

CITY OF DYERSBURG, TENNESSEE

ANNUAL FINANCIAL REPORT

JUNE 30, 2020

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**CITY OF DYERSBURG, TENNESSEE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

LIST OF PRINCIPAL OFFICIALS

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



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Governmental Audit Quality Center | Private Companies Practice Section
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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Board of Aldermen
City of Dyersburg
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, and the aggregate remaining fund information of the City of Dyersburg, Tennessee, (the City) as of and for the year ended June 30, 2020, and the fiduciary fund of the Dyersburg City Schools Retirement Plan and the fiduciary fund of Dyersburg Electric Retirement Plan for the year ended December 31, 2019, and the fiduciary fund for the City of Dyersburg Pension Plan for the year ended June 30, 2019, 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.

Auditors' 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 City Schools Board of Education, which is both a major fund and 28 percent and 2 percent, and 59 percent respectively, of the total assets and deferred outflows, net position, and revenues of the governmental 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 City Schools Board of Education 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

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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 the 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, the aggregate remaining fund information of the City of Dyersburg, Tennessee, as of June 30, 2020, and the fiduciary funds of Dyersburg Electric Defined Benefit Plan and the fiduciary fund of the Dyersburg City Schools Retirement Plan for the year ended December 31, 2019, and the fiduciary funds of the City of Dyersburg Pension Plan for the year ended June 30, 2019, 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplementary and other information section including the schedule of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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, including the Schedule of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents 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 is 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 March 5, 2021, 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, 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 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.

Cowart Reese Sargent. CPAs. P.C.

Cowart Reese Sargent CPAs, P.C.
Dyersburg, Tennessee
March 5, 2021

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020.

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, 2020 by \$107,160,489 (net position). Of this amount, \$5,074,955 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 \$4,708,517.
- > At June 30, 2020, the governmental funds reported combined ending fund balances of \$10,414,178, of which \$3,172,623 was unassigned and available for use at the City's discretion. See page 21.
- > Governmental fund balances increased by \$330,702 (page 23) during the year.
- > During the fiscal year ended June 30, 2020, the City's total notes from direct borrowings and bonds payable decreased by \$1,921,821 (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, 2020**

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

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

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

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

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

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Gas, Water and Sewer, Solid Waste Management Fund and Electric funds since they are considered to be major funds of the City. 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, 2020**

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 39-85 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 95-115 of this report.

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

The City's combined net position increased \$4,708,517 or 4.6% from 2019 to 2020. Net position increased \$3,854,024 in governmental activities, with business-type activities increasing \$854,493. Combined net position (assets and deferred outflows exceeding liabilities and deferred inflows of resources) was \$107,160,489 at June 30, 2020. The table below provides a comparative summary of the City's net position as of June 30, 2020 and 2019.

CITY OF DYERSBURG'S NET POSITION

	Governmental Activities		Business-type		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 26,628,121	\$ 26,174,635	\$ 32,654,184	\$ 33,391,468	\$ 59,282,305	\$ 59,566,103
Capital assets	45,552,644	46,524,817	70,976,349	70,466,675	116,528,993	116,991,492
Total Assets	72,180,765	72,699,452	103,630,533	103,858,143	175,811,298	176,557,595
Deferred Outflows of Resources	15,673,237	18,077,679	4,359,462	5,032,757	20,032,699	23,110,436
Long-term liabilities	41,718,534	52,901,207	11,581,489	14,368,422	53,300,023	67,269,629
Other liabilities	4,835,997	7,057,555	7,316,320	7,808,728	12,152,317	14,866,283
Total Liabilities	46,554,531	59,958,762	18,897,809	22,177,150	65,452,340	82,135,912
Deferred Inflows of Resources	20,389,809	13,762,731	2,841,359	1,317,416	23,231,168	15,080,147
Net position:						
Investment in capital assets, net of related debt	24,998,933	25,481,995	68,419,570	67,516,675	93,418,503	92,998,670
Restricted	7,358,888	4,908,269	1,308,143	2,710,171	8,667,031	7,618,440
Unrestricted	(11,448,159)	(13,334,626)	16,523,114	15,169,488	5,074,955	1,834,862
Total net position	\$ 20,909,662	\$ 17,055,638	\$ 86,250,827	\$ 85,396,334	\$ 107,160,489	\$ 102,451,972

The largest portion of the City's net position (\$93,418,503 or 87%) reflects its investments in capital assets, less any debt used to acquire those assets that is still outstanding. The net investment in capital assets increased \$419,833 from 2019. Of this increase governmental activities decreased \$483,062, and business-type activities increased \$902,895. 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 (\$8,667,031 or 8%) represents resources that are subject to external restriction on how they may be used. Restricted net position increased \$1,048,591 from 2019. The remaining balance of net position (unrestricted net position of \$5,074,955) may be used to meet the government's ongoing obligation to citizens and creditors. Unrestricted net position increased \$3,240,093 from 2019.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Analysis of the City's Operations. The following table provides a comparative summary of the City's operations for the years ended June 30, 2020 and 2019. Also, summary tables comparing 2020 with 2019 along with charts for 2020 are presented on pages 9 through 12 for Governmental expenses and program revenues and for Business-type expenses and program revenues. Governmental activities increased the City's net position by \$3,854,024 in 2020 compared to an increase of \$259,635 in 2019. Business-type activities increased the City's net position by \$854,493 in 2020 compared to a increase of \$3,049,452 in 2019.

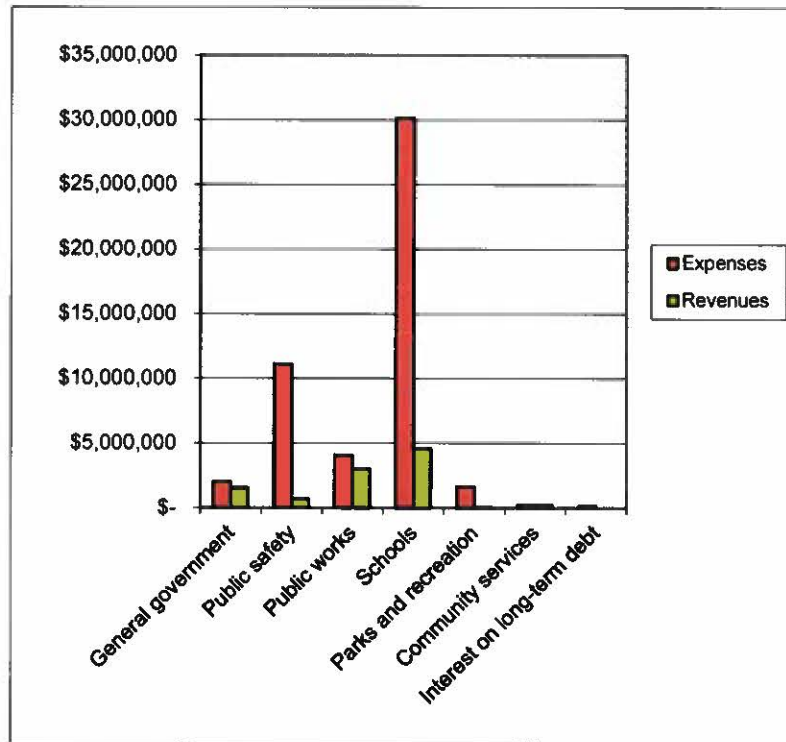
CITY OF DYERSBURG'S CHANGES IN NET POSITION

	Governmental Activities		Business-type		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 3,093,567	\$ 2,733,570	\$ 54,237,465	\$ 58,326,482	\$ 57,331,032	\$ 61,060,052
Operating grants and contributions	4,495,416	5,714,600	-	-	4,495,416	5,714,600
Capital grants and contributions	2,531,075	1,193,298	385,948	1,984,569	2,917,023	3,177,867
General revenues						
Sales and use tax	10,757,093	10,309,828	-	-	10,757,093	10,309,828
Property tax	10,640,087	11,148,999	-	-	10,640,087	11,148,999
Other taxes	3,119,251	3,215,600	-	-	3,119,251	3,215,600
Intergovernmental	14,334,524	13,867,429	-	-	14,334,524	13,867,429
Other sources	1,963,815	332,352	(417,275)	(381,179)	1,546,540	(48,827)
Unrestricted investment earnings	189,427	192,572	299,373	301,779	488,800	494,351
Total revenues	<u>51,124,255</u>	<u>48,708,248</u>	<u>54,505,511</u>	<u>60,231,651</u>	<u>105,629,766</u>	<u>108,939,899</u>
Expenses						
General government	2,020,561	1,616,258	-	-	2,020,561	1,616,258
Public safety	11,112,280	11,087,810	-	-	11,112,280	11,087,810
Public works	4,074,745	6,419,835	-	-	4,074,745	6,419,835
Schools	30,131,253	29,292,011	-	-	30,131,253	29,292,011
Parks and recreation	1,654,154	1,994,131	-	-	1,654,154	1,994,131
Community services	214,959	3,660	-	-	214,959	3,660
Interest on long-term debt	147,780	88,753	-	-	147,780	88,753
Electric	-	-	36,376,067	39,513,702	36,376,067	39,513,702
Gas	-	-	5,211,380	5,426,409	5,211,380	5,426,409
Water and sewer	-	-	6,837,736	7,138,253	6,837,736	7,138,253
Solid waste	-	-	3,140,334	3,049,900	3,140,334	3,049,900
Total expenses	<u>49,355,732</u>	<u>50,502,458</u>	<u>51,565,517</u>	<u>55,128,264</u>	<u>100,921,249</u>	<u>105,630,722</u>
Increase in net position before transfers	1,768,523	(1,794,210)	2,939,994	5,103,387	4,708,517	3,309,177
Transfers	2,085,501	2,053,845	(2,085,501)	(2,053,845)	-	-
Increase (decrease) in net position	<u>\$ 3,854,024</u>	<u>\$ 259,635</u>	<u>\$ 854,493</u>	<u>\$ 3,049,542</u>	<u>\$ 4,708,517</u>	<u>\$ 3,309,177</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**Governmental Activities
Chart of 2020 Expenses and Program Revenues**



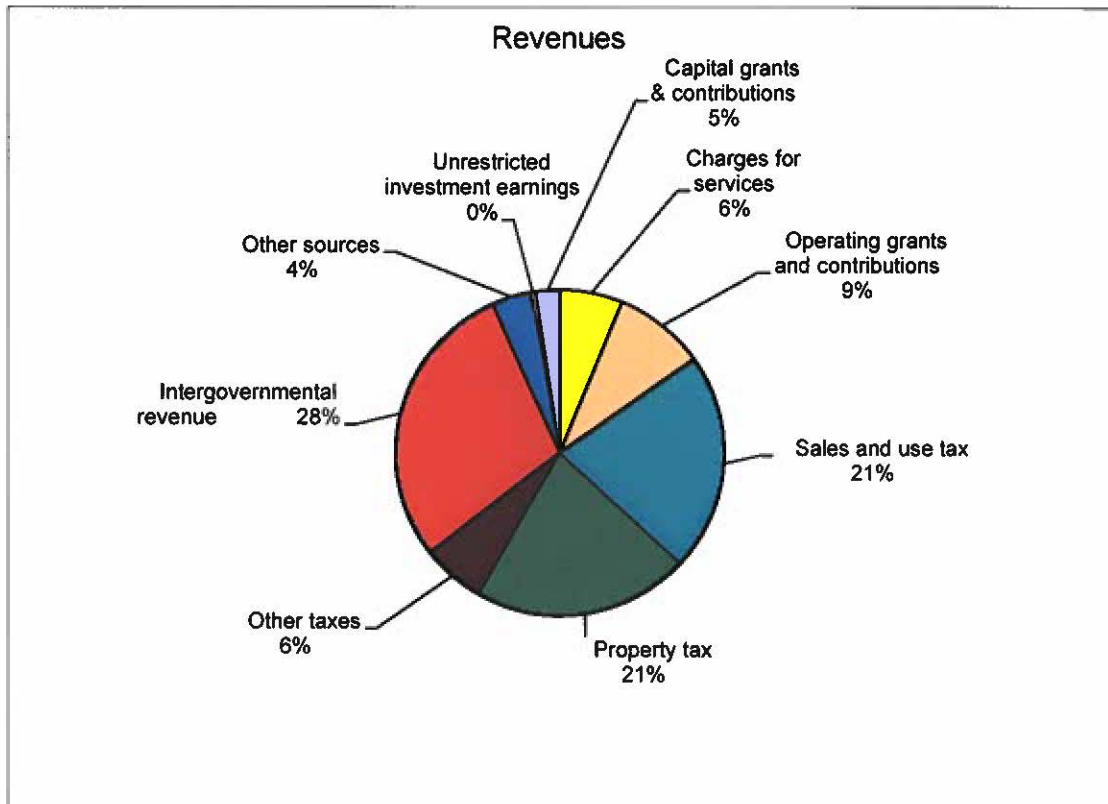
**Governmental Activities
Table of Expenses and Program Revenues**

	2020		2019		Increase (Decrease)	
	Expenses	Program Revenues	Expenses	Program Revenues	Expenses	Program Revenues
General government	\$ 2,020,561	\$ 1,537,446	\$ 1,616,258	\$ 1,142,680	\$ 404,303	\$ 394,766
Public safety	11,112,280	717,029	11,087,810	652,397	24,470	64,632
Public works	4,074,745	3,014,879	6,419,835	2,597,469	(2,345,090)	417,410
Schools	30,131,253	4,588,366	29,292,011	5,149,951	839,242	(561,585)
Parks and recreation	1,654,154	47,439	1,994,131	98,971	(339,977)	(51,532)
Community services	214,959	214,899	3,660	-	211,299	214,899
Interest on debt	147,780	-	88,753	-	59,027	-
	\$ 49,355,732	\$ 10,120,058	\$ 50,502,458	\$ 9,641,468	\$ (1,146,726)	\$ 478,590

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**Governmental Activities
Chart of 2020 Revenues by Source**



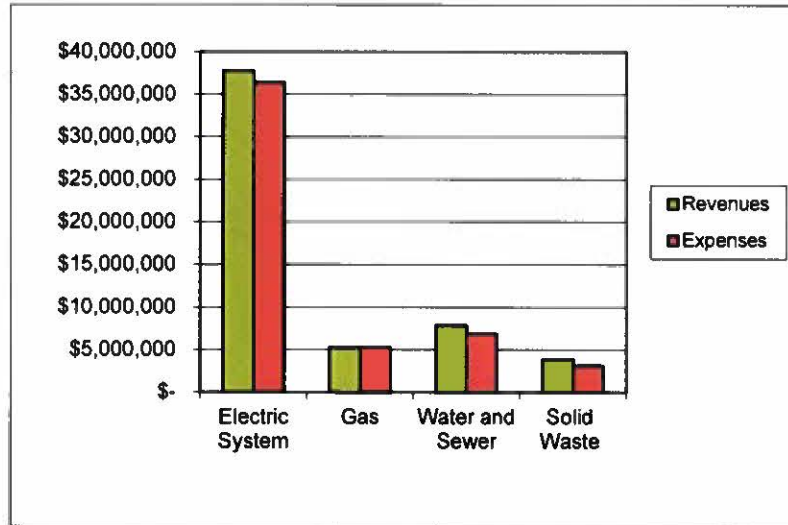
**Governmental Activities
Table of Revenues by Source**

	2020		2019		Increase (Decrease) in Revenues
	Revenues	Percentage	Revenues	Percentage	
Charges for services	\$ 3,093,567	6%	\$ 2,733,570	6%	\$ 359,997
Operating grants and contributions	4,495,416	9%	5,714,600	12%	(1,219,184)
Capital grants and contributions	2,531,075	5%	1,193,298	0%	1,337,777
Sales and use tax	10,757,093	21%	10,309,828	21%	447,265
Property tax	10,640,087	21%	11,148,999	23%	(508,912)
Other taxes	3,119,251	6%	3,215,600	7%	(96,349)
Intergovernmental revenue (Schools)	14,334,524	28%	13,867,429	28%	467,095
Other sources	1,963,815	4%	332,352	1%	1,631,463
Investment earnings	189,427	0%	192,572	0%	(3,145)
Total	\$ 51,124,255	100%	\$ 48,708,248	98%	\$ 2,416,007

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**Business-type Activities
Chart of 2020 Expenses and Program Revenues**



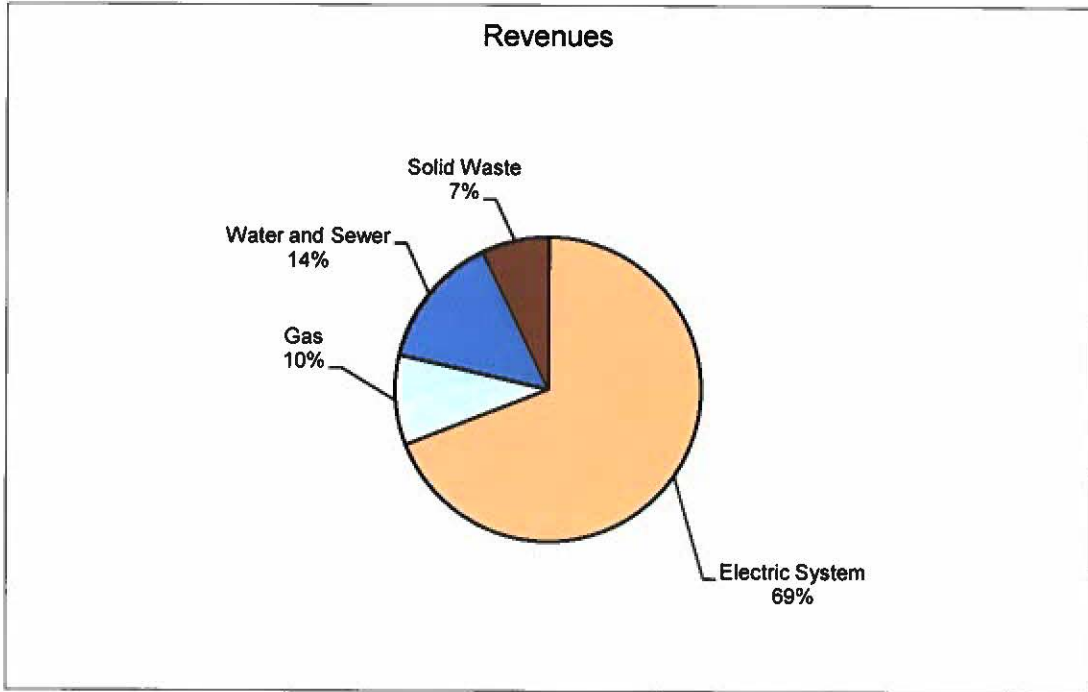
**Business-type Activities
Table of Expenses and Program Revenues**

	2020		2019		Increase (Decrease)	
	Expenses	Program Revenues	Expenses	Program Revenues	Expenses	Program Revenues
Electric	\$ 36,376,067	\$ 37,713,313	\$ 39,513,702	\$ 41,324,742	\$ (3,137,635)	\$ (3,611,429)
Gas	5,211,380	5,186,088	5,426,409	6,110,154	(215,029)	(924,066)
Water and Sewer	6,837,736	7,827,451	7,138,253	7,390,467	(300,517)	436,984
Solid Waste	3,140,334	3,896,561	3,049,990	3,501,119	90,344	395,442
	<u>\$ 51,565,517</u>	<u>\$ 54,623,413</u>	<u>\$ 55,128,354</u>	<u>\$ 58,326,482</u>	<u>\$ (3,562,837)</u>	<u>\$ (3,703,069)</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**Business-type Activities
Chart of 2020 Revenues by Service**



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

	2020		2019		Increase (Decrease)	
	Revenues	Percentage	Revenues	Percentage	Revenues	Percentage
Electric System	\$ 37,713,313	69%	\$ 41,324,742	71%	\$ (3,611,429)	-2%
Gas	5,186,088	9%	6,110,154	10%	(924,066)	-1%
Water and Sewer	7,827,451	14%	7,390,467	13%	436,984	1%
Solid Waste	3,896,561	7%	3,501,119	6%	395,442	1%
	<u>\$ 54,623,413</u>	<u>100%</u>	<u>\$ 58,326,482</u>	<u>100%</u>	<u>\$ (3,703,069)</u>	

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE GOVERNMENTS FUNDS

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

At the end of the current fiscal year, the City of Dyersburg governmental funds reported combined ending fund balances of \$10,414,178, an increase of \$330,702 in comparison with the prior year. \$3,172,623 or 30% 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 (\$132,640) or restricted (\$7,108,915).

In the general fund, the City budgeted for an increase in the fund balance of \$1,900. Actual revenues were \$1,821,480 under budgeted revenues and actual expenditures were \$1,669,739 under budgeted expenditures. Total expenditures exceeded revenues by \$2,424,841. This amount netted against other financing sources (uses) of \$2,367,774 resulted in the fund balance decreasing \$57,067 for fiscal year 2020. School fund balance increased \$358,065.

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 \$7,855,285 in Gas, \$961,306 in Water and Sewer, \$931,598 in Solid Waste Management, and \$6,302,253 in the Electric System. The Gas fund had a decrease in net position of \$480,837, Electric System net position increased \$245,635, Water and Sewer fund net position increased \$443,237 and the Solid Waste Management fund net position increased \$892,753.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

CAPITAL ASSETS

The City of Dyersburg's investment in capital assets for its governmental and business-type activities as of June 30, 2020, was \$116,528,993 (net of accumulated depreciation), a decrease of \$462,499 or less than 1% from 2019. The increase is the result of net additions to capital assets of \$5,516,336 (a \$2,053,759 increase for Governmental activities and a \$3,462,577 increase for Business-type activities) net of depreciation of capital assets of \$5,978,835 (\$3,025,932 for Governmental activities and \$2,952,903 for Business-type activities). The investment in capital assets includes land, buildings and systems, improvements other than buildings, machinery, vehicles and equipment, infrastructure and construction in progress.

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

Governmental Funds

General Fund -

General government	\$ 24,900
Public safety	136,200
Public works	262,900
Public welfare	1,476,700
Schools	166,700

Business-type Funds

Gas system improvements	449,300
Water and sewer system improvements	675,900
Solid waste management improvements	445,800
Electric system improvements	3,959,427
	\$ 7,597,827

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

	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 6,783,539	\$ 2,235,409	\$ 9,018,948	\$ 6,729,477	\$ 2,235,409	\$ 8,964,886
Construction in progress	-	473,407	473,407	2,144,268	4,199,384	6,343,652
Land improvements	-	1,588,688	1,588,688	-	1,856,547	1,856,547
Buildings and systems	18,391,782	61,438,857	79,830,639	19,574,054	57,278,301	76,852,355
Improvements other than buildings	7,929,125	-	7,929,125	4,849,411	-	4,849,411
Machinery, vehicles and equipment	1,855,868	5,151,802	7,007,670	3,967,140	4,789,680	8,756,820
Infrastructure	10,329,447	-	10,329,447	8,997,381	-	8,997,381
Allocated Internal Serv fund capital assets	262,883	88,186	351,069	263,086	107,354	370,440
	\$ 45,552,644	\$ 70,976,349	\$ 116,528,993	\$ 46,524,817	\$ 70,466,675	\$ 116,991,492

Additional information on the City of Dyersburg's capital assets can be found in Footnote IV. C. on pages 49-50 of this report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

DEBT ADMINISTRATION

At June 30, 2020, the City of Dyersburg had total bonded debt and notes from direct borrowings of \$22,071,001. Of this amount, \$11,022,399 comprises bonded debt backed by the full faith and credit of the government and \$2,575,000 represents bonds secured by electric revenues. The notes from direct borrowings of \$8,473,602 pertains to the general fund (\$5,495,817) and schools (\$2,977,785).

Total debt decreased \$1,921,821 or 8% from June 30, 2019 to June 30, 2020 as a result of payments made during the year.

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

The City's long-term debt at June 30, 2020 and 2019 is summarized below:

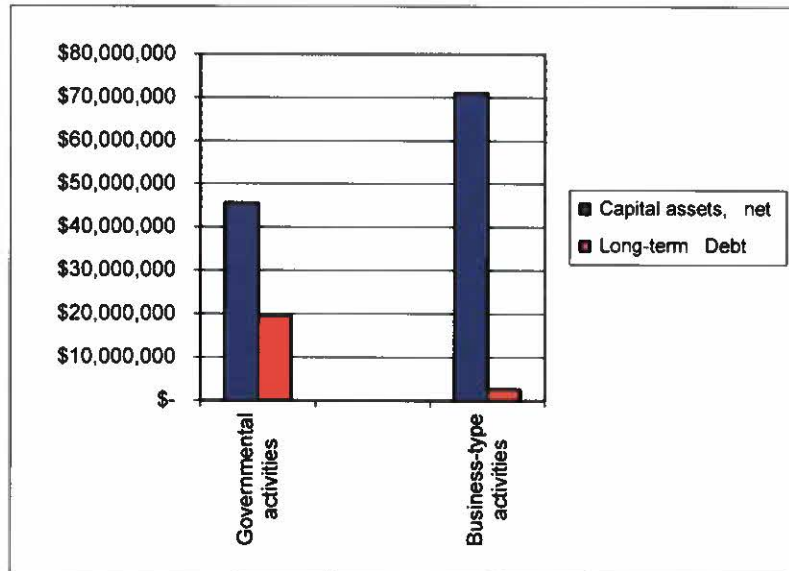
	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Notes From Direct Borrowings	\$ 8,473,602	\$ -	\$ 8,473,602	\$ 9,216,724	\$ -	\$ 9,216,724
General Obligation Bonds	11,022,399	-	11,022,399	11,826,098	-	11,826,098
Revenue Bonds	-	2,575,000	2,575,000	-	2,950,000	2,950,000
	<u>\$ 19,496,001</u>	<u>\$ 2,575,000</u>	<u>\$ 22,071,001</u>	<u>\$ 21,042,822</u>	<u>\$ 2,950,000</u>	<u>\$ 23,992,822</u>

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

Additional information on the City of Dyersburg's long term-debt and debt changes for the year can be found in Footnote IV. E on pages 51-53 of this report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Governmental and Business-type Activities
Chart of 2020 Net Capital Assets and Long-term Debt**



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

	2020		2019	
	Capital Assets, net of Depreciation	Long-term Debt	Capital Assets, net of Depreciation	Long-term Debt
Governmental activities	\$ 45,552,644	\$ 19,496,001	\$ 46,524,817	\$ 21,042,822
Business-type activities	70,976,349	2,575,000	70,466,675	2,950,000
	<u>\$ 116,528,993</u>	<u>\$ 22,071,001</u>	<u>\$ 116,991,492</u>	<u>\$ 23,992,822</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate of Dyer County is 5.6%. This compares unfavorably to the state's average unemployment rate of 3.9% and the national average of 3.8%.

Inflationary trends in the region compare favorably to national indices.

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

The property tax rate was decreased to \$2.37 for the 2020-2021 fiscal year due to property reappraisals.

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

Sewer rates were increased by 3% for fiscal year 2020-2021.

REQUEST FOR INFORMATION

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

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 8,578,081	\$ 19,874,447	\$ 28,452,528
Investments	1,624,745	5,203,786	6,828,531
Receivables (net of allowance for uncollectibles):			
Taxes	10,334,405	-	10,334,405
Accounts	1,740,397	3,212,633	4,953,030
Accrued interest and rents	-	132,273	132,273
Interfund balances	699,370	(699,370)	-
Inventories	77,399	1,054,600	1,131,999
Prepaid expenses	28,438	103,669	132,107
Deposits	117,757	25,434	143,191
Other assets	(141)	274,893	274,752
Net pension asset	3,342,924	-	3,342,924
Restricted assets - hybrid stabilization	84,746	-	84,746
Restricted assets - cash and cash investments	-	3,471,819	3,471,819
Capital assets not being depreciated:			
Land	6,783,539	2,235,409	9,018,948
Construction in progress	-	473,407	473,407
Capital assets net of accumulated depreciation	<u>38,769,105</u>	<u>68,267,533</u>	<u>107,036,638</u>
Total Assets	<u>72,180,765</u>	<u>103,630,533</u>	<u>175,811,298</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	<u>15,673,237</u>	<u>4,359,462</u>	<u>20,032,699</u>
Total Deferred Outflows of Resources	<u>15,673,237</u>	<u>4,359,462</u>	<u>20,032,699</u>

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts payable	629,720	3,515,918	4,145,638
Accrued liabilities	2,283,583	315,809	2,599,392
Deposits	33,118	3,052,181	3,085,299
Other current liabilities	3,249	132,412	135,661
Noncurrent liabilities:			
Due within one year:			
Current portion of notes payable	1,066,628	-	1,066,628
Current portion of bonds payable	819,699	300,000	1,119,699
Due in more than one year:			
Notes payable	7,406,974	-	7,406,974
Bonds payable	10,202,700	2,275,000	12,477,700
Net pension liability	19,566,905	7,027,994	26,594,899
Other post employment benefits	3,480,390	-	3,480,390
Other accrued liabilities	1,061,565	2,168,175	3,229,740
Advances from TVA	-	110,320	110,320
Total Liabilities	46,554,531	18,897,809	65,452,340
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes	8,856,361	-	8,856,361
Unavailable confiscated funds	12,725	-	12,725
Unearned grant revenue	-	-	-
Related to pensions	11,520,723	2,841,359	14,362,082
Total Deferred Inflows of Resources	20,389,809	2,841,359	23,231,168
NET POSITION			
Net investment in capital assets	24,998,933	68,419,570	93,418,503
Restricted for:			
Perpetual care	1,609,945	-	1,609,945
Debt service	1,904,403	1,308,143	3,212,546
Capital projects	122,276	-	122,276
Special revenue funds	314,445	-	314,445
Net pension asset	3,342,924	-	3,342,924
Other purposes	(19,851)	-	(19,851)
Unrestricted	(11,363,413)	16,523,114	5,159,701
Total Net Position	\$ 20,909,662	\$ 86,250,827	\$ 107,160,489

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, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 2,020,561	\$ 1,537,446	\$ -	\$ -	\$ (483,115)	\$ -	\$ (483,115)
Public safety	11,112,280	620,104	96,925	-	(10,395,251)	-	(10,395,251)
Public works	4,074,745	483,804	-	2,531,075	(1,059,866)	-	(1,059,866)
Schools	30,131,253	404,774	4,183,592	-	(25,542,887)	-	(25,542,887)
Parks and recreation	1,654,154	47,439	-	-	(1,606,715)	-	(1,606,715)
Community services	214,959	-	214,899	-	(60)	-	(60)
Interest on long-term debt	147,780	-	-	-	(147,780)	-	(147,780)
Total governmental activities	49,355,732	3,093,567	4,495,416	2,531,075	(39,235,674)	-	(39,235,674)
Business-type activities:							
Electric	36,376,067	37,713,313	-	-	-	1,337,246	1,337,246
Gas	5,211,380	5,186,088	-	-	-	(25,292)	(25,292)
Water and sewer	6,837,736	7,441,503	-	385,948	-	989,715	989,715
Solid waste	3,140,334	3,896,561	-	-	-	756,227	756,227
Total business-type activities	51,565,517	54,237,465	-	385,948	-	3,057,896	3,057,896
Total primary government	\$ 100,921,249	\$ 57,331,032	\$ 4,495,416	\$ 2,917,023	(39,235,674)	3,057,896	(36,177,778)
General revenues:							
Property taxes					10,640,087	-	10,640,087
State and local sales taxes					10,757,093	-	10,757,093
Wholesale beer and liquor taxes					615,710	-	615,710
Business taxes					456,792	-	456,792
Franchise taxes					111,104	-	111,104
Room occupancy taxes					285,707	-	285,707
Wheel taxes					591,844	-	591,844
Other statutory local taxes					1,295	-	1,295
State taxes					1,056,799	-	1,056,799
Intergovernmental revenue					14,334,524	-	14,334,524
Other sources					1,963,815	(417,275)	1,546,540
Unrestricted investment earnings					189,427	299,373	488,800
Transfers from business-type activities					2,085,501	(2,085,501)	-
Total general revenues and transfers					43,089,698	(2,203,403)	40,886,295
Change in net position					3,854,024	854,493	4,708,517
Net position- beginning					17,055,638	85,396,334	102,451,972
Net position - ending					\$ 20,909,662	\$ 86,250,827	\$ 107,160,489

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

**CITY OF DYERSBURG, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>General</u>	<u>School</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 2,091,348	\$ 3,539,589	\$ 2,878,670	\$ 8,509,607
Investments	10,000	-	1,614,745	1,624,745
Receivables (net of allowance for uncollectibles):				
Taxes	9,709,469	624,936	-	10,334,405
Accounts	1,362,284	69,256	301,068	1,732,608
Due from other funds	788,337	-	274,472	1,062,809
Inventories	-	-	77,399	77,399
Prepaid expenses	5,000	-	32,268	37,268
Deposits	50,241	-	92,950	143,191
Restricted retirement				
Hybrid stabilization (SRT)	-	84,746	-	84,746
Total Assets	<u>\$ 14,016,679</u>	<u>\$ 4,318,527</u>	<u>\$ 5,271,572</u>	<u>\$ 23,606,778</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 380,861	\$ 50,001	\$ 228,176	\$ 659,038
Accrued liabilities	267,712	1,738,852	254,598	2,261,162
Deposits	33,118	-	-	33,118
Due to other funds	345,310	-	261,914	607,224
Total Liabilities	<u>1,027,001</u>	<u>1,788,853</u>	<u>744,688</u>	<u>3,560,542</u>
Deferred Inflows of Resources:				
Unavailable confiscated funds	-	-	12,725	12,725
Deferred current property taxes	9,225,780	-	-	9,225,780
Delinquent property taxes	367,951	-	-	367,951
Unearned grant revenue	25,602	-	-	25,602
Total Deferred Inflows of Resources	<u>9,619,333</u>	<u>-</u>	<u>12,725</u>	<u>9,632,058</u>
Fund Balances:				
Non-spendable	55,241	-	77,399	132,640
Restricted	120,969	2,529,674	4,458,272	7,108,915
Committed	-	-	(21,512)	(21,512)
Unassigned	3,194,135	-	-	3,194,135
Total Fund Balances	<u>3,370,345</u>	<u>2,529,674</u>	<u>4,514,159</u>	<u>10,414,178</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 14,016,679</u>	<u>\$ 4,318,527</u>	<u>\$ 5,271,572</u>	<u>\$ 23,606,778</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, 2020**

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

Total Governmental Fund Balances, page 21	\$ 10,414,178
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	45,289,761
Deferred outflows/inflows of resources related to pensions in which the consumption/acquisition of net position will occur in future periods.	
Deferred outflows	15,673,237
Deferred inflows	(11,520,723)
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	3,342,924
Net pension liability	(19,566,905)
Internal service fund assets and liabilities allocated to governmental funds and, therefore, are included in governmental activities in the statement of net position.	548,320
Long-term assets are not available to pay for current period expenditures and therefore, are deferred in the governmental funds.	762,972
Long-term liabilities, including note payable, bonds payable and other post employment benefits, are not due and payable in the current period and therefore, are not reported in the current period.	<u>(24,034,102)</u>
Net position of governmental activities (page 19)	<u><u>\$ 20,909,662</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, 2020

	General	School	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	\$ 11,516,897	\$ 8,591,325	\$ 1,718,087	\$ 21,826,309
Licenses and permits	92,960	-	-	92,960
Intergovernmental	5,411,468	14,925,541	3,641,978	23,978,987
Charges for services	843,727	-	332,908	1,176,635
Fines, forfeits, and penalties	182,345	-	19,503	201,848
Sale of assets	397,409	-	9,699	407,108
Investment earnings	27,046	29,101	132,631	188,778
Miscellaneous	2,455,168	411,290	4,100,393	6,966,851
Total Revenues	<u>20,927,020</u>	<u>23,957,257</u>	<u>9,955,199</u>	<u>54,839,476</u>
EXPENDITURES:				
Current:				
General government	2,180,259	-	4,307,492	6,487,751
Public safety	9,572,813	-	-	9,572,813
Public works	3,175,288	-	-	3,175,288
Community services	-	-	-	-
Parks and recreation	1,281,628	-	-	1,281,628
Economic development	289,002	-	-	289,002
Municipal airport	491,658	-	-	491,658
Joint cost - communications	470,568	-	-	470,568
Education	-	23,501,674	3,912,332	27,414,006
Miscellaneous	3,166,036	-	-	3,166,036
Capital outlay	1,986,203	109,350	-	2,095,553
Debt service:				
Principal retirement	580,000	1,256,475	-	1,836,475
Interest	147,780	444,745	-	592,525
Other expense	10,626	-	-	10,626
Total Expenditures	<u>23,351,861</u>	<u>25,312,244</u>	<u>8,219,824</u>	<u>56,883,929</u>
Revenues Over (Under) Expenditures	(2,424,841)	(1,354,987)	1,735,375	(2,044,453)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	2,115,770	1,713,052	25,818	3,854,640
Operating transfers out	(37,650)	-	(1,731,489)	(1,769,139)
Sale of bonds	289,654	-	-	289,654
Capital lease acquisitions	-	-	-	-
Total other financing sources (uses)	<u>2,367,774</u>	<u>1,713,052</u>	<u>(1,705,671)</u>	<u>2,375,155</u>
Net Change in Fund Balance	(57,067)	358,065	29,704	330,702
Fund Balance - July 1, 2019	<u>3,427,412</u>	<u>2,171,609</u>	<u>4,484,455</u>	<u>10,083,476</u>
Fund Balance - June 30, 2020	<u>\$ 3,370,345</u>	<u>\$ 2,529,674</u>	<u>\$ 4,514,159</u>	<u>\$ 10,414,178</u>

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

**CITY OF DYERSBURG, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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)	\$ 330,702
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	31,404
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.	(971,971)
Pension contributions are reported as expenditures in the governmental funds. However, pension expense in the statement of activities is primarily the result of changes in the components of the net pension asset/liability over current and future periods.	2,710,706
The issuance of long-term debt (e.g., bonds, notes) and the refunding of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,546,821
The net expense of certain activities of internal service funds is reported with governmental activities.	246,152
The increase/decrease in the liability for compensated absences is not reported in governmental funds.	<u>(39,790)</u>
Change in net position of governmental activities (page 20)	<u><u>\$ 3,854,024</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, 2020**

REVENUES	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
Taxes			
Property taxes - net	\$ 8,500,000	\$ 8,035,056	\$ (464,944)
Property taxes - penalty and interest	80,000	113,589	33,589
Local sales tax	1,800,000	1,898,939	98,939
Wholesale beer tax	500,000	518,534	18,534
Wholesale liquor tax	80,000	97,176	17,176
Business taxes	420,000	456,792	36,792
Cable TV franchise tax	125,000	111,104	(13,896)
Room occupancy tax	325,000	285,707	(39,293)
Total taxes	<u>11,830,000</u>	<u>11,516,897</u>	<u>(313,103)</u>
Licenses and permits			
Taxicab licenses	100	-	(100)
Beer licenses	7,000	6,400	(600)
Liquor licenses	11,000	11,800	800
Other licenses	2,200	3,966	1,766
Building permits and inspections	68,000	70,794	2,794
Total licenses and permits	<u>88,300</u>	<u>92,960</u>	<u>4,660</u>
Intergovernmental revenues			
Federal law enforcement grants	25,000	16,125	(8,875)
Federal surface transportation grants	400,000	-	(400,000)
TVA replacement tax	204,000	210,874	6,874
Payment in lieu of taxes - Housing Authority	45,000	44,898	(102)
State sales tax	1,535,000	1,582,623	47,623
State income tax	100,000	125,368	25,368
State beer tax	8,300	8,031	(269)
State alcoholic beverage tax	65,000	69,127	4,127
State gasoline & motor fuel tax	335,000	312,028	(22,972)
State 1989 gasoline tax	55,000	49,335	(5,665)
State 3 cent gasoline tax	100,000	91,413	(8,587)
State gas 2017 tax	150,000	156,534	6,534
State petroleum special tax	35,000	34,039	(961)
State public safety grants	1,553,000	80,800	(1,472,200)
State airport grant	14,000	184,090	170,090
State CDBG grant	2,500,000	2,321,383	(178,617)
County intergovernmental revenue	108,000	124,800	16,800
Total intergovernmental revenues	<u>7,232,300</u>	<u>5,411,468</u>	<u>(1,820,832)</u>
Charges for services			
Public safety reimbursements	260,000	328,303	68,303
Special police and safety services	11,500	9,132	(2,368)
Fire protection charges	35,000	29,530	(5,470)
Cemetery burial, foundation and deed charges	123,300	138,175	14,875
Stormwater II charges	201,700	200,740	(960)
Swimming pool charges and fees	35,500	6,934	(28,566)
Parks and recreation charges	88,200	40,505	(47,695)
Other	31,500	90,408	58,908
Total charges for services	<u>786,700</u>	<u>843,727</u>	<u>57,027</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, 2020**

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
Revenues (continued):			
Fines, forfeits and penalties			
City court revenue	\$ 201,000	\$ 177,130	\$ (23,870)
Safe driving fees	6,000	2,925	(3,075)
Other	4,000	2,290	(1,710)
Total fines, forfeits and penalties	<u>211,000</u>	<u>182,345</u>	<u>(28,655)</u>
Miscellaneous revenues			
Interest	25,000	27,046	2,046
Rents	364,800	364,618	(182)
Sales of fuel and supplies	360,000	304,401	(55,599)
Sale of property and equipment	20,000	17,708	(2,292)
Sale of cemetery lots	60,000	75,300	15,300
Joint expense reimbursements - Administrative charges	1,526,900	1,579,780	52,880
Other	243,500	510,770	267,270
Total miscellaneous revenues	<u>2,600,200</u>	<u>2,879,623</u>	<u>279,423</u>
Total revenues	<u>22,748,500</u>	<u>20,927,020</u>	<u>(1,821,480)</u>

EXPENDITURES

Current:

General government:

Legislative	65,600	81,655	(16,055)
Judicial	376,000	410,237	(34,237)
Executive	183,500	174,646	8,854
City recorder	97,300	96,705	595
City attorney	50,000	56,047	(6,047)
Accounting	270,100	298,828	(28,728)
Tax administration	84,100	70,286	13,814
Purchasing	96,200	97,511	(1,311)
Personnel	116,200	109,182	7,018
Engineering	347,600	360,072	(12,472)
Planning and zoning	13,400	12,758	642
City Hall	121,100	131,179	(10,079)
Other facilities	313,600	281,153	32,447
Total general government	<u>2,134,700</u>	<u>2,180,259</u>	<u>(45,559)</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, 2020**

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
Expenditures (continued):			
Public safety:			
Police department			
Traffic safety	\$ 112,000	\$ 95,344	\$ 16,656
Supplement pay	49,400	43,908	5,492
Administration	547,100	528,254	18,846
Operations	110,200	107,706	2,494
Criminal investigation	865,600	838,976	26,624
Patrol	2,942,300	3,038,671	(96,371)
Records and identification	279,700	239,599	40,101
Training	204,500	184,470	20,030
Education and public relations	3,000	5,438	(2,438)
Automotive services	182,000	158,220	23,780
Special response team	30,500	27,156	3,344
Police stations	116,000	116,151	(151)
Total police department	<u>5,442,300</u>	<u>5,383,893</u>	<u>58,407</u>
Fire department			
Supplement pay	44,800	43,066	1,734
Administration	410,500	414,611	(4,111)
Fire fighting	2,934,300	2,935,253	(953)
Fire prevention	164,300	168,911	(4,611)
Training	110,400	94,085	16,315
Equipment repair services	98,000	97,891	109
Fire stations	87,800	121,125	(33,325)
Total fire department	<u>3,850,100</u>	<u>3,874,942</u>	<u>(24,842)</u>
Building inspection	317,100	313,978	3,122
Total public safety	<u>9,609,500</u>	<u>9,572,813</u>	<u>36,687</u>
Public works:			
Public works administration	438,900	444,997	(6,097)
Highways and streets	2,112,500	1,587,975	524,525
State Street Aid			
Street lighting	685,000	654,863	30,137
Storm drainage	111,500	119,207	(7,707)
Stormwater II	116,200	48,976	67,224
Cemeteries	322,000	319,270	2,730
Total public works	<u>3,786,100</u>	<u>3,175,288</u>	<u>610,812</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, 2020**

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
Expenditures (continued):			
Parks and recreation			
Dyersburg Activity Center	373,200	363,794	9,406
Bruce Recreation Center	173,000	159,981	13,019
Future City Recreation Center	164,900	129,597	35,303
Dyersburg Activity Center pool	37,100	18,580	18,520
Okeena pool	76,600	60,357	16,243
Bruce pool	14,500	11,392	3,108
Youth Programs	62,200	46,793	15,407
Men's softball league	1,000	-	1,000
Special recreation facilities	15,000	12,956	2,044
Playgrounds and parks	453,400	451,432	1,968
Golf course	25,000	26,746	(1,746)
Total parks and recreation	<u>1,395,900</u>	<u>1,281,628</u>	<u>114,272</u>
Tourism and economic development	<u>325,000</u>	<u>289,002</u>	<u>35,998</u>
Municipal airport	<u>520,600</u>	<u>491,658</u>	<u>28,942</u>
Capital outlay			
General government	71,500	78,970	(7,470)
Public safety	1,641,900	136,506	1,505,394
Public works	67,600	93,824	(26,224)
Parks and recreation	2,500,000	1,507,813	992,187
Municipal airport	8,000	169,090	(161,090)
Total capital outlay	<u>4,289,000</u>	<u>1,986,203</u>	<u>2,302,797</u>
Debt service			
Retirement of notes, bonds and capital leases	580,000	580,000	-
Interest	215,100	147,780	67,320
Bank and loan remarketing fees	9,000	10,626	(1,626)
Total debt service	<u>804,100</u>	<u>738,406</u>	<u>65,694</u>
Joint costs - communications	<u>472,500</u>	<u>470,568</u>	<u>1,932</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, 2020**

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
Expenditures (continued):			
Miscellaneous expenditures			
Vacation and sick leave	\$ 20,000	\$ -	\$ 20,000
Insurance	16,000	14,752	1,248
Retirement	1,392,600	1,402,057	(9,457)
Professional services	75,000	207,680	(132,680)
Payments in lieu of taxes	120,000	124,881	(4,881)
CDBG-NDR escrow acquisition	-	1,228,613	(1,228,613)
CDBG-NDR escrow relocation	-	96,745	(96,745)
Other	60,600	91,308	(30,708)
Total miscellaneous expenditures	1,684,200	3,166,036	(1,481,836)
Total expenditures	25,021,600	23,351,861	1,669,739
Revenues over (under) expenditures	(2,273,100)	(2,424,841)	(151,741)
Other financing sources (uses)			
Transfers in	2,110,000	2,115,770	5,770
Transfers out	(35,000)	(37,650)	(2,650)
Sale of bonds	200,000	289,654	89,654
Total other financing sources (uses)	2,275,000	2,367,774	92,774
Net change in fund balance	\$ 1,900	(57,067)	\$ (58,967)
Fund balance - July 1, 2019		3,427,412	
Fund balance - June 30, 2020		\$ 3,370,345	

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Real estate taxes	\$ 2,490,412	\$ 2,490,412	\$ 2,440,742	\$ (49,670)
Sales tax	5,141,769	5,141,769	5,557,444	415,675
Other permits and licenses	1,100	1,100	1,295	195
Wheel tax	593,820	593,820	591,844	(1,976)
Intergovernmental	15,071,335	15,071,335	14,925,541	(145,794)
Miscellaneous	527,471	527,471	440,391	(87,080)
Total Revenues	<u>23,825,907</u>	<u>23,825,907</u>	<u>23,957,257</u>	<u>131,350</u>
EXPENDITURES:				
Education:				
Regular instruction program	12,033,912	12,689,921	12,628,434	61,487
Alternative instruction program	342,638	251,661	249,833	1,828
Special education program	1,744,993	1,725,494	1,724,388	1,106
Career and technical education	372,609	401,553	396,261	5,292
Health services	295,768	304,935	303,451	1,484
Other student support	996,662	912,830	899,986	12,844
Regular instruction support	593,654	591,653	590,211	1,442
Alternative education support	114,337	88,859	88,859	-
Special education support	99,936	80,166	77,137	3,029
Fiscal services	285,963	302,560	302,045	515
Operation of plant	2,269,222	2,232,886	2,229,487	3,399
Maintenance of plant	543,769	427,163	400,149	27,014
Board of education	899,039	752,569	535,875	216,694
Career and technical education	14,966	20,433	15,450	4,983
Early childhood education	580,517	600,764	600,957	(193)
Office of the superintendent	394,104	358,799	357,212	1,587
Community services	120,493	123,598	119,348	4,250
Transportation	1,800	-	-	-
Attendance services	109,374	124,119	124,119	-
Technology	382,400	374,045	368,459	5,586
Office of the principal	1,512,547	1,490,307	1,490,013	294
Total education	<u>23,708,703</u>	<u>23,854,315</u>	<u>23,501,674</u>	<u>352,641</u>
Capital outlay	19,205	109,350	109,350	-
Total Expenditures	<u>23,727,908</u>	<u>23,963,665</u>	<u>23,611,024</u>	<u>352,641</u>
Revenues Over (Under) Expenditures	97,999	(137,758)	346,233	483,991
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	11,832	11,832
Transfers to other funds	(97,999)	(125,519)	-	125,519
Total other financing sources (uses)	<u>(97,999)</u>	<u>(125,519)</u>	<u>11,832</u>	<u>137,351</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (263,277)</u>	358,065	<u>\$ 621,342</u>
Fund balance - July 1, 2019			<u>2,171,609</u>	
Fund balance - June 30, 2020			<u>\$ 2,529,674</u>	

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities -- Enterprise Funds				Totals	Governmental
	Gas	Water and Sewer	Solid Waste Management	Electric System		Activities - Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 7,296,943	\$ 1,807,142	\$ 2,700,131	\$ 5,346,250	\$ 17,150,466	\$ 2,792,454
Investments	777,554	-	332,300	4,093,932	5,203,786	-
Accounts receivable - net	169,524	482,109	253,894	2,283,539	3,189,066	31,356
Accrued interest receivable	-	-	-	36,651	36,651	-
Accrued rents receivable	-	-	-	95,622	95,622	-
Due from other funds	709,422	1,044,823	447,667	-	2,201,912	166,955
Inventories	70,576	167,129	-	816,895	1,054,600	-
Prepaid expenses	-	-	-	94,839	94,839	-
Total current assets	9,024,019	3,501,203	3,733,992	12,767,728	29,026,942	2,990,765
Noncurrent assets:						
Cash in bank and with trustees	-	-	-	3,471,819	3,471,819	-
Capital assets:						
Plant in service	14,488,184	66,336,177	12,442,495	67,394,568	160,661,424	2,322,388
Construction in progress	-	-	-	473,407	473,407	-
Less - accumulated depreciation	(9,238,052)	(41,106,124)	(9,079,279)	(30,823,213)	(90,246,668)	(1,971,319)
Net Capital Assets	5,250,132	25,230,053	3,363,216	37,044,762	70,888,163	351,069
Other assets	-	-	645	171,675	172,320	102,432
Total noncurrent assets	5,250,132	25,230,053	3,363,861	40,688,256	74,532,302	453,501
Total Assets	14,274,151	28,731,256	7,097,853	53,455,984	103,559,244	3,444,266
DEFERRED OUTFLOWS OF RESOURCES						
Differences between expected and actual experience - pension	(138,473)	1,529,487	918,927	53,836	2,363,777	-
Contributions - pension	-	-	-	558,060	558,060	-
Changes in assumption - pension	-	-	-	947,796	947,796	-
Net difference between projected and actual earnings on pension plan investment	-	-	-	489,829	489,829	-
Total Deferred Outflows of Resources	(138,473)	1,529,487	918,927	2,049,521	4,359,462	-

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, 2020

	Business-Type Activities – Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Gas	Water and Sewer	Solid Waste Management	Electric System		
LIABILITIES						
Current liabilities:						
Accounts payable	479,990	39,062	24,307	2,938,178	3,481,537	5,063
Bonds payable within one year	-	-	-	300,000	300,000	-
Accrued payroll	12,716	37,724	20,181	-	70,621	28,443
Accrued interest payable	-	-	-	35,299	35,299	-
Accrued compensated absences	28,781	110,045	39,223	-	178,049	25,818
Customer deposits	347,815	540,690	-	2,163,676	3,052,181	-
Due to other funds	230,897	217,938	208,696	-	657,531	2,166,921
Other current liabilities	82,611	-	-	53,050	135,661	-
Total current liabilities	1,182,810	945,459	292,407	5,490,203	7,910,879	2,226,245
Noncurrent liabilities:						
Other accrued liabilities	(1)	194,081	1,640,733	228,514	2,063,327	108,701
Net pension liability	(366,984)	1,825,234	1,132,225	4,437,519	7,027,994	-
Advances from TVA - conservation	-	-	-	110,320	110,320	-
Bonds payable - long-term	-	-	-	2,275,000	2,275,000	-
Total noncurrent liabilities	(366,985)	2,019,315	2,772,958	7,051,353	11,476,641	108,701
Total Liabilities	815,825	2,964,774	3,065,365	12,541,556	19,387,520	2,334,946
DEFERRED INFLOWS OF RESOURCES						
Differences between expected and actual experience - pension	214,436	1,104,753	656,601	597,218	2,573,008	-
Changes in assumptions - pension	-	-	-	268,351	268,351	-
Total Deferred Inflows of Resources	214,436	1,104,753	656,601	865,569	2,841,359	-
NET POSITION						
Net investment in capital assets	5,250,132	25,230,053	3,363,216	34,487,984	68,331,385	351,069
Restricted	-	-	-	1,308,143	1,308,143	-
Unrestricted	7,855,285	961,163	931,598	6,302,253	16,050,299	758,251
Net Position	\$ 13,105,417	\$ 26,191,216	\$ 4,294,814	\$ 42,098,380	85,689,827	\$ 1,109,320

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

561,000

Total Net Position of business-type activities

\$ 86,250,827

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, 2020

	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	\$ 5,098,706	\$ 7,229,199	\$ 3,865,316	\$ 36,392,569	\$ 52,585,790	\$ -
Interest and penalties	23,615	41,499	-	199,776	264,890	-
Rent	-	-	-	1,054,868	1,054,868	-
Miscellaneous	3,789	110,793	11,530	66,100	192,212	2,203,686
Total operating revenues	5,126,110	7,381,491	3,876,846	37,713,313	54,097,760	2,203,686
Operating expenses:						
Purchased power	2,808,063	-	-	29,984,175	32,792,238	-
Transmission and distribution	701,878	634,602	-	1,752,850	3,089,330	-
Customers' accounting and collecting	495,436	511,547	34,800	402,284	1,444,067	-
General and administrative	816,279	840,759	462,532	1,891,026	4,010,596	2,137,270
Purification	-	1,267,717	-	-	1,267,717	-
Sewer plant operation	-	685,299	-	-	685,299	-
Sewage treatment and disposal	-	1,281,116	-	-	1,281,116	-
Residential and dumpster operations	-	-	1,135,418	-	1,135,418	-
Landfill operations	-	-	707,429	-	707,429	-
General plant maintenance	-	-	-	42,767	42,767	-
Depreciation and amortization	311,543	1,447,215	657,218	2,164,925	4,580,901	71,373
Taxes other than tax equivalents	-	-	-	138,040	138,040	-
Total operating expenses	5,133,199	6,668,255	2,997,397	36,376,067	51,174,918	2,208,643
Operating income (loss)	(7,089)	713,236	879,449	1,337,246	2,922,842	(4,957)
Nonoperating revenues (expenses):						
Investment earnings	56,390	16,671	13,405	208,165	294,631	4,696
Interest expense	-	(9,186)	-	(89,651)	(98,837)	-
Miscellaneous income (expense)	(300,838)	(75)	(101)	(17,424)	(318,438)	261
Total nonoperating revenues (expenses)	(244,448)	7,410	13,304	101,090	(122,644)	4,957
Income (loss) before capital contributions and transfers	(251,537)	720,646	892,753	1,438,336	2,800,198	-
Capital contributions - CDBG grant	-	385,948	-	-	385,948	-
Transfers out	(229,300)	(663,500)	-	(1,192,701)	(2,085,501)	-
	(229,300)	(277,552)	-	(1,192,701)	(1,699,553)	-
Change in net position	(480,837)	443,094	892,753	245,635	1,100,645	-
Net position - July 1, 2019	13,586,254	25,748,122	3,402,061	41,852,745	84,589,182	1,109,320
Net position - June 30, 2020	\$ 13,105,417	\$ 26,191,216	\$ 4,294,814	\$ 42,098,380	\$ 85,689,827	\$ 1,109,320
					(246,152)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(246,152)	
Change in net position of business-type activities					\$ 854,493	

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, 2020

	Business-type Activities – Enterprises Funds				Total	Governmental
	Gas	Water and Sewer	Solid Waste Management	Electric System		Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 5,072,856	\$ 7,271,092	\$ 3,932,227	\$ 38,025,397	\$ 54,301,572	\$ 1,324,762
Payments to suppliers	(2,700,400)	(2,635,982)	(932,041)	(31,982,401)	(38,250,824)	(682,880)
Payments to employees for services	(383,815)	(1,307,034)	(768,157)	(2,337,606)	(4,796,612)	(1,026,871)
Payments for employee benefits	(500,776)	(397,074)	(272,576)	-	(1,170,426)	(355,701)
Payments to other funds	(1,142,406)	(1,584,964)	(340,377)	-	(3,067,747)	555,058
Other receipts (payments)	37,586	172,663	11,530	-	221,779	863,582
Net Cash Provided by (used for)						
Operating Activities	<u>383,045</u>	<u>1,518,701</u>	<u>1,630,606</u>	<u>3,705,390</u>	<u>7,237,742</u>	<u>677,950</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to other funds	(229,300)	(663,500)	-	(1,192,701)	(2,085,501)	-
Contributions	(300,838)	-	-	-	(300,838)	-
Net cash from (used by) financing activities	<u>(530,138)</u>	<u>(663,500)</u>	<u>-</u>	<u>(1,192,701)</u>	<u>(2,386,339)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(227,068)	(675,970)	(242,002)	(3,479,681)	(4,624,721)	(46,661)
Salvage from retirement of plant	-	-	-	32,571	32,571	-
Cost of removal on retired plant	-	-	-	(517,593)	(517,593)	-
Proceeds received on capital debt	-	-	-	-	-	-
Principal paid on notes and bonds	-	-	-	(375,000)	(375,000)	-
Interest paid on notes and bonds	-	(9,186)	-	(80,358)	(89,544)	-
Capital grant proceeds	-	385,948	-	-	385,948	-
Other receipts (payments)	-	(75)	(101)	(14,341)	(14,517)	261
Net cash from (used by) capital and related financing activities	<u>(227,068)</u>	<u>(299,283)</u>	<u>(242,103)</u>	<u>(4,434,402)</u>	<u>(5,202,856)</u>	<u>(46,400)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Net change in investments	(12,109)	-	(5,175)	3,575,226	3,557,942	-
Interest and investment earnings	56,390	16,671	13,405	209,330	295,796	4,696
Decrease in customer deposits	-	-	-	1,255	1,255	-
Decrease in temporary cash investments	-	-	-	-	-	-
Net cash provided by (used for) investing activities	<u>44,281</u>	<u>16,671</u>	<u>8,230</u>	<u>3,785,811</u>	<u>3,854,993</u>	<u>4,696</u>
Net increase(decrease) in cash and cash equivalents	<u>(329,880)</u>	<u>572,589</u>	<u>1,396,733</u>	<u>1,864,098</u>	<u>3,503,540</u>	<u>636,246</u>
Cash and cash equivalents - July 1, 2019	<u>7,626,823</u>	<u>1,234,553</u>	<u>1,303,398</u>	<u>4,790,295</u>	<u>14,955,069</u>	<u>2,156,208</u>
Cash and cash equivalents - June 30, 2020	<u>\$ 7,296,943</u>	<u>\$ 1,807,142</u>	<u>\$ 2,700,131</u>	<u>\$ 6,654,393</u>	<u>\$ 18,458,609</u>	<u>\$ 2,792,454</u>
Cash, Cash Equivalents, and Restricted Cash - June 30, 2020						
Cash and cash equivalents - unrestricted	\$ 7,296,943	\$ 1,807,142	\$ 2,700,131	\$ 5,346,250	\$ 17,150,466	\$ 2,792,454
Bond reserve fund - cash and cash equivalents	-	-	-	346,800	346,800	-
Bond retirement fund - cash and cash equivalents	-	-	-	231,485	231,485	-
Renewal and replacement fund - cash and cash equivalents	-	-	-	729,858	729,858	-
Cash, Cash Equivalents, and Restricted Cash - June 30, 2020	<u>\$ 7,296,943</u>	<u>\$ 1,807,142</u>	<u>\$ 2,700,131</u>	<u>\$ 6,654,393</u>	<u>\$ 18,458,609</u>	<u>\$ 2,792,454</u>

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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)	\$ (7,089)	\$ 713,236	\$ 879,449	\$ 1,337,246	\$ 2,922,842	\$ (4,957)
Adjustments to reconcile net income (loss) from operations to net cash provided by operating activities						
Depreciation	311,543	1,447,216	657,217	2,164,925	4,580,901	66,032
Amortization	-	-	149,900	-	149,900	5,340
Provision for doubtful accounts	-	-	-	-	-	-
Deferrals - pension	-	-	-	188,357	188,357	-
(Increase) Decrease in Assets						
Accounts receivable, net of allowance	(25,850)	41,893	66,911	314,375	397,329	(12,034)
Due from other funds	(122,927)	(438,621)	(103,476)	-	(665,024)	(75,083)
Inventory	(18,094)	(17,699)	-	(14,044)	(49,837)	-
Prepaid expenses	-	-	-	(4,794)	(4,794)	-
Other assets	-	-	-	(2,291)	(2,291)	(6,310)
Increase (Decrease) in Liabilities						
Accounts payable	99,824	(256,385)	(21,745)	(317,978)	(496,284)	(19,053)
Accrued payroll	3,607	10,501	4,518	-	18,626	6,677
Accrued vacation	-	-	-	20,172	20,172	-
Customer deposits	10,182	20,371	-	-	30,553	-
Due to other funds	211,236	160,693	187,667	-	559,596	630,141
Other current liabilities	283,347	(164,629)	(172,764)	19,422	(34,624)	87,923
Compensated absences	(362,734)	2,125	(17,071)	-	(377,680)	(726)
Net cash provided by (used for) operating activities	\$ 383,045	\$ 1,518,701	\$ 1,630,606	\$ 3,705,390	\$ 7,237,742	\$ 677,950

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

**CITY OF DYERSBURG, TENNESSEE
DYERSBURG CITY SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY TRUST FUND
For the Year ended December 31, 2019**

Assets	
Investments	
AUL fixed account	\$ 451,383
Mutual funds	5,996,947
Total Investments	<u>6,448,330</u>
Contributions Receivable	<u>38,209</u>
Net assets available for benefits	6,486,539
Liabilities	
Net position restricted for pensions	<u><u>\$6,486,539</u></u>

**CITY OF DYERSBURG, TENNESSEE
DYERSBURG CITY SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY TRUST FUND
For the Year ended December 31, 2019**

Additions	
Contributions	
Employer	\$ 271,548
Employee	150,627
Total Contributions	<u>422,175</u>
Investment Income	
Earnings from mutual funds	1,037,061
Total Investment Income	<u>1,037,061</u>
Total Additions	1,459,236
Deductions	
Benefit Payments	422,116
Plan Expenses	29,707
Total deductions	<u>451,823</u>
Net change in Net Position	<u>1,007,413</u>
Net Position restricted for pensions	
Beginning of Year	<u>5,479,126</u>
End of Year	<u><u>\$6,486,539</u></u>

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

**CITY OF DYERSBURG, TENNESSEE
DYERSBURG ELECTRIC SYSTEM
STATEMENT OF FIDUCIARY NET POSITION
For the Year ended December 31, 2019**

Assets	
Cash	\$ 509,448
Investments	
Mutual funds - equities	4,760,826
Mutual funds - alternative investments	<u>2,623,075</u>
Total Investments	<u>7,383,901</u>
Contributions receivable	-
Net Assets	<u>7,893,349</u>
Liabilities	
	<u>-</u>
Net Position restricted for pensions	<u><u>\$7,893,349</u></u>

**CITY OF DYERSBURG, TENNESSEE
DYERSBURG ELECTRIC SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year ended December 31, 2019**

Additions	
Contributions	
Employer	\$ 564,060
Employee	60,940
Total Contributions	<u>625,000</u>
Investment income	
Mutual fund income	1,134,107
Total Additions	<u>1,759,107</u>
Deductions	
Benefit payments	318,600
Administrative and other expenses	4,956
Total Deductions	<u>323,556</u>
Net Increase in Fiduciary Net Position	<u>1,435,551</u>
Net Position restricted for pensions	
Beginning of Year	<u>6,457,798</u>
End of Year	<u><u>\$7,893,349</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, 2019**

Assets	
Cash	\$1,432,428
Investments	
Domestic Equities	3,006,038
Total Investments	<u>3,006,038</u>
Net Assets	<u>4,438,466</u>
Liabilities	
	<u>-</u>
Net Position restricted for pensions	<u><u>\$4,438,466</u></u>

**CITY OF DYERSBURG, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year ended June 30, 2019**

Additions	
Contributions	
Employer	\$1,435,300
Employee	218,752
Total Contributions	<u>1,654,052</u>
Investment Income	
Net Appreciation	248,756
Interest and Dividends	67,015
Total Investment Income	<u>315,771</u>
Total Additions	1,969,823
Deductions	
Benefit Payments/Refunds	1,282,474
Administrative Expenses	46,369
Total Deductions	<u>1,328,843</u>
Change in Net Position	<u>640,980</u>
Net Position restricted for pensions	
Beginning of Year	<u>3,797,486</u>
End of Year	<u><u>\$4,438,466</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, 2020

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, 2020

The government reports the following major proprietary funds:

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

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

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

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

Additionally, the government reports the following fund types:

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

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

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

Amounts reported as *program revenues* include 1) charges to customers for goods and services provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

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

Investments for the City are reported at fair value.

2. Receivables and Payables

**CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

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

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

The City's property tax schedule as defined by the City Charter is as follows: Property taxes are levied as of September 1 on the property values assessed as of the prior January 1. Taxes are due September 1 through December 31 and are delinquent on the following January 1. Tax bills are mailed on September 1. Tax liens are automatic on January 1 each year and continue until such taxes and any penalty, interest or other charges accruing thereon are paid. Assessed values are established by the County Tax Assessor at 25% of appraised market value for residential real property, 40% for commercial real property, 55% for public utilities, and 30% for business personal property. A complete reappraisal of all property is required every six (6) years with an update after the third year. A revaluation was completed in 2020. The City's tax rate applicable to 2020 was \$2.55 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, 2020

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, 2020**

9. Vacation and Sick Leave

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

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

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

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

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

c) Firefighters accrue vacation days under the following terms:

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

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

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

10. Deferred Outflows/Inflows of Resources

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

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
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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, 2020, was \$17,281.

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.

E. Impact of Recently Issued Accounting Pronouncements

In March 2018, the GASB issued Statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective for financial statements for periods beginning after June 30, 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowing and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Management has implemented GASB Statement No. 88 in the current financial statements.

In May 2020, the GASB issued Statement No. 95 - *Postponement of the Effective Dates of Certain Authoritative Guidance* which postponed the effective date of GASB Statements No. 88 by one year.

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

II. Reconciliation of Government-Wide and Fund Financial Statement

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$24,034,102 difference are as follows:

Bonds payable	\$ 11,022,399
Notes payable	8,473,602
Compensated absences	<u>4,538,101</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ 24,034,102</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 (\$971,971) difference are as follows:

Capital outlay	\$ 2,053,759
Less depreciation expense	<u>(3,025,730)</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>\$ (971,971)</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.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

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, 2020, the City's bank deposits were entirely insured with FDIC Insurance or through the state bank collateral pool.

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

	Investments	Trust Funds	Total
Time Deposits	\$ 10,000	\$ -	\$ 10,000
Certificates of Deposit	4,093,932	-	4,093,932
U. S. Agencies and Instrumentalities	-	1,614,745	1,614,745
Total Securities	<u>4,103,932</u>	<u>1,614,745</u>	<u>5,718,677</u>
Local Government Investment Pool	1,109,854	-	1,109,854
Total Investments	<u>\$ 5,213,786</u>	<u>\$ 1,614,745</u>	<u>\$ 6,828,531</u>

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.

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

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
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Dyersburg City Schools

The following is the asset allocation as of December 31, 2019:

	Market Value	Percentage of Total
Pooled separate accounts	\$ 5,996,947	93.00%
Fixed account	451,383	7.00%
Total	<u>\$ 6,448,330</u>	<u>100.00%</u>

For the plan year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.1 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Dyersburg Electric System

The following is the asset allocation as of June 30, 2019:

	Market Value	Percentage of Total
Equities	\$ 4,760,826	64.50%
Alternative investments	2,623,075	35.50%
Total	<u>\$ 7,383,901</u>	<u>100.00%</u>

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.10 percent. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

City of Dyersburg

The following is the asset allocation as of June 30, 2019:

	Market Value	Percentage of Total
Domestic equities	\$ 3,006,038	100.00%
International equities	-	0.00%
Real estate	-	0.00%
Total	<u>\$ 3,006,038</u>	<u>100.00%</u>

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.20 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
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B. Receivables

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

Governmental Funds:

	General	School	Nonmajor	Total
Taxes	\$ 528,689	\$ 624,936	\$ -	\$ 1,153,625
Accounts	1,589,176	69,256	269,996	1,928,428
Intergovernmental	-	-	31,072	31,072
Unassessed property taxes	9,225,780	-	-	9,225,780
Gross receivables	11,343,645	694,192	301,068	12,338,905
Less: allowance for uncollectibles	(271,892)	-	-	(271,892)
Net total receivables	<u>\$ 11,071,753</u>	<u>\$ 694,192</u>	<u>\$ 301,068</u>	<u>\$ 12,067,013</u>

Business-type Funds:

	Proprietary Funds				Total	Internal Service Funds
	Gas	Water and Sewer	Solid Waste Management	Electric System		
Accounts	\$ 211,533	\$ 587,109	\$ 330,894	\$ 2,482,745	\$ 3,612,281	\$ 38,856
Gross receivables	211,533	587,109	330,894	2,482,745	3,612,281	38,856
Less: allowance for uncollectibles	(42,009)	(105,000)	(77,000)	(199,206)	(423,215)	(7,500)
Net total receivables	<u>\$ 169,524</u>	<u>\$ 482,109</u>	<u>\$ 253,894</u>	<u>\$ 2,283,539</u>	<u>\$ 3,189,066</u>	<u>\$ 31,356</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, deferred revenue reported in the governmental funds was as follows:

	Unavailable
Property taxes receivable (general fund)	\$ 9,225,780
Delinquent property taxes (general fund)	367,951
Unearned grant revenue (general fund)	25,602
Confiscated funds (TIP fund)	12,725
Total deferred revenue for governmental funds	<u>\$ 9,632,058</u>

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

C. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

Primary Government

	Beginning Balance	Additions & Adjustments	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,729,477	\$ 54,062	\$ -	\$ 6,783,539
Construction in progress	2,144,268	-	(2,144,268)	-
Capital assets being depreciated:				
Buildings	60,800,415	323,548	-	61,123,963
Improvements other than buildings	9,190,984	3,580,705	-	12,771,689
Machinery and equipment	17,023,139	307,367	(73,652)	17,256,854
Infrastructure	26,724,415	-	-	26,724,415
Total capital assets, being depreciated	113,738,953	4,211,620	(73,652)	117,876,921
Less accumulated depreciation for:				
Buildings	(41,226,361)	(1,505,820)	-	(42,732,181)
Improvements other than buildings	(4,341,573)	(500,991)	-	(4,842,564)
Machinery and equipment	(13,055,999)	(817,661)	73,652	(13,800,008)
Infrastructure	(17,727,034)	(268,912)	-	(17,995,946)
Total accumulated depreciation	(76,350,967)	(3,093,384)	73,652	(79,370,699)
Total capital assets, being depreciated, net	37,387,986	1,118,236	-	38,506,222
Allocated Internal Service Fund capital assets, being depreciated, net	263,086	-	(203)	262,883
Governmental activities depreciable capital assets, net	37,651,072	1,118,236	(203)	38,769,105
Total capital assets, net	\$ 46,524,817	\$ 1,172,298	\$ (2,144,471)	\$ 45,552,644

Depreciation expense for Dyersburg Electric System for the year ending June 30, 2020 was \$2,298,763; however, \$133,838 was charged to transportation expense.

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,235,409	\$ -	\$ -	\$ 2,235,409
Construction in progress	4,199,384	-	(3,725,977)	473,407
Capital assets being depreciated:				
Land and land improvements	7,499,610	-	-	7,499,610
Buildings and systems	126,056,921	7,262,440	(1,274,615)	132,044,746
Machinery and equipment	17,661,762	1,222,091	(2,194)	18,881,659
Total capital assets, being depreciated	151,218,293	8,484,531	(1,276,809)	158,426,015
Less accumulated depreciation	(87,293,765)	(4,714,739)	1,761,836	(90,246,668)
Total capital assets, being depreciated, net	63,924,528	3,769,792	485,027	68,179,347
Allocated Internal Service Fund capital assets, being depreciated, net	107,354	-	(19,168)	88,186
Business-type activities depreciable capital assets, net	64,031,882	3,769,792	465,859	68,267,533
Total capital assets, net	\$ 70,466,675	\$ 3,769,792	\$ (3,260,118)	\$ 70,976,349

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

Government activities:

General government	\$ 254,330
Public safety	526,048
Public works	771,010
Schools	1,406,532
Parks & recreation	135,464
Capital assets held by the government's internal service funds charged to functions based on usage	27,266
Total depreciation expense - governmental activities	\$ 3,120,650

Business-type activities:

Gas	\$ 311,543
Water and Sewer	1,447,216
Solid Waste Management	657,217
Electric	2,298,763
Capital assets held by the government's internal service funds charged to functions based on usage	44,108
Total depreciation expense - business-type activities	\$ 4,758,847

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances at June 30, 2020, is as follows:

Receivable Fund	Payable Fund	Amount
General	Enterprise	\$ 606,218
	Nonmajor governmental	8,741
	Internal Service	173,378
Enterprise	General	6,837
	Nonmajor governmental	248,099
	Internal Service	1,946,976
Nonmajor governmental	General	272,010
	Enterprise	494
	Internal Service	1,968
Internal Service	General	66,463
	Enterprise	50,819
	Internal Service	44,599
	Nonmajor governmental	5,074
Total		\$ 3,431,676

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, 220:

Transfer To	Transfer From	Amount
General	Gas (Tax Equivalents)	\$ 229,300
	Water and Sewer (Tax Equivalents)	663,500
	Electric (Tax Equivalents)	1,192,701
	Cemetery Trust (Per Trust Agreement)	30,269
Cemetery Trust	General (Per Trust Agreement)	37,650
School General Purpose	Debt Service (School Debt)	1,701,220
Total		\$ 3,854,640

Interfund transfers occur in the normal course of business activities.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

E. Long-Term Debt

1. General Obligation bonds

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

\$2,960,000 General Obligation Qualified School Construction Bonds, Series 2009 dated December 17, 2009, due in monthly installments at 1.515% interest, secured by revenues of the City.	\$ 1,128,399
\$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.	8,905,000
\$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>989,000</u>
Total General Obligation Bonds Payable	<u><u>\$ 11,022,399</u></u>

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

Year Ending June 30,	Principal	Interest
2021	\$ 819,699	\$ 391,836
2022	863,699	377,235
2023	404,699	361,197
2024	889,699	355,037
2025	909,699	344,239
2026-2030	4,269,904	1,107,607
2031-2035	<u>2,865,000</u>	<u>240,161</u>
Totals	<u><u>\$ 11,022,399</u></u>	<u><u>\$ 3,177,312</u></u>

2. Revenue Bonds

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

\$2,750,000 Electric System Refunding Bonds, Series 2019 dated January 30, 2019, due in annual installments at 3.29% interest, secured by revenues of the System	<u>2,575,000</u>
Total Revenue Bonds Payable	<u><u>\$ 2,575,000</u></u>

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2021	\$ 300,000	\$ 84,718
2022	305,000	74,848
2023	315,000	64,813
2024	130,000	54,450
2025	130,000	50,173
2026-2030	725,000	183,419
2031-2035	670,000	55,931
Totals	<u>\$ 2,575,000</u>	<u>\$ 568,352</u>

3. Notes From Direct Borrowings

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

\$10,000,000 Tennessee Municipal Bond Fund Variable Rate Loan Program, dated September 19, 2000, secured by revenues of the City	\$ 2,400,000
\$500,000 Energy Efficient Schools Initiative Loan Agreement, dated April 9, 2012, due in monthly installments at 0% interest, secured by revenues of the City	133,304
\$1,500,000 Tennessee Municipal Bond Fund Variable Rate Loan Program, dated February 18, 2016, secured by revenues of the City	1,273,000
\$4,600,000 Tennessee Municipal Bond Fund Variable Rate Loan Program, dated October 16, 2018, secured by revenues of the City	4,222,817
\$671,173 Energy Efficient Schools Initiative Loan Agreement, dated February 13, 2018, due in monthly installments at 0.75% interest, secured by revenues of the City	444,481
Total notes from direct borrowings - Governmental activities	<u>\$ 8,473,602</u>

Annual debt service requirements to maturity for notes from direct borrowings are as follows:

Year Ending June 30,	Principal	Interest
2021	\$ 1,066,628	\$ 254,112
2022	1,068,492	226,168
2023	1,078,648	198,194
2024	929,017	169,401
2025	757,000	143,470
2026-2030	3,122,817	378,780
2031-2035	451,000	40,860
Totals	<u>\$ 8,473,602</u>	<u>\$ 1,410,985</u>

**CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

4. Changes in long-term debt

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

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due in One Year
Governmental Activities					
Notes Payable	\$ 9,216,724	\$ 289,654	\$ (1,032,776)	\$ 8,473,602	\$ 1,066,628
General Obligation Bonds	11,826,098	-	(803,699)	11,022,399	819,699
Total governmental activities	<u>21,042,822</u>	<u>289,654</u>	<u>(1,836,475)</u>	<u>19,496,001</u>	<u>1,886,327</u>
Business Type Activities					
Revenue Bonds	2,950,000	-	(375,000)	2,575,000	300,000
Total business type activities	<u>2,950,000</u>	<u>-</u>	<u>(375,000)</u>	<u>2,575,000</u>	<u>300,000</u>
Total of all fund types	<u>\$ 23,992,822</u>	<u>\$ 289,654</u>	<u>\$ (2,211,475)</u>	<u>\$ 22,071,001</u>	<u>\$ 2,186,327</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	\$ -	\$ -	\$ 77,399	\$ 77,399
Deposits	5,000	-	-	5,000
Unredeemed property	50,241	-	-	50,241
Restricted				
Public safety	-	-	314,445	314,445
Education	-	2,529,674	626,511	3,156,185
Capital projects	120,969	-	1,307	122,276
Community development	-	-	1,661	1,661
Perpetual care	-	-	1,609,945	1,609,945
Debt service	-	-	1,904,403	1,904,403
Committed				
Employee health claims	-	-	(21,512)	(21,512)
Unassigned	3,194,135	-	-	3,194,135
Totals	<u>\$ 3,370,345</u>	<u>\$ 2,529,674</u>	<u>\$ 4,514,159</u>	<u>\$ 10,414,178</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, 2020, approximately 308 acres of undeveloped industrial park property is owned jointly by these two governmental bodies.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

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, 2020, the estimated remaining useful life of the landfill was 55 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 \$1,787,000 as of June 30, 2020, which is based on 31.1% usage (filled) of the landfill. It is estimated that an additional \$3,951,743 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, 2020. 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, 2020, the City has \$332,300 on deposit for the funding of this liability. The City has executed contracts in lieu of performance bonds with the State of Tennessee in the sum of \$6,002,918 which states that the City shall properly operate the solid waste facility and perform closure of the facility in accordance with all requirements of the permit and the closure/postclosure plan pursuant to all applicable laws and regulations. Failure of the City to perform would entitle the State of Tennessee to collect any state funds disbursed to the City for the cost of any violations.

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

I. Fair Value Measurements

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

Dyersburg City Schools

As of December 31, 2019:

	Fair Value Measurements Using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Total	\$ 6,448,330	\$ 5,996,947	\$ 451,383
Investments by fair value level:			
Debt securities			
Pooled separate accounts - fixed	\$ 451,383	\$ -	\$ 451,383
Equity securities			
Pooled separate accounts	5,996,947	5,996,947	-
Total investments at fair value	<u>\$ 6,448,330</u>	<u>\$ 5,996,947</u>	<u>\$ 451,383</u>

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

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

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Dyersburg Electric

As of December 31, 2019:

	Fair Value Measurements Using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Total	Total	Total	Total
Investments by fair value level:			
Alternative/fixed income investments			
Mutual funds	\$ 2,623,075	\$ 2,623,075	\$ -
Equity securities			
Mutual funds	4,760,826	4,760,826	-
Total investments at fair value	<u>\$ 7,383,901</u>	<u>\$ 7,383,901</u>	<u>\$ -</u>

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

City of Dyersburg

As of June 30, 2019

	Fair Value Measurements Using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Total	Total	Total	Total
Investments by fair value level:			
Equity securities			
Domestic equities	\$ 3,006,038	\$ 3,006,038	\$ -
Total investments at fair value	<u>\$ 3,006,038</u>	<u>\$ 3,006,038</u>	<u>\$ -</u>

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

CITY OF DYERSBURG, TENNESSEE
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V. Other Information

A. Risk Management

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

Dyersburg City Schools

During the year ended June 30, 2020, the School obtained insurance from the Tennessee School Board Liability Trust (TSBLT), which is a public entity risk pool established to provide insurance coverage to local School boards in Tennessee. The Board pays an annual premium to TSBLT for insurance. The creation of TSBLT provides for it to be self-sustaining through member premiums. The TSBLT reinsures through commercial insurance companies for claims in excess of \$100,000 for each insured event.

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

Dyersburg Electric System

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

Other City Segments

The City through the City of Dyersburg Healthcare Network provides City employees with self-funded healthcare coverage. The City entered an agreement with Underwriters Safety & Claims, Inc. for claims administration and payment. Claims in excess of a self-insured aggregate limit of \$3,601,751 and specific underlying coverage of \$100,000 per employee was covered through third party insurance policies. Revenues are recognized from payroll deductions for employee dependent coverage and from City contributions for employee coverage. There were no reductions in insurance coverage, and claims paid in excess of self-insured limits have been reimbursed to the City or recorded as a receivable at June 30, 2020.

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, 2020, 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, 2020 Dyersburg Electric had no litigation or pending litigation.

At June 30, 2020 Dyersburg City Schools had no litigation or pending litigation.

At June 30, 2020 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

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

E. Employee Retirement Systems and Pension Plans

Dyersburg City Schools

1. Teachers Legacy Plan

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Dyersburg City Schools for the year ended June 30, 2020 to the Teacher Legacy Pension Plan were \$1,096,599 which is 10.63 percent of covered payroll. The employer rate, when combined with members contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2020, the Dyersburg City Schools reported an asset of \$3,239,784 for its proportionate share of net pension asset. The net pension asset was measured as of June 30, 2019, 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, 2019 measurement date, Dyersburg City Schools' proportion was 0.315099 percent. The proportion measured as of June 30, 2018 was 0.306467 percent.

Pension Expense. For the year ended June 30, 2020, Dyersburg City Schools recognized pension expense of \$422,150.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, Dyersburg City Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 157,737	\$ 1,978,925
Changes in assumptions	436,578	-
Net difference between projected and actual earning on pension plan investments	-	925,669
Changes in proportion of Net Pension Liability (asset)	52,574	42,083
LEAs contributions subsequent to the measurement date of June 30, 2017	<u>1,096,599</u>	<u>N/A</u>
Total	<u>\$ 1,743,488</u>	<u>\$ 2,946,677</u>

Dyersburg City Schools employer contributions of \$1,096,599, 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, 2021. 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:

2021	\$ (671,257)
2022	(906,717)
2023	(413,133)
2024	(308,681)
2025	-
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, 2019 actuarial valuation was determined using the

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
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following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

<u>Dyersburg City Schools' Proportionate Share of the Net Pension Liability (Asset)</u>	
1% Decrease (6.25%)	\$ 6,624,423
Current Discount Rate (7.25%)	\$ (3,239,784)
1% Increase (8.25%)	\$(11,086,488)

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, 2020, the Dyersburg City Schools Board of Education reported a payable of \$131,862 for the outstanding amount of contributions due to TCRS for the year.

2. Teacher Retirement Plan (TCRS)

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by and actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020 to the Teacher Retirement Plan were \$46,646, which is 2.03 percent of covered payroll. The employer rate, when combined with members contributions, is expected to finance the cost of benefits earned by members during the year, the cost of administration, as well as amortized portion of any unfunded liability.

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

Pension Assets. At June 30, 2020, Dyersburg City Schools reported an asset of \$103,140 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019, 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, 2019, Dyersburg City Schools' proportion was 0.182715 percent. The proportion measured at June 30, 2018 was 0.193774 percent.

Pension Expense. For the year ended June 30, 2020, Dyersburg City Schools recognized pension expense of \$33,040.

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Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, Dyersburg City Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,277	\$ 18,005
Net difference between projected and actual earnings on pension plan investments	-	4,361
Changes in assumptions	3,584	-
Changes in net proportion of net pension liability	7,689	-
Dyersburg City School's contributions subsequent to the measurement date of June 30, 2015	<u>46,646</u>	<u>N/A</u>
	<u>\$ 62,196</u>	<u>\$ 22,366</u>

Dyersburg City Schools' employer contributions of \$46,646 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, 2021. 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:

2021	\$ (1,516)
2022	(2,183)
2023	(960)
2024	(336)
2025	(158)
Thereafter	(1,663)

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, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

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

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

The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Dyersburg City Schools' proportionate share of the net pension liability (asset)	\$32,679	(\$103,140)	(\$203,536)

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, 2020, the Dyersburg City Schools Board of Education reported a payable of \$13,256 for the outstanding amount of contributions due to TCRS Hybrid Plan for the year.

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TCRS Stabilization Trust

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

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

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

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

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

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

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

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

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

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

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

At June 30, 2020, the Dyersburg City Schools had the following investments held by the trust on its behalf:

<u>Asset Class</u>	<u>Percentage Target Allocations</u>	<u>Stabilization Trust Allocation</u>
U.S. equity	31%	\$ 26,272
Developed market international equity	14%	11,864
Emerging market international equity	4%	3,390
Private equity and strategic lending	20%	16,949
U.S. fixed income	20%	16,949
Real estate	10%	8,475
Short-term securities	1%	847
Total		<u>\$ 84,746</u>

<u>Investment by Fair Value Level</u>	<u>Fair Value 6/30/2020</u>	<u>Fair Value Measurement Using</u>			<u>Amortized Cost</u>
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>NAV</u>
U.S. equity	\$ 26,272	\$ 26,272	\$ -	\$ -	\$ -
Developed market international equity	11,864	11,864	-	-	-
Emerging market international equity	3,390	3,390	-	-	-
Private equity and strategic lending	16,949	-	-	-	16,949
U.S. fixed income	16,949	-	16,949	-	-
Real estate	8,475	-	-	8,475	-
Short-term securities	847	-	847	-	-
Total	<u>\$ 84,746</u>	<u>\$ 41,526</u>	<u>\$ 17,796</u>	<u>\$ 8,475</u>	<u>\$ 16,949</u>

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Dyersburg City Schools does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Dyersburg City Schools does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Dyersburg City Schools places no limit on the amount the county may invest in one issuer.

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

For further information concerning the School System's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be observed at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag19091.pdf>.

3. Non-Professional Employees' Pension Plan

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

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

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

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

At December 31, 2019, the following employees were covered by the Plan:

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

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

Employee contributions are based on the employee's annual covered salary. For the year ended December 31, 2019, 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, 2019 were 9.01 percent and \$227,068, respectively. Actual contributions for the year equaled \$271,548, or 119.59% of required contributions.

Net Pension Liability. The Dyersburg City Schools' net pension liability was measured as of December 31, 2019 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, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of January 1, 2019. In addition, mortality rates were based on the 2018 TCRS Non-teacher mortality (RP-2014 Blue Collar Mortality, loaded 102% for males and 97% for females, and MP-2017 Mortality Improvement Scale from 2017 and 2024).

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

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Changes in School's Net Pension Liability. Changes in the Dyersburg City Schools' net pension liability for the year ended December 31, 2019 were as follows:

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

	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 12/31/2018	<u>\$ 8,383,469</u>	<u>\$ 5,479,126</u>	<u>\$ 2,904,343</u>
Changes for the Year:			
Service cost	188,063		188,063
Interest expense	585,451		585,451
Benefit changes			
Experience losses (gains)			-
Changes of assumptions			-
Contributions - employer		271,548	(271,548)
Contributions - employee		150,627	(150,627)
Net investment income		1,037,061	(1,037,061)
Expected return on plan investments			
Current expense of asset (gain)/loss			
Non expensed asset gain/(loss)			
Benefits paid	(422,116)	(422,116)	-
Plan administrative expenses		(29,707)	29,707
Recognition of prior post-measurement contribution			-
Post-measurement contribution			-
Other changes			-
Amortization of or change in beginning balances			-
Net changes	<u>351,398</u>	<u>1,007,413</u>	<u>(656,015)</u>
Balances at 12/31/2019	<u>\$ 8,734,867</u>	<u>\$ 6,486,539</u>	<u>\$ 2,248,328</u>

Determination of Net Pension Liability. The components of the net pension liability at December 31, 2019 were as follows:

	<u>December 31, 2019</u>
Total Pension Liability (7.00%)	\$ 8,734,867
Plan Fiduciary Net Position	(6,486,539)
Net Pension Liability	<u>\$ 2,248,328</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	74.26%

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

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$3,226,264	\$2,248,328	\$1,420,990

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, 2020, the Dyersburg City schools recognized pension expense of \$344,941. At June 30, 2020, 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	\$ 15,745	\$ 10,821
Changes of assumptions	97,686	-
Net difference between projected and actual earnings on Plan investment	-	216,549
Dyersburg City School's contributions subsequent to the measurement date of December 31, 2018	159,802	-
Total	\$ 273,233	\$ 227,370

Contributions subsequent to the measurement date will be recognized in the following year.

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

Year ending June 30,	
2021	\$ (8,283)
2022	(14,423)
2023	26,863
2024	(118,096)
2025	-
Thereafter	-

Payable to DCSR. At June 30, 2020, the Dyersburg City Schools Board of Education reported a payable of \$34,994 for the outstanding amount of contributions due to DCSR for the year.

Defined Contribution Component of the Hybrid Plan. Upon first becoming a public school teacher in the Hybrid Plan, 2% of the employee's compensation will be deferred automatically into the defined contribution component of the Hybrid Plan unless the employee makes an affirmative election not to contribute. The System will make a contribution to the defined contribution component of the plan on behalf of each member which equals to 5% of the member's compensation, regardless of whether the member makes any employee contribution. The 5% employer contribution rate is established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees immediately vest in the employee and employer contributions to the defined contribution portion of the Hybrid Plan. During the fiscal year 2020, the System contributed a total of \$114,892 into the defined contribution portion of the Hybrid Plan. There were no forfeitures during the year ended June 30, 2020. At June 30, 2020, the Dyersburg City Schools Board of Education reported a payable of \$17,095 for the outstanding amount of contributions due to TCRS for the year.

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Dyersburg Electric System

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

1. Defined Benefit Plan

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

Plan participants. At January 1, 2019 valuation, pension plan participants consisted of the following:

Active plan participants (vested and non-vested)	31
Inactive plan participants or beneficiaries currently receiving benefits	6
Total	37

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

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

Contributions. Effective July 1, 2016, employees are required to contribute 3% of compensation. Dyersburg Electric System intends to contribute amounts necessary to fund the Plan, as determined by the Actuary. For the year ended June 30, 2019, the system's contribution rate was 25.2% of covered-employee payroll.

Investment Policy. The following was the Plan's adopted asset allocation policy as of June 30, 2019, as provided by the Plan's investment advisor.

Asset Class	Target Allocation	Long-Term Expected of Return*	Rate Weighting
US Equity - Large Cap	18%	6.10%	1.10%
US Equity - Small/Mid Cap	18%	7.46%	1.34%
Non-US Equity - Developed	10%	6.81%	0.68%
Non-US Equity - Emerging	5%	9.23%	0.46%
US Corporate Bonds - Core	21%	2.10%	0.44%
US Corporate Bonds - High Yield	7%	3.86%	0.27%
Non-US Debt - Developed	7%	1.05%	0.07%
US Treasuries (Cash Equivalents)	5%	0.60%	0.03%
Real Estate	6%	5.06%	0.30%
Hedge Funds	3%	4.03%	0.12%
	100%		4.81%
Lon-term inflation assumption			2.47%
Long-term expected nominal rate of return			7.28%

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

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Rate of return. For the year ended June 30, 2019, the annual money-weighted rate of return on pension investments, net of pension plan investment expenses, was 6.1%. 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 \$4,437,519 was measured as of June 30, 2019, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of January 1, 2019.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement. Assumptions were reviewed as part of an experience study for the period January 1, 2010 through December 31, 2014. Please refer to the report, dated August 11, 2015, for further details. We anticipate future experience reviews every five years.

Measurement Date:	June 30, 2019
Valuation Date:	January 1, 2019
Mortality:	Prior Year: Linked to the current mortality assumption utilized by the Tennessee Consolidated Retirement System (TCRS) Current Year: SOA RP-2014, Adjusted to 2006, Blue Collar Mortality Table with Scale Mp-2018
Discount Rate:	Prior Year: 6.75% per annum Current Year: 6.75% per annum
Inflation:	2.47% per annum. This assumption is an underlying component of a number of these economic assumptions. This assumption reflects the following factors: <ul style="list-style-type: none"> • Consumer price indices • Forecasts of inflation • Yields on government securities of various maturities • Yields on nominal and inflation-indexed debt
Salary projection:	3.50% per annum
Retirement Age: Based upon eligibility for full (unreduced) benefits, as follows:	

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

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

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

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

CITY OF DYERSBURG, TENNESSEE
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 5,942,294	\$ 4,437,519	\$ 3,162,377

Changes in Net Pension Liability

	Net Pension Liability	Plan Fiduciary Net Position	Total Pension Liability
Balances at June 30, 2018	\$ 4,536,092	\$ 6,646,996	\$ 11,183,088
Changes for the year:			
Service Cost	194,893	-	194,893
Interest	758,390	-	758,390
Difference between expected and actual experience	(394,083)	-	-
Changes of assumptions	359,703	-	359,703
Contributions - employer	(539,288)	539,288	-
Contributions - employee	(63,396)	63,396	-
Projected earnings on pension plan investments	(459,057)	459,057	-
Differences between projected and actual earnings	44,265	(44,265)	-
Benefit payments, including refunds of employee contributions	-	(289,879)	(289,879)
Net changes	(98,573)	727,597	629,024
Balances at June 30, 2019	<u>\$ 4,437,519</u>	<u>\$ 7,374,593</u>	<u>\$ 11,812,112</u>

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended June 30, 2020, the system recognized \$746,417 in pension income. Deferred outflows of resources and deferred inflows of resources related to pensions are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 53,836	\$ 597,218
Changes of assumptions	947,796	268,351
Net difference between projected and actual earnings on pension plan investments	489,829	-
Contributions subsequent to the measurement date of June 30, 2018	558,060	-
Total:	<u>\$ 2,049,521</u>	<u>\$ 865,569</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2019," will be recognized as a reduction to the net pension liability in the following measurement period.

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**Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2019**

Net position at beginning of year		\$ 6,646,996
Contributions received or receivable		
Employer	539,288	
Employee	63,396	
Total contributions		602,684
Net unrealized appreciation/(depreciation)		257,389
Interest and dividends		162,075
Total Income		1,022,148
Distribution of benefits		
Benefit payments	289,879	
Total distribution of benefits		289,879
Expenses		
Investment	4,672	
Total expenses		4,672
Net increase in net position		727,597
Net position at year end		\$ 7,374,593

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, 2020, the system contributed \$21,150 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, 2020, there were no amounts due from the System for contributions to the defined contribution plan.

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

Years Ending June 30:

2021	\$ 202,777
2022	136,971
2023	187,407
2024	130,529
2025	(31,133)
Thereafter	(659)

Payable to Plan. At June 30, 2020, there were no amounts due from the System for contributions to the Defined Benefit Plan.

Financial Statements for the Pension Plan. The System's administered plan issued financial statements as of December 31, 2019, which were audited by other auditors and included in this report. The plan financial statements as of June 30, 2019 are as follows:

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

Assets	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Cash	\$ 423,190	430,779
Receivables from Employee	-	5,757
Receivables from Employer	-	48,000
Investments		
Mutual Funds	<u>6,223,803</u>	<u>6,890,057</u>
Total Investments	<u>6,223,803</u>	<u>6,890,057</u>
Total Assets	<u>\$ 6,646,993</u>	<u>\$ 7,374,593</u>
Net Position		
Net Position	<u>\$ 6,646,993</u>	<u>\$ 7,374,593</u>

CITY OF DYERSBURG, TENNESSEE
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City of Dyersburg Pension Plan

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

At June 30, 2019, the following employees were covered by the Plan:

Active employees	87
Inactive employees or beneficiaries currently receiving benefits	52
Terminated employees entitled to deferred benefits	37
Total	176

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

Contributions. The Regulations of the City grant the authority to establish and amend the contribution requirements of the City and active plan members to the City of Dyersburg Pension Board. The Board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefit earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2020, the average active member contribution rate was 5.0 percent of annual pay, and the City's average contribution rate was 40.48 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, 2019 Actuarial Valuation Report. The actuary annually reviews the assumptions and method for reasonableness. Periodically, a complete plan experience study is conducted.

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

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

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

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

Net Pension Liability. The components of the net pension liability at June 30, 2019 were as follows:

Total Pension Liability	\$ 24,347,517
Plan Fiduciary Net Position	<u>(4,438,466)</u>
Net Pension Liability	<u><u>\$ 19,909,051</u></u>

Plan Fiduciary Net Position as a Percentage of Total Pension Liability. 18.23%

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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	6.10%	\$22,367,821
Current discount rate	7.10%	\$ 19,909,051
1% increase	8.10%	\$ 17,818,138

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended June 30, 2019, the recognized pension expense will be (\$789,798). At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources relation to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between experience losses (gains)	\$ 2,932,387	\$ 1,613,254
Changes of assumptions	10,987,045	8,597,851
Net difference between projected and actual earnings on investments	-	88,994
Contributions subsequent to the measurement date of 6/30/2019	<u>1,765,700</u>	<u>-</u>
Total:	<u>\$ 15,685,132</u>	<u>\$ 10,300,099</u>

Contributions after the measurement date of June 30, 2019 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:

2020	\$ (1,688,776)
2021	(1,720,793)
2022	806,618
2023	1,862,997
2024	1,866,750
Thereafter	2,492,539

CITY OF DYERSBURG, TENNESSEE
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F. Postemployment Healthcare Plan

Dyersburg City Schools

1. Closed Teacher Group OPEB Plan

The Schools changed to the Tennessee OPEB plan effective July 1, 2018. The Tennessee OPEB plan uses a measurement date that is one year behind the reporting date. Therefore, there was no new information to report that year. However, the following information is the first year that is available for the plans that were in place with a measurement date of June 30, 2019 and a reporting date of June 30, 2020.

Plan description. Employees of Dyersburg City Schools (Schools), who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Teacher Group OPEB Plan (TGOP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible pre-65 retired teachers, support staff and disability participants of local education agencies, who choose coverage, participate in the TGOP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits provided. The Schools offer the TGOP to provide health insurance coverage to eligible pre-65 retired teachers, support staff and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the TGOP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness healthsavings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the TGOP, receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. [Entities should insert language to explain their direct subsidy for pre-65 retiree insurance coverage or the fact that they do not directly subsidize and are only subject to the implicit]. The state, as a governmental nonemployer contributing entity, provides a direct subsidy for eligible retirees premiums, based on years of service. Therefore, retirees with 30 or more years of service will receive 45%, 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the healthsavings CDHP. The TGOP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Employees Covered by Benefit Terms. At June 30, 2019, the following employees of the Schools were covered by the benefit terms of the plan:

Inactive employees currently receiving benefit payments	26
Active employees not eligible for benefits	6
Active employees eligible for benefits	274
	306

An insurance committee establishes the required payments to the plan by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the Schools paid \$219,130 to the plan for OPEB benefits as they came due.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

Actuarial Assumptions. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age. Including inflation, averaging 4 percent.
Healthcare cost trend rates	6.03% for pr-65 in 2019, decreasing annually over a 10 year period to an ultimate rate of 4.53%. 5.20% for post-65 in 2019, decreasing annually over a 4 year period to an ultimate rate of 4.50%.
Retiree's share of benefit-related costs	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this valuation a weighted average has been used with weights derived from the current distribution of members among plans offered.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2019, valuations were the same as those employed in the July 1, 2018 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

Discount Rate. The discount rate used to measure the total OPEB liability was 3.51 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index.

Changes in Total OPEB Liability

	Total OPEB Liability (a)
Balance at June 30, 2018	\$ 3,295,935
Changes for the year:	
Service cost	-
Interest cost	-
Changes of benefit terms	1,618,475
Differences between expected and actual experience	-
Change in assumptions	-
Benefit payments	-
Net changes	1,618,475
Balance at June 30, 2019	\$ 4,914,410
 Nonemployer contributing entities proportionate share of the collective total OPEB liability	 \$ 1,434,020
 Employer's proportionate share of the collective total OPEB liability	 \$ 3,480,390
 Employer's proportion of the collective total OPEB liability	 70.82%

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

The Schools have a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TGOP. The School's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The proportion changed -29.18% from the prior measurement date. The Schools recognized \$1,434,020 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TGOP for the School's retirees.

Changes in Assumptions. The discount rate was changed from 3.62% as of the beginning of the measurement period to 3.51% as of June 30, 2019. This change in assumption decreased the total OPEB liability.

Changes in Benefit Terms. The Schools opted back into the TN OPEB plans for the year beginning July 1, 2018. As such, there was a change in benefit terms to bring the collective OPEB liability in agreement with the actuarial computed liability of \$4,914,410.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability related to the plan, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.51%) or 1-percentage point higher (4.51%) than the current discount rate:

	<u>1% Decrease (2.51%)</u>	<u>Current Discount Rate (3.51%)</u>	<u>1% Increase (4.51%)</u>
Proportionate share of collective total OPEB liability	\$ 3,735,413	\$ 3,480,390	\$ 3,238,648

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Proportionate share of collective total OPEB liability	\$ 3,122,357	\$ 3,480,390	\$ 3,903,333

OPEB Expense. For the fiscal year ended June 30, 2020, the Schools recognized OPEB expense of \$1,618,475.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

Deferred Outflows of Resources and Deferred Inflows of Resources. For the fiscal year ended June 30, 2020, the Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the TGOP from the following sources:

	Deferred Outflows of	Deferred Inflows of
Differences between actual and expected experience	\$ -	\$ -
Changes of assumptions	-	-
Changes in proportion and differences between amounts paid as benefits came due and proportionate share certain amounts paid by the employer and nonemployer contributors as the benefits came due	-	-
Employer payments subsequent to the measurement date	219,130	-
	\$ 219,130	\$ -

Payments subsequent to the measurement date will be recognized in the following year.

2. Closed Teacher Group OPEB Plan

Plan Description. Employees of Dyersburg City Schools (Schools), who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Tennessee Plan (TNP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible post-65 retired teachers, support staff and disability participants of local education agencies, who choose coverage, participate in the TNP. The TNP also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The state offers the TNP to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TNP does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNP are established and amended by cooperation of insurance committees created by TCA 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. participating employers determine their own policy related to subsidizing the retiree premiums. The Schools do not directly subsidize the retiree premiums. The state, as a governmental nonemployer contributing entity contributes to the premiums of eligible retirees of local education agencies based on years of service. Therefore, retirees with 30 years of service receive \$50 per month; 20 but less than 30 years, \$37.50; and 15 but less than 20 years, \$25. The TNP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Employees Covered by Benefit Terms. At June 30, 2019, the following employees of the School were covered by the benefit terms of the plan:

Inactive employees currently receiving benefit payments	101
Inactive employees entitled but not yet receiving benefit payments	37
Active employees eligible for benefits	199
	337

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

In accordance with TCA 8-27-209, the state insurance committees established by TCAs 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the Schools paid \$0 to the TNP for OPEB benefits as they came due.

Actuarial Assumptions. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age. Including inflation, averaging 4 percent.
Healthcare cost trend rates	The premium subsidies provided to retirees in the Tennessee Plan are assumed to remain unchanged for the entire projection, therefore trend rates are not applicable.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30,, 2019, valuations were the same as those employed in the July 1, 2018 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

Discount rate. The discount rate used to measure the total OPEB liability was 3.51 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA Index.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	<u>\$ 1,154,547</u>
Changes for the year:	
Service cost	11,980
Interest cost	41,174
Changes of benefit terms	-
Differences between expected and actual experience	(67,010)
Change in assumptions	17,068
Benefit payments	<u>(58,753)</u>
Net changes	<u>(55,541)</u>
Balance at June 30, 2019	<u><u>\$ 1,099,006</u></u>
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 1,009,006
Employer's proportionate share of the collective total OPEB liability	\$ -
Employer's proportion of the collective total OPEB liability	0.00%

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

The Schools have a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TNP. The School's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The proportion changed 0.00% from the prior measurement date. The Schools recognized \$26,927 in revenue for support provided by nonemployer contributing entities for benefits paid by the TNP for the School's retired employees.

Changes in Assumptions. The discount rate was changed from 3.62% as of the beginning of the measurement period to 3.51% as of June 30, 2019. This change in assumption decreased the total OPEB liability.

OPEB Expense. For the fiscal year ended June 30, 2020, the Schools recognized OPEB expense of \$26,927.

Deferred Outflows of Resources and Deferred Inflows of Resources. For fiscal year ended June 30, 2020, the Schools did not have any deferred outflows of resources or deferred inflows of resources related to OPEB benefits in the TNP plan.

G. Fairview Cemetery Trust Fund

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

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

H. Tax Abatements

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

Entity and Terms	Percentage of Taxes Abated During Year Ended June 30, 2020	Amount of Taxes Abated During Year Ended June 30, 2020
Caterpillar		
Effective 2002, 2003-2012 0%, 2013 increasing every year by 10%, 2022 100%	100% Personal Property	\$ 57
Effective 2003, 2004-2013 0%, 2014 increasing every year by 10%, 2023 100%	100% Personal Property	157
Effective 2004, 2005-2014 0%, 2015 increasing every year by 10%, 2024 100%	100% Personal Property	671
Effective 2005, 2006-2015 0%, 2016 increasing every year by 10%, 2025 100%	100% Personal Property	132
Effective 2006, 2007-2016 0%, 2017 increasing every year by 10%, 2026 100%	100% Personal Property	6,702

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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

CITY OF DYERSBURG, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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

I. Subsequent Events

The City has evaluated subsequent events through February 12, 2021, the date which the financial statements were available to be issued.

**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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Dyersburg City Schools' proportion of the net pension liability (asset)	0.315099%	0.306467%	0.309314%	0.296077%	0.292639%	0.307025%
Dyersburg City Schools' proportionate share of the net pension liability (asset)	\$ (3,239,784)	\$ (1,078,432)	\$ (101,202)	\$ 1,850,316	\$ 119,875	\$ 49,890
Dyersburg City Schools' covered payroll	\$ 10,565,701	\$ 10,731,456	\$ 10,934,120	\$ 10,687,813	\$ 10,954,981	\$ 12,050,701
Dyersburg City Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-30.66%	-10.05%	-0.93%	17.31%	1.09%	0.41%
Plan fiduciary net position as a percentage of the total pension liability	104.28%	101.49%	100.14%	97.14%	99.81%	100.08%

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

See independent auditor's report

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Dyersburg City Schools' proportion of the net pension liability (asset)	0.182715%	0.193774%	0.198496%	0.212778%	0.248278%
Dyersburg City Schools' proportionate share of the net pension liability (asset)	\$ (103,140)	\$ (87,882)	\$ (52,370)	(\$22,151)	(9,988)
Dyersburg City Schools' covered payroll	1,933,497	1,693,358	\$ 1,302,814	\$936,230	\$515,864
Dyersburg City Schools' proportionate share of the net pension liability (asset) as a percentage of its' covered-employee payroll	(5.33)%	(5.19)%	(4.02)%	(2.37)%	(1.94)%
Plan fiduciary net position as a percentage of the total pension liability	123.07%	126.97%	126.81%	121.88%	127.46%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 1,096,599	\$ 1,105,172	\$ 974,419	\$ 988,444	\$ 966,175	\$ 990,327	\$ 1,070,102
Contribution in relation to the contractually required contribution	<u>1,096,599</u>	<u>1,105,172</u>	<u>974,419</u>	<u>988,444</u>	<u>966,175</u>	<u>990,327</u>	<u>1,070,102</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Dyersburg City Schools' covered payroll	\$ 10,316,070	\$ 10,565,701	\$ 10,731,445	10,934,120	\$ 10,687,813	\$ 10,954,981	\$ 12,050,701
Contributions as a percentage of Dyersburg City Schools' covered payroll	10.63%	10.46%	9.08%	9.04%	9.04%	9.04%	8.88%

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

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

See independent auditor's report

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 46,646	\$ 37,510	\$ 27,614	\$ 52,112	\$ 23,436	\$ 516
Contributions in relation to the contractually required contribution	<u>46,646</u>	<u>37,510</u>	<u>67,734</u>	<u>52,112</u>	<u>37,449</u>	<u>20,634</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,120)</u>	<u>\$ -</u>	<u>\$ (14,013)</u>	<u>\$ (20,118)</u>
Dyersburg City Schools' covered payroll	\$ 2,297,835	\$ 1,933,497	\$ 1,693,358	\$ 1,302,814	\$ 936,230	\$ 515,864
Contributions as a percentage of Dyersburg City Schools' covered payroll	2.03%	1.94%	4.00%	4.00%	4.00%	4.00%

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

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

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

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE
DYERSBURG CITY SCHOOLS
SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS
NON-PROFESSIONAL EMPLOYEES PENSION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 188,063	\$ 194,319	\$ 185,951	\$ 154,102	\$ 147,466	\$ 154,945
Interest	585,451	573,257	548,298	515,464	489,615	467,004
Difference between actual and expected experience	-	(17,003)	-	57,725	-	(14,196)
Changes of assumptions	-	153,508	-	-	-	-
Benefit payments/refunds	(422,116)	(462,183)	(338,904)	(273,613)	(300,765)	(276,019)
Net change in total pension liability	351,398	441,898	395,345	453,678	336,316	331,734
Total pension liability - beginning	8,383,469	7,941,571	7,546,226	7,092,548	6,756,232	6,424,498
Total pension liability - ending (a)	8,734,867	8,383,469	7,941,571	7,546,226	7,092,548	6,756,232
Plan Fiduciary Net Position						
Contributions - employer	150,627	150,214	153,278	151,597	139,330	135,007
Contributions - employee	271,548	232,530	222,199	170,684	111,008	39,835
Net investment income	1,037,061	(246,239)	607,825	344,302	(56,640)	236,873
Benefit payments/refunds	(422,116)	(462,183)	(338,904)	(273,613)	(300,765)	(276,019)
Administrative expenses	(29,707)	(16,906)	(23,681)	(12,850)	(7,271)	(8,948)
Net change in plan fiduciary net position	1,007,413	(342,584)	620,717	380,120	(114,338)	126,748
Plan fiduciary net position - beginning	5,479,126	5,821,710	5,200,993	4,820,873	4,935,211	4,808,463
Plan fiduciary net position - ending (b)	6,486,539	5,479,126	5,821,710	5,200,993	4,820,873	4,935,211
Net pension liability - ending (a) - (b)	\$ 2,248,328	\$ 2,904,343	\$ 2,119,861	\$ 2,345,233	\$ 2,271,675	\$ 1,821,021
Plan fiduciary net position as a % of the total pension liability	74.26%	65.36%	73.31%	68.92%	67.97%	73.05%
Covered-employee payroll	\$ 3,012,521	\$ 2,926,845	\$ 3,020,158	\$ 3,020,158	\$ 2,571,722	\$ 2,571,722
Net pension liability as a % of covered employee payroll	74.63%	99.23%	70.19%	77.65%	88.33%	70.81%

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

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE
DYERSBURG CITY SCHOOLS
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS
NON-PROFESSIONAL EMPLOYEES PENSION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Schedule of Employer Contributions

	Plan years ending December 31,					
	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 227,068	\$ 227,068	\$ 170,752	\$ 170,752	\$ 170,567	\$ 170,567
Contributions in relation to the actuarially determined contribution	<u>271,548</u>	<u>232,530</u>	<u>222,199</u>	<u>170,684</u>	<u>111,008</u>	<u>39,835</u>
Contribution deficiency (excess)	<u>\$ (44,480)</u>	<u>\$ (5,462)</u>	<u>\$ (51,447)</u>	<u>\$ 68</u>	<u>\$ 59,559</u>	<u>\$ 130,732</u>
Covered-employee payroll	\$ 3,012,521	\$ 2,926,845	\$ 3,020,158	\$ 3,020,158	\$ 2,571,722	\$ 2,571,722
Contributions as a percentage of covered employee payroll	9.01%	7.94%	7.36%	5.65%	4.32%	1.55%

Schedule of Investment Returns

	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	19.1%	-4.3%	11.7%	7.2%	-1.2%	5.0%

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

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE
DYERSBURG CITY SCHOOLS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
NON-PROFESSIONAL EMPLOYEES PENSION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Salary Scale

4.0% annual increase to normal retirement

Rate of Retirement

100% at normal retirement age

Rate of Investment Return

7% per annum for funding purposes (7.25% for 2017)

Actuarial Valuation Method

Entry age normal method - with level dollar amortization

Asset Valuation Method

Fair market value

Mortality

2018 TCRS Non-Teacher Mortality (RP-2014 Blue Collar Mortality, loaded 102% for males and 97% for females and MP-2017 Mortality Improvement Scale from 2017 to 2024)

See independent auditor's report

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

Teacher Group Insurance Plan

Total OPEB Liability	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ -	\$ -	\$ 136,683
Interest	-	-	130,783
Changes of benefit terms	1,618,475	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Benefit payments	-	-	(411,073)
Net change in total OPEB liability	1,618,475	-	(143,607)
Total OPEB liability - beginning	<u>3,295,935</u>	<u>3,295,935</u>	<u>3,439,542</u>
Total OPEB liability - ending (a)	<u>\$ 4,914,410</u>	<u>\$ 3,295,935</u>	<u>\$ 3,295,935</u>
 Nonemployer contributing entities proportionate share of the collective total OPEB liability	 1,434,020	 -	 -
 Nonemployer contributing entities proportionate share of the collective total OPEB liability	 2,480,390	 3,295,935	 3,295,935
 Covered-employee payroll	 \$ 14,635,924	 \$ 13,387,236	 \$ 13,387,236
 Total OPEB liability as a percentage of covered-employee payroll	 23.78%	 24.62%	 24.62%

Note to Schedule:

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

The amounts reported for each fiscal year were determined as of the prior fiscal year-end. The Schools joined the State plans effective July 1, 2019. Therefore, there was no activity for the fiscal year ending June 30, 2019 since the measurement date is one year behind the fiscal year date.

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

Changes of assumptions. For the measurement date June 30, 2019, the following assumptions were changed: the discount rate decreased from 3.62% to 3.51%; the medical and drug trend rate assumptions were updated to reflect more recent experience as of the measurement date; and a change in expected per capita health claims to reflect more recent information as of the measurement date.

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

Tennessee Plan (Medicare Supplement)

Total OPEB Liability	2020	2019
Service cost	\$ 11,980.00	\$ -
Interest	41,174.00	-
Changes of benefit terms	-	-
Differences between expected and actual experience	(67,010.00)	-
Changes of assumptions	17,068.00	-
Benefit payments	(58,753.00)	-
Net change in total OPEB liability	(55,541.00)	-
Total OPEB liability - beginning	1,154,547	1,154,547
Total OPEB liability - ending (a)	\$ 1,099,006	\$ 1,154,547
 Nonemployer contributing entities proportionate share of the collective total OPEB liability	1,099,006	1,154,547
 Nonemployer contributing entities proportionate share of the collective total OPEB liability	-	-
 Covered-employee payroll	\$ 14,873,740	\$ 14,873,740
 Total OPEB liability as a percentage of covered-employee payroll	0.00%	0.00%

Note to Schedule:

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

The amounts reported for each fiscal year were determined as of the prior fiscal year-end. The Schools joined the State plans effective July 1, 2019. Therefore, there was no activity for the fiscal year ending June 30, 2019 since the measurement date is one year behind the fiscal year date.

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

Changes of assumptions. For the measurement date June 30, 2019, the following assumptions were changed: the discount rate decreased from 3.62% to 3.51%.

See independent auditor's report

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

Measurement Period Ended June 30,	2014	2015	2016	2017	2018	2019
Total pension liability						
Service cost	\$ 199,281	\$ 151,433	\$ 202,475	\$ 194,275	\$ 193,496	\$ 194,893
Interest	666,182	579,581	660,677	673,043	712,065	758,390
Change in benefit terms	-	-	(87,835)	-	-	-
Differences between expected and actual experience	(309,905)	40,702	(320,826)	(12,852)	47,229	(394,083)
Changes of assumptions	(1,183,177)	1,436,333	-	-	-	359,703
Benefit payments, including refunds of employee contributions	(772,834)	(174,754)	(223,826)	(303,644)	(246,605)	(289,879)
Net change in total pension liability	(1,400,453)	2,033,295	230,665	550,822	706,185	629,024
Total pension liability - beginning*	9,062,574	7,662,121	9,695,416	9,926,081	10,476,903	11,183,088
Total pension liability - ending (a)	<u>\$ 7,662,121</u>	<u>\$ 9,695,416</u>	<u>\$ 9,926,081</u>	<u>\$ 10,476,903</u>	<u>\$ 11,183,088</u>	<u>\$ 11,812,112</u>
Plan fiduciary net position						
Contributions - total	\$ 518,955	\$ 596,336	\$ 585,183	\$ 626,663	\$ 582,792	602,684
Net investment income	87,971	(140,669)	(162,968)	(71,027)	173,991	414,792
Benefit payments, including refunds of employee contributions	(772,834)	(174,754)	(223,826)	(303,644)	(246,605)	(289,879)
Administrative expenses	-	-	(32,514)	-	-	-
Net change in plan fiduciary net position	(165,908)	280,913	165,875	251,992	510,178	727,597
Plan fiduciary net position - beginning*	5,603,946	5,438,038	5,718,951	5,884,826	6,136,818	6,646,996
Plan fiduciary net position - ending (b)	<u>\$ 5,438,038</u>	<u>\$ 5,718,951</u>	<u>\$ 5,884,826</u>	<u>\$ 6,136,818</u>	<u>\$ 6,646,996</u>	<u>\$ 7,374,593</u>
Net pension liability – ending (a) - (b)	<u>\$ 2,224,083</u>	<u>\$ 3,976,465</u>	<u>\$ 4,041,255</u>	<u>\$ 4,340,085</u>	<u>\$ 4,536,092</u>	<u>\$ 4,437,519</u>
Plan fiduciary net position as a percentage of the total pension liability	70.97%	58.99%	59.29%	58.57%	59.44%	62.43%
Covered-employee payroll	\$ 2,241,803	\$ 2,268,421	\$ 2,222,558	\$ 2,184,228	\$ 2,209,476	\$ 2,139,936
Net pension liability as a percentage of covered-employee payroll	99.21%	175.30%	181.83%	198.70%	205.30%	207.37%

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

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

See independent auditor's report

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

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contributions*	\$ 348,722	\$ 353,937	\$ 400,043	\$ 409,977	\$ 402,786	\$ 422,381
Contributions in relation to the actuarially determined contribution	518,955	596,336	585,183	560,669	518,951	539,288.00
Contribution deficiency (excess)	<u>\$ (170,233)</u>	<u>\$ (242,399)</u>	<u>\$ (185,140)</u>	<u>\$ (150,692)</u>	<u>\$ (116,165)</u>	\$ (116,907)
Covered-employee payroll	\$ 2,241,803	\$ 2,268,421	\$ 2,222,558	\$ 2,184,228	\$ 2,209,476	\$ 2,139,936
Contributions as a percentage of covered-employee payroll	23.15%	26.29%	26.33%	25.67%	23.49%	25.20%

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

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

Actuarial Methods Assumptions

Actuarial cost method:	Individual entry age normal, level percentage of compensation
Amortization method:	Level percentage of payroll, closed
Remaining amortization period	26 years as of 1/1/19
Asset valuation method:	Market value of assets adjusted to phase in asset gains and losses from 01/01/2016 over a five-year period at 20% per year.
Salary increases:	3.50%
Investment rate of return	6.75%, net of pension plan investment expenses
Retirement age:	Graded scale based on eligibility for unreduced benefits
Mortality:	RP 2014 Adjusted to 2006 Blue Collar Mortality with Scale MP-2018
Disabled mortality:	Same as above

Schedule of Investment Returns

	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Annual money-weighted rate of return, net of investment expense	1.58%	-2.52%	-2.78%	-0.56%	2.77%	6.10%

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,

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 102,897	\$ 107,402	\$ 128,325	\$ 147,906	\$ 307,788	\$ 228,092
Interest	1,257,057	1,083,430	1,077,568	1,594,600	1,580,201	1,366,509
Change in benefit terms	-	-	-	(3,199,658)	-	-
Experience losses (gains)	(28,073)	1,140,472	1,766,623	(4,269,455)	1,480,375	1,185,379
Changes of assumptions	(11,012,475)	(478,565)	(1,427,515)	1,704,042	1,071,261	19,079,843
Benefit payments, including refunds of employee contributions	(1,282,474)	(1,156,537)	(1,357,704)	(1,919,959)	(2,055,619)	(2,094,336)
Net change in total pension liability	(10,963,068)	696,202	187,297	(5,942,524)	2,384,006	19,765,487
Total pension liability - beginning	35,310,585	34,614,383	34,427,086	40,369,610	37,985,604	18,220,117
Total pension liability - ending (a)	<u>\$ 24,347,517</u>	<u>\$ 35,310,585</u>	<u>\$ 34,614,383</u>	<u>\$ 34,427,086</u>	<u>\$ 40,369,610</u>	<u>\$ 37,985,604</u>
Plan fiduciary net position						
Contributions - employer	1,435,000	1,092,500	\$ 863,600	\$ 2,103,281	\$ 725,193	\$ 724,200
Contributions - employee	218,752	230,928	245,720	336,670	434,424	456,147
Net investment income	315,771	362,662	332,770	65,896	192,358	578,519
Benefit payments, including refunds of employee contributions	(1,282,474)	(1,156,537)	(1,357,704)	(1,919,959)	(2,055,619)	(2,094,336)
Administrative expenses	(46,369)	(22,635)	(61,655)	(142,286)	(91,727)	(49,374)
Net change in plan fiduciary net position	640,680	506,918	22,731	443,602	(795,371)	(384,844)
Plan fiduciary net position - beginning	3,797,486	3,290,568	3,267,837	2,824,235	3,619,606	4,004,450
Plan fiduciary net position - ending (b)	<u>\$ 4,438,166</u>	<u>\$ 3,797,486</u>	<u>\$ 3,290,568</u>	<u>\$ 3,267,837</u>	<u>\$ 2,824,235</u>	<u>\$ 3,619,606</u>
Net pension liability -- ending (a) - (b)	<u>\$ 19,909,351</u>	<u>\$ 31,513,099</u>	<u>\$ 31,323,815</u>	<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	18.23%	10.75%	9.51%	9.49%	7.00%	9.53%
Covered-employee payroll	\$ 4,374,710	\$ 4,573,568	\$ 4,859,654	\$ 5,157,214	\$ 5,630,192	\$ 8,003,375
Net pension liability as a percentage of covered-employee payroll	455.10%	689.00%	644.60%	604.20%	489.30%	429.40%

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

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,**

	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,770,905	\$ 1,600,000	\$ 1,600,000	\$ 1,700,000	\$ 2,100,000	\$ 1,500,000
Contributions in relation to the actuarially determined contribution	1,435,300	1,100,000	900,000	2,100,000	700,000	700,000
Contribution deficiency (excess)	<u>\$ 335,605</u>	<u>\$ 500,000</u>	<u>\$ 700,000</u>	<u>\$ (400,000)</u>	<u>\$ 1,400,000</u>	<u>\$ 800,000</u>
Covered-employee payroll	\$ 4,374,710	\$ 4,600,000	4,900,000	\$ 5,200,000	\$ 7,700,000	\$ 800,000
Contributions as a percentage of covered employee payroll	32.8%	23.90%	17.80%	40.80%	9.50%	9.00%

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

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

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

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

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**CITY OF DYERSBURG, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020**

	Special Revenue Funds					Total	Debt Service Fund	Capital Project Fund	Permanent Fund Cemetery Care	Total Nonmajor Governmental Funds
	T I P	Cafeteria	Federal Projects	Community Development	Insurance Reserve					
ASSETS										
Cash	\$ 262,065	\$ 665,814	\$ 157,274	\$ 1,661	\$ 21,650	\$ 1,108,464	\$ 1,768,899	\$ 1,307	\$ -	\$ 2,878,670
Investments	-	-	-	-	-	-	-	-	1,614,745	1,614,745
Accounts receivable	-	-	31,072	106,999	-	138,071	162,997	-	-	301,068
Notes receivable	-	-	-	-	-	-	-	-	-	-
Due from other funds	68,212	-	-	-	203,310	271,522	-	-	2,950	274,472
Inventory	-	77,399	-	-	-	77,399	-	-	-	77,399
Other prepaids	-	-	-	-	32,268	32,268	-	-	-	32,268
Deposits	-	-	-	-	92,950	92,950	-	-	-	92,950
Total Assets	\$ 330,277	\$ 743,213	\$ 188,346	\$ 108,660	\$ 350,178	\$ 1,720,674	\$ 1,931,896	\$ 1,307	\$ 1,617,695	\$ 5,271,572
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 2,116	\$ 114	\$ 430	\$ 106,999	\$ 118,517	\$ 228,176	\$ -	\$ -	\$ -	\$ 228,176
Accrued liabilities	-	40,441	186,664	-	-	227,105	27,493	-	-	254,598
Due to other funds	991	-	-	-	253,173	254,164	-	-	7,750	261,914
Unavailable confiscated funds	12,725	-	-	-	-	12,725	-	-	-	12,725
Total Liabilities	15,832	40,555	187,094	106,999	371,690	722,170	27,493	-	7,750	757,413
Fund balances:										
Non-spendable	-	77,399	-	-	-	77,399	-	-	-	77,399
Restricted	314,445	625,259	1,252	1,661	-	942,617	1,904,403	1,307	1,609,945	4,458,272
Committed	-	-	-	-	(21,512)	(21,512)	-	-	-	(21,512)
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	314,445	702,658	1,252	1,661	(21,512)	998,504	1,904,403	1,307	1,609,945	4,514,159
Total Liabilities and Fund Balances	\$ 330,277	\$ 743,213	\$ 188,346	\$ 108,660	\$ 350,178	\$ 1,720,674	\$ 1,931,896	\$ 1,307	\$ 1,617,695	\$ 5,271,572

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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, 2020

	Special Revenue Funds					Total	Debt Service Fund	Capital Project Fund	Permanent Fund Cemetery Care	Total Nonmajor Governmental Funds
	T I P	Cafeteria	Federal Projects	Community Development	Insurance Reserve					
Revenues:										
Local sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,718,087	\$ -	\$ -	\$ 1,718,087
Unauthorized substance tax	50	-	-	-	-	50	-	-	-	50
U.S.D.A. reimbursements	-	1,369,956	-	-	-	1,369,956	-	-	-	1,369,956
State school matching funds	-	15,549	-	-	-	15,549	-	-	-	15,549
State housing grants	-	-	-	214,899	-	214,899	-	-	-	214,899
State education grants	-	-	2,041,524	-	-	2,041,524	-	-	-	2,041,524
Charges for service	-	332,908	-	-	-	332,908	-	-	-	332,908
Fines, forfeits, and penalties	19,503	-	-	-	-	19,503	-	-	-	19,503
Sale of assets	9,699	-	-	-	-	9,699	-	-	-	9,699
Investment earnings	251	-	-	2	167	420	36,386	5	95,820	132,631
Joint cost reimbursements	-	-	-	-	3,974,756	3,974,756	-	-	-	3,974,756
Miscellaneous	-	125,637	-	-	-	125,637	-	-	-	125,637
Total revenues	29,503	1,844,050	2,041,524	214,901	3,974,923	8,104,901	1,754,473	5	95,820	9,955,199
Expenditures:										
Current:										
General and administrative	31,601	-	-	214,959	4,046,928	4,293,488	-	-	14,004	4,307,492
Education	-	1,883,009	2,029,323	-	-	3,912,332	-	-	-	3,912,332
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total expenditures	31,601	1,883,009	2,029,323	214,959	4,046,928	8,205,820	-	-	14,004	8,219,824
Revenues over (under) expenditures	(2,098)	(38,959)	12,201	(58)	(72,005)	(100,919)	1,754,473	5	81,816	1,735,375
Other financing sources (uses):										
Transfer from other funds	-	-	(11,832)	-	-	(11,832)	-	-	37,650	25,818
Transfer to other funds	-	-	-	-	-	-	(1,701,220)	-	(30,269)	(1,731,489)
Total other financing sources (uses)	-	-	(11,832)	-	-	(11,832)	(1,701,220)	-	7,381	(1,705,671)
Net change in fund balances	(2,098)	(38,959)	369	(58)	(72,005)	(112,751)	53,253	5	89,197	29,704
Fund balances - July 1, 2019	316,543	741,617	883	1,719	50,493	1,111,255	1,851,150	1,302	1,520,748	4,484,455
Fund balances - June 30, 2020	\$ 314,445	\$ 702,658	\$ 1,252	\$ 1,661	\$ (21,512)	\$ 998,504	\$ 1,904,403	\$ 1,307	\$ 1,609,945	\$ 4,514,159

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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, 2020

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:			
Unauthorized substance tax	\$ -	\$ 50	\$ 50
Fines, forfeits, and penalties	35,000	19,503	(15,497)
Miscellaneous revenue	50,000	9,699	(40,301)
Investment earnings	1,000	251	(749)
Total revenues	<u>86,000</u>	<u>29,503</u>	<u>(56,497)</u>
EXPENDITURES:			
General and administrative			
Small items of equipment	5,000	-	5,000
Repair and maintenance	15,000	26,476	(11,476)
Other	15,000	5,125	9,875
Total general and administrative	<u>35,000</u>	<u>31,601</u>	<u>3,399</u>
Capital outlay	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total expenditures	<u>85,000</u>	<u>31,601</u>	<u>53,399</u>
Net Change in Fund Balance	<u>\$ 1,000</u>	<u>(2,098)</u>	<u>\$ (3,098)</u>
Fund balance - July 1, 2019		<u>316,543</u>	
Fund balance - June 30, 2020		<u>\$ 314,445</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, 2020**

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:			
State grants	\$ 497,000	\$ 214,899	\$ (282,101)
Investment earnings	-	2	2
Miscellaneous revenue	3,000.00	-	(3,000)
Total revenues	500,000	214,901	(285,099)
 EXPENDITURES:			
General and administrative:			
Miscellaneous	500,000	214,959	285,041
Total general and administrative	500,000	214,959	285,041
Total expenditures	500,000	214,959	285,041
 Net Change in Fund Balance	\$ -	(58)	\$ (58)
 Fund balance - July 1, 2019		1,719	
Fund balance - June 30, 2020		1,661	

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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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 167	\$ 167
Joint cost reimbursements	3,500,000	4,000,000	3,974,756	(25,244)
Total revenues	<u>3,500,000</u>	<u>4,000,000</u>	<u>3,974,923</u>	<u>(25,077)</u>
EXPENDITURES:				
Hospital and health care expenditures:				
Medical claims	2,300,000	2,500,000	2,428,313	71,687
Drug claims	775,000	1,075,000	1,144,608	(69,608)
Life insurance	30,000	30,000	24,151	5,849
Re-insurance costs	300,000	300,000	292,969	7,031
Insurance administration	95,000	95,000	156,887	(61,887)
Total hospital and health care	<u>3,500,000</u>	<u>4,000,000</u>	<u>4,046,928</u>	<u>(46,928)</u>
Total expenditures	<u>3,500,000</u>	<u>4,000,000</u>	<u>4,046,928</u>	<u>(46,928)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(72,005)	<u>\$ (72,005)</u>
Fund balance - July 1, 2019			<u>50,493</u>	
Fund balance - June 30, 2020			<u>\$ (21,512)</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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
U.S.D.A. reimbursements	\$ 1,401,000	\$ 1,374,258	\$ 1,369,956	\$ (4,302)
State school matching funds	20,000	15,500	15,549	49
Charges for service	479,000	332,695	332,908	213
Miscellaneous revenue	150,000	129,750	125,637	(4,113)
Total revenues	<u>2,050,000</u>	<u>1,852,203</u>	<u>1,844,050</u>	<u>(8,153)</u>
EXPENDITURES:				
Education:				
Food	761,850	740,000	700,346	39,654
Cafeteria labor	703,600	676,801	682,666	(5,865)
Other expenditures	584,550	521,699	499,997	21,702
Total education	<u>2,050,000</u>	<u>1,938,500</u>	<u>1,883,009</u>	<u>55,491</u>
Total expenditures	<u>2,050,000</u>	<u>1,938,500</u>	<u>1,883,009</u>	<u>55,491</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (86,297)</u>	<u>(38,959)</u>	<u>\$ 47,338</u>
Fund balance - July 1, 2019			<u>741,617</u>	
Fund balance - June 30, 2020			<u>\$ 702,658</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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
State education grants	\$ 2,068,560	\$ 2,305,453	\$ 2,041,524	\$ (263,929)
Total revenues	<u>2,068,560</u>	<u>2,305,453</u>	<u>2,041,524</u>	<u>(263,929)</u>
EXPENDITURES:				
Education:				
Regular instruction	1,125,953	1,226,591	1,144,469	82,122
Vocational education	66,508	76,560	64,775	11,785
Special education	569,363	577,671	552,340	25,331
Student support	37,780	141,544	20,844	120,700
Regular instruction support services	178,060	188,076	144,097	43,979
Special education support services	95,104	95,104	99,461	(4,357)
Transportation	-	4,997	3,337	1,660
Total education	<u>2,072,768</u>	<u>2,310,543</u>	<u>2,029,323</u>	<u>281,220</u>
Total expenditures	<u>2,072,768</u>	<u>2,310,543</u>	<u>2,029,323</u>	<u>281,220</u>
Revenues Over (Under) Expenditures	(4,208)	(5,090)	12,201	17,291
Other financing sources (uses)				
Transfers	4,209	4,209	(11,832)	16,041
Net Change in Fund Balance	<u>\$ 1</u>	<u>\$ (881)</u>	369	<u>\$ 1,250</u>
Fund balance - July 1, 2019			<u>883</u>	
Fund balance - June 30, 2020			<u>\$ 1,252</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, 2020**

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:			
Local Sales Tax	\$ 1,590,000	\$ 1,718,087	\$ 128,087
Interest income	20,000	36,386	16,386
Total revenues	1,610,000	1,754,473	144,473
EXPENDITURES:			
	-	-	-
Revenues Over (Under) Expenditures	1,610,000	1,754,473	144,473
Other Financing Sources (Uses):			
Transfer from other funds	397,300	-	(397,300)
Transfer to other funds	(1,766,400)	(1,701,220)	65,180
Total other financing sources (uses)	(1,766,400)	(1,701,220)	65,180
Net Change in Fund Balance	\$ (156,400)	\$ 53,253	\$ 209,653
Fund balance - July 1, 2019		1,851,150	
Fund balance - June 30, 2020		\$ 1,904,403	

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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, 2020**

	<u>Budgeted Original & Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES:			
Interest income	\$ -	\$ 5	\$ 5
Total revenues	<u>-</u>	<u>5</u>	<u>5</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>5</u>	<u>\$ 5</u>
Fund balance - July 1, 2019		<u>1,302</u>	
Fund balance - June 30, 2020		<u>\$ 1,307</u>	

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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, 2020**

	Budgeted Original & Final	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Investment earnings	\$ 35,000	\$ 31,925	\$ (3,075)
Net increase in fair value of investments	5,000	61,163	56,163
Miscellaneous revenues	1,000	2,732	1,732
Total revenues	41,000	95,820	54,820
Expenditures:			
Trustee fees	15,000	14,004	996
Revenues Over (under) expenditures	26,000	81,816	55,816
Other financing sources (uses)			
Transfers in	35,000	37,650	2,650
Transfers out	(35,000)	(30,269)	4,731
Total other financing sources (uses)	-	7,381	7,381
Net Change in Fund Balance	\$ 26,000	89,197	\$ 63,197
Fund balance - July 1, 2019		1,520,748	
Fund balance - June 30, 2020		\$ 1,609,945	

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**CITY OF DYERSBURG, TENNESSEE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020**

	<u>Internal Service Fund</u>	<u>Communications Service Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,690,694	\$ 101,760	\$ 2,792,454
Accounts receivable (net of allowance for uncollectibles)	17,380	13,976	31,356
Due from other funds	5,074	161,881	166,955
Total current assets	<u>2,713,148</u>	<u>277,617</u>	<u>2,990,765</u>
Noncurrent assets:			
Capital assets:			
Property, plant, and equipment	559,058	1,763,330	2,322,388
Less - accumulated depreciation	(507,097)	(1,464,222)	(1,971,319)
Net property, plant, and equipment	<u>51,961</u>	<u>299,108</u>	<u>351,069</u>
Other assets	<u>102,432</u>	<u>-</u>	<u>102,432</u>
Total Assets	<u>2,867,541</u>	<u>576,725</u>	<u>3,444,266</u>
LIABILITIES			
Current liabilities:			
Accounts payable	316	4,747	5,063
Accrued payroll	13,397	15,046	28,443
Accrued compensated absences	8,581	17,237	25,818
Due to other funds	2,063,560	103,361	2,166,921
Total current liabilities	<u>2,085,854</u>	<u>140,391</u>	<u>2,226,245</u>
Noncurrent liabilities:			
Other accrued liabilities	<u>108,701</u>	<u>-</u>	<u>108,701</u>
Total Liabilities	<u>2,194,555</u>	<u>140,391</u>	<u>2,334,946</u>
NET POSITION			
Investment in capital assets	51,961	299,108	351,069
Unrestricted	621,025	137,226	758,251
Total Net Position	<u>\$ 672,986</u>	<u>\$ 436,334</u>	<u>\$ 1,109,320</u>

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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, 2020

	<u>Internal Service</u>	<u>Communication Services</u>	<u>Total</u>
Operating revenues:			
Joint costs	\$ 1,062,783	\$ 811,325	\$ 1,874,108
Miscellaneous revenues	<u>2,211</u>	<u>327,367</u>	<u>329,578</u>
Total operating revenues	<u>1,064,994</u>	<u>1,138,692</u>	<u>2,203,686</u>
Operating expenses:			
Customer service and collection	973,619	-	973,619
Communication services	-	810,913	810,913
General and administrative	71,602	221,139	292,741
Emergency warning system	-	59,997	59,997
Depreciation and amortization	<u>24,363</u>	<u>47,010</u>	<u>71,373</u>
Total operating expense	<u>1,069,584</u>	<u>1,139,059</u>	<u>2,208,643</u>
Operating income (loss)	(4,590)	(367)	(4,957)
Nonoperating revenues (expenses):			
Interest income	4,590	106	4,696
Miscellaneous income	<u>-</u>	<u>261</u>	<u>261</u>
Total nonoperating revenues (expenses)	<u>4,590</u>	<u>367</u>	<u>4,957</u>
Change in net position	-	-	-
Total net position - July 1, 2019	<u>672,986</u>	<u>436,334</u>	<u>1,109,320</u>
Total net position - June 30, 2020	<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, 2020

	<u>Internal Service</u>	<u>Communication Services</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,047,786	\$ 276,976	\$ 1,324,762
Payments to suppliers	(364,446)	(318,434)	(682,880)
Payments to employees for services	(493,283)	(533,588)	(1,026,871)
Payments for employee benefits	(114,138)	(241,563)	(355,701)
Payments to other funds	541,293	13,765	555,058
Other receipts (payments)	(3,307)	866,889	863,582
Net cash provided by (used for) operating activities	<u>613,905</u>	<u>64,045</u>	<u>677,950</u>
CASH FLOWS FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(46,661)	(46,661)
Other receipts (payments)	-	261	261
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(46,400)</u>	<u>(46,400)</u>
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES			
Interest and investment earnings	4,590	106	4,696
Net cash provided by (used for) investing activities	<u>4,590</u>	<u>106</u>	<u>4,696</u>
Net increase (decrease) in cash and cash equivalents	618,495	17,751	636,246
Cash and cash equivalents - July 1, 2019	2,072,199	84,009	2,156,208
Cash and cash equivalents - June 30, 2020	<u>\$ 2,690,694</u>	<u>\$ 101,760</u>	<u>\$ 2,792,454</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES ACTIVITIES			
Operating income (loss)	\$ (4,590)	\$ (367)	\$ (4,957)
Adjustments to reconcile net income (loss) from operations to net cash provided (used) by operating activities			
Depreciation	19,022	47,010	66,032
Amortization	5,340	-	5,340
(Increase) Decrease in Assets			
Accounts receivable, net of allowance	(17,207)	5,173	(12,034)
Due from other funds	10,643	(85,726)	(75,083)
Other assets	(6,310)		(6,310)
Increase (Decrease) in Liabilities			
Accounts payable	(15,488)	(3,565)	(19,053)
Accrued payroll	4,187	2,490	6,677
Due to other funds	530,650	99,491	630,141
Other current liabilities	87,923	-	87,923
Compensated absences	(265)	(461)	(726)
Net cash provided by (used for) operating activities	<u>\$ 613,905</u>	<u>\$ 64,045</u>	<u>\$ 677,950</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, 2020

	<u>Budgeted Original & Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Operating Revenues:			
Miscellaneous revenues:			
Joint cost	\$ 1,009,700	\$ 1,041,783	\$ 32,083
Computer services	21,000	21,000	-
Other	7,500	2,211	(5,289)
Total miscellaneous revenues	<u>1,038,200</u>	<u>1,064,994</u>	<u>26,794</u>
Operating Expenses:			
Customer service and collection:			
Salaries	175,700	132,839	42,861
Payroll taxes	13,400	9,312	4,088
Hospital and health insurance	61,700	35,917	25,783
Employee education	500	405	95
Publicity, subscriptions, and dues	3,500	1,808	1,692
Telephone	2,000	1,969	31
Office supplies	5,000	3,382	1,618
Small items of equipment	14,700	18,167	(3,467)
Postage	8,000	7,171	829
Repairs and maintenance	1,500	5,974	(4,474)
Other	3,600	3,427	173
Total customer service and collection	<u>289,600</u>	<u>220,371</u>	<u>69,229</u>
Billing:			
Salaries	109,000	111,284	(2,284)
Payroll taxes	8,300	7,719	581
Hospital and health insurance	26,600	29,856	(3,256)
Office supplies	5,000	3,252	1,748
Small items of equipment	1,500	-	1,500
Postage	32,000	31,998	2
Repairs and maintenance	1,500	1,421	79
Total billing	<u>183,900</u>	<u>185,530</u>	<u>(1,630)</u>
Meter reading:			
Salaries	127,800	128,551	(751)
Payroll taxes	9,800	9,060	740
Hospital and health insurance	42,100	47,031	(4,931)
Publicity, subscriptions, and dues	-	-	-
Telephone	1,500	1,021	479
Professional services	1,000	30	970
Small items of equipment	-	5,946	(5,946)
Operating supplies	500	552	(52)
Uniforms	-	-	-
Repairs and maintenance	6,000	4,111	1,889
Gas and oil	6,000	5,607	393
Insurance	1,000	1,782	(782)
Total meter reading	<u>195,700</u>	<u>203,691</u>	<u>(7,991)</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, 2020

	Budgeted Original Final	Actual	Variance- Positive (Negative)
Operating Expenses (continued):			
Computer operations:			
Salaries	59,500	89,508	(30,008)
Payroll taxes	4,600	6,762	(2,162)
Hospital and health insurance	21,000	26,106	(5,106)
Training	1,000	-	1,000
Publicity, subscriptions, dues	5,000	143	4,857
Telephone	4,500	4,381	119
Travel	2,000	-	2,000
Automobile allowance	2,700	2,700	-
Small items of equipment	6,200	6,487	(287)
Operating supplies	5,000	2,541	2,459
Repairs and maintenance	160,000	212,512	(52,512)
Insurance	12,000	12,887	(887)
Total computer operations	<u>283,500</u>	<u>364,027</u>	<u>(80,527)</u>
Administrative expenses:			
Vacation and sick leave	1,000	(265)	1,265
Hospital and health insurance	100	-	100
Retirement	60,300	61,097	(797)
Professional service	9,000	8,646	354
Other	300	2,124	(1,824)
Total administrative expenses	<u>70,700</u>	<u>71,602</u>	<u>(902)</u>
Depreciation and amortization expense	<u>19,800</u>	<u>24,363</u>	<u>(4,563)</u>
Total operating expense	<u>1,043,200</u>	<u>1,069,584</u>	<u>(26,384)</u>
Operating Income (loss)	(5,000)	(4,590)	410
Nonoperating Revenues (Expenses):			
Interest income	<u>5,000</u>	<u>4,590</u>	<u>(410)</u>
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Net Position - July 1, 2019		<u>672,986</u>	
Total Net Position - June 30, 2020		<u>\$ 672,986</u>	

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CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL - COMMUNICATIONS SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Original & Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Operating Revenues:			
Miscellaneous revenues			
Joint cost	\$ 814,700	\$ 811,325	\$ (3,375)
Miscellaneous	315,500	327,367	11,867
Total miscellaneous revenues	<u>1,130,200</u>	<u>1,138,692</u>	<u>8,492</u>
Operating Expenses:			
General and administrative			
Salaries	55,800	57,255	(1,455)
Payroll taxes	4,300	4,230	70
Hospital and health insurance	21,000	23,662	(2,662)
Retirement	80,500	78,226	2,274
Postage	-	1	(1)
Publicity, subscriptions and dues	1,000	938	62
Utility services	24,000	24,666	(666)
Professional services	4,000	10,506	(6,506)
Travel	1,500	674	826
Automobile allowance	5,400	5,400	-
Insurance	14,000	15,527	(1,527)
Other	-	54	(54)
Total general and administrative	<u>211,500</u>	<u>221,139</u>	<u>(9,639)</u>
Communication services			
Salaries	455,300	469,193	(13,893)
Payroll taxes	34,900	33,498	1,402
Hospital and health insurance	125,500	139,214	(13,714)
Training	2,500	808	1,692
Publicity, subscriptions and dues	7,500	5,057	2,443
Telephone	18,000	16,651	1,349
Travel	3,500	1,103	2,397
Other contractual services	75,000	74,143	857
Mobile data services	30,000	28,592	1,408
Office supplies	1,500	455	1,045
Small items of equipment	15,000	6,806	8,194
Operating supplies	12,000	8,645	3,355
Uniforms	1,500	1,188	312
Repairs and maintenance	55,000	25,560	29,440
Total communication services	<u>837,200</u>	<u>810,913</u>	<u>26,287</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, 2020

	<u>Budgeted Original & Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Operating Expenses (continued)			
Emergency warning system			
Salaries	2,500	9,188	(6,688)
Payroll taxes	200	648	(448)
Publicity, subscriptions and dues	500	-	500
Utility services	25,000	25,102	(102)
Operating supplies	500	253	247
Repairs and maintenance	6,000	24,806	(18,806)
Total emergency warning system	<u>34,700</u>	<u>59,997</u>	<u>(25,297)</u>
 Depreciation and Amortization expense	<u>47,100</u>	<u>47,010</u>	<u>90</u>
Total operating expense	<u>1,130,500</u>	<u>1,139,059</u>	<u>(8,559)</u>
Operating Income (loss)	(300)	(367)	(67)
Nonoperating Revenues (Expenses):			
Interest income	-	106	106
Miscellaneous income	300	261	(39)
Total nonoperating revenues (expenses)	<u>300</u>	<u>367</u>	<u>67</u>
Change in Net Position	<u>\$ -</u>	-	<u>\$ -</u>
 Total Net Position - July 1, 2019		<u>436,334</u>	
 Total Net Position - June 30, 2020		<u>\$ 436,334</u>	

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CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 6/30/2019	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2020
Governmental Activities:									
Notes Payable									
Variable Rate Tennessee Municipal Bond Fund, Series 2016	\$ 1,500,000	3.00%	2/18/2018	5/25/2035	1,349,000	-	76,000	-	1,273,000
Variable Rate Tennessee Municipal Bond Fund, Series 1999	\$ 10,000,000	Variable	9/19/2000	6/25/2020	3,168,000	-	768,000	-	2,400,000
Tennessee Municipal Bond Fund, 2018	\$ 4,600,000	4.05%	9/1/2018	9/1/2030	3,958,163	289,654	25,000	-	4,222,817
Energy Efficient Schools Initiative, 2012	\$ 500,000	0%	4/9/2012	3/1/2023	183,308	-	50,004	-	133,304
Energy Efficient Schools Initiative, 2018	\$ 689,955	0.75%	5/1/2018	5/1/2024	558,253	-	113,772	-	444,481
Total Notes Payable					<u>9,216,724</u>	<u>289,654</u>	<u>1,032,776</u>	<u>-</u>	<u>8,473,602</u>
Bonds Payable									
General Obligation Refunding Bonds, Series 2016	\$ 2,840,944	2.240%	9/28/2016	6/1/2019	1,468,000	-	479,000	-	989,000
Qualified School Construction Bonds, Series 2009	\$ 2,960,000	1.515%	12/17/2009	9/15/2026	1,313,098	-	184,699	-	1,128,399
General Obligation School Bonds, Series 2013	\$ 960,000	2.00%	8/16/2013	6/1/2033	9,045,000	-	140,000	-	8,905,000
Total Bonds Payable					<u>11,826,098</u>	<u>-</u>	<u>803,699</u>	<u>-</u>	<u>11,022,399</u>
Total Governmental Activities					<u>21,042,822</u>	<u>289,654</u>	<u>1,836,475</u>	<u>-</u>	<u>19,496,001</u>
Business Type Activities:									
Bonds Payable									
Refunding Bonds, 2015	\$ 1,060,000	1.0% - 2.0%	2/20/2015	6/30/2020	200,000	-	200,000	-	-
Revenue Bonds, 2019	\$ 2,750,000	3.29%	3/22/2019	6/30/2034	2,750,000	-	175,000	-	2,575,000
Total Bonds Payable					<u>2,950,000</u>	<u>-</u>	<u>375,000</u>	<u>-</u>	<u>2,575,000</u>
Total Business-Type Activities					<u>2,950,000</u>	<u>-</u>	<u>375,000</u>	<u>-</u>	<u>2,575,000</u>
Total Long-Term Debt					<u>\$ 23,992,822</u>	<u>\$ 289,654</u>	<u>\$ 2,211,475</u>	<u>\$ -</u>	<u>\$ 22,071,001</u>

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**CITY OF DYERSBURG, TENNESSEE
DEBT SERVICE REQUIREMENTS
JUNE 30, 2020**

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

Year Ended June 30,	3.29% Electric System Refunding Bonds Series 2019		Total		
	Principal	Interest	Principal	Interest	Total
	2021	\$ 300,000	\$ 84,718	\$ 300,000	\$ 84,718
2022	305,000	74,848	305,000	74,848	379,848
2023	315,000	64,813	315,000	64,813	379,813
2024	130,000	54,450	130,000	54,450	184,450
2025	130,000	50,173	130,000	50,173	180,173
2026	135,000	45,896	135,000	45,896	180,896
2027	140,000	41,454	140,000	41,454	181,454
2028	145,000	36,848	145,000	36,848	181,848
2029	150,000	32,078	150,000	32,078	182,078
2030	155,000	27,143	155,000	27,143	182,143
2031	160,000	22,043	160,000	22,043	182,043
2032	165,000	16,779	165,000	16,779	181,779
2033	170,000	11,351	170,000	11,351	181,351
2034	175,000	5,758	175,000	5,758	180,758
	<u>\$ 2,575,000</u>	<u>\$ 568,352</u>	<u>\$ 2,575,000</u>	<u>\$ 568,352</u>	<u>\$ 3,143,352</u>

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**CITY OF DYERSBURG, TENNESSEE
DEBT SERVICE REQUIREMENTS
JUNE 30, 2020**

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

Year Ended June 30,	1.52% General Obligation Qualified School Construction Bonds Series 2009		3.79% General Obligation School Bonds Series 2013		2.24% General Obligation Refunding Bonds Series 2016	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 184,699	\$ 44,844	\$ 145,000	\$ 324,838	\$ 490,000	\$ 22,154
2022	184,699	44,844	180,000	321,213	499,000	11,178
2023	184,699	44,844	220,000	316,353		
2024	184,699	44,844	705,000	310,193		
2025	184,699	44,844	725,000	289,395		
2026	204,904	44,844	750,000	266,920		
2027			780,000	242,545		
2028			810,000	215,245		
2029			845,000	184,870		
2030			880,000	153,183		
2031			915,000	117,983		
2032			955,000	81,383		
2033			995,000	40,795		
	<u>\$ 1,128,399</u>	<u>\$ 269,064</u>	<u>\$ 8,905,000</u>	<u>\$ 2,864,916</u>	<u>\$ 989,000</u>	<u>\$ 33,332</u>

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**CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Year of Levy</u>	<u>Balance July 1, 2018</u>	<u>Current Assessments & Adjustments</u>	<u>Collections</u>	<u>Write-offs</u>	<u>Balance June 30, 2019</u>
2009	\$ 4,648	\$ -	\$ -	\$ -	\$ 4,648
2010	4,352	-	587	-	4,939
2011	9,611	-	4,935	-	14,546
2012	5,735	-	1,418	-	7,153
2013	5,642	-	550	-	6,192
2014	6,564	-	273	-	6,837
2015	9,829	-	2,793	-	12,622
2016	15,597	-	434	-	16,031
2017	100,806	-	(61,438)	-	39,368
2018	367,169	8,193	(264,888)	-	110,474
2019	8,119,829	(254,417)	(7,190,114)	-	675,298
	<u>\$ 8,649,782</u>	<u>\$ (246,224)</u>	<u>\$ (7,505,450)</u>	<u>\$ -</u>	<u>898,108</u>
					Unassessed property tax receivable 8,856,361
					Allowance for uncollectible taxes (45,000)
					<u>Net property taxes receivable \$ 9,709,469</u>

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**CITY OF DYERSBURG, TENNESSEE
 SCHEDULE OF PROPERTY TAX RATES AND ASSESSMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Assessment Year</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Assessment</u>
2011	\$ 297,218,571	\$ 1.99	\$ 6,735,790
2012	307,174,378	2.14	7,006,899
2013	312,683,654	2.14	7,182,286
2014	309,409,491	2.2355	7,421,476
2015	310,765,868	2.37	8,047,494
2016	304,762,903	2.37	7,897,833
2017	304,890,730	2.37	7,653,200
2018	315,774,985	2.37	8,043,152
2019	317,072,587	2.37	8,119,829
2020	318,804,143	2.55	8,856,361

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CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Program/Cluster name	Federal CFDA #	Grant Number	Unearned (due from) 6/30/2019	Receipts	Expenditures	Unearned (due from) 6/30/2020
Federal Awards						
U.S. Department of Housing and Urban Development						
Passed through Tennessee Department of Economic and Community Development						
Community Development Block Grant - NDR -Parks	14.228*	33004-23417	1,040,324	1,185,691	2,321,382	(95,367)
Community Development Block Grant - NDR - Water & Sewer	14.228*	33004-23817	(10,335)	17,335	7,000	-
Community Development Block Grant - Water & Sewer - 2018	14.228*	33004-21519	-	378,948	378,948	-
			<u>1,029,989</u>	<u>1,581,974</u>	<u>2,707,330</u>	<u>(95,367)</u>
Home Investment Partnerships Program	14.239	HM17-03	-	107,900	214,899	(106,999)
			-	<u>107,900</u>	<u>214,899</u>	<u>(106,999)</u>
Total U.S. Department of Housing and Urban Development			<u>1,029,989</u>	<u>1,689,874</u>	<u>2,922,229</u>	<u>(202,366)</u>
U.S. Department of Justice						
Office of Justice Programs						
Bulletproof Vest Partnership Program	16.607	unknown	-	4,057	4,057	-
			-	<u>4,057</u>	<u>4,057</u>	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0755	-	4,978	4,978	-
			-	<u>4,978</u>	<u>4,978</u>	-
Total U.S. Department of Justice			-	<u>9,035</u>	<u>9,035</u>	-
U.S. Department of Transportation						
Passed through Tennessee Department of Transportation						
Airport Improvement Program - Upgrade Security Camera System	20.106	23-555-0135-19	-	-	24,254	(24,254)
Airport Improvement Program - Runway Closure 16/34	20.106	23-555-0133-18	(1,485)	139,894	138,409	-
Airport Improvement Program - Ramp Rehabilitation	20.106	23-555-0130-17	(76,061)	97,842	21,781	-
			<u>(77,546)</u>	<u>237,736</u>	<u>184,444</u>	<u>(24,254)</u>
Passed through Tennessee Department of Safety and Homeland Security						
State and Community Highway Safety - Community Based Traffic Safety Enforcement and Education	20.600	Z19THSO84	-	7,090	7,090	-
			-	<u>7,090</u>	<u>7,090</u>	-
Total U.S. Department of Transportation			<u>(77,546)</u>	<u>244,826</u>	<u>191,534</u>	<u>(24,254)</u>
Total Federal Awards			<u>\$ 952,443</u>	<u>\$ 1,943,735</u>	<u>\$ 3,122,798</u>	<u>\$ (226,620)</u>

See independent auditor's report

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Program/Cluster name	Federal CFDA #	Grant Number	Unearned (due from) 6/30/2019	Receipts	Expenditures	Unearned (due from) 6/30/2020
State Awards						
Tennessee Department of Transportation						
Airport Improvement Program - Maintenance		23-555-0737-20	-	15,000	15,000	-
Airport Improvement Program - Purchase of Airfield Equipment		23-555-0336-19	(5,959)	5,959	-	-
Airport Improvement Program - Upgrade Security Camera System		23-555-0138-20	-	-	1,348	(1,348)
Airport Improvement Program - Runway Closure 16/34		23-555-0133-18	(82)	7,771	7,689	-
Airport Improvement Program - Ramp Rehabilitation		23-555-0130-17	(4,225)	5,436	1,211	-
			<u>(10,266)</u>	<u>34,166</u>	<u>25,248</u>	<u>(1,348)</u>
Total State Awards			<u>\$ (10,266)</u>	<u>\$ 34,166</u>	<u>\$ 25,248</u>	<u>\$ (1,348)</u>

* denotes major program

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

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

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CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CURRENT UTILITY RATES IN FORCE (UNAUDITED)
JUNE 30, 2020

	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, 2020

	<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	\$	4.88
Residential - per 1,000 gallons used		4.28
Commercial - per 1,000 gallons used		4.50
Industrial - per 1,000 gallons used		4.90
Electrical:		
Residential Rate Schedule - RS		
Customer charge - per delivery point per month	\$	19.04
Energy charges - per kWh		
First 800 kWh per month	0.07709	0.01491
Additional kWh per month	0.06505	0.01491
General Power Rate Schedule - GSA		
GSA - 1 (0 - 50 kW)		
Customer charge - per delivery point per month	\$	29.41
First 1500 kWh per month	0.07940	0.01476
Additional kWh per month	0.06931	0.01476
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	11.82	
Additional kW	9.30	
Energy charge - per kW		
First 15,000 kWh	0.03958	0.01468
Additional kWh	0.03958	0.01468
GSA - 3 (1,001 - 5,000 kW)		
Customer charge - per delivery point per month	\$	2,880.00
Demand charge - per kw per month		
First 1,000 kW	14.21	
Excess over 1,000 kW	9.70	
Excess demand charge - higher of 1,000 kW or contract demand	1.36	
Energy charge - per kWh	0.03937	0.01460
General Power Rate Schedule - GSB (5,001 - 15,000 kW)		
Customer charge - per delivery point per month	\$	1,830.00
Demand charge - per kW per month		
On peak kW	10.24	
Maximum kW	1.95	
Off peak excess of contract kW	10.24	
Energy charge - per kWh per month		
On peak kWh	0.05779	0.01237
Off peak kWh - First 200 HUD	0.03279	0.01237
Off peak kWh - Next 200 HUD	0.00310	0.01237
Off peak kWh - Over 400 HUD	0.00055	0.01237

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CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CURRENT UTILITY RATES IN FORCE (UNAUDITED)
JUNE 30, 2020

	<u>Rates</u>	
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		11.82
Over 50 kW		9.30
On peak Energy		0.05766
Off peak Energy		0.03443
		0.01468
		0.01468
TGSA - 3 (1,001 - 5,000 kW)		
Customer charge - per delivery point per month	\$	2,880.00
Demand charge - per kW per month		
First 1,000 kW		14.22
Over 1,000 kW		9.71
On peak Energy		0.05685
Off peak Energy		0.03435
		0.01460
		0.01460
TDMSA - 3 (1,001 - 5,000 kW)		
Customer charge - per delivery point per month	\$	1,250.00
Demand charge per kW per month		
On peak kW		10.24
Maximum kW		5.02
Off peak excess of contract kW		10.24
Energy charge - per kWh		
On peak kWh		0.05553
Off peak kWh - first 200 HUD		0.03053
Off peak kWh - next 200 HUD		0.00310
Off peak kWh - over 400 HUD		0.00055
		0.01470
		0.01470
		0.01470
		0.01470
Facilities Rental		
General power - over 5,000 kW		
46 kv to 161 kv delivery - per kW		0.36000
Less than 46 kv delivery - per kW		
First 10,000 kW		0.93000
Over 10,000 kW		0.73000
Outdoor Lighting Schedule - LS		
Customer charge - per delivery point per month	\$	31.78
Energy charge - per kWh		0.05025
		0.01491
Drainage Pump Schedule - DPS		
Customer charge - per delivery point per month	\$	500.00
Energy charge - per kWh		0.04670
		0.01476

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.

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**CITY OF DYERSBURG, TENNESSEE
 SCHEDULE OF UTILITY CUSTOMERS IN SERVICE (UNAUDITED)
 JUNE 30, 2020**

<u>Utility Service</u>	<u>Customers</u>		
	<u>6/30/2019</u>	<u>Increase (Decrease)</u>	<u>6/30/2020</u>
Water	8,060	71	8,131
Sewer	7,541	63	7,604
Gas	7,807	175	7,982
Electric	11,877	43	11,920

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AWWA Free Water Audit Software:
 Reporting Worksheet

WAS v5.0
 American Water Works Association
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Water Audit Report for: **City of Dyersburg Water Plant (0000211)**
 Reporting Year: **2020** 7/2019 - 6/2020

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: 1,199.190 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: 1,199.190 MG/Yr

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

AUTHORIZED CONSUMPTION

Billed metered: 702.431 MG/Yr
 Billed unmetered: MG/Yr
 Unbilled metered: MG/Yr
 Unbilled unmetered: 14.990 MG/Yr

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

AUTHORIZED CONSUMPTION: 717.421 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)

481.769 MG/Yr

Apparent Losses

Unauthorized consumption: 2.998 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: 1.756 MG/Yr

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

Apparent Losses: 4.754 MG/Yr

Pcnt: Value: MG/Yr

MG/Yr
 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 477.015 MG/Yr

WATER LOSSES: 481.769 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 496.759 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains: 160.0 miles
 Number of active AND inactive service connections: 8,131
 Service connection density: 51 conn./mile main

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

Average length of customer service line: 0 (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: \$3,601,386 \$/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

WAS v5.0
 American Water Works Association.
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Water Audit Report for: City of Dyersburg Water Plant (0000211)
 Reporting Year: 2020 7/2019 - 6/2020

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

System Attributes:

	Apparent Losses:	4.754	MG/Yr
+	Real Losses:	477.015	MG/Yr
=	Water Losses:	481.769	MG/Yr

? Unavoidable Annual Real Losses (UARL): 41.86 MG/Yr

Annual cost of Apparent Losses: \$20,442

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:	41.4%	
		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:	1.60	gallons/connection/day
		Real Losses per service connection per day:	160.73	gallons/connection/day
		Real Losses per length of main per day*:	N/A	
		Real Losses per service connection per day per psi pressure:	2.92	gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): 477.02 million gallons/year

? Infrastructure Leakage Index (ILI) [CARL/UARL]: 11.40

* 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, 2020**

<u>Name</u>	<u>Title</u>	<u>Bonded Amount</u>
John K. Holden	Mayor	\$ 100,000
Stephen T. Anderson	Treasurer	\$ 100,000
Richard S. Ball	Recorder	\$ 100,000

See independent auditor's report



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INDEPENDENT AUDITORS' 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

Honorable Mayor and
Board of Aldermen
City of Dyersburg, Tennessee

We have audited, in accordance with the 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, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dyersburg, Tennessee, (the City) as of and for the year ended June 30, 2020, and the fiduciary fund of the Dyersburg City Schools Retirement Plan and the fiduciary fund of Dyersburg Electric Retirement Plan for the year ended December 31, 2019, and the fiduciary fund for the City of Dyersburg Pension Plan for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 5, 2021. Our report includes a reference to other auditors who audited the financial statements of Dyersburg City Schools, as described in our report on the City's financial statements. This report includes our consideration of the results of the other auditors' 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 an opinion 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.

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

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that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first 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 have not been identified. Given these limitations, during our audit we and the other auditors did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests and those of the other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Cowart Reese Sargent, CPAs, P.C.

Cowart Reese Sargent CPAs, P.C.
Dyersburg, Tennessee
March 5, 2021



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and
Board of Aldermen
City of Dyersburg, Tennessee

Report on Compliance for Each Major Federal Program

We have audited City of Dyersburg's (the "City") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those

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requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cowart Reese Sargent, CPAs, P.C.

Cowart Reese Sargent CPAs, P.C.
Dyersburg, Tennessee
March 5, 2021

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2020

Section I - Summary of Independent Auditors' Results

Financial Statements

1. Our report on the financial statements of City of Dyersburg is unmodified.
2. Internal Control Over Financial Reporting:
 - *Material weaknesses identified? No
 - *Significant deficiency identified? Yes
3. Noncompliance material to the financial statements noted? No

Federal Awards

1. Internal Control Over Major Federal Programs:
 - *Material weaknesses identified? No
 - *Significant deficiency identified? None Reported
2. Type of report auditor issued on compliance for major programs: Unmodified
3. Any audit findings disclosed that are required to be reported in Accordance with 2 CFR 200.516(a)? No
4. Identification of Major Federal Programs:

<u>Program</u>	<u>CFDA No.</u>
Community Development Block Grant	14.228
5. Dollar threshold for distinguishing Types A and B programs: \$750,000
6. Auditee qualified as low-risk auditee? No

Section II - Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with Government Auditing Standards

Current Year Findings

Dyersburg City Schools - None reported.

Dyersburg Electric System - None reported.

City of Dyersburg- General Government

2020-001 – Budget (Significant Deficiency and Non-compliance)

Condition: The City expended more than budgeted appropriations by major appropriation category in the Insurance Reserve Fund.

Cause: The budget was not amended to cover the necessary expenditures incurred during the fiscal year.

Criteria: TCA 6-56-203 prohibits a municipality from expending any monies except in accordance with a budget ordinance.

Effect: Spending in excess of budgeted appropriations is a violation of state law.

Recommendation: To avoid possible legal conflict, the City should authorize all expenditures either in the original budget, in an amendment, or in a supplemental appropriation.

Response: Management agrees to take the appropriate actions to ensure the expenditures are properly authorized as noted above.

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Financial Statement Findings

Dyersburg City Schools

Finding Number	Finding Title	Status/Finding Number
None noted		

Dyersburg Electric System

Finding Number	Finding Title	Status/Finding Number
None noted		

City of Dyersburg- General Government

Finding Number	Finding Title	Status/Finding Number
None noted		

City of Dyersburg



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MANAGEMENT'S CORRECTIVE ACTION PLAN

City of Dyersburg, Tennessee respectfully submits the following corrective action plan for the year ended June 30, 2020.

Name and address of independent public accounting firm:
Coward Reese Sargent, CPAs, P.C.
110 West Court
Dyersburg, Tennessee 38025

Responsible officials for corrective action:
Dyersburg City Schools- Neel Durbin, Director
City of Dyersburg-Steve Anderson, Treasurer
Dyersburg Electric System-Robby Richards, VP Finance

Audit period:
June 30, 2020

The findings from the June 30, 2020, schedule of findings and responses are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

City of Dyersburg – General Government

2020-001 – Budget (Significant Deficiency and Non-compliance)

Person Responsible for Implementing the Corrective Action: Steve Anderson, Treasurer

Anticipated Completion Date of Corrective Action: June 30, 2021

Repeat Finding: No

Planned Corrective Action: Management will more closely monitor budgeted expenditures and amend the budget when necessary.

Respectfully Submitted,

A handwritten signature in cursive script that reads "John Holden".

John Holden, Mayor