,046	-	-	-	11,070	3,158,116	
Education	-	1,974,556	2,386,593	-	-	4,361,149	-	-	-	-	4,361,149	
Capital outlay	43,561	-	-	-	-	43,561	-	-	499,646	-	543,207	
Total expenditures	88,490	1,974,556	2,386,593	251,849	2,850,268	7,551,756	-	-	499,646	11,070	8,062,472	
Revenues over (under) expenditures	15,264	101,643	-	13,665	-	130,572	1,605,373	5	(462,146)	(8,249)	1,265,555	
Other financing sources (uses):												
Transfer from other funds	-	-	-	-	-	-	280,648	-	26,093	33,223	339,964	
Transfer to other funds	-	-	-	-	-	-	(1,696,369)	-	(63,947)	(33,620)	(1,793,936)	
Total other financing sources (uses)	-	-	-	-	-	-	(1,415,721)	-	(37,854)	(397)	(1,453,972)	
Net change in fund balances	15,264	101,643	-	13,665	-	130,572	189,652	5	(500,000)	(8,646)	(188,417)	
Fund balances - July 1, 2016	268,739	587,305	-	(8,286)	50,493	898,251	2,215,824	1,288	-	1,472,122	4,587,485	
Fund balances - June 30, 2017	\$ 284,003	\$ 688,948	\$ -	\$ 5,379	\$ 50,493	\$ 1,028,823	\$ 2,405,476	\$ 1,293	\$ (500,000)	\$ 1,463,476	\$ 4,399,068	

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CITY OF DYERSBURG, TENNESSEE
T I P FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:			
Unauthorized substance tax	\$ 20,000	\$ -	\$ (20,000)
Fines, forfeits, and penalties	30,000	63,300	33,300
Miscellaneous revenue	80,000	40,215	(39,785)
Investment earnings	1,000	239	(761)
Total revenues	<u>131,000</u>	<u>103,754</u>	<u>(27,246)</u>
EXPENDITURES:			
General and administrative			
Small items of equipment	5,000	9,984	(4,984)
Repair and maintenance	15,000	11,896	3,104
Other	25,000	23,049	1,951
Total general and administrative	<u>45,000</u>	<u>44,929</u>	<u>71</u>
Capital outlay	<u>85,000</u>	<u>43,561</u>	<u>41,439</u>
Total expenditures	<u>130,000</u>	<u>88,490</u>	<u>41,510</u>
Net Change in Fund Balance	1,000	15,264	14,264
Fund Balance - July 1, 2016	<u>268,739</u>	<u>268,739</u>	<u>-</u>
Fund Balance - June 30, 2017	<u>\$ 269,739</u>	<u>\$ 284,003</u>	<u>\$ 14,264</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, 2017**

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:			
State grants	\$ 300,000	\$ 233,287	\$ (66,713)
Investment earnings	100	30,227	30,127
Miscellaneous revenue	-	2,000	2,000
Total revenues	<u>300,100</u>	<u>265,514</u>	<u>(34,586)</u>
EXPENDITURES:			
General and administrative:			
Repair and maintenance	-	15,539	(15,539)
Miscellaneous	300,000	236,310	63,690
Total general and administrative	<u>300,000</u>	<u>251,849</u>	<u>48,151</u>
Total expenditures	<u>300,000</u>	<u>251,849</u>	<u>48,151</u>
Net Change in Fund Balance	100	13,665	13,565
Fund Balance - July 1, 2016	<u>(8,286)</u>	<u>(8,286)</u>	<u>-</u>
Fund Balance - June 30, 2017	<u>\$ (8,186)</u>	<u>\$ 5,379</u>	<u>\$ 13,565</u>

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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, 2017**

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:			
Investment earnings	\$ -	\$ 666	\$ 666
Joint cost reimbursements	3,278,300	2,849,602	(428,698)
Total revenues	<u>3,278,300</u>	<u>2,850,268</u>	<u>(428,032)</u>
EXPENDITURES:			
Hospital and health care expenditures:			
Medical claims	2,225,000	1,873,098	351,902
Drug claims	710,000	621,427	88,573
Life insurance	25,000	23,235	1,765
Re-insurance costs	237,300	236,875	425
Insurance administration	81,000	95,633	(14,633)
Total hospital and health care	<u>3,278,300</u>	<u>2,850,268</u>	<u>428,032</u>
Total expenditures	<u>3,278,300</u>	<u>2,850,268</u>	<u>428,032</u>
Net Change in Fund Balance	-	-	-
Fund Balance - July 1, 2016	<u>50,493</u>	<u>50,493</u>	-
Fund Balance - June 30, 2017	<u>\$ 50,493</u>	<u>\$ 50,493</u>	<u>-</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
U.S.D.A. reimbursements	\$ 1,331,000	\$ 1,373,155	\$ 1,446,018	\$ 72,863
State school matching funds	80,000	155,000	158,318	3,318
Charges for service	342,000	316,200	274,907	(41,293)
Miscellaneous revenue	247,000	235,645	196,956	(38,689)
Total revenues	<u>2,000,000</u>	<u>2,080,000</u>	<u>2,076,199</u>	<u>(3,801)</u>
EXPENDITURES:				
Education:				
Food	902,400	876,700	780,508	96,192
Cafeteria labor	649,000	648,600	645,581	3,019
Other expenditures	448,600	554,700	548,467	6,233
Total education	<u>2,000,000</u>	<u>2,080,000</u>	<u>1,974,556</u>	<u>105,444</u>
Total expenditures	<u>2,000,000</u>	<u>2,080,000</u>	<u>1,974,556</u>	<u>105,444</u>
Net Change in Fund Balance	-	-	101,643	101,643
Fund Balance - July 1, 2016	<u>587,305</u>	<u>587,305</u>	<u>587,305</u>	-
Fund Balance - June 30, 2017	<u>\$ 587,305</u>	<u>\$ 587,305</u>	<u>\$ 688,948</u>	<u>\$ 101,643</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
State education grants	\$ 2,207,025	\$ 2,550,796	\$ 2,386,593	\$ (164,203)
Total revenues	<u>2,207,025</u>	<u>2,550,796</u>	<u>2,386,593</u>	<u>(164,203)</u>
EXPENDITURES:				
Education:				
Regular instruction	1,069,080	1,231,946	1,209,220	22,726
Vocational education	43,541	45,663	45,663	-
Special education	591,397	707,312	694,963	12,349
Student support	26,251	79,446	25,767	53,679
Regular instruction support services	230,722	239,090	197,366	41,724
Special education support services	88,554	89,859	82,617	7,242
Vocational education support services	-	-	-	-
Community service	157,480	157,480	130,997	26,483
Maintenance of plant	-	-	-	-
Total education	<u>2,207,025</u>	<u>2,550,796</u>	<u>2,386,593</u>	<u>164,203</u>
Total expenditures	<u>2,207,025</u>	<u>2,550,796</u>	<u>2,386,593</u>	<u>164,203</u>
Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance - July 1, 2016	-	-	-	-
Fund Balance - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2017**

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:			
Local Sales Tax	\$ 1,550,000	\$ 1,596,399	\$ 46,399
Interest income	40,000	8,974	(31,026)
Total revenues	<u>1,590,000</u>	<u>1,605,373</u>	<u>15,373</u>
EXPENDITURES:			
	-	-	-
Revenues Over (Under) Expenditures	1,590,000	1,605,373	15,373
Other Financing Sources (Uses):			
Transfer from other funds	245,000	280,648	35,648
Transfer to other funds	(1,819,100)	(1,696,369)	122,731
Total other financing sources (uses)	<u>(1,574,100)</u>	<u>(1,415,721)</u>	<u>158,379</u>
Net Change in Fund Balance	15,900	189,652	173,752
Fund Balance - July 1, 2016	<u>2,215,824</u>	<u>2,215,824</u>	<u>-</u>
Fund Balance - June 30, 2017	<u><u>\$ 2,231,724</u></u>	<u><u>\$ 2,405,476</u></u>	<u><u>\$ 173,752</u></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, 2017

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:			
Interest income	\$ -	\$ 5	\$ 5
Total revenues	-	5	5
EXPENDITURES	-	-	-
Net Change in Fund Balance	-	5	5
Fund Balance - July 1, 2015	1,288	1,288	-
Fund Balance - June 30, 2017	\$ 1,288	\$ 1,293	\$ 5

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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, 2017**

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Investment earnings	\$ 35,000	\$ 38,014	\$ 3,014
Net decrease in fair value of investments	5,000	(43,337)	(48,337)
Miscellaneous revenues	1,000	8,144	7,144
Total revenues	41,000	2,821	(38,179)
Expenditures:			
Trustee fees	15,000	11,070	3,930
Revenues Over (under) expenditures	26,000	(8,249)	(34,249)
Other financing sources (uses)			
Transfers in	35,000	33,223	(1,777)
Transfers out	(35,000)	(33,620)	1,380
Total other financing sources (uses)	-	(397)	(397)
Net Change in Fund Balance	26,000	(8,646)	(34,646)
Fund balance - July 1, 2016	1,472,122	1,472,122	-
Fund balance - June 30, 2017	\$ 1,498,122	\$ 1,463,476	\$ (34,646)

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CITY OF DYERSBURG, TENNESSEE
 SCHOOL CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:	\$ 45,633	\$ -	\$ 37,500	\$ 37,500
EXPENDITURES:				
Education:				
Building improvements	545,633	500,000	499,646	354
Total education	<u>545,633</u>	<u>500,000</u>	<u>499,646</u>	<u>354</u>
Total expenditures	<u>545,633</u>	<u>500,000</u>	<u>499,646</u>	<u>354</u>
Revenues Over (Under) Expenditures	(500,000)	(500,000)	(462,146)	37,854
Other Financing Sources:				
Transfers from other funds	500,000	500,000	26,093	(473,907)
Transfers to other funds	-	-	(63,947)	(63,947)
Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>(37,854)</u>	<u>(537,854)</u>
Net Change in Fund Balance	-	-	(500,000)	(500,000)
Fund Balance - July 1, 2016	-	-	-	-
Fund Balance - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (500,000)</u>	<u>\$ (500,000)</u>

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CITY OF DYERSBURG, TENNESSEE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2017

	Internal Service Fund	Communications Service Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,876,948	\$ 148,133	\$ 2,025,081
Accounts receivable (net of allowance for uncollectibles)	-	13,768	13,768
Due from other funds	35,697	41,565	77,262
Total current assets	1,912,645	203,466	2,116,111
Noncurrent assets:			
Capital assets:			
Property, plant, and equipment	510,846	1,667,122	2,177,968
Less - accumulated depreciation	(452,921)	(1,326,056)	(1,778,977)
Net property, plant, and equipment	57,925	341,066	398,991
Other assets	21,339	-	21,339
Total Assets	1,991,909	544,532	2,536,441
 LIABILITIES			
Current liabilities:			
Accounts payable	7,118	4,754	11,872
Accrued payroll	7,817	11,820	19,637
Accrued compensated absences	9,078	20,971	30,049
Due to other funds	1,286,468	47,899	1,334,367
Total current liabilities	1,310,481	85,444	1,395,925
Noncurrent liabilities:			
Other accrued liabilities	8,442	22,754	31,196
Total Liabilities	1,318,923	108,198	1,427,121
 NET POSITION			
Investment in capital assets	57,925	341,066	398,991
Unrestricted	615,061	95,268	710,329
Total Net Position	\$ 672,986	\$ 436,334	\$ 1,109,320

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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, 2017

	<u>Internal Service</u>	<u>Communication Services</u>	<u>Combined</u>
Operating revenues:			
Joint costs	\$ 812,262	\$ 801,662	\$ 1,613,924
Miscellaneous revenues	10,149	293,882	304,031
Total operating revenues	<u>822,411</u>	<u>1,095,544</u>	<u>1,917,955</u>
Operating expenses:			
Customer service and collection	767,792	-	767,792
Communication services	-	815,576	815,576
General and administrative	33,125	184,723	217,848
Emergency warning system	-	45,590	45,590
Depreciation and amortization	22,473	50,047	72,520
Total operating expense	<u>823,390</u>	<u>1,095,936</u>	<u>1,919,326</u>
Operating income (loss)	(979)	(392)	(1,371)
Nonoperating revenues (expenses):			
Interest income	979	10	989
Miscellaneous income	-	382	382
Total nonoperating revenues (expenses)	<u>979</u>	<u>392</u>	<u>1,371</u>
Change in net position	-	-	-
Total net position - July 1, 2016	<u>672,986</u>	<u>436,334</u>	<u>1,109,320</u>
Total net position - June 30, 2017	<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, 2017**

	Internal Service	Communication Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 822,341	\$ 203,399	\$ 1,025,740
Payments to suppliers	(188,918)	(313,547)	(502,465)
Payments to employees for services	(447,453)	(554,103)	(1,001,556)
Payments for employee benefits	(176,011)	(186,338)	(362,349)
Payments to other funds	348,580	10,833	359,413
Other receipts (payments)	(3,695)	891,462	887,767
Net cash provided by (used for) operating activities	<u>354,844</u>	<u>51,706</u>	<u>406,550</u>
CASH FLOWS FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(15,096)	-	(15,096)
Other receipts (payments)	-	382	382
Net cash provided by (used for) capital and related financing activities	<u>(15,096)</u>	<u>382</u>	<u>(14,714)</u>
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES			
Interest and investment earnings	979	10	989
Net cash provided by (used for) investing activities	<u>979</u>	<u>10</u>	<u>989</u>
Net increase (decrease) in cash and cash equivalents	340,727	52,098	392,825
Cash and cash equivalents - July 1, 2016	1,536,151	96,035	1,632,186
Cash and cash equivalents - June 30, 2017	<u>\$ 1,876,878</u>	<u>\$ 148,133</u>	<u>\$ 2,025,011</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (979)	\$ (392)	\$ (1,371)
Adjustments to reconcile net income (loss) from operations to net cash provided (used) by operating activities			
Depreciation	16,956	50,047	67,003
Amortization	5,517	-	5,517
(Increase) Decrease in Assets			
Accounts receivable, net of allowance	(70)	814	744
Due from other funds	9,058	(3,252)	5,806
Increase (Decrease) in Liabilities			
Accounts payable	3,494	(439)	3,055
Accrued payroll	(7,610)	(8,101)	(15,711)
Due to other funds	339,522	14,085	353,607
Other current liabilities	6,392		6,392
Compensated absences	(17,436)	(1,056)	(18,492)
Net cash provided by (used for) operating activities	<u>\$ 354,844</u>	<u>\$ 51,706</u>	<u>\$ 406,550</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, 2017

	<u>Budgeted Original & Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Operating Revenues:			
Miscellaneous revenues:			
Joint cost	\$ 881,800	\$ 791,262	\$ (90,538)
Computer services	21,000	21,000	-
Other	3,000	10,149	7,149
Total miscellaneous revenues	<u>905,800</u>	<u>822,411</u>	<u>(83,389)</u>
Operating Expenses:			
Customer service and collection:			
Salaries	171,700	162,696	9,004
Payroll taxes	13,100	12,429	671
Hospital and health insurance	62,600	39,296	23,304
Employee education	800	65	735
Publicity, subscriptions, and dues	8,000	3,362	4,638
Telephone	2,000	1,906	94
Office supplies	3,000	6,848	(3,848)
Small items of equipment	2,000	-	2,000
Postage	1,500	7,209	(5,709)
Repairs and maintenance	1,500	945	555
Other	2,600	3,695	(1,095)
Total customer service and collection	<u>268,800</u>	<u>238,451</u>	<u>30,349</u>
Billing:			
Salaries	115,100	110,431	4,669
Payroll taxes	8,800	7,843	957
Hospital and health insurance	14,100	11,132	2,968
Office supplies	4,500	4,759	(259)
Postage	35,000	31,855	3,145
Repairs and maintenance	1,500	1,182	318
Total billing	<u>179,000</u>	<u>167,202</u>	<u>11,798</u>
Meter reading:			
Salaries	120,300	113,410	6,890
Payroll taxes	9,200	8,033	1,167
Hospital and health insurance	45,600	35,589	10,011
Publicity, subscriptions, and dues	500	-	500
Telephone	700	1,670	(970)
Professional services	3,600	100	3,500
Operating supplies	500	190	310
Uniforms	300	-	300
Repairs and maintenance	7,500	5,896	1,604
Gas and oil	5,000	5,045	(45)
Insurance	1,000	1,037	(37)
Total meter reading	<u>194,200</u>	<u>170,970</u>	<u>23,230</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, 2017

	<u>Budgeted Original Final</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Operating Expenses (continued):			
Computer operations:			
Salaries	\$ 56,100	\$ 56,132	\$ (32)
Payroll taxes	4,300	4,226	74
Hospital and health insurance	22,900	17,033	5,867
Training	2,500	50	2,450
Publicity, subscriptions, dues	2,500	2,047	453
Telephone	3,000	4,354	(1,354)
Travel	1,500	1,668	(168)
Automobile allowance	2,700	2,700	-
Small items of equipment	5,700	4,116	1,584
Operating supplies	7,000	3,542	3,458
Repairs and maintenance	88,200	83,465	4,735
Insurance	12,000	11,836	164
Total computer operations	<u>208,400</u>	<u>191,169</u>	<u>17,231</u>
Administrative expenses:			
Vacation and sick leave	1,000	(5,526)	6,526
Hospital and health insurance	100	-	100
Retirement	29,600	29,386	214
Professional service	3,000	9,265	(6,265)
Other	200	-	200
Total administrative expenses	<u>33,900</u>	<u>33,125</u>	<u>775</u>
Depreciation and amortization expense	<u>23,500</u>	<u>22,473</u>	<u>1,027</u>
Total operating expense	<u>907,800</u>	<u>823,390</u>	<u>84,410</u>
Operating Income (loss)	(2,000)	(979)	1,021
Nonoperating Revenues (Expenses):			
Interest income	<u>2,000</u>	<u>979</u>	<u>(1,021)</u>
Change in Net Position	-	-	-
Total Net Position - July 1, 2016	<u>672,986</u>	<u>672,986</u>	<u>-</u>
Total Net Position - June 30, 2017	<u>\$ 672,986</u>	<u>\$ 672,986</u>	<u>\$ -</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, 2017

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
Operating Revenues:			
Miscellaneous revenues			
Joint cost	\$ 848,700	\$ 801,662	\$ (47,038)
Miscellaneous	283,800	293,882	10,082
Total miscellaneous revenues	<u>1,132,500</u>	<u>1,095,544</u>	<u>(36,956)</u>
Operating Expenses:			
General and administrative			
Salaries	66,200	69,541	(3,341)
Payroll taxes	5,100	5,642	(542)
Hospital and health insurance	8,600	6,649	1,951
Retirement	43,600	44,175	(575)
Postage	100	1	99
Publicity, subscriptions and dues	1,500	768	732
Utility services	24,000	23,980	20
Professional services	4,000	12,135	(8,135)
Travel	1,500	1,484	16
Automobile allowance	5,400	5,400	-
Insurance	15,000	13,451	1,549
Other	-	1,497	(1,497)
Total general and administrative	<u>175,000</u>	<u>184,723</u>	<u>(9,723)</u>
Communication services			
Salaries	461,700	466,230	(4,530)
Payroll taxes	35,300	33,524	1,776
Hospital and health insurance	163,800	94,938	68,862
Training	1,500	519	981
Publicity, subscriptions and dues	2,500	3,449	(949)
Telephone	18,000	16,116	1,884
Travel	1,000	5,821	(4,821)
Other contractual services	60,000	71,466	(11,466)
Mobile data services	45,000	44,459	541
Office supplies	3,000	1,508	1,492
Small items of equipment	14,500	12,723	1,777
Operating supplies	4,500	15,952	(11,452)
Uniforms	1,500	1,576	(76)
Repairs and maintenance	55,000	47,295	7,705
Total communication services	<u>867,300</u>	<u>815,576</u>	<u>51,724</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, 2017

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
Operating Expenses (continued)			
Emergency warning system			
Salaries	\$ 2,500	\$ 4,831	\$ (2,331)
Payroll taxes	200	354	(154)
Publicity, subscriptions and dues	2,000	560	1,440
Utility services	19,000	21,513	(2,513)
Small items of equipment	6,500	7,771	(1,271)
Operating supplies	5,000	20	4,980
Repairs and maintenance	5,000	10,541	(5,541)
Total emergency warning system	<u>40,200</u>	<u>45,590</u>	<u>(5,390)</u>
Depreciation and Amortization expense	<u>50,300</u>	<u>50,047</u>	<u>253</u>
Total operating expense	<u>1,132,800</u>	<u>1,095,936</u>	<u>36,864</u>
Operating Income (loss)	(300)	(392)	(92)
Nonoperating Revenues (Expenses):			
Interest income	-	10	10
Miscellaneous income	300	382	82
Total nonoperating revenues (expenses)	<u>300</u>	<u>392</u>	<u>92</u>
Change in Net Position	-	-	-
Total Net Position - July 1, 2016	<u>436,334</u>	<u>436,334</u>	<u>-</u>
Total Net Position - June 30, 2017	<u>\$ 436,334</u>	<u>\$ 436,334</u>	<u>\$ -</u>

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**CITY OF DYERSBURG, TENNESSEE
DEBT SERVICE REQUIREMENTS
JUNE 30, 2017**

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

Year Ended June 30,	3.70 - 4.00% Electric System Revenue Refunding and Improvement Bonds Series 2007		1.00 - 2.00% Electric System Revenue Refunding and Improvement Bonds Series 2015	
	Principal	Interest	Principal	Interest
2018	\$ 160,000	\$ 41,760	\$ 210,000	\$ 8,235
2019	165,000	35,600	200,000	5,400
2020	170,000	29,000	200,000	2,700
2021	180,000	22,200		
2022	185,000	15,000		
2023	190,000	7600		
	<u>\$ 1,050,000</u>	<u>\$ 151,160</u>	<u>\$ 610,000</u>	<u>\$ 16,335</u>

See independent auditor's report

CITY OF DYERSBURG, TENNESSEE
DEBT SERVICE REQUIREMENTS
JUNE 30, 2017

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

Year Ended June 30,	3.0 - 4.0%		1.515%		3.79%		2.24%	
	General Obligation Water & Sewer Refunding Bonds Series 2009		General Obligation Qualified School Construction Bonds Series 2009		General Obligation School Bonds Series 2013		General Obligation Refunding Bonds Series 2016	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 770,000	\$ 46,800	\$ 184,699	\$ 44,844	\$ 100,000	\$ 331,918	\$ 457,000	\$ 53,603
2019	785,000	15,700	184,699	44,844	100,000	329,918	468,000	43,366
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			204,906	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>\$ 1,555,000</u>	<u>\$ 62,500</u>	<u>\$ 1,682,498</u>	<u>\$ 403,596</u>	<u>\$ 9,245,000</u>	<u>\$ 3,854,670</u>	<u>\$ 2,393,000</u>	<u>\$ 163,184</u>

See independent auditor's report

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Year of Levy</u>	<u>Balance July 1, 2016</u>	<u>Current Assessments & Adjustments</u>	<u>Collections</u>	<u>Write-offs</u>	<u>Balance June 30, 2017</u>
2006	\$ 3,980	\$ -	\$ -	\$ (3,980)	\$ -
2007	6,556	-	-	-	6,556
2008	9,193	-	-	-	9,193
2009	4,648	-	-	-	4,648
2010	4,562	-	(141)	-	4,421
2011	9,830	362	(524)	-	9,668
2012	5,942	-	(207)	-	5,735
2013	6,689	(175)	-	-	6,514
2014	36,684	2	(28,348)	-	8,338
2015	324,684	(975)	(283,336)	-	40,373
2016	-	7,874,103	(7,581,870)	-	292,233
	<u>\$ 412,768</u>	<u>\$ 7,873,317</u>	<u>\$ (7,894,426)</u>	<u>\$ (3,980)</u>	<u>387,679</u>
					7,653,200
					<u>\$ 8,040,879</u>

Unassessed property tax receivable

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF UNCOLLECTED PROPERTY TAXES
SUBMITTED TO CHANCERY COURT CLERK FOR COLLECTION
JUNE 30, 2017**

Tax Year 2015	Property Owner	Tax Due
	Agee Warner E Jr	\$ 325
	Agnew Barnett	283
	Alford Paul F	1,043
	Anderson E V	43
	Anderson E V	27
	Anderson E V	31
	Anderson Eddie	75
	Austin Treasa	152
	Baker Lisa Tidwell	1,433
	Bishop Fred Jr	246
	Brittany R Meischner Irrev	101
	Burress Josephine	16
	Burress Josephine A	37
	Burress Josephine A	53
	Buskirk Susan	436
	Butler George F	72
	Butler George F	16
	Byars Clearchus	24
	Byars Clearchus	141
	Byars Clearchus	242
	Byars Clearchus	30
	Byrd Kathy K	422
	Campbell Debra	413
	Chambers Ronald	235
	Cox Richard	115
	Crawford Lonnie M	90
	Douglas Delois	182
	Douglas Joyce W	246
	Dowdy Billy M	201
	Elkins Raymond	532
	Ernst Linda A	227
	Evans Donna	189
	Falcon Winfred	49
	Falcon Winfred Lee	249
	Gilliam Charlie Alton	73
	Golladay Tommy Wayne	207
	Gourley Josephine L	247
	Gueary Joseph III	124
	H H Hudson Funeral	37
	Hampton Joe S	346
	Hanks Bessie B	190
	Britton Herring	386

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF UNCOLLECTED PROPERTY TAXES
SUBMITTED TO CHANCERY COURT CLERK FOR COLLECTION
JUNE 30, 2017**

Property Owner	Tax Due
Tax Year 2015 (Continued):	
Heisey Doris L	\$ 318
Heritage Family Inc	321
Heritage Family Inc	166
Hicks Ronnie Chad	233
Hicks Ronnie Chad	223
Hicks Ronnie Chad	193
Hicks Ronnie Chad	137
Hicks Ronnie Chad	85
Hillsman Joe R	190
Howell Elizabeth Ann Clark	132
Howell Elizabeth Ann Clark	366
Huddle Donald	43
Hunziker Michael	217
Hyles Tiawona	21
Jackson Anthony	184
Jarvis Barry Jay	54
Jarvis Barry Jay	11
Jarvis Barry Jay	242
Jones Bobbie Jean	30
Jowers Brodrick Anthony	363
King Larry L	382
Lawson Karen	159
Leksche Louis	18
Leonard Jerry Wayne	265
Littlejohn Mary S	379
Lucas Frederick L	152
Maclin Jerome	193
Mills Kayla	185
Moore Holmes Edward	158
Roland Coty W	117
Newsom Willie Sue	210
Newsom Winifred Carpenter	321
Parker Daisy	21
Parker Joe N	579
Pelham Joy C	666
Pettie Camelia Jane Owen	242
Pope Darwin Allen	163
Pope Grover	20
Pope Grover C Allen	277
Riggs Elvis	170
Royal Holiday Rentals	625
Royal Holiday Rentals	582

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE
 SCHEDULE OF UNCOLLECTED PROPERTY TAXES
 SUBMITTED TO CHANCERY COURT CLERK FOR COLLECTION
 JUNE 30, 2017**

	Tax Due
Tax Year 2015 (Continued):	
Royal Holiday Rentals	\$ 172
Royal Holiday Rentals	341
Royal Holiday Rentals	757
Dowdy Helen	48
Smith Kenny	205
Stout Paul	171
Tatro Jason	267
Taylor Annie	96
Taylor Annie B	202
TCB Nissan LLC	224
TCB Nissan LLC	273
Tidwell Joe F	707
Todd Rayburn	1,022
Tucker Homer H	2,910
Walker Willie C	43
Ward Lisa M	21
Weakley Susanne P	198
West TN Investments LLC	143
West TN Investments LLC	172
West TN Investments LLC	133
White Clarence R Jr	136
White James M	233
White Zedna	1,308
Wilson Brenda	213
Wilson Brenda	314
Wilson L C	178
Winchester James L	721
	\$ 30,207

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE
 SCHEDULE OF PROPERTY TAX RATES AND ASSESSMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Assessment Year</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Assessment</u>
2007	263,316,696	2.04	6,231,871
2008	311,329,183	1.99	6,784,826
2009	312,181,477	1.99	6,922,462
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

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Program/Cluster name</u>	<u>CFDA Number</u>	<u>Grantor Agency</u>	<u>Expenditures</u>
2015 Justice Assistance Grant Program		U.S. Department of Justice	36,629
Total Department of Justice			<u>36,629</u>
Airport Maintenance		U.S. Dept. of Transportation Federal Aviation Administration	30,155
Transportation Enhancement Program		U.S. Dept. of Transportation	13,145
Total Department of Transportation			<u>43,300</u>
2011 CDBG Disaster Recovery	14.228	U.S. Dept. of Housing and Urban Development	52,987
HOME Investment Partnership Program		U.S. Dept. of Housing and Urban Development	233,286
Total Department of Econ. & Comm. Dev.			<u>286,273</u>
Economic Adjustment Assistance		U.S Dept. of Commerce	163,414
Total Department of Commerce			<u>163,414</u>
Total All Federal Programs			<u>\$ 529,616</u>

Basis or presentation: The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance summarized the expenditures of The City of Dyersburg under programs of the federal and state governments for the year ended June 30, 2017. The schedule is presented using the modified accrual basis of accounting.

The Schedule of Expenditures of Federal Awards for Dyersburg Electric System and Dyersburg City Schools were presented in their separately issued audit reports and therefore, are not reported here.

See independent auditor's report

OTHER MISCELLANEOUS INFORMATION SECTION

CITY OF DYERSBURG
SCHEDULE OF PRINCIPAL TAXPAYERS (UNAUDITED)
JUNE 30, 2017

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Tax Year 2016</u>	
		<u>Assessed Valuation</u>	<u>Property Taxes Assessed and Paid</u>
Dyersburg Hospital Corp	Medical Services	\$ 15,299,222	\$ 362,592
ERMCO	Distribution Transformers	12,825,862	325,217
Sun Products	Household Cleaning Products	12,359,280	209,399
Nordyne	Air Conditioners	6,663,607	175,472
Polyone Corporation	Rubber and Plastic Products	3,797,235	127,154
Walmart Super Center	Discount Retailer	4,857,894	113,761
Hexsol Compounding	Rubber Products	4,583,845	101,657
First Citizens National Bank	Banking	3,590,001	84,925
Forcum Lannom, Inc.	Building Materials	2,996,043	71,581
Unionport (1980) Assoc LLC	Shopping Center	2,975,120	68,831
Caterpillar	Construction Equipment Parts	2,680,278	63,383
Lowe's Home Center, Inc.	Retailer	2,449,166	57,761
W TN Industrial Development	Industrial Property	3,885,280	56,880
BellSouth Communications	Public Utility	2,735,383	53,551
Excalibar Minerals, Inc.	Ground Minerals	2,150,529	48,784
Bridgestone	Automobile Parts	1,833,693	45,746
Dennis Miller	Rental Property	1,738,365	44,574
Action 49 Junction	Shopping Mall	1,948,901	43,889
Security Bank	Banking	1,673,022	39,650
Colonial Diversified Polymer	Rubber and Plastic Products	1,659,542	38,774
		<u>\$ 92,702,268</u>	<u>\$ 2,133,581</u>

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CURRENT UTILITY RATES IN FORCE (UNAUDITED)
JUNE 30, 2017**

	Rates	TVA Fuel Rate
Gas:		
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	
Water:		
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, 2017

	<u>Rates</u>	
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
Sewer:		
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
Electrical:		
Residential Rate Schedule - RS		
Customer charge - per delivery point per month	\$	19.04
Energy charges - per kWh		
First 800 kWh per month		0.07233
Additional kWh per month		0.06660
		0.02121
General Power Rate Schedule - GSA		
GSA - 1 (0 - 50 kW)		
Customer charge - per delivery point per month	\$	28.78
First 1500 kWh per month		0.07607
Additional kWh per month		0.07095
		0.02099
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		10.15
Additional kW		7.34
Energy charge - per kW		
First 15,000 kWh		0.04251
Additional kWh		0.04251
		0.02086
GSA - 3 (1,001 - 5,000 kW)		
Customer charge - per delivery point per month	\$	1,250.00
Demand charge - per kw per month		
First 1,000 kW		13.20
Excess over 1,000 kW		9.26
Excess demand charge - higher of 1,000 kW or contract demand		-
Energy charge - per kWh		0.04227
		0.02073
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		9.74
Maximum kW		1.85
Off peak excess of contract kW		9.74
Energy charge - per kWh per month		
On peak kWh		0.05491
Off peak kWh - First 200 HUD		0.03113
Off peak kWh - Next 200 HUD		0.00288
Off peak kWh - Over 400 HUD		0.00045
		0.01921
		0.01921
		0.01921
		0.01921

See independent auditor's report

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CURRENT UTILITY RATES IN FORCE (UNAUDITED)
JUNE 30, 2017

	Rates	
Electrical (continued):		
TGSA - 2 (51 - 1,000 kW))		
Customer charge - per delivery point per month	\$	143.19
Demand Charge - per kW per month		
First 50 kW		10.16
Over 50 kW		7.35
On peak Energy		0.06001
Off peak Energy		0.03731
		0.01921
		0.01921
TGSA - 3 (1,001 - 5,000 kW)		
Customer charge - per delivery point per month	\$	1,250.00
Demand charge - per kW per month		
First 1,000 kW		13.20
Over 1,000 kW		9.26
On peak Energy		0.05965
Off peak Energy		0.03710
		0.01921
		0.01921
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		9.74
Maximum kW		4.85
Off peak excess of contract kW		9.74
Energy charge - per kWh		
On peak kWh		0.05276
Off peak kWh - first 200 HUD		0.02898
Off peak kWh - next 200 HUD		0.00288
Off peak kWh - over 400 HUD		0.00045
		0.01921
		0.01921
		0.01921
		0.01921
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	\$	28.78
Energy charge - per kWh		0.04805
		0.02121
Drainage Pump Schedule - DPS		
Customer charge - per delivery point per month	\$	500.00
Energy charge - per kWh		0.03753
		0.02099

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, 2017

<u>Utility Service</u>	<u>Customers</u>		
	<u>6/30/2016</u>	<u>Increase (Decrease)</u>	<u>6/30/2017</u>
Water	8,027	(20)	8,007
Sewer	7,499	(16)	7,483
Gas	7,764	(1)	7,763
Electric	11,826	97	11,923

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 (0000211)**
 Reporting Year: **2017** **7/2016 - 6/2017**

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: 1,002.152 MG/Yr
 Water imported: MG/Yr
 Water exported: MG/Yr

Master Meter and Supply Error Adjustments

Pcnt: Value: MG/Yr
 MG/Yr
 MG/Yr

WATER SUPPLIED: **1,002.152** MG/Yr

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

AUTHORIZED CONSUMPTION

Billed metered: 759.127 MG/Yr
 Billed unmetered: MG/Yr
 Unbilled metered: MG/Yr
 Unbilled unmetered: 12.527 MG/Yr

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

AUTHORIZED CONSUMPTION: **771.654** MG/Yr

Click here: for help using option buttons below
 Pcnt: Value: MG/Yr

Use buttons to select percentage of water supplied OR value

WATER LOSSES (Water Supplied - Authorized Consumption)

230.498 MG/Yr

Apparent Losses

Unauthorized consumption: 2.505 MG/Yr
 Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies: 0.000 MG/Yr
 Systematic data handling errors: 1.898 MG/Yr

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

Apparent Losses: **4.403** MG/Yr

Pcnt: Value: MG/Yr

MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: **226.095** MG/Yr

WATER LOSSES: **230.498** MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: **243.025** MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains: 160.0 miles
 Number of active AND inactive service connections: 8,007
 Service connection density: 50 conn./mile main

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

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: 55.0 psi

COST DATA

Total annual cost of operating water system: \$3,396,061 \$/Year
 Customer retail unit cost (applied to Apparent Losses): \$4.30 \$/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



AWWA Free Water Audit Software:
System Attributes and Performance Indicators

Water Audit Report for: **City of Dyersburg Water Plant (0000211)**
 Reporting Year: **2017** **7/2016 - 6/2017**

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

System Attributes:

Apparent Losses:	4.403	MG/Yr
+ Real Losses:	226.095	MG/Yr
= Water Losses:	230.498	MG/Yr
? Unavoidable Annual Real Losses (UARL):	41.49	MG/Yr
Annual cost of Apparent Losses:	\$18,934	
Annual cost of Real Losses:		

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: 24.3%
 Non-revenue water as percent by cost of operating system: 0.6%

Real Losses valued at Variable Production Cost

Operational Efficiency: {
 Apparent Losses per service connection per day: 1.51 gallons/connection/day
 Real Losses per service connection per day: 77.36 gallons/connection/day
 Real Losses per length of main per day*: N/A
 Real Losses per service connection per day per psi pressure: 1.41 gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): 226.09 million gallons/year

? Infrastructure Leakage Index (ILI) [CARL/UARL]: 5.45

* 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, 2017**

<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



Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed in Accordance With Government Auditing Standards

Board of Mayor and
Aldermen
City of Dyersburg
Dyersburg, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, fiduciary funds of the City of Dyersburg Pension Plan and Dyersburg Electric Defined Benefit Plan and the aggregate remaining fund information of the City of Dyersburg, Tennessee (the City), as of and for the year ended June 30, 2017 and the fiduciary fund of the Dyersburg City Schools Retirement Plan for the year ended December 31, 2016, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 9, 2018.

Our report includes a reference to other auditors who audited the financial statements of Dyersburg Electric System, as described in our report on the City's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we and the other auditors did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We and the other auditors consider the deficiency described in the accompanying schedule of findings and responses as item 2017-001 for the Dyersburg Electric System to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance. We and the other auditors consider the deficiencies described in the accompanying schedule of findings and responses as items 2017-001, 2017-002 for the Dyersburg City Schools to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests and those of the other auditors disclosed instances of noncompliance or other matters that are required, to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and responses as items 2017-001 for the Dyersburg Electric System, and 2017-001 for the City of Dyersburg.

We noted certain other matters that we have communicated to management of the City of Dyersburg in a separate letter dated April 9, 2018.

City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alexander Thompson Arnold PLLC

Dyersburg, Tennessee
April 9, 2018

**CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

SECTION I - Financial Statement Findings

Dyersburg City Schools

2017-001 Purchase Orders (Significant Deficiency)

Condition: Dyersburg City Schools did not consistently follow proper purchasing procedures regarding purchase orders. Expenditures were noted that exceeded purchase order limits.

Criteria: Purchase orders are necessary to control purchasing authority and document purchasing commitments. The budget process is circumvented when expenditures are allowed to exceed purchase order limits.

Effect: Allowing expenditures to exceed purchase order limits could result in the budget being exceeded.

Recommendation: To strengthen internal controls over purchasing procedures, the School should verify that expenditures do not exceed purchase order amounts.

Response: We agree.

2017-002 Segregation of Duties (Significant Deficiency)

Condition: Dyersburg City Schools has inadequate segregation of duties in the record keeping function.

Criteria: Adequate segregation of duties is important in order to facilitate controls and maintain adequate safeguards over the school.

Effect: Without the proper segregation and accountability, the school could incur losses with respect to the potential for misappropriation of cash transactions.

Recommendation: While it is understandable that it is not always feasible to segregate duties due to limited accounting staff, we encourage the school to make efforts to further segregate the duties of the accounting staff.

Response: Our organization is too small to justify hiring additional personnel. We realize a weakness exists, but it is not cost effective for us to hire additional staff.

Dyersburg Electric System

2017-001 Dual Signatures (Material Weakness and Noncompliance)

Condition: We noted two bank accounts, the petty cash account and payroll account, that are impress in nature with minimal or zero carrying balances, in which the checks from the accounts only require one signature.

**CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Criteria: *Tennessee Code Annotated* Section 9-2-102 states that "It is the duty of the department of audit to prescribe a uniform system of bookkeeping designating the character of books, reports, receipts, and records, and the method of keeping same, in all state, county, and municipal offices, including utility districts, which handle public funds. It is the duty of all officials to adopt and use the system and the character of books, reports, and records designated; provided, that the comptroller of the treasury may approve any existing system." The State of Tennessee, Comptroller of the Treasury has also issued an Internal Control & Compliance Manual for Tennessee Municipalities stating in Title 5, Chapter 11, Sections 7 that "two authorized signatures are required for all checks."

Effect: Potential for unauthorized disbursements.

Recommendation: We recommend that all checks issued require two signatures. Furthermore, the banks should be informed that two signatures are required on all disbursements as well.

Response: Management is of the learned opinion that there are more than adequate controls currently in place to mitigate any risk associated with this finding. It should be noted that the two accounts (Petty Cash Fund and Payroll Fund) normally maintain a very minimal or zero balance.

The Petty Cash Fund is maintained as a checking account. Checks are issued from this fund for minimal expenses and need only one signature from the CEO, CFO or Management Aide for disbursement. A detailed report of each check written from this fund is provided to the CEO and CFO at the time of replenishment. The fund is replenished by a check issued from the General Fund which requires two signatures (CEO, CFO or Board Member).

The Payroll Account is basically a clearing account and the CEO or CFO can sign payroll checks. This account maintains a zero balance and is replenished to cover the current payroll costs. A General Fund check, which requires two signatures (CEO, CFO or Board Member) is issued at the end of each payroll period to cover the current week's payroll costs. Detailed reports of the weekly payroll are made available to management at the time of signing the payroll checks and at the time of replenishing the Payroll Account.

These procedures have been in place for many years and prior financial audits have deemed this arrangement a non-issue.

General Government

2017-001 Authorization for Issuance of Debt (Noncompliance)

Condition: We noted that the City has an outstanding interfund liability due from the School Capital Project Fund to the Debt Service Fund in the amount of \$500,000. This balance is the result of funds disbursed from the City to the Dyersburg City School System for construction of a new baseball/softball building at Dyersburg High school. The funds are to be repaid by the Dyersburg City Schools over a ten year period.

Criteria: *Tennessee Code Annotated* (TCA) 9-21-601 requires a governing body to receive authorization from the State Comptroller's office before issuing new long-term debt.

Effect: The City did not comply with TCA 9-21-601 in connection with obtaining appropriate authorization and approval from the State Comptroller's office.

**CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Recommendation: We recommend that the City comply with the State requirements relating to authorization for issuance of new long-term debt or consider other options to satisfy the debt obligation on the books between the City and the School.

Response: The City operates a fund that pays debt service for the Dyersburg City School System. The source of funding for this fund is a portion of the local sales tax which is designated for the school system. In the past the City has made transfers from this fund to the school system for capital project activity. We will explore the possibility of approving a transfer of these funds during fiscal year 2018 to satisfy the debt obligation between the two entities.

**CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Dyersburg City Schools

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2016-001	Purchase Orders (original finding #2014-001)	Repeated
2016-002	Segregation of Duties (original finding #2013-002)	Repeated
2016-003	Expenditures Exceed Approved Budget	Corrected

Dyersburg Electric System

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2016-001	Dual Signatures	Repeated

General Government

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2016-001	Expenditures Exceed Approved Budget (original finding #2013-001)	Corrected

Federal Award Findings and Questioned Costs

There were no prior year findings reported.

**CITY OF DYERSBURG, TENNESSEE
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Corrective Action Plan

The City of Dyersburg, Tennessee respectfully submits the following corrective action plan for the year ended June 30, 2017.

Name and address of independent public accounting firm:

Alexander Thompson Arnold PLLC
185 North Church Street
Dyersburg, TN 38024

Responsible officials for corrective action:

Neel Durbin, Director
Dyersburg City Schools

Steve Anderson, Treasurer
City of Dyersburg, TN

Robby Richards, VP Finance
Dyersburg Electric System

Audit period:

June 30, 2017

Dyersburg City Schools

2017-001 Purchase Orders (Significant Deficiency)

Recommendation: To strengthen internal controls over purchasing procedures, the School should verify that expenditures do not exceed purchase order amounts.

Action taken or planned: We agree.

2017-002 Segregation of Duties (Significant Deficiency)

Recommendation: While it is understandable that it is not always feasible to segregate duties due to limited accounting staff, we encourage the school to make efforts to further segregate the duties of the accounting staff.

Action taken or planned: Our organization is too small to justify hiring additional personnel. We realize a weakness exists. We will review our situation and see if we can realign responsibilities to strengthen internal control. We have budgetary limitations and feel that the cost of additional personnel would exceed the benefits derived.

**CITY OF DYERSBURG, TENNESSEE
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Dyersburg Electric System

2017-001 Dual Signatures

Recommendation: All checks issued should have two signatures and the banks should be informed that two signatures are required on all disbursements.

Action taken or planned: Management will review bank accounts in questions and verify adequacy of controls in place to monitor bank account activity.

General Government

2017-001 Authorization for Issuance of Debt

Recommendation: We recommend that the City comply with the State requirements relating to authorization for issuance of long-term debt or consider other options to satisfy the debt obligation on the books between the City and the School.

Action taken or planned: We will explore the possibility of approving a transfer of these funds during fiscal year 2018 to satisfy the debt obligation between the two entities.