

**CITY OF DYERSBURG
ANNUAL FINANCIAL REPORT
JUNE 30, 2021**

CITY OF DYERSBURG, TENNESSEE
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JUNE 30, 2021

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INTRODUCTORY SECTION

**CITY OF DYERSBURG, TENNESSEE
LIST OF PRINCIPAL OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

John Holden - Mayor
James Baltimore - Board Member
Edward Burks - Board Member
Willie Cole - Board Member
Meghan Gilbert - Board Member
Ricky Hammond - Board Member
Mary Claire Hopper - Board Member
Dennis Moody - Board Member
Vanedda 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

FINANCIAL SECTION



Members: American Institute of Certified Public Accountants | Tennessee Society of Certified Public Accountants
Governmental Audit Quality Center | Private Companies Practice Section
www.crscpa.com

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, 2021, 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, 2020, and the fiduciary fund for the City of Dyersburg Pension Plan for the year ended June 30, 2020, 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 24 percent and 5 percent, and 42 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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Fax (731)587-9474

11 N. Court Square
Brownsville, TN 38012
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Fax (731)772-2275

110 West Court
Dyersburg, TN 38024
(731)286-6080
Fax (731)285-8975

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, 2021, 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, 2020, and the fiduciary funds of the City of Dyersburg Pension Plan for the year ended June 30, 2020, 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 April 15, 2022, 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
April 15, 2022

**CITY OF DYERSBURG, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021.

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, 2021 by \$115,475,718 (net position). Of this amount, \$11,947,193 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 \$8,578,347.
- At June 30, 2021, the governmental funds reported combined ending fund balances of \$16,304,591, of which \$5,169,441 was unassigned and available for use at the City's discretion. See page 21.
- Governmental fund balances increased by \$5,312,788 and a prior period adjustment also increased fund balance in the amount of \$577,625 (page 23) during the year.
- During the fiscal year ended June 30, 2021, the City's total notes from direct borrowings and bonds payable decreased by \$2,052,039 (see page 15 of the report for debt payments by activity).

OVERVIEW OF 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.

**CITY OF DYERSBURG, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

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 11 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 9 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 21-29 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.

**CITY OF DYERSBURG, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 30-34 of this report.

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 38-103 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 117-130 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position increased \$8,315,229 or 7.8% from 2020 to 2021. Governmental activities' increased \$8,061,006, of which \$24,631 is a prior period adjustment. Business-type activities' increased \$1,007,837, of which \$465,865 is a prior period adjustment and a negative \$753,614 is a change in estimate. Combined net position (assets and deferred outflows exceeding liabilities and deferred inflows of resources) was \$115,475,718 at June 30, 2021. The table below provides a comparative summary of the City's net position as of June 30, 2021 and 2020.

**CITY OF DYERSBURG, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

City of Dyersburg's Net Position

	Governmental Activities		Business-type		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 31,285,178	\$ 26,628,121	\$ 35,386,626	\$ 32,654,184	\$ 66,671,804	\$ 59,282,305
Capital assets	43,770,176	45,552,644	69,080,978	70,976,349	112,851,154	116,528,993
Total Assets	75,055,354	72,180,765	104,467,604	103,630,533	179,522,958	175,811,298
Deferred Outflows of						
Resources	14,610,912	15,673,237	3,794,911	4,359,462	18,405,823	20,032,699
Long-term liabilities	41,323,015	41,718,534	12,663,538	11,581,489	53,986,553	53,300,023
Other liabilities	2,960,187	4,835,997	7,212,278	7,316,320	10,172,465	12,152,317
Total Liabilities	44,283,202	46,554,531	19,875,816	18,897,809	64,159,018	65,452,340
Deferred Inflows of						
Resources	16,412,396	20,389,809	1,881,649	2,841,359	18,294,045	23,231,168
Net position:						
Investment in capital assets, net of related debt	26,160,502	24,998,933	66,492,335	68,419,570	92,652,837	93,418,503
Restricted	8,215,383	7,358,888	2,660,305	1,308,143	10,875,688	8,667,031
Unrestricted	(5,405,217)	(11,448,159)	17,352,410	16,523,114	11,947,193	5,074,955
Total net position	\$ 28,970,668	\$ 20,909,662	\$ 86,505,050	\$ 86,250,827	\$ 115,475,718	\$ 107,160,489

The largest portion of the City's net position (\$92,652,837 or 80.2%) reflects its investments in capital assets, less any debt used to acquire those assets that is still outstanding. The net investment in capital assets decreased \$765,666 from 2020. Of this decrease governmental activities increased \$1,161,569, and business-type activities decreased \$1,927,235. 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 (\$10,875,688 or 9.4%) represents resources that are subject to external restriction on how they may be used. Restricted net position increased \$2,208,657 from 2020. The remaining balance of net position (unrestricted net position of \$11,947,193 or 10.3%) may be used to meet the government's ongoing obligation to citizens and creditors. Unrestricted net position increased \$6,872,238 from 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, 2021 and 2020. Also, summary tables comparing 2021 with 2020 along with charts for 2021 are presented on pages 9 through 11 for Governmental expenses and program revenues and for Business-type expenses and program revenues. Governmental activities increased the City's net position by \$8,036,375 in 2021 compared to an increase of \$3,854,024 in 2020. Business-type activities increased the City's net position by \$541,972 in 2021 compared to an increase of \$854,493 in 2020.

**CITY OF DYERSBURG, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

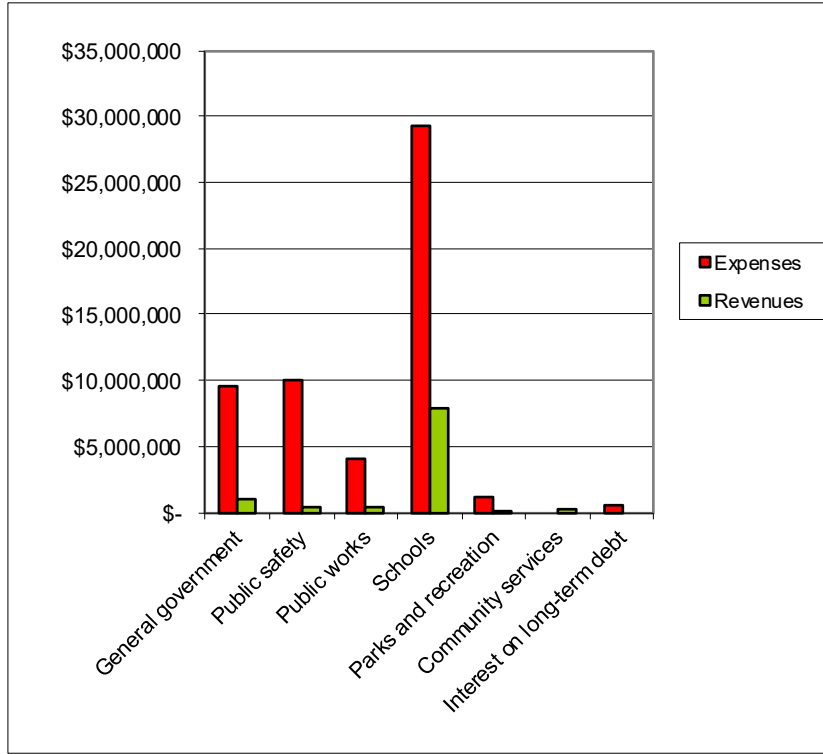
City of Dyersburg's Changes in Net Position

	Governmental Activities		Business-type		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 1,254,308	\$ 3,093,567	\$ 52,598,524	\$ 54,237,465	\$ 53,852,832	\$ 57,331,032
Operating grants and contributions	8,669,309	4,495,416	78,411	-	8,747,720	4,495,416
Capital grants and contributions	244,349	2,531,075	69,506	385,948	313,855	2,917,023
General revenues						
Sales and use tax	11,277,942	10,640,087	-	-	11,277,942	10,640,087
Property tax	10,479,627	10,757,093	-	-	10,479,627	10,757,093
Other taxes	2,158,616	3,119,251	-	-	2,158,616	3,119,251
Intergovernmental	17,313,415	14,334,524	-	-	17,313,415	14,334,524
Other sources	8,732,692	1,963,815	3,937,643	(417,275)	12,670,335	1,546,540
Unrestricted investment earnings	148,954	189,427	229,496	299,373	378,450	488,800
Total revenues	60,279,212	51,124,255	56,913,580	54,505,511	117,192,792	105,629,766
Expenses						
General government	9,511,699	2,020,561	-	-	9,511,699	2,020,561
Public safety	9,955,070	11,112,280	-	-	9,955,070	11,112,280
Public works	4,044,757	4,074,745	-	-	4,044,757	4,074,745
Schools	29,299,726	30,131,253	-	-	29,299,726	30,131,253
Parks and recreation	1,118,929	1,654,154	-	-	1,118,929	1,654,154
Community services	-	214,959	-	-	-	214,959
Electric	-	-	35,434,158	36,376,067	35,434,158	36,376,067
Gas	-	-	5,672,583	5,211,380	5,672,583	5,211,380
Water and sewer	-	-	7,440,283	6,837,736	7,440,283	6,837,736
Solid waste	-	-	2,964,428	3,140,334	2,964,428	3,140,334
Internal service funds	-	-	2,621,529	-	2,621,529	-
Interest on long-term debt	483,350	147,780	95,426	-	578,776	147,780
Total expenses	54,413,531	49,355,732	54,228,407	51,565,517	108,641,938	100,921,249
Increase in net position before transfers	5,865,681	1,768,523	2,685,173	2,939,994	8,550,854	4,708,517
Transfers	2,170,694	2,085,501	(2,143,201)	(2,085,501)	27,493	-
Increase (decrease) in net position	\$ 8,036,375	\$ 3,854,024	\$ 541,972	\$ 854,493	\$ 8,578,347	\$ 4,708,517

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.

**CITY OF DYERSBURG, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Governmental Activities
Chart of 2021 Expenses and Program Revenues**



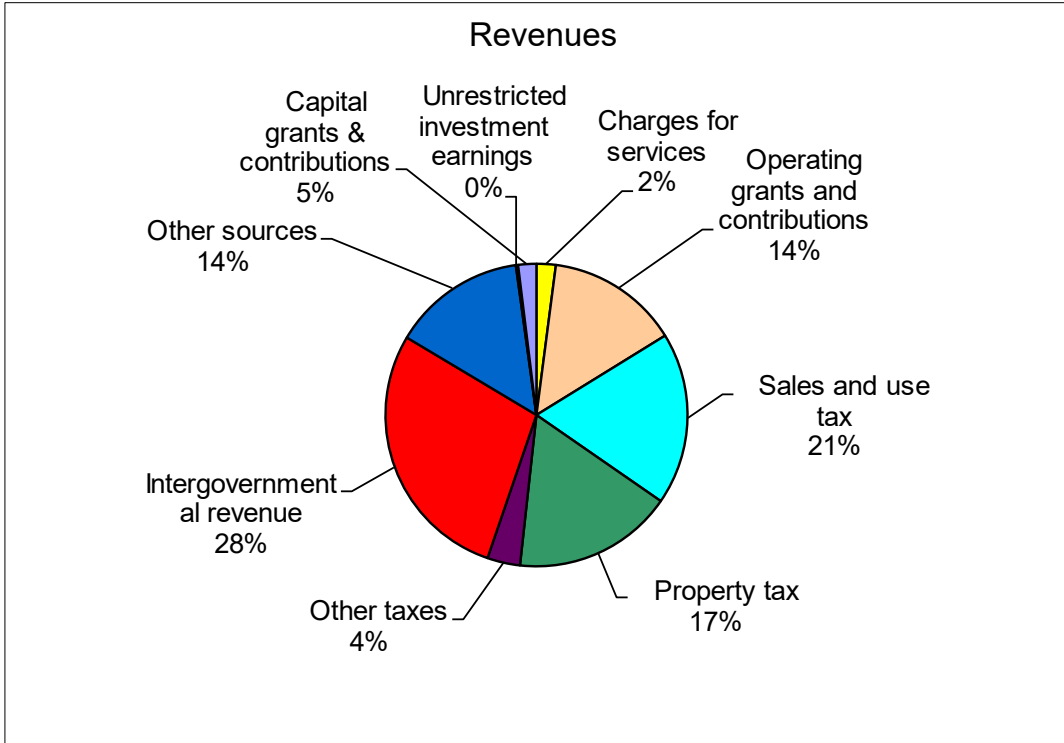
**Governmental Activities
Table of Expenses and Program Revenues**

	2021		2020		Increase (Decrease)	
	Expenses	Program Revenues	Expenses	Program Revenues	Expenses	Program Revenues
General government	\$ 9,511,699	\$ 1,032,260	\$ 2,020,561	\$ 1,537,446	\$ 7,491,138	\$ (505,186)
Public safety	9,955,070	453,581	11,112,280	717,029	(1,157,210)	(263,448)
Public works	4,044,757	440,998	4,074,745	3,014,879	(29,988)	(2,573,881)
Schools	29,299,726	7,935,730	30,131,253	4,588,366	(831,527)	3,347,364
Parks and recreation	1,118,929	50,658	1,654,154	47,439	(535,225)	3,219
Community services	-	254,739	214,959	214,899	(214,959)	39,840
Interest on debt	483,350	-	147,780	-	335,570	-
	<u>\$ 54,413,531</u>	<u>\$ 10,167,966</u>	<u>\$ 49,355,732</u>	<u>\$ 10,120,058</u>	<u>\$ 5,057,799</u>	<u>\$ 47,908</u>

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

**CITY OF DYERSBURG, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Governmental Activities
Chart of 2021 Revenues by Source**



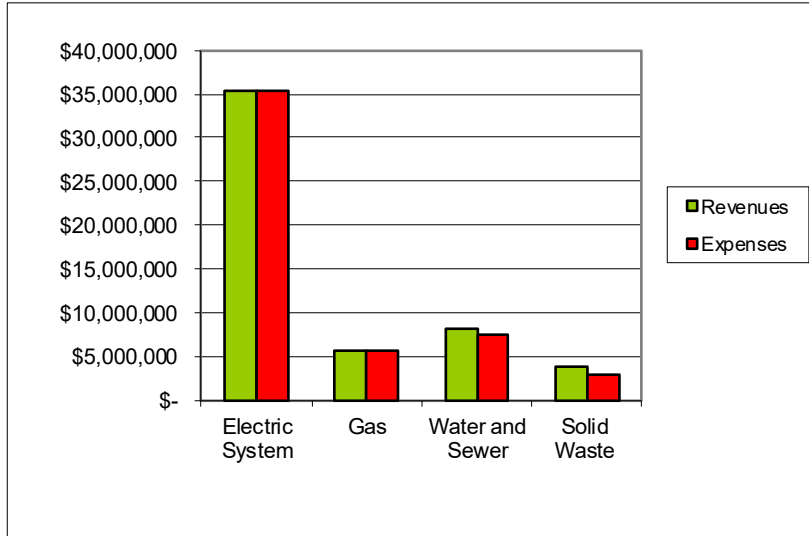
**Governmental Activities
Table of Revenues by Source**

	2021		2020		Increase (Decrease) in Revenues
	Revenues	Percentage	Revenues	Percentage	
Charges for services	\$ 1,254,308	2%	\$ 3,093,567	6%	\$ (1,839,259)
Operating grants and contributions	8,669,309	14%	4,495,416	9%	4,173,893
Capital grants and contributions	244,349	0%	2,531,075	0%	(2,286,726)
Sales and use tax	11,277,942	19%	10,640,087	21%	637,855
Property tax	10,479,627	17%	10,757,093	21%	(277,466)
Other taxes	2,158,616	4%	3,119,251	6%	(960,635)
Intergovernmental revenue (Schools)	17,313,415	29%	14,334,524	28%	2,978,891
Other sources	8,732,692	14%	1,963,815	4%	6,768,877
Investment earnings	148,954	0%	189,427	0%	(40,473)
	<u>\$ 60,279,212</u>	<u>100%</u>	<u>\$ 51,124,255</u>	<u>95%</u>	<u>\$ 9,154,957</u>

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.

**CITY OF DYERSBURG, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Business-Type Activities
Chart of 2021 Expenses and Program Revenues**



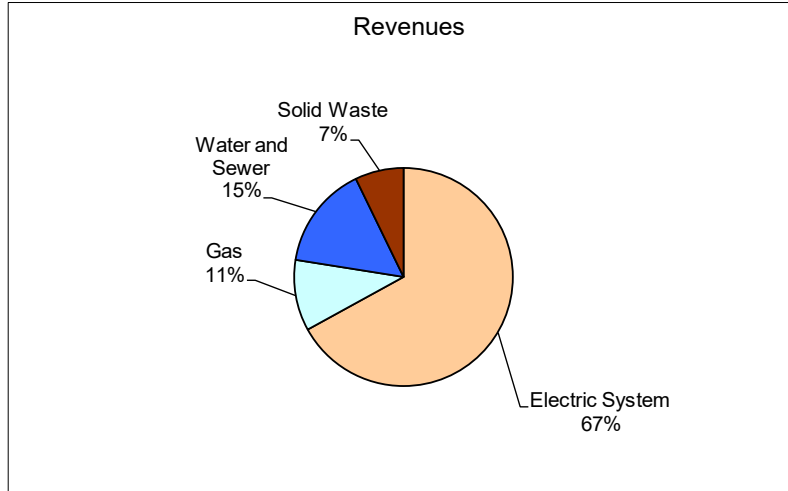
**Business-Type Activities
Table of Expenses and Program Revenues**

	2021		2020		Increase (Decrease)	
	Expenses	Program Revenues	Expenses	Program Revenues	Expenses	Program Revenues
Electric	\$ 35,434,158	\$ 35,336,861	\$ 36,376,067	\$ 37,713,313	\$ (941,909)	\$ (2,376,452)
Gas	5,672,583	5,555,370	5,211,380	5,186,088	461,203	369,282
Water and Sewer	7,440,283	8,070,698	6,837,736	7,827,451	602,547	243,247
Solid Waste	2,964,428	3,783,512	3,140,334	3,896,561	(175,906)	(113,049)
Internal service funds	2,621,529	-	-	-	2,621,529	-
Interest on long-term debt	95,426	-	-	-	95,426	-
	<u>\$ 54,228,407</u>	<u>\$ 52,746,441</u>	<u>\$ 51,565,517</u>	<u>\$ 54,623,413</u>	<u>\$ 2,662,890</u>	<u>\$ (1,876,972)</u>

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.

**CITY OF DYERSBURG, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Business-Type Activities
Chart of 2021 Revenues by Service**



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

	2021		2020		Increase (Decrease)	
	Revenues	Percentage	Revenues	Percentage	Revenues	Percentage
Electric System	\$ 35,336,861	67%	\$ 37,713,313	71%	\$ (2,376,452)	-4%
Gas	5,555,370	11%	5,186,088	10%	369,282	1%
Water and Sewer	8,070,698	15%	7,827,451	13%	243,247	2%
Solid Waste	3,783,512	7%	3,896,561	6%	(113,049)	1%
	<u>\$ 52,746,441</u>	<u>100%</u>	<u>\$ 54,623,413</u>	<u>100%</u>	<u>\$ (1,876,972)</u>	<u>0%</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT 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 \$16,304,591, an increase of \$5,312,788 and a prior period adjustment of \$577,625 in comparison with the prior year. \$5,169,441 or 31.7% 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 (\$104,775), committed (\$8,536), or restricted (\$11,021,839).

In the general fund, the City budgeted for an increase in the fund balance of \$3,100. Actual revenues were \$43,461 under budgeted revenues and actual expenditures were \$28,338 over budgeted expenditures. Total expenditures exceeded revenues by \$295,890. This amount netted against other financing sources (uses) of \$2,132,939 resulted in the fund balance increasing \$1,837,049 for fiscal year 2021. School fund balance increased \$3,004,460.

**CITY OF DYERSBURG, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 \$7,002,704 in Gas, \$2,058,997 in Water and Sewer, \$2,421,826 in Solid Waste Management, and \$5,067,837 in the Electric System. The Gas fund had a decrease in net position of \$278,995, Water and Sewer fund net position increased \$88,130, the Solid Waste Management fund net position increased \$853,760, and Electric System net position increased \$50,026.

CAPITAL ASSETS

The City of Dyersburg's investment in capital assets for its governmental and business-type activities as of June 30, 2021, was \$112,851,154 (net of accumulated depreciation), a decrease of \$3,677,839 or 3.2% from 2020. The decrease is the result of total additions (net accumulated depreciation) of negative \$3,244,210 (\$1,755,994 from governmental activities and negative \$1,488,216 from business-type activities and disposals (net accumulated depreciation) and adjustments (net accumulated depreciation) of negative \$433,629 (negative \$26,474 from governmental activities and \$346,459 and adjustments of negative \$753,614 from the 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	\$ 389,103
Public safety	402,765
Public works	284,586
Schools	62,845
Parks and recreation	260,542
	\$ 1,399,841

Business-type Funds

Electric system improvements	\$ 3,214,332
Gas system improvements	216,526
Water and sewer system improvements	331,785
Solid waste management improvements	13,695
Internal service funds	19,983
	\$ 3,796,321

**CITY OF DYERSBURG, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

	2021			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 6,783,539	\$ 2,235,410	\$ 9,018,949	\$ 6,783,539	\$ 2,235,410	\$ 9,018,949
Construction in progress	110,586	467,293	577,879	-	494,357	494,357
Land improvements	-	7,499,610	7,499,610	-	7,499,610	7,499,610
Buildings and improvements	74,555,140	19,591,015	94,146,155	73,895,652	19,447,155	93,342,807
Plants and Systems	-	114,805,979	114,805,979	-	113,436,773	113,436,773
Machinery, vehicles and equipment	17,811,457	20,728,410	38,539,867	17,256,855	20,080,827	37,337,682
Infrastructure	26,755,121	-	26,755,121	26,724,415	-	26,724,415
Accumulated depreciation	(82,482,076)	(96,246,740)	(178,728,816)	(79,370,700)	(92,217,784)	(171,588,484)
Allocated Internal Serv fund capital assets	236,409	-	236,409	262,883	-	262,883
	<u>\$ 43,770,176</u>	<u>\$ 69,080,978</u>	<u>\$ 112,851,154</u>	<u>\$ 45,552,644</u>	<u>\$ 70,976,349</u>	<u>\$ 116,528,993</u>

Additional information on the City of Dyersburg's capital assets can be found in Footnote IV. C. on pages 52-53 of this report.

DEBT ADMINISTRATION

At June 30, 2021, the City of Dyersburg had total bonded debt and notes from direct borrowings of \$20,198,317. Of this amount, \$10,202,700 comprises bonded debt backed by the full faith and credit of the government and \$2,275,000 represents bonds secured by electric revenues. The notes from direct borrowings of \$7,406,974 pertains to the general fund (\$5,393,817) and schools (\$2,013,157) in the governmental activities. The notes from direct borrowings of \$313,643 pertains to the water fund.

Total debt decreased \$2,052,039 or 9.2% from June 30, 2020 to June 30, 2021 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, 2021 and 2020 is summarized below.

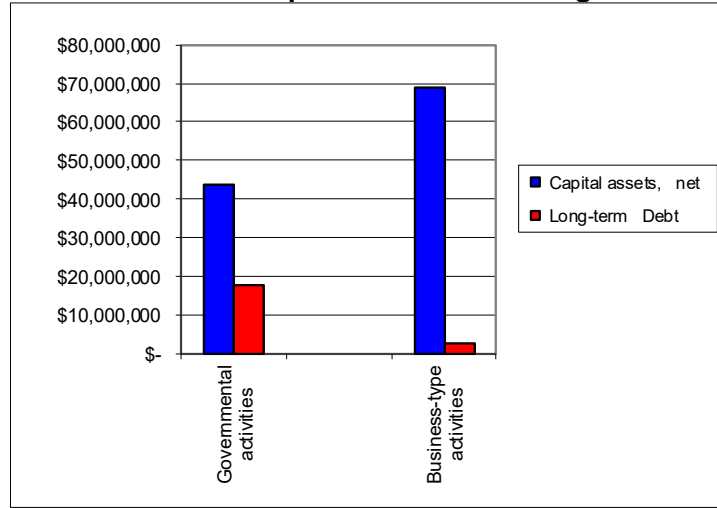
	2021			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Notes From Direct Borrowings	\$ 7,406,974	\$ 313,643	\$ 7,720,617	\$ 8,473,602	\$ -	\$ 8,473,602
Bonds Payable	10,202,700	2,275,000	12,477,700	11,022,399	2,575,000	13,597,399
	<u>\$ 17,609,674</u>	<u>\$ 2,588,643</u>	<u>\$ 20,198,317</u>	<u>\$ 19,496,001</u>	<u>\$ 2,575,000</u>	<u>\$ 22,071,001</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 54-57 of this report.

**CITY OF DYERSBURG, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Governmental and Business-Type Activities
Chart of 2021 Net Capital Assets and Long-term Debt**



**Governmental and Business-Type Activities
Table of Net Capital Assets and Long-Term Debt**

	2021		2020	
	Capital Assets, net of Depreciation	Long-term Debt	Capital Assets, net of Depreciation	Long-term Debt
Governmental activities	\$ 43,770,176	\$ 17,609,674	\$ 45,552,644	\$ 19,496,001
Business-type activities	69,080,978	2,588,643	70,976,349	2,575,000
	<u>\$ 112,851,154</u>	<u>\$ 20,198,317</u>	<u>\$ 116,528,993</u>	<u>\$ 22,071,001</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate of Dyer County is 6.2%. This compares unfavorably to the state's average unemployment rate of 4.9% and the national average of 5.9%.

Inflationary trends in the region compare favorably to national indices.

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

The property tax rate was increased to \$2.42 for the 2021-2022 fiscal year due to property reappraisals.

User rates remained the same for water and gas services and refuse collection for fiscal year 2021-2022.

Sewer rates were increased by 3% for fiscal year 2021-2022.

**CITY OF DYERSBURG, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 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, 2021

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash	\$ 12,348,961	\$ 22,488,668	\$ 34,837,629
Investments	1,658,276	4,797,302	6,455,578
Receivables (net of allowance for uncollectibles):			
Taxes	10,345,901	-	10,345,901
Accounts	2,553,052	3,782,370	6,335,422
Accrued interest and rents	-	129,831	129,831
Interfund balances	1,494,207	(1,494,207)	-
Inventories	67,536	1,161,325	1,228,861
Prepaid expenses	28,931	102,878	131,809
Deposits	167,213	25,434	192,647
Other assets	(142)	400,782	400,640
Net pension asset	2,467,174	366,327	2,833,501
Restricted assets - hybrid stabilization	154,069	-	154,069
Restricted assets - cash and cash investments	-	3,625,916	3,625,916
Capital assets not being depreciated:			
Land	6,783,539	2,235,410	9,018,949
Construction in progress	110,586	467,293	577,879
Capital assets net of accumulated depreciation	36,876,051	66,378,275	103,254,326
Total Assets	75,055,354	104,467,604	179,522,958
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions and OPEB	14,610,912	3,794,911	18,405,823
Total Deferred Outflows of Resources	14,610,912	3,794,911	18,405,823
Total Assets and Deferred Outflows of Resources	\$ 89,666,266	\$ 108,262,515	\$ 197,928,781

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts payable	\$ 852,722	\$ 3,875,829	\$ 4,728,551
Accrued Interest payable	5,320	31,186	36,506
Deposits	31,077	3,125,912	3,156,989
Accrued payroll	1,434,133	99,043	1,533,176
Other current liabilities	636,935	80,308	717,243
Noncurrent liabilities:			
Due within one year:			
Current portion of notes from direct borrowings	1,068,492	-	1,068,492
Current portion of bonds payable	863,699	618,643	1,482,342
Due in more than one year:			
Notes from direct borrowings	6,338,482	-	6,338,482
Bonds payable	9,339,001	1,970,000	11,309,001
Net pension liability	18,661,129	7,492,264	26,153,393
Other post employment benefits	3,986,771	-	3,986,771
Accrued Compensated Absences	1,065,441	468,733	1,534,174
Other accrued liabilities	-	2,060,571	2,060,571
Advances from TVA	-	53,327	53,327
Total Liabilities	44,283,202	19,875,816	64,159,018
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes	9,256,582	-	9,256,582
Unavailable confiscated funds	12,725	-	12,725
Related to pensions & OPEB	7,143,089	1,881,649	9,024,738
Total Deferred Inflows of Resources	16,412,396	1,881,649	18,294,045
NET POSITION			
Net investment in capital assets	26,160,502	66,492,335	92,652,837
Restricted for:			
Perpetual care	1,641,326	-	1,641,326
Deposits	31,077	2,293,978	2,325,055
Debt service	2,183,890	-	2,183,890
Special revenue funds	1,737,847	-	1,737,847
Hybrid stabilization	154,069	-	154,069
Net pension asset	2,467,174	-	2,467,174
Unrestricted	(5,405,217)	17,718,737	12,313,520
Total Net Position	28,970,668	86,505,050	115,475,718
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 89,666,266	\$ 108,262,515	\$ 197,928,781

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

**CITY OF DYERSBURG, TENNESSEE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues 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	\$ 9,511,699	\$ 394,745	\$ 637,515	\$ -	\$ (8,479,439)	\$ -	\$ (8,479,439)
Public safety	9,955,070	349,073	104,508	-	(9,501,489)	-	(9,501,489)
Public works	4,044,757	196,649	-	244,349	(3,603,759)	-	(3,603,759)
Schools	29,299,726	263,183	7,672,547	-	(21,363,996)	-	(21,363,996)
Parks and recreation	1,118,929	50,658	-	-	(1,068,271)	-	(1,068,271)
Community services	-	-	254,739	-	254,739	-	254,739
Interest on long-term debt	483,350	-	-	-	(483,350)	-	(483,350)
Total governmental activities	54,413,531	1,254,308	8,669,309	244,349	(44,245,565)	-	(44,245,565)
Business-type activities:							
Electric	35,434,158	35,336,861	-	-	-	(97,297)	(97,297)
Gas	5,672,583	5,555,370	-	-	-	(117,213)	(117,213)
Water and sewer	7,440,283	7,922,781	78,411	69,506	-	630,415	630,415
Solid waste	2,964,428	3,783,512	-	-	-	819,084	819,084
Internal service fund	2,621,529	-	-	-	-	(2,621,529)	(2,621,529)
Interest on long-term debt	95,426	-	-	-	-	(95,426)	(95,426)
Total business-type activities	54,228,407	52,598,524	78,411	69,506	-	(1,481,966)	(1,481,966)
Total primary government	\$ 107,012,055	\$ 53,852,832	\$ 8,747,720	\$ 313,855	(44,245,565)	(1,481,966)	(45,727,531)
General revenues:							
Property taxes					11,277,942	-	11,277,942
State and local sales taxes					10,479,627	-	10,479,627
Wholesale beer and liquor taxes					650,148	-	650,148
Business taxes					494,230	-	494,230
Franchise taxes					80,669	-	80,669
Room occupancy taxes					308,808	-	308,808
Wheel taxes					623,616	-	623,616
Other statutory local taxes					1,145	-	1,145
Intergovernmental revenue					17,313,415	-	17,313,415
Other sources					8,732,692	3,937,643	12,670,335
Unrestricted investment earnings					148,954	229,496	378,450
Transfers from business-type activities					2,170,694	(2,143,201)	27,493
Total general revenues and transfers					52,281,940	2,023,938	54,305,878
Change in net position					8,036,375	541,972	8,578,347
Net position- beginning					20,909,662	86,250,827	107,160,489
Change in estimate					-	(753,614)	(753,614)
Prior period adjustment					24,631	465,865	490,496
Net position- beginning, restated					20,934,293	85,963,078	106,897,371
Net position - ending					\$ 28,970,668	\$ 86,505,050	\$ 115,475,718

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

**CITY OF DYERSBURG, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General	School	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 2,807,324	\$ 5,849,496	\$ 3,457,807	\$ 12,114,627
Investments	10,000	-	1,648,276	1,658,276
Receivables (net of allowance for uncollectibles):				
Taxes	9,673,984	671,917	-	10,345,901
Accounts	1,415,487	-	177,816	1,593,303
Due from grantor	-	170,916	776,291	947,207
Due from other funds	2,005,685	354,577	261,449	2,621,711
Inventories	-	-	67,536	67,536
Prepaid expenses	6,876	-	30,363	37,239
Deposits	-	-	92,950	92,950
Other Assets	99,697	-	-	99,697
Hybrid stabilization (SRT)	-	154,069	-	154,069
Total Assets	\$ 16,019,053	\$ 7,200,975	\$ 6,512,488	\$ 29,732,516
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 709,571	\$ 105,291	\$ 47,513	\$ 862,375
Accrued interest payable	5,320	-	-	5,320
Accrued payroll	281,419	933,786	208,176	1,423,381
Other current liabilities	24,458	482,168	107,362	613,988
Deposits	31,077	-	-	31,077
Due to other funds	149,178	145,596	573,649	868,423
Total Liabilities	1,201,023	1,666,841	936,700	3,804,564
Deferred Inflows of Resources:				
Unavailable confiscated funds	-	-	12,725	12,725
Deferred current property taxes	9,610,636	-	-	9,610,636
Total Deferred Inflows of Resources	9,610,636	-	12,725	9,623,361
Fund Balances:				
Non-spendable	6,876	-	97,899	104,775
Restricted	31,077	5,534,134	5,456,628	11,021,839
Committed	-	-	8,536	8,536
Unassigned	5,169,441	-	-	5,169,441
Total Fund Balances	5,207,394	5,534,134	5,563,063	16,304,591
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,019,053	\$ 7,200,975	\$ 6,512,488	\$ 29,732,516

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

**CITY OF DYERSBURG, TENNESSEE
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2021**

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

Total Governmental Fund Balances, page 21	\$ 16,304,591
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	43,533,767
Deferred outflows/inflows of resources related to pensions in which the consumption/acquisition of net position will occur in future periods.	
Deferred outflows related to pension and OPEB	14,610,912
Deferred inflows related to pension and OPEB	(7,143,089)
Compensated absences are not a financial use/source in the current period and, therefore, are not reported in the funds.	(1,065,441)
Internal service fund assets and liabilities allocated to governmental funds and, therefore, are included in governmental activities in the statement of net position.	304,225
Assets not available to pay for current period expenditures and therefore, are deferred in the governmental funds.	(148,754)
Liabilities not due and payable in the current period and therefore are not being reported in the governmental funds.	364,857
Net pension and OPEB (liabilities) assets are not financial uses/sources in the current period and, therefore, are not reported in the governmental funds	
Net pension asset	2,467,174
Net pension liability	(18,661,129)
Net OPEB liability	(3,986,771)
Notes from direct borrowings and bonds payable are not due and are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(17,609,674)</u>
Net position of governmental activities (page 19)	<u>\$ 28,970,668</u>

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General	School	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	\$ 12,796,256	\$ 9,592,087	\$ 1,911,158	\$ 24,299,501
Licenses and permits	118,965	-	-	118,965
Intergovernmental	4,197,831	14,902,026	6,244,660	25,344,517
Charges for services	991,125	-	169,182	1,160,307
Fines, forfeits, and penalties	218,715	-	140,706	359,421
Investment earnings	28,906	17,495	76,522	122,923
Miscellaneous	2,382,530	372,218	4,111,391	6,866,139
Total Revenues	<u>20,734,328</u>	<u>24,883,826</u>	<u>12,653,619</u>	<u>58,271,773</u>
EXPENDITURES:				
General government	2,269,262	-	301,491	2,570,753
Public safety	9,850,381	-	-	9,850,381
Public works	3,541,103	-	-	3,541,103
Parks and recreation	1,195,938	-	-	1,195,938
Economic development	303,294	-	-	303,294
Municipal airport	403,003	-	-	403,003
Joint cost - communications	488,193	-	-	488,193
Hospital and Healthcare	-	-	3,968,096	3,968,096
Education	-	21,985,974	6,937,496	28,923,470
Miscellaneous	1,703,538	-	-	1,703,538
Capital outlay	1,019,800	-	10,228	1,030,028
Debt service:				
Principal retirement	592,000	1,294,327	-	1,886,327
Interest	84,586	398,764	-	483,350
Other expense	11,431	-	-	11,431
Total Expenditures	<u>21,462,529</u>	<u>23,679,065</u>	<u>11,217,311</u>	<u>56,358,905</u>
Revenues Over (Under) Expenditures	(728,201)	1,204,761	1,436,308	1,912,868
OTHER FINANCING SOURCES (USES)				
Operating transfers in	2,182,639	1,799,699	49,700	4,032,038
Operating transfers out	(49,700)	-	(1,811,644)	(1,861,344)
Sale of assets	432,311	-	796,915	1,229,226
Total other financing sources (uses)	<u>2,565,250</u>	<u>1,799,699</u>	<u>(965,029)</u>	<u>3,399,920</u>
Net Change in Fund Balance	<u>1,837,049</u>	<u>3,004,460</u>	<u>471,279</u>	<u>5,312,788</u>
Fund Balance - July 1, 2020	3,370,345	2,529,674	4,514,159	10,414,178
Prior period adjustment	-	-	577,625	577,625
Fund Balance, restated - July 1, 2020	3,370,345	2,529,674	5,091,784	10,991,803
Fund Balance - June 30, 2021	<u>\$ 5,207,394</u>	<u>\$ 5,534,134</u>	<u>\$ 5,563,063</u>	<u>\$ 16,304,591</u>

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

**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 YEAR ENDED JUNE 30, 2021**

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)	\$ 5,312,788
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	(1,323,784)
Expenses in the statement of activities that are not paid using current financial resources and are not reported as expenditures in the funds.	1,085,814
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.	(1,755,994)
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.	2,838,954
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.	1,886,327
The increase/decrease in the liability for compensated absences is not reported in governmental funds.	<u>(7,730)</u>
Change in net position of governmental activities (page 20)	<u>\$ 8,036,375</u>

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Over/(Under) Budgetd Amounts
REVENUES				
Taxes				
Property taxes - net	\$ 8,600,000	\$ 8,600,000	\$ 8,989,072	\$ 389,072
Property taxes - penalty and interest	100,000	100,000	160,995	60,995
Local sales tax	1,950,000	1,950,000	2,112,334	162,334
Wholesale beer tax	515,000	515,000	537,503	22,503
Wholesale liquor tax	90,000	90,000	112,645	22,645
Business taxes	450,000	450,000	494,230	44,230
Cable TV franchise tax	110,000	110,000	80,669	(29,331)
Room occupancy tax	300,000	300,000	308,808	8,808
Total taxes	<u>12,115,000</u>	<u>12,115,000</u>	<u>12,796,256</u>	<u>681,256</u>
Licenses and permits				
Taxicab licenses	100	100	-	(100)
Beer licenses	7,000	7,000	8,700	1,700
Liquor licenses	11,000	11,000	14,250	3,250
Other licenses	1,000	1,000	795	(205)
Building permits and inspections	72,700	72,700	95,220	22,520
Total licenses and permits	<u>91,800</u>	<u>91,800</u>	<u>118,965</u>	<u>27,165</u>
Intergovernmental revenues				
Federal law enforcement grants	60,000	60,000	17,308	(42,692)
Federal surface transportation grants	400,000	400,000	-	(400,000)
TVA replacement tax	210,000	210,000	195,977	(14,023)
Payment in lieu of taxes - Housing Authority	45,000	45,000	44,429	(571)
State sales tax	1,492,500	1,492,500	1,842,447	349,947
State income tax	100,000	100,000	168,896	68,896
State beer tax	8,300	8,300	8,117	(183)
State alcoholic beverage tax	70,000	70,000	95,343	25,343
State gasoline & motor fuel tax	320,000	320,000	318,555	(1,445)
State 1989 gasoline tax	50,000	50,000	49,664	(336)
State 3 cent gasoline tax	95,000	95,000	92,023	(2,977)
State gas 2017 tax	150,000	150,000	160,226	10,226
State petroleum special tax	35,000	35,000	34,038	(962)
State public safety grants	89,600	89,600	87,200	(2,400)
State airport grant	40,000	40,000	107,868	67,868
State CDBG grant	1,500,000	1,500,000	244,349	(1,255,651)
State intergovernmental grant	392,000	392,000	391,680	(320)
Federal CARES act grant	-	-	245,835	245,835
County intergovernmental revenue	80,000	80,000	83,947	3,947
State sports gaming tax	-	-	9,929	9,929
Total intergovernmental revenues	<u>5,137,400</u>	<u>5,137,400</u>	<u>4,197,831</u>	<u>(939,569)</u>
Charges for services				
Public safety reimbursements	325,000	325,000	312,775	(12,225)
Special police and safety services	9,500	9,500	6,876	(2,624)
Fire protection charges	30,000	30,000	29,422	(578)
Cemetery burial, foundation and deed charges	133,500	133,500	165,000	31,500
Stormwater II charges	202,200	202,200	196,649	(5,551)
Swimming pool charges and fees	21,500	21,500	21,400	(100)
Parks and recreation charges	78,400	78,400	29,258	(49,142)
Other	46,500	46,500	229,745	183,245
Total charges for services	<u>846,600</u>	<u>846,600</u>	<u>991,125</u>	<u>144,525</u>
Fines, forfeits and penalties				
City court revenue	202,000	202,000	212,182	10,182
Safe driving fees	5,000	5,000	4,213	(787)

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance Over/(Under) Budgetd Amounts
	Original	Final		
Revenues (continued):				
Other	\$ 3,000	\$ 3,000	\$ 2,320	\$ (680)
Total fines, forfeits and penalties	210,000	210,000	218,715	8,715
Miscellaneous revenues				
Interest	25,000	25,000	28,906	3,906
Rents	390,800	390,800	395,036	4,236
Sales of fuel and supplies	360,000	360,000	296,299	(63,701)
Sale of property and equipment	10,000	10,000	36,612	26,612
Sale of cemetery lots	70,000	70,000	99,400	29,400
Joint expense reimbursements -				
Administrative charges	1,736,500	1,736,500	1,717,303	(19,197)
Other	217,000	217,000	270,191	53,191
Total miscellaneous revenues	2,809,300	2,809,300	2,843,747	34,447
Total revenues	21,210,100	21,210,100	21,166,639	(43,461)
EXPENDITURES				
General government:				
Legislative	78,400	78,400	83,485	5,085
Judicial	370,600	370,600	410,661	40,061
Executive	180,300	180,300	150,303	(29,997)
City recorder	88,900	88,900	117,108	28,208
City attorney	55,000	55,000	52,723	(2,277)
Accounting	283,600	283,600	291,633	8,033
Tax administration	93,800	93,800	96,168	2,368
Purchasing	94,900	94,900	96,214	1,314
Personnel	125,000	125,000	108,390	(16,610)
Engineering	372,200	372,200	384,753	12,553
Planning and zoning	12,900	12,900	12,482	(418)
City Hall	321,100	321,100	286,348	(34,752)
Other facilities	216,100	216,100	178,994	(37,106)
Total general government	2,292,800	2,292,800	2,269,262	(23,538)
Public safety:				
Police department				
Traffic safety	112,400	112,400	93,652	(18,748)
Supplement pay	51,000	51,000	49,950	(1,050)
Administration	543,500	543,500	532,257	(11,243)
Operations	97,000	97,000	105,549	8,549
Criminal investigation	858,400	858,400	771,832	(86,568)
Patrol	3,209,700	3,209,700	3,206,222	(3,478)
Records and identification	271,600	271,600	232,510	(39,090)
Training	209,200	209,200	195,676	(13,524)
Education and public relations	3,000	3,000	10,906	7,906
Automotive services	176,500	176,500	165,381	(11,119)
Special response team	30,500	30,500	31,172	672
Police stations	295,400	295,400	247,714	(47,686)
Total police department	5,858,200	5,858,200	5,642,821	(215,379)
Fire department				
Supplement pay	44,800	44,800	43,921	(879)
Administration	415,000	415,000	391,915	(23,085)
Fire fighting	2,934,000	2,934,000	2,980,945	46,945
Fire prevention	161,900	161,900	159,578	(2,322)
Training	102,600	102,600	137,963	35,363

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance Over/(Under) Budgetd Amounts
	Original	Final		
Expenditures (continued)				
Equipment repair services	\$ 94,000	\$ 94,000	\$ 95,200	\$ 1,200
Fire stations	84,500	84,500	93,813	9,313
Total fire department	<u>3,836,800</u>	<u>3,836,800</u>	<u>3,903,335</u>	<u>66,535</u>
Building inspection	332,700	332,700	304,225	(28,475)
Total public safety	<u>10,027,700</u>	<u>10,027,700</u>	<u>9,850,381</u>	<u>(177,319)</u>
Public works:				
Public works administration	454,900	454,900	457,202	2,302
Highways and streets	2,833,500	2,833,500	2,558,970	(274,530)
Storm drainage	113,900	113,900	117,146	3,246
Stormwater II	113,100	113,100	88,466	(24,634)
Cemeteries	314,600	314,600	319,319	4,719
Total public works	<u>3,830,000</u>	<u>3,830,000</u>	<u>3,541,103</u>	<u>(288,897)</u>
Parks and recreation				
Dyersburg Activity Center	377,300	377,300	322,185	(55,115)
Bruce Recreation Center	168,100	168,100	158,667	(9,433)
Future City Recreation Center	150,700	150,700	122,240	(28,460)
Dyersburg Activity Center pool	24,000	24,000	19,950	(4,050)
Okeena pool	56,700	56,700	47,954	(8,746)
Bruce pool	11,300	11,300	5,332	(5,968)
Youth Programs	58,900	58,900	3,281	(55,619)
Playgrounds and parks	457,500	457,500	473,284	15,784
Golf course	25,000	25,000	32,480	7,480
Total parks and recreation	<u>1,329,500</u>	<u>1,329,500</u>	<u>1,185,373</u>	<u>(144,127)</u>
Special Recreation	13,000	13,000	10,565	(2,435)
Tourism and economic development	300,000	300,000	303,294	3,294
Municipal airport	463,600	463,600	403,003	(60,597)
Capital outlay				
General government	295,000	295,000	111,014	(183,986)
Public safety	225,000	225,000	264,832	39,832
Public works	275,000	275,000	284,586	9,586
Parks and recreation	1,612,000	1,612,000	260,542	(1,351,458)
Municipal airport	27,000	27,000	98,826	71,826
Total capital outlay	<u>2,434,000</u>	<u>2,434,000</u>	<u>1,019,800</u>	<u>(1,414,200)</u>
Debt service				
Retirement of notes, bonds and capital leases	592,000	592,000	592,000	-
Interest	201,300	201,300	84,586	(116,714)
Bank and loan remarketing fees	10,500	10,500	11,431	931
Total debt service	<u>803,800</u>	<u>803,800</u>	<u>688,017</u>	<u>(115,783)</u>
Joint costs - communications	477,400	477,400	488,193	10,793
Miscellaneous expenditures				
Vacation and sick leave	10,000	10,000	40,134	30,134
Insurance	13,000	13,000	14,438	1,438
Retirement	1,406,600	1,406,600	1,408,792	2,192
Professional services	70,000	70,000	29,704	(40,296)

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance Over/(Under) Budgetd Amounts
	Original	Final		
Expenditures (continued)				
Payments in lieu of taxes	\$ 120,000	\$ 120,000	\$ 145,720	\$ 25,720
CDBG-NDR escrow acquisition	-	-	37,500	37,500
Other	55,600	55,600	27,250	(28,350)
Total miscellaneous expenditures	<u>1,675,200</u>	<u>1,675,200</u>	<u>1,703,538</u>	<u>28,338</u>
Total expenditures	<u>23,647,000</u>	<u>23,647,000</u>	<u>21,462,529</u>	<u>(2,184,471)</u>
Revenues over (under) expenditures	<u>(2,436,900)</u>	<u>(2,436,900)</u>	<u>(295,890)</u>	<u>2,141,010</u>
Other financing sources (uses)				
Transfers in	2,125,000	2,125,000	2,182,639	57,639
Transfers out	(35,000)	(35,000)	(49,700)	(14,700)
Sale of bonds	350,000	350,000	-	(350,000)
Total other financing sources (uses)	<u>2,440,000</u>	<u>2,440,000</u>	<u>2,132,939</u>	<u>(307,061)</u>
Net change in fund balance	<u>\$ 3,100</u>	<u>\$ 3,100</u>	<u>1,837,049</u>	<u>\$ 1,833,949</u>
Fund balance - July 1, 2020			<u>3,370,345</u>	
Fund balance - June 30, 2021			<u>\$ 5,207,394</u>	

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
SCHOOL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance Over/(Under) Budgetd Amounts
	Original	Final		
REVENUES:				
Real estate taxes	\$ 2,385,859	\$ 2,385,859	\$ 2,511,191	\$ 125,332
Sales tax	4,730,428	5,264,137	6,456,135	1,191,998
Other permits and licenses	1,100	1,100	1,145	45
Wheel tax	576,005	576,005	623,616	47,611
Intergovernmental	14,082,000	15,320,069	14,902,026	(418,043)
Investment earnings	18,000	18,000	17,495	(505)
Miscellaneous	340,791	340,791	372,218	31,427
Total Revenues	<u>22,134,183</u>	<u>23,905,961</u>	<u>24,883,826</u>	<u>977,865</u>
EXPENDITURES:				
Education:				
Regular instruction program	11,790,552	13,115,667	11,570,449	(1,545,218)
Alternative instruction program	227,487	122,874	122,874	-
Special education program	1,759,905	1,749,623	1,750,905	1,282
Career and technical education	407,085	423,069	421,656	(1,413)
COVID-19 expenditures	-	65,534	42,438	(23,096)
Attendance services	108,818	145,626	133,839	(11,787)
Health services	207,199	301,524	298,843	(2,681)
Other student support	723,727	815,939	809,812	(6,127)
Regular instruction support	507,906	471,203	464,975	(6,228)
Alternative education support	95,046	56,612	56,612	-
Special education support	57,408	62,205	61,705	(500)
Fiscal services	286,338	285,206	282,261	(2,945)
Operation of plant	2,184,608	2,199,103	2,182,970	(16,133)
Maintenance of plant	515,982	403,590	380,367	(23,223)
Board of education	819,564	773,632	537,422	(236,210)
Career and technical education	48,095	50,529	50,529	-
Early childhood education	1,077	592,638	592,637	(1)
Office of the superintendent	308,956	306,070	298,888	(7,182)
Community services	73,406	138,421	136,238	(2,183)
Transportation	1,800	50,340	11,474	(38,866)
Technology	381,516	264,136	263,955	(181)
Office of the principal	1,517,868	1,517,171	1,515,125	(2,046)
Total education	<u>22,024,343</u>	<u>23,910,712</u>	<u>21,985,974</u>	<u>(1,924,738)</u>
Capital outlay	22,840	4,250	-	(4,250)
Total Expenditures	<u>22,047,183</u>	<u>23,914,962</u>	<u>21,985,974</u>	<u>(1,928,988)</u>
Revenues Over (Under) Expenditures	87,000	(9,001)	2,897,852	2,906,853
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	10,000	129,710	106,608	(23,102)
Transfers to other funds	(97,000)	(120,709)	-	120,709
Total other financing sources (uses)	<u>(87,000)</u>	<u>9,001</u>	<u>106,608</u>	<u>97,607</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	3,004,460	<u>\$ 3,004,460</u>
Fund balance - July 1, 2020			2,529,674	
Fund balance - June 30, 2021			<u>\$ 5,534,134</u>	
Reconciliation of Budgetary Basis to GAAP Basis Statement				
Total expenditures on budgetary basis			\$ 21,985,974	
Debt service expenditures paid by City of Dyersburg				
Principal			1,294,327	
Interest and bond fees			398,764	
Total expenditures on GAAP basis statement			<u>\$ 23,679,065</u>	
Other financing sources (uses) on budgetary basis			\$ 106,608	
Transfer recorded for debt service expenditures paid by City of Dyersburg			1,693,091	
Other financing sources (uses) on GAAP basis statement			<u>\$ 1,799,699</u>	

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities -- Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Gas	Water and Sewer	Solid Waste Management	Electric System		
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 7,206,526	\$ 3,326,860	\$ 4,396,469	\$ 4,527,148	\$ 19,457,003	\$ 3,265,999
Investments	778,668	-	332,776	3,685,858	4,797,302	-
Accounts receivable - net	191,047	646,324	319,634	2,567,502	3,724,507	70,405
Accrued interest receivable	-	-	-	25,376	25,376	-
Accrued rents receivable	-	-	-	104,455	104,455	-
Due from other funds	702,272	807,346	480,143	-	1,989,761	115,446
Inventories	111,308	193,790	-	856,227	1,161,325	-
Prepaid expenses	-	-	-	94,570	94,570	-
Total current assets	<u>8,989,821</u>	<u>4,974,320</u>	<u>5,529,022</u>	<u>11,861,136</u>	<u>31,354,299</u>	<u>3,451,850</u>
Noncurrent assets:						
Restricted assets:						
Customer deposits - certificate of deposit	-	-	-	2,228,925	2,228,925	-
Bond reserve fund - cash and cash equivalents	-	-	-	349,624	349,624	-
Bond retirement fund - cash and cash equivalents	-	-	-	297,545	297,545	-
Renewal and replacement fund - cash and cash equivalents	-	-	-	749,822	749,822	-
Total restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,625,916</u>	<u>3,625,916</u>	<u>-</u>
Capital assets:						
Land	773,584	558,366	-	903,460	2,235,410	-
Construction in progress	-	-	-	446,343	446,343	20,950
Plant in service	13,931,126	66,109,596	12,456,190	68,069,768	160,566,680	2,321,218
Less - accumulated depreciation	(9,595,076)	(42,683,200)	(9,729,442)	(32,231,496)	(94,239,214)	(2,034,000)
Net Capital Assets	<u>5,109,634</u>	<u>23,984,762</u>	<u>2,726,748</u>	<u>37,188,075</u>	<u>69,009,219</u>	<u>308,168</u>
Other assets	-	105,916	146,912	110,651	363,479	37,161
Net pension asset	366,327	-	-	-	366,327	-
Total noncurrent assets	<u>5,475,961</u>	<u>24,090,678</u>	<u>2,873,660</u>	<u>40,924,642</u>	<u>73,364,941</u>	<u>345,329</u>
Total Assets	<u>14,465,782</u>	<u>29,064,998</u>	<u>8,402,682</u>	<u>52,785,778</u>	<u>104,719,240</u>	<u>3,797,179</u>
DEFERRED OUTFLOWS OF RESOURCES						
Differences between expected and actual experience - pension	100	196,232	119,377	46,493	362,202	-
Contributions - pension	30,101	183,326	108,041	562,824	884,292	-
Changes in assumption - pension	(236,305)	919,045	551,337	740,776	1,974,853	-
Net difference between projected and actual earnings on pension plan investment	(5,113)	(143)	(830)	579,650	573,564	-
Total Deferred Outflows of Resources	<u>(211,217)</u>	<u>1,298,460</u>	<u>777,925</u>	<u>1,929,743</u>	<u>3,794,911</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 14,254,565</u>	<u>\$ 30,363,458</u>	<u>\$ 9,180,607</u>	<u>\$ 54,715,521</u>	<u>\$ 108,514,151</u>	<u>\$ 3,797,179</u>

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities -- Enterprise Funds					Governmental Activities - Internal Service Funds
	Gas	Water and Sewer	Solid Waste Management	Electric System	Totals	
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 562,281	\$ 115,148	\$ 26,687	\$ 3,150,129	\$ 3,854,245	\$ 11,931
Accrued payroll	13,338	43,359	23,308	-	80,005	33,039
Accrued interest payable	-	-	-	31,186	31,186	-
Customer deposits	347,757	549,230	-	2,228,925	3,125,912	-
Due to other funds	323,450	402,014	557,652	-	1,283,116	2,575,379
Other current liabilities	3,259	20,768	-	56,281	80,308	-
Bonds payable within one year	-	313,643	-	305,000	618,643	-
Total current liabilities	<u>1,250,085</u>	<u>1,444,162</u>	<u>607,647</u>	<u>5,771,521</u>	<u>9,073,415</u>	<u>2,620,349</u>
Noncurrent liabilities:						
Accrued compensated absences	26,287	160,071	42,691	218,014	447,063	37,515
Other accrued liabilities	79,716	-	1,867,583	-	1,947,299	117,125
Net pension liability	-	1,827,321	1,133,499	4,531,444	7,492,264	-
Advances from TVA - conservation	-	-	-	53,327	53,327	-
Bonds payable - long-term	-	-	-	1,970,000	1,970,000	-
Total noncurrent liabilities	<u>106,003</u>	<u>1,987,392</u>	<u>3,043,773</u>	<u>6,772,785</u>	<u>11,909,953</u>	<u>154,640</u>
Total Liabilities	<u>1,356,088</u>	<u>3,431,554</u>	<u>3,651,420</u>	<u>12,544,306</u>	<u>20,983,368</u>	<u>2,774,989</u>
DEFERRED INFLOWS OF RESOURCES						
Differences between expected and actual experience - pension	(79,283)	112,168	50,117	468,302	551,304	-
Changes in assumptions - pension	152,609	531,321	324,727	308,121	1,316,778	-
Net difference between projected and actual earnings on pension plan investment	(1,271)	9,069	5,769	-	13,567	-
Total Deferred Inflows of Resources	<u>72,055</u>	<u>652,558</u>	<u>380,613</u>	<u>776,423</u>	<u>1,881,649</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	5,109,634	23,671,119	2,726,748	34,929,964	66,437,465	308,168
Restricted	347,757	549,230	-	1,396,991	2,293,978	-
Restricted - Net Pension Asset	366,327	-	-	-	366,327	-
Unrestricted	7,002,704	2,058,997	2,421,826	5,067,837	16,551,364	714,022
Net Position	<u>12,826,422</u>	<u>26,279,346</u>	<u>5,148,574</u>	<u>41,394,792</u>	<u>85,649,134</u>	<u>1,022,190</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 14,254,565</u>	<u>\$ 30,363,458</u>	<u>\$ 9,180,607</u>	<u>\$ 54,715,521</u>	108,514,151	<u>\$ 3,797,179</u>
					855,916	
					<u>\$ 86,505,050</u>	

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

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	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	\$ 5,555,370	\$ 7,922,781	\$ 3,783,512	\$ 35,336,861	\$ 52,598,524	\$ -
Interest and penalties	23,211	42,260	-	172,423	237,894	-
Rent	-	-	-	1,093,362	1,093,362	-
Insurance Recoveries	-	14,709	-	-	14,709	-
Operating Grant Revenue	-	78,411	-	-	78,411	-
Joint Costs	-	-	-	-	-	1,878,846
Miscellaneous	8,122	40,194	25,957	56,003	130,276	357,114
Total operating revenues	<u>5,586,703</u>	<u>8,098,355</u>	<u>3,809,469</u>	<u>36,658,649</u>	<u>54,153,176</u>	<u>2,235,960</u>
Operating expenses:						
Purchased power	2,973,217	-	-	28,572,524	31,545,741	-
Transmission and distribution	707,841	667,032	-	771,711	2,146,584	-
Customers' accounting and collecting	493,634	511,692	34,800	443,414	1,483,540	-
Sales and customer service	-	-	-	77,308	77,308	189,251
General and administrative	875,000	971,164	519,331	1,762,335	4,127,830	1,975,776
Purification	-	1,432,929	-	-	1,432,929	-
Sewer plant operation	-	960,631	-	-	960,631	-
Sewage treatment and disposal	-	1,319,680	-	-	1,319,680	-
Residential and dumpster operations	-	-	1,084,145	-	1,084,145	-
Landfill operations	-	-	675,882	-	675,882	-
General plant maintenance	-	-	-	1,146,193	1,146,193	-
Depreciation and amortization	357,024	1,577,077	650,162	2,518,774	5,103,037	72,887
Taxes other than tax equivalents	-	-	-	141,899	141,899	-
Grants and Donations	265,867	-	-	-	265,867	-
Total operating expenses	<u>5,672,583</u>	<u>7,440,205</u>	<u>2,964,320</u>	<u>35,434,158</u>	<u>51,511,266</u>	<u>2,237,914</u>
Operating income (loss)	(85,880)	658,150	845,149	1,224,491	2,641,910	(1,954)
Nonoperating revenues (expenses):						
Investment earnings	42,285	26,938	13,870	144,572	227,665	1,953
Interest expense	-	(9,686)	(5,151)	(80,589)	(95,426)	-
Miscellaneous income (expense)	-	(78)	(108)	12,653	12,467	-
Total nonoperating revenues (expenses)	<u>42,285</u>	<u>17,174</u>	<u>8,611</u>	<u>76,636</u>	<u>144,706</u>	<u>1,953</u>
Income (loss) before capital contributions and transfers	(43,595)	675,324	853,760	1,301,127	2,786,616	(1)
Capital contributions - CDBG grant	-	69,506	-	-	69,506	-
Transfers out	(235,400)	(656,700)	-	(1,251,101)	(2,143,201)	-
Total capital contributions and transfers	<u>(235,400)</u>	<u>(587,194)</u>	<u>-</u>	<u>(1,251,101)</u>	<u>(2,073,695)</u>	<u>-</u>
Change in net position	<u>(278,995)</u>	<u>88,130</u>	<u>853,760</u>	<u>50,026</u>	<u>712,921</u>	<u>(1)</u>
Net position - July 1, 2020	13,105,417	26,191,216	4,294,814	42,098,380	85,689,827	1,109,320
Change in estimate	-	-	-	(753,614)	(753,614)	-
Prior period adjustment	-	-	-	-	-	(87,129)
Net position, restated - July 1, 2020	<u>13,105,417</u>	<u>26,191,216</u>	<u>4,294,814</u>	<u>41,344,766</u>	<u>84,936,213</u>	<u>1,022,191</u>
Net position - June 30, 2021	<u>\$ 12,826,422</u>	<u>\$ 26,279,346</u>	<u>\$ 5,148,574</u>	<u>\$ 41,394,792</u>	<u>85,649,134</u>	<u>\$ 1,022,190</u>
Change in net position					712,921	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(170,949)	
Change in net position of business-type activities					<u>\$ 541,972</u>	

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities – Enterprises Funds					Governmental
	Gas	Water and Sewer	Solid Waste Management	Electric System	Total	Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 5,564,208	\$ 8,053,012	\$ 3,685,296	\$ 36,365,853	\$ 53,668,369	\$ 1,891,306
Payments to suppliers	(4,335,088)	(4,104,587)	(967,114)	(30,024,503)	(39,431,292)	(204,131)
Payments to employees for services	(437,849)	(1,345,688)	(844,777)	(2,455,615)	(5,083,929)	(1,110,352)
Payments for employee benefits	(112,670)	(364,235)	(197,465)	-	(674,370)	(442,565)
Other receipts (payments)	8,122	40,194	25,957	-	74,273	357,114
Net Cash Provided by (used for) Operating Activities	<u>686,723</u>	<u>2,278,696</u>	<u>1,701,897</u>	<u>3,885,735</u>	<u>8,553,051</u>	<u>491,372</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to other funds	(235,400)	(656,700)	-	(1,251,101)	(2,143,201)	-
Net cash from (used by) financing activities	<u>(235,400)</u>	<u>(656,700)</u>	<u>-</u>	<u>(1,251,101)</u>	<u>(2,143,201)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(216,526)	(331,786)	(13,695)	(3,187,268)	(3,749,275)	(19,780)
Salvage from retirement of plant	-	-	-	70,765	70,765	-
Cost of removal on retired plant	-	-	-	(444,288)	(444,288)	-
Proceeds received on capital debt	-	212,699	-	-	212,699	-
Principal paid on notes and bonds	-	-	-	(300,000)	(300,000)	-
Amount refunded on notes and bonds	-	(78,411)	-	-	(78,411)	-
Interest paid on notes and bonds	-	(9,686)	(5,151)	(84,702)	(99,539)	-
Capital grant proceeds	-	69,506	-	-	69,506	-
Other receipts (payments)	-	(78)	(108)	13,986	13,800	-
Net cash from (used by) capital and related financing activities	<u>(216,526)</u>	<u>(137,756)</u>	<u>(18,954)</u>	<u>(3,931,507)</u>	<u>(4,304,743)</u>	<u>(19,780)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Net change in investments	(1,114)	-	(475)	2,698	1,109	-
Interest and investment earnings	42,285	26,938	13,870	155,847	238,940	1,953
Increase (decrease) in customer deposits	(58)	8,540	-	65,249	73,731	-
(Increase) decrease in temporary cash investments	-	-	-	342,825	342,825	-
Net cash provided by (used for) investing activities	<u>41,113</u>	<u>35,478</u>	<u>13,395</u>	<u>566,619</u>	<u>656,605</u>	<u>1,953</u>
Net increase(decrease) in cash and cash equivalents	<u>275,910</u>	<u>1,519,718</u>	<u>1,696,338</u>	<u>(730,254)</u>	<u>2,761,712</u>	<u>473,545</u>
Cash and cash equivalents - July 1, 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 and cash equivalents - June 30, 2021	<u>\$ 7,572,853</u>	<u>\$ 3,326,860</u>	<u>\$ 4,396,469</u>	<u>\$ 5,924,139</u>	<u>\$ 21,220,321</u>	<u>\$ 3,265,999</u>
Cash, Cash Equivalents, and Restricted Cash - June 30, 2021						
Cash and cash equivalents - unrestricted	\$ 7,206,526	\$ 3,326,860	\$ 4,396,469	\$ 4,527,148	\$ 19,457,003	\$ 3,265,999
Bond reserve fund - cash and cash equivalents	-	-	-	349,624	349,624	-
Bond retirement fund - cash and cash equivalents	-	-	-	297,545	297,545	-
Renewal and replacement fund - cash and cash equivalents	-	-	-	749,822	749,822	-
Cash, Cash Equivalents, and Restricted Cash - June 30, 2021	<u>\$ 7,206,526</u>	<u>\$ 3,326,860</u>	<u>\$ 4,396,469</u>	<u>\$ 5,924,139</u>	<u>\$ 20,853,994</u>	<u>\$ 3,265,999</u>

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

**CITY OF DYERSBURG, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-type Activities – Enterprises Funds				Total	Governmental
	Gas	Water and Sewer	Solid Waste Management	Electric System		Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (85,880)	\$ 658,150	\$ 845,149	\$ 1,224,491	\$ 2,641,910	\$ (1,954)
Adjustments to reconcile net income (loss) from operations to net cash provided by operating activities						
Depreciation	357,024	1,577,077	382,303	2,663,864	4,980,268	62,681
Amortization	-	-	267,859	-	267,859	10,206
Deferrals - pension	(69,637)	(221,168)	(134,986)	124,557	(301,234)	-
(Increase) Decrease in Assets						
Accounts receivable, net of allowance	(21,523)	(164,215)	(65,740)	(283,963)	(535,441)	(39,049)
Due from other funds	7,150	237,477	(32,476)	-	212,151	51,509
Accrued rent	-	-	-	(8,833)	(8,833)	-
Inventory	(40,732)	(26,661)	-	(39,332)	(106,725)	-
Prepaid expenses	-	-	-	269	269	(87,129)
Other assets	-	(105,916)	(146,267)	-	(252,183)	55,065
Increase (Decrease) in Liabilities						
Accounts payable	82,291	76,086	2,380	211,951	372,708	6,868
Accrued payroll	622	5,635	3,127	-	9,384	4,596
Accrued vacation	-	-	-	(10,500)	(10,500)	-
Due to other funds	92,553	184,076	348,956	-	625,585	408,458
Other current liabilities	365	6,042	226,850	3,231	236,488	8,424
Compensated absences	(2,494)	50,026	3,468	-	51,000	11,697
Net pension liability	366,984	2,087	1,274	-	370,345	-
Net cash provided by (used for) operating activities	<u>\$ 686,723</u>	<u>\$ 2,278,696</u>	<u>\$ 1,701,897</u>	<u>\$ 3,885,735</u>	<u>\$ 8,553,051</u>	<u>\$ 491,372</u>

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

**CITY OF DYERSBURG, TENNESSEE
DYERSBURG CITY SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY TRUST FUND
For the Year ended December 31, 2020**

Assets	
Investments	
AUL fixed account	\$ 510,494
Mutual funds	6,782,271
Total Investments	7,292,765
Contributions Receivable	38,574
Net assets available for benefits	\$ 7,331,339
Liabilities	
	\$ -
Net position restricted for pensions	\$ 7,331,339

**CITY OF DYERSBURG, TENNESSEE
DYERSBURG CITY SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY TRUST FUND
For the Year ended December 31, 2020**

Additions	
Contributions	
Employer	\$ 312,660
Employee	151,778
Total Contributions	464,438
Investment Income	
Earnings from mutual funds	917,149
Total Investment Income	917,149
Total Additions	1,381,587
Deductions	
Benefit Payments	521,514
Plan Expenses	15,273
Total deductions	536,787
Net change in Net Position	844,800
Net Position restricted for pensions	
Beginning of Year	6,486,539
End of Year	\$ 7,331,339

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, 2020**

Assets	
Cash	\$ 556,937
Investments	
Mutual funds - equities	5,836,442
Mutual funds - alternative investments	2,767,331
Total Investments	<u>8,603,773</u>
Contributions receivable	-
Net Assets	<u>\$ 9,160,710</u>
Liabilities	
	<u>\$ -</u>
Net Position restricted for pensions	<u>\$ 9,160,710</u>

**CITY OF DYERSBURG, TENNESSEE
DYERSBURG ELECTRIC SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year ended December 31, 2020**

Additions	
Contributions	
Employer	\$ 562,824
Employee	62,176
Total Contributions	<u>625,000</u>
Investment income	
Mutual fund income	964,773
Total Additions	<u>1,589,773</u>
Deductions	
Benefit payments	317,081
Administrative and other expenses	5,330
Total Deductions	<u>322,411</u>
Net Increase in Fiduciary Net Position	<u>1,267,362</u>
Net Position restricted for pensions	
Beginning of Year	<u>7,893,348</u>
End of Year	<u>\$ 9,160,710</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, 2020

Assets	
Cash	\$ 442,497
Accrued Income	2,306
	<hr/>
Investments	
Domestic Equities	4,906,434
International Equities	172,102
Total Investments	<hr/> 5,078,536 <hr/>
Net Assets	<hr/> \$ 5,523,339 <hr/>
Liabilities	
	<hr/> \$ - <hr/>
Net Position restricted for pensions	<hr/> \$ 5,523,339 <hr/>

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year ended June 30, 2020

Additions	
Contributions	
Employer	\$ 1,765,700
Employee	209,277
Total Contributions	<hr/> 1,974,977 <hr/>
Investment Income	
Net Appreciation	303,761
Interest and Dividends	73,484
Total Investment Income	<hr/> 377,245 <hr/>
Total Additions	2,352,222
Deductions	
Benefit Payments/Refunds	1,191,817
Administrative Expenses	75,532
	<hr/>
Total Deductions	<hr/> 1,267,349 <hr/>
Change in Net Position	<hr/> 1,084,873 <hr/>
Net Position restricted for pensions	
Beginning of Year	<hr/> 4,438,466 <hr/>
End of Year	<hr/> \$ 5,523,339 <hr/>

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

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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.

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

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

Investments for the City are reported at fair value.

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

2. *Receivables and Payable*

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 2021 was \$2.42 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.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

4. *Capital Assets, Depreciation, and Amortization (Continued)*

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

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

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

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

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.

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

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.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

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.

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.

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**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

9. *Vacation and Sick Leave (Continued)*

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 Inflows/Outflows 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.

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.

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

10. *Deferred Inflows/Outflows of Resources (Continued)*

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, 2021, was \$18,587.

12. *Pensions*

Dyersburg Electric System

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

Dyersburg City Schools

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, pension and OPEB revenue and expenses, information about the fiduciary net position of the Teacher Legacy Pension Plan, Teacher Retirement Plan in the Tennessee Consolidated Retirement System (TCRS), the Non-Professional Employees Pension Plan 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 and the State of Tennessee. 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, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

12. *Pensions* (Continued)

City of Dyersburg

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's participation in their single employer defined benefit pension plan, and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the retirement plan.

For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the retirement plan. Investments are reported at fair value.

II. Reconciliation of Government-Wide and Fund Financial Statement

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

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 \$17,609,674 difference are as follows:

Bonds payable	\$ 10,202,700
Notes from direct borrowings	<u>7,406,974</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 17,609,674</u></u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance 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 (\$1,755,994) difference are as follows:

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

II. Reconciliation of Government-Wide and Fund Financial Statement (Continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities (Continued)

Capital outlay	\$ 1,426,315
Less depreciation expense	<u>(3,182,309)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u><u>\$ (1,755,994)</u></u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

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

IV. Detail Notes on All Funds

A. Deposits and Investments

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

The City is mandated by law to require that the financial institutions in which they maintain deposits pledge securities to collateralize deposits which are in excess of the amount covered by federal insurance. At June 30, 2021, 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	Mutual Funds	Trust Total
Time Deposits	\$ 10,000	\$ -	\$ 10,000
Certificates of Deposit	3,685,858	-	3,685,858
U. S. Agencies and Instrumentalities	-	1,648,276	1,648,276
Total Securities	3,695,858	1,648,276	5,344,134
Local Government Investment Pool	1,111,444	-	1,111,444
Total Investments	\$ 4,807,302	\$ 1,648,276	\$ 6,455,578

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

IV. Detail Notes on All Funds (Continued)

A. Deposits and Investments (Continued)

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.

Dyersburg City Schools

The following is the asset allocation as of December 31, 2020:

	Market Value	Percentage of Total
Pooled separate accounts	\$ 6,782,271	93.00%
Fixed account	510,494	7.00%
Total	<u>\$ 7,292,765</u>	<u>100.00%</u>

For the plan year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.1 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 December 31, 2020:

	Market Value	Percentage of Total
Equities	\$ 5,836,442	67.84%
Alternative investments	2,767,331	32.16%
Total	<u>\$ 8,603,773</u>	<u>100.00%</u>

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

IV. Detail Notes on All Funds (Continued)

A. Deposits and Investments (Continued)

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.83 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, 2020:

	Market Value	Percentage of Total
Domestic equities	\$ 4,906,434	96.61%
International equities	172,102	3.39%
Real estate	-	0.00%
Total	<u>\$ 5,078,536</u>	<u>100.00%</u>

For the year ended June 30, 2020, 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.

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:

Government Funds:

	General	School	Nonmajor	Total
Taxes	\$ 352,556	\$ 671,917	\$ -	\$ 1,024,473
Accounts	1,642,379	-	177,816	1,820,195
Grant	-	170,916	776,291	947,207
Unassessed property taxes	<u>9,366,428</u>	-	-	<u>9,366,428</u>
Gross receivables	11,361,363	842,833	954,107	13,158,303
Less: allowance for uncollectibles	(271,892)	-	-	(271,892)
Net total receivables	<u>\$ 11,089,471</u>	<u>\$ 842,833</u>	<u>\$ 954,107</u>	<u>\$ 12,886,411</u>

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

IV. Detail Notes on All Funds (Continued)

B. Receivables (Continued)

Business-Type Funds:

	Proprietary Funds				Total	Internal Service Funds
	Gas	Water and Sewer	Solid Waste Management	Electric System		
Accounts	\$ 236,047	\$ 751,324	\$ 396,634	\$ 2,771,486	\$ 4,155,491	\$ 77,905
Gross receivables	236,047	751,324	396,634	2,771,486	4,155,491	77,905
Less: allowance for uncollectibles	(45,000)	(105,000)	(77,000)	(203,984)	(430,984)	(7,500)
Net total receivables	<u>\$ 191,047</u>	<u>\$ 646,324</u>	<u>\$ 319,634</u>	<u>\$ 2,567,502</u>	<u>\$ 3,724,507</u>	<u>\$ 70,405</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:

	<u>Unavailable</u>
Property taxes receivable (general fund)	\$ 9,211,582
Delinquent property taxes (general fund)	399,054
Confiscated funds (TIP fund)	<u>12,725</u>
 Total deferred revenue for governmental funds	 <u>\$ 9,623,361</u>

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CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

IV. Detail Notes on All Funds (Continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

Primary Government

	Beginning Balance	Additions & Adjustments	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,783,539	\$ -	\$ -	\$ 6,783,539
Construction in progress	-	110,586	-	110,586
Total capital assets, not being depreciated	<u>6,783,539</u>	<u>110,586</u>	<u>-</u>	<u>6,894,125</u>
Capital assets being depreciated:				
Buildings	61,123,963	306,968	-	61,430,931
Improvements other than buildings	12,771,689	352,520	-	13,124,209
Machinery and equipment	17,256,855	599,061	(44,459)	17,811,457
Infrastructure	26,724,415	30,706	-	26,755,121
Total capital assets, being depreciated	<u>117,876,922</u>	<u>1,289,255</u>	<u>(44,459)</u>	<u>119,121,718</u>
Less accumulated depreciation for:				
Buildings	(42,732,180)	(1,505,048)	-	(44,237,228)
Improvements other than buildings	(4,842,565)	(562,930)	-	(5,405,495)
Machinery and equipment	(13,800,009)	(822,080)	44,459	(14,577,630)
Infrastructure	(17,995,946)	(265,777)	-	(18,261,723)
Total accumulated depreciation	<u>(79,370,700)</u>	<u>(3,155,835)</u>	<u>44,459</u>	<u>(82,482,076)</u>
Total capital assets, being depreciated, net	38,506,222	(1,866,580)	-	36,639,642
Allocated Internal Service Fund capital assets, being depreciated, net	<u>262,883</u>	<u>-</u>	<u>(26,474)</u>	<u>236,409</u>
Governmental activities depreciable capital assets, net	<u>38,769,105</u>	<u>(1,893,054)</u>	<u>(26,474)</u>	<u>36,876,051</u>
Total capital assets, net	<u>\$ 45,552,644</u>	<u>\$ (1,782,468)</u>	<u>\$ (26,474)</u>	<u>\$ 43,770,176</u>

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 2,235,410	\$ -	\$ -	\$ -	\$ 2,235,410
Construction in progress	494,357	-	(27,064)	-	467,293
Total capital assets, not being depreciated	<u>2,729,767</u>	<u>-</u>	<u>(27,064)</u>	<u>-</u>	<u>2,702,703</u>
Capital assets being depreciated:					
Buildings and improvements	26,946,766	143,860	-	-	27,090,626
Plants and systems	113,436,773	2,865,106	(1,495,900)	-	114,805,979
Equipment and software	20,080,827	787,355	(139,772)	-	20,728,410
Total capital assets, being depreciated	<u>160,464,366</u>	<u>3,796,321</u>	<u>(1,635,672)</u>	<u>-</u>	<u>162,625,015</u>
Less accumulated depreciation	<u>(92,217,784)</u>	<u>(5,284,537)</u>	<u>2,009,195</u>	<u>(753,614)</u>	<u>(96,246,740)</u>
Total capital assets, being depreciated, net	68,246,582	(1,488,216)	373,523	(753,614)	66,378,275
Allocated Internal Service Fund capital assets, being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities depreciable capital assets, net	<u>68,246,582</u>	<u>(1,488,216)</u>	<u>373,523</u>	<u>(753,614)</u>	<u>66,378,275</u>
Total capital assets, net	<u>\$ 70,976,349</u>	<u>\$ (1,488,216)</u>	<u>\$ 346,459</u>	<u>\$ (753,614)</u>	<u>\$ 69,080,978</u>

*Includes removal cost of \$444,288 and salvage of \$70,765.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

IV. Detail Notes on All Funds (Continued)

C. Capital Assets (Continued)

Depreciation expense for Dyersburg Electric System for the year ending June 30, 2021 was \$2,663,864; however, \$145,090 was charged to transportation expense.

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

Government activities:

General government	\$ 291,570
Public safety	507,454
Public works	788,240
Schools	1,411,512
Parks & recreation	183,533
Capital assets held by the government's internal service funds charged to functions based on usage	(26,474)
Total depreciation expense - governmental activities	<u>\$ 3,155,835</u>

Business-type activities:

Gas	\$ 357,024
Water and Sewer	1,577,077
Solid Waste Management	650,162
Electric	2,663,864
Capital assets held by the government's internal service funds charged to functions based on usage	36,410
Total depreciation expense - business-type activities	<u>\$ 5,284,537</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances at June 30, 2021, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Enterprise	\$ 1,132,421
	Nonmajor governmental	364,668
	Internal Service	508,596
School	General	354,577
Enterprise	Internal Service	1,989,761
Nonmajor governmental	General	149,178
	Enterprise	79,807
	Internal Service	32,464
Internal Service	Enterprise	70,888
	Internal Service	44,558
Total		<u>\$ 4,726,918</u>

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

IV. Detail Notes on All Funds (Continued)

D. Interfund Receivables, Payables, and Transfers (Continued)

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, 2021:

<u>Transfer To (In)</u>	<u>Transfer From (Out)</u>	<u>Amount</u>
General	Gas (Tax Equivalents)	\$ 235,400
	Nonmajor governmental	3,036
	Water and Sewer (Tax Equivalents)	656,700
	Electric (Tax Equivalents)	1,251,101
	Cemetery Trust (Per Trust Agreement)	36,402
Cemetery Trust	General (Per Trust Agreement)	49,700
School General Purpose	Federal Projects	106,608
	Debt Service (School Debt)	1,693,091
Total		<u>\$ 4,032,038</u>

Interfund transfers occur in the normal course of business activities.

E. Long-Term Debt

1. General Obligation Bonds

General obligation bonds, reported in the governmental activities, 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.	\$ 943,700
\$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.	8,760,000
\$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>499,000</u>
Total General Obligation Bonds Payable - Governmental Activities	<u>\$ 10,202,700</u>

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

IV. Detail Notes on All Funds (Continued)

E. Long-Term Debt (Continued)

Annual debt service requirements to maturity for general obligation bonds in the governmental activities are as follows:

Year Ending June 30,	Principal	Interest
2022	\$ 863,699	\$ 377,235
2023	404,699	361,197
2024	889,699	355,037
2025	909,699	334,239
2026-2030	4,269,904	1,107,607
2031-2035	<u>2,865,000</u>	<u>240,161</u>
Totals	<u>\$ 10,202,700</u>	<u>\$ 2,775,476</u>

2. Revenue Bonds

The General obligation bonds, reported in the business-type activities, are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

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 March 22, 2019, due in annual installments at 3.29% interest, secured by revenues of the System	<u>\$ 2,275,000</u>
Total Revenue Bonds Payable - Business-Type Activities	<u>\$ 2,275,000</u>

Annual debt service requirements to maturity for general obligation bonds in the business-type activities are as follows:

Year Ending June 30,	Principal	Interest
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	<u>670,000</u>	<u>55,931</u>
Totals	<u>\$ 2,275,000</u>	<u>\$ 483,634</u>

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

IV. Detail Notes on All Funds (Continued)

E. Long-Term Debt (Continued)

3. Notes from Direct Borrowings

The City has executed notes from direct borrowings for the construction or acquisition of major capital facilities.

Notes outstanding for the governmental activities 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	\$ 1,600,000
\$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	83,300
\$1,500,000 Tennessee Municipal Bond Fund Variable Rate Loan Program, dated February 18, 2018, due in monthly installments at 3.00% interest, secured by revenues of the City	1,196,000
\$4,600,000 Tennessee Municipal Bond Fund Variable Rate Loan Program, dated September 1, 2018, due in monthly installments at 4.05% interest, secured by revenues of the City	4,197,817
\$689,955 Energy Efficient Schools Initiative Loan Agreement, dated May 1, 2018, due in monthly installments at 0.75% interest, secured by revenues of the City	<u>329,857</u>
Total notes from direct borrowings - Governmental Activities	<u><u>\$ 7,406,974</u></u>

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

Year Ending June 30,	Principal	Interest
2022	\$ 1,068,492	\$ 269,857
2023	1,078,648	241,134
2024	929,017	197,681
2025	757,000	165,994
2026-2030	3,122,817	403,165
2031-2035	<u>451,000</u>	<u>41,160</u>
Totals	<u><u>\$ 7,406,974</u></u>	<u><u>\$ 1,318,991</u></u>

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

IV. Detail Notes on All Funds (Continued)

E. Long-Term Debt (Continued)

3. Notes from Direct Borrowings (Continued)

Notes outstanding for the business-type activities at year end are as follows:

\$2,500,000 State Revolving Clean Water Loan, dated July 26, 2019, due in monthly installments at 0.39% interest, secured by revenues of the City	<u>\$ 313,643</u>
Total notes from direct borrowings - Business-Type Activities	<u><u>\$ 313,643</u></u>

Annual debt service requirements to maturity for notes from direct borrowings for the business-type activities are as follows:

Year Ending June 30,	Principal	Interest
2022	<u>\$ 313,643</u>	<u>\$ -</u>
Totals	<u><u>\$ 313,643</u></u>	<u><u>\$ -</u></u>

4. Changes in Long-Term Debt

Long – term liability activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Deductions	Refunded during the period	Balance June 30, 2021
Governmental Activities					
Notes From Direct Borrowings	\$ 8,473,602	\$ -	\$ (1,066,628)	\$ -	\$ 7,406,974
General Obligation Bonds	11,022,399	-	(819,699)	-	10,202,700
Total governmental activities	<u>19,496,001</u>	<u>-</u>	<u>(1,886,327)</u>	<u>-</u>	<u>17,609,674</u>
Business Type Activities					
Notes From Direct Borrowings	179,355	212,699	-	(78,411)	313,643
Revenue Bonds	2,575,000	-	(300,000)	-	2,275,000
Total business type activities	<u>2,754,355</u>	<u>212,699</u>	<u>(300,000)</u>	<u>(78,411)</u>	<u>2,588,643</u>
Total of all fund types	<u><u>\$ 22,250,356</u></u>	<u><u>\$ 212,699</u></u>	<u><u>\$ (2,186,327)</u></u>	<u><u>\$ (78,411)</u></u>	<u><u>\$ 20,198,317</u></u>

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

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

IV. Detail Notes on All Funds (Continued)

F. Fund Balance – Governmental Funds

	General Fund	School Fund	Nonmajor Funds	Total
Nonspendable				
Inventory	\$ -	\$ -	\$ 67,536	\$ 67,536
Prepaid expenses	6,876	-	30,363	37,239
Deposits	31,077	-	-	31,077
Restricted				
Public safety	-	-	413,612	413,612
Education	-	5,534,134	1,217,800	6,751,934
Perpetual care	-	-	1,641,326	1,641,326
Debt service	-	-	2,183,890	2,183,890
Committed			8,536	8,536
Unassigned	5,169,441	-	-	5,169,441
Totals	<u>\$ 5,207,394</u>	<u>\$ 5,534,134</u>	<u>\$ 5,563,063</u>	<u>\$ 16,304,591</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, 2021, approximately 308 acres of undeveloped industrial park property is owned jointly by these two governmental bodies.

H. Closure and Post closure 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 post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. At June 30, 2021, the estimated remaining useful life of the landfill was 73 years.

The recognition of the landfill closure and post closure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and post closure care costs has a balance of \$1,916,300 as of June 30, 2021, which is based on 33.4% usage (filled) of the landfill. It is estimated that an additional \$3,822,443 will be recognized as closure and post closure care expenses between the date of the statement of net position and the date the landfill is expected to be filled to capacity.

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

IV. Detail Notes on All Funds (Continued)

H. Closure and Post closure Care Costs (Continued)

The estimated total current cost of the landfill closure and post closure 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, 2021. However, the actual cost of closure and post closure 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 post closure care. At June 30, 2021, the City has \$332,776 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/post closure 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/post closure 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 post closure 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

	Total	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)
Investments by fair value level:				
Debt securities pooled separate accounts - fixed	\$ 510,494	\$ -	\$ 510,494	\$ -
Equity securities pooled separate accounts	6,782,271	6,782,271	-	-
Total investments at fair value	<u>\$ 7,292,765</u>	<u>\$ 6,782,271</u>	<u>\$ 510,494</u>	<u>\$ -</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.

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

IV. Detail Notes on All Funds (Continued)

I. Fair Value Measurements (Continued)

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.

Dyersburg Electric

	Fair Value Measurements Using:			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Alternative/fixed income				
investments mutual funds	\$ 2,767,331	\$ 2,767,331	\$ -	\$ -
Equity securities mutual funds	5,836,442	5,836,442	-	-
Total investments at fair value	<u>\$ 8,603,773</u>	<u>\$ 8,603,773</u>	<u>\$ -</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

	Fair Value Measurements Using:			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Equity securities	\$ -	\$ -	\$ -	\$ -
Domestic equities	4,906,434	4,906,434	-	-
International	172,102	172,102	-	-
Total investments at fair value	<u>\$ 5,078,536</u>	<u>\$ 5,078,536</u>	<u>\$ -</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.

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.

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

V. Other Information (Continued)

A. Risk Management (Continued)

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

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 \$3,456,941 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, 2021.

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, 2021, 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.

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

V. Other Information (Continued)

B. Concentration of Credit Risk (Continued)

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, 2021 Dyersburg Electric had no litigation or pending litigation.

At June 30, 2021 Dyersburg City Schools had no litigation or pending litigation.

At June 30, 2021 the City of Dyersburg is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

D. Contingent Liabilities

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

E. Employee Retirement Systems and Pension Plans

Dyersburg City Schools

1. Teacher 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.

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

1. Teacher Legacy Plan (Continued)

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, 2021 to the Teacher Legacy Pension Plan were \$1,073,408 which is 10.27 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
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

1. Teacher Legacy Plan (Continued)

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

Pension Liabilities (Assets). At June 30, 2021, the Dyersburg City Schools reported an asset of \$2,363,631 for its proportionate share of net pension asset. The net pension asset was measured as of June 30, 2020, 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, 2020 measurement date, Dyersburg City Schools' proportion was 0.309954 percent. The proportion measured as of June 30, 2019 was 0.315099 percent.

Pension Expense. For the year ended June 30, 2021, Dyersburg City Schools recognized pension expense of \$49,117.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, 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	\$ 89,855	\$ 1,136,392
Changes in assumptions	214,725	-
Net difference between projected and actual earning on pension plan investments	527,893	-
Changes in proportion of Net Pension Liability (asset)	34,004	8,002
LEAs contributions subsequent to the measurement date of June 30, 2019	<u>1,073,408</u>	<u>N/A</u>
Total	<u>\$ 1,939,885</u>	<u>\$ 1,144,394</u>

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

1. Teacher Legacy Plan (Continued)

Dyersburg City Schools employer contributions of \$1,073,408, 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, 2022. 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:		
2022	\$	(566,900)
2023		(81,744)
2024		21,035
2025		349,691
2026		-
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, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

1. Teacher Legacy Plan (Continued)

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.

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.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

1. Teacher Legacy Plan (Continued)

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

Dyersburg City Schools' Proportionate Share of the Net Pension Liability (Asset)	
<hr/>	
1% Decrease (6.25%)	\$ 7,350,839
Current Discount Rate (7.25%)	\$ (2,363,631)
1% Increase (8.25%)	\$ (10,419,209)

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, 2021, the Dyersburg City Schools Board of Education reported a payable of \$177,273 for the outstanding amount of contributions due to TCRS for the year.

2. Teacher Retirement Plan (TCRS)

Plan Description. The Tennessee Consolidated Retirement System (TCRS) was created by state statute under Tennessee Codes Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Teachers employed by Dyersburg City Schools with membership in the TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employers pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

2. Teacher Retirement Plan (TCRS) (Continued)

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by and actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are no remitted. Employer contributions for the year ended June 30, 2021 to the Teacher Retirement Plan were \$49,284, which is 2.02 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.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

2. Teacher Retirement Plan (TCRS) (Continued)

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

Pension Liabilities (Assets). At June 30, 2021, Dyersburg City Schools reported an asset of \$103,543 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020, 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, 2020, Dyersburg City Schools' proportion was 0.182089 percent. The proportion measured at June 30, 2019 was 0.182715 percent.

Pension Expense. For the year ended June 30, 2021, Dyersburg City Schools recognized pension expense of \$42,554.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, 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
Difference between expected and actual experience	\$ 3,847	\$ 25,948
Net difference between projected and actual earnings on pension plan investments	8,435	-
Changes in assumptions	3,247	-
Changes in net proportion of net pension liability	7,291	-
Dyersburg City School's contributions subsequent to the measurement date of June 30, 2019	49,284	N/A
	\$ 72,104	\$ 25,948

Dyersburg City Schools' employer contributions of \$49,284 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

2. Teacher Retirement Plan (TCRS) (Continued)

Year Ended June 30:		
2022	\$	(161)
2023		1,058
2024		1,679
2025		1,856
2026		(1,001)
Thereafter		(6,560)

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, 2020 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, 2020 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:

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

2. Teacher Retirement Plan (TCRS) (Continued)

<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	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.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

2. Teacher Retirement Plan (TCRS) (Continued)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Dyersburg City Schools' proportionate share of the net pension liability (asset)	\$ 80,540	\$ (103,543)	\$ (239,235)

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, 2021, the Dyersburg City Schools Board of Education reported a payable of \$18,344 for the outstanding amount of contributions due to TCRS Hybrid Plan for the year ended June 30, 2021.

3. 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.

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

3. TCRS Stabilization Trust (Continued)

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 where fair value is measured using the Net Asset Value ("NAV") per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

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.

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

3. TCRS Stabilization Trust (Continued)

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.

These funds are recognized as restricted assets. At June 30, 2021, the Dyersburg City Schools had the following investments held by the trust on its behalf:

Investment by Fair Value Level	Fair Value	Fair Value Measurement Using			Amortized Cost
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
U.S. equity	\$ 47,762	\$ 47,762	\$ -	\$ -	\$ -
Developed market international equity	21,570	21,570	-	-	-
Emerging market international equity	6,163	6,163	-	-	-
Private equity and strategic lending	30,814	-	-	-	30,814
U.S. fixed income	30,814	-	30,814	-	-
Real estate	15,407	-	-	15,407	-
Short-term securities	1,541	-	1,541	-	-
Total	\$ 154,071	\$ 75,495	\$ 32,355	\$ 15,407	\$ 30,814

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

3. TCRS Stabilization Trust (Continued)

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>.

4. Dyersburg City Schools 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.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

4. Dyersburg City Schools Non-Professional Employees' Pension Plan (Continued)

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. DCSR 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, 2020, the following employees were covered by the Plan:

Active employees	106
Inactive employees or beneficiaries currently receiving benefits	45
Inactive employees entitled to but not yet receiving benefits	6
	157
	157

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, 2020, 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, 2020 were 10.24 percent and \$290,748, respectively. Actual contributions for the year equaled \$312,660, or 107.54% of required contributions.

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

4. Dyersburg City Schools Non-Professional Employees' Pension Plan (Continued)

Net Pension Liability. The Dyersburg City Schools' net pension liability was measured as of December 31, 2020 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, 2020 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, 2020 valuation were based on the results of an actuarial experience study as of January 1, 2020. In addition, mortality rates were based on the 2020 TCRS Non-teacher mortality (RP-2014 Blue Collar Mortality, loaded 102% for males and 97% for females, and MP-2019 Mortality Improvement Scale from 2019 and 2026).

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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**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

4. Dyersburg City Schools Non-Professional Employees' Pension Plan (Continued)

Changes in School's Net Pension Liability. Changes in the Dyersburg City Schools' net pension liability for the year ended December 31, 2020 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 12/31/2019	<u>\$ 8,734,867</u>	<u>\$ 6,486,539</u>	<u>\$ 2,248,328</u>
Changes for the Year:			
Service cost	195,586		195,586
Interest expense	607,193		607,193
Benefit changes			
Experience losses (gains)	(344,909)		(344,909)
Changes of assumptions	(12,123)		(12,123)
Contributions - employer		312,660	(312,660)
Contributions - employee		151,778	(151,778)
Net investment income		917,149	(917,149)
Benefits paid	(521,514)	(521,514)	-
Plan administrative expenses		(15,273)	15,273
Net changes	<u>(75,767)</u>	<u>844,800</u>	<u>(920,567)</u>
Balances at 12/31/2020	<u>\$ 8,659,100</u>	<u>\$ 7,331,339</u>	<u>\$ 1,327,761</u>

Determination of Net Pension Liability. The components of the net pension liability at December 31, 2020 were as follows:

	December 31, 2020
Total Pension Liability (7.00%)	\$ 8,659,100
Plan Fiduciary Net Position	(7,331,339)
Net Pension Liability	<u>\$ 1,327,761</u>

Plan Fiduciary Net Position as a % of Total Pension Liability 84.67%

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

4. Dyersburg City Schools Non-Professional Employees' Pension Plan (Continued)

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	\$2,270,190	\$1,327,761	\$530,561

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, 2021, the Dyersburg City schools recognized pension expense of \$44,203. At June 30, 2021, 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	\$ 5,250	\$ 283,657
Changes of assumptions	69,775	9,698
Net difference between projected and actual earnings on Plan investment	-	547,601
Dyersburg City School's contributions subsequent to the measurement date of December 31, 2020	169,335	-
Total	\$ 244,360	\$ 840,956

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,		
2022	\$	(179,492)
2023		(138,206)
2024		(283,165)
2025		(165,068)
2026		-
Thereafter		-

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg City Schools

4. Dyersburg City Schools Non-Professional Employees' Pension Plan (Continued)

Payable to DCSRP. At June 30, 2021, the Dyersburg City Schools Board of Education reported a payable of \$44,253 for the outstanding amount of contributions due to DCSRP for the year.

5. 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 2021, the System contributed a total of \$121,989 into the defined contribution portion of the Hybrid Plan. There were no forfeitures during the year ended June 30, 2021. At June 30, 2021, the Dyersburg City Schools Board of Education reported a payable of \$24,040 for the outstanding amount of contributions due to TCRS for the year.

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.

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg Electric System

1. Defined Benefit Plan (Continued)

Plan participants. At January 1, 2020 valuation, pension plan participants consisted of the following:

Active plan participants (vested and non-vested)	28
Inactive plan participants or beneficiaries currently receiving benefits	9
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, 2020, the system's contribution rate was 26.92% of covered-employee payroll.

Investment Policy. The following was the Plan's adopted asset allocation policy as of June 30, 2020, as provided by the Plan's investment advisor.

Asset Class	Target Allocation	Expected Rate of Return*	Weighting
US Equity - Large Cap	18%	6.06%	1.09%
US Equity - Small/Mid Cap	18%	7.21%	1.30%
Non-US Equity - Developed	10%	6.77%	0.68%
Non-US Equity - Emerging	5%	8.97%	0.45%
US Corporate Bonds - Core	21%	1.54%	0.32%
US Corporate Bonds - High Yield	7%	3.89%	0.27%
Non-US Debt - Developed	7%	3.50%	0.02%
US Treasuries (Cash Equivalents)	5%	0.11%	0.01%
Real Estate	6%	5.62%	0.34%
Hedge Funds	3%	3.85%	0.12%
	100%		4.60%
Long-term inflation assumption			2.16%
Long-term expected nominal rate of return			6.76%

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg Electric System

1. Defined Benefit Plan (Continued)

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

Rate of return. For the year ended June 30, 2020, the annual money-weighted rate of return on pension investments, net of pension plan investment expenses, was 0.83%. 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 \$4,531,444 was measured as of June 30, 2020, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of January 1, 2020.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2020, 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, 2020
Valuation Date:	January 1, 2020
Mortality:	Prior Year: SOA RP-2014, Adjusted to 2006, Blue Collar Mortality Table with Scale Mp-2018 Current Year: RP 2014, Adjusted to 2006, Blue Collar Mortality Table with Scale WP-2019
Discount Rate:	Prior Year: 6.75% per annum Current Year: 6.75% per annum
Inflation:	2.16% 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:	2.75% per annum

Retirement Age: Based upon eligibility for full (unreduced) benefits, as follows:	<u>Years Following First Eligibility</u>	<u>Rate</u>
	0	50%
	1	25%
	2 or more	5%

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

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg Electric System

1. Defined Benefit Plan (Continued)

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.

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

	1% Decrease	Current Discount Rate (6.75%)	1% Increase
Net Pension Liability	\$ 6,031,207	\$ 4,531,444	\$ 3,261,293

Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2019	\$ 11,812,112	\$ 7,374,593	\$ 4,437,519
Changes for the year:			
Service Cost	194,857	-	194,857
Interest	800,221	-	800,221
Difference between expected and actual experience	3,358	-	3,358
Changes of assumptions	(223,348)	-	(223,348)
Contributions - employer	-	558,060	(558,060)
Contributions - employee	-	61,095	(61,095)
Projected earnings on pension plan investments	-	62,008	(62,008)
Benefit payments, including refunds of employee contributions	(308,732)	(308,732)	-
Net changes	466,356	372,431	93,925
Balances at June 30, 2020	\$ 12,278,468	\$ 7,747,024	\$ 4,531,444

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg Electric System

1. Defined Benefit Plan (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended June 30, 2021, the system recognized \$687,381 in pension income. Deferred outflows of resources and deferred inflows of resources related to pensions are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 46,493	\$ 468,302
Changes of assumptions	740,776	308,121
Net difference between projected and actual earnings on pension plan investments	579,650	-
Contributions subsequent to the measurement date of June 30, 2020	562,824	-
Total:	<u>\$ 1,929,743</u>	<u>\$ 776,423</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2020," 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:		
2022	\$	195,515
2023		245,951
2024		189,073
2025		27,411
2026		(29,882)
Thereafter		<u>(37,572)</u>
		<u>590,496</u>

Payable to Plan. At June 30, 2021, 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, 2020, which were audited by other auditors and included in this report. The plan financial statements as of June 30, 2020 are as follows:

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg Electric System

1. Defined Benefit Plan (Continued)

Statement of Fiduciary Net Position
(Market Value of Plan Assets)
June 30, 2019 and 2020

Assets	June 30, 2019	June 30, 2020
Cash	\$ 430,779	467,000
Receivables from Employee	5,757	-
Receivables from Employer	48,000	-
Investments		
Mutual Funds	6,890,057	7,280,024
Total Investments	6,890,057	7,280,024
Total Assets	\$ 7,374,593	\$ 7,747,024
Net Position		
Net Position	\$ 7,374,593	\$ 7,747,024

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg Electric System

1. Defined Benefit Plan (Continued)

Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2020

Net position at beginning of year		\$ 7,374,593
Contributions received or receivable		
Employer	558,060	
Employee	63,396	
Total contributions		619,155
Net unrealized appreciation/(depreciation)		(100,898)
Interest and dividends		167,966
 Total Income		 686,223
 Distribution of benefits		
Benefit payments	308,732	
Total distribution of benefits		308,732
Expenses		
Investment	5,060	
 Total expenses		 5,060
 Net increase in net position		 372,431
 Net position at year end		 \$ 7,747,024

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.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Dyersburg Electric System

2. Defined Contribution Plan (Continued)

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, 2021, the system contributed \$22,432 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, 2021, there were no amounts due from the System for contributions to the defined contribution plan.

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, 2020, the following employees were covered by the Plan:

Active employees	82
Inactive employees or beneficiaries currently receiving benefits	54
Terminated employees entitled to deferred benefits	41
Total	177

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.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

City of Dyersburg Pension Plan

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. Supplemental Retirement benefits may not be recorded early.

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 contribution rate was 41.27 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, 2020 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:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equities	8.60%
Developing Markets	8.70%
Fixed Income	3.60%

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

City of Dyersburg Pension Plan

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. 7.1% 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 85% 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, 2066. 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 2.66%. This is equivalent to an average assumed rate of return of approximately 7.1%.

Net Pension Liability. The components of the net pension liability at June 30, 2020 were as follows:

Total Pension Liability	\$ 25,448,893
Plan Fiduciary Net Position	<u>(5,521,033)</u>
Net Pension Liability	<u>\$ 19,927,860</u>

Plan Fiduciary Net Position as a Percentage of Total Pension Liability. 21.69%

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%	\$ 27,715,395
Current discount rate	7.10%	\$ 19,927,860
1% increase	8.10%	\$ 17,583,416

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

City of Dyersburg Pension Plan

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended June 30, 2020, the recognized pension expense will be (\$203,331). At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources relation to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between experience losses (gains)	\$ 2,153,125	\$ 1,231,344
Changes of assumptions	9,679,010	4,905,898
Net difference between projected and actual earnings on investments	-	87,719
Contributions subsequent to the measurement date of 6/30/2020	1,771,000	-
Total:	\$ 13,603,135	\$ 6,224,961

Contributions after the measurement date of June 30, 2020 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:	
2021	\$ (1,561,195)
2022	952,290
2023	1,859,893
2024	1,863,646
2025	1,866,750
Thereafter	625,789

F. Postemployment Healthcare Plan

Dyersburg City Schools

The Schools participate in two OPEB plans through the State of Tennessee, the Teacher Group OPEB Plan (TGOP) and the Tennessee Plan (TNP). Only the TGOP plan has an OPEB liability and related deferred outflows and inflows. The combined OPEB expense for both plans were \$512,945.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

F. Postemployment Healthcare Plan (Continued)

Dyersburg City Schools

1. 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 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 health savings 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 non-employer 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 health savings 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 July 1, 2020, the following employees of the Schools were covered by the benefit terms of the plan:

Inactive employees currently receiving benefit payments	24
Active employees not eligible for benefits	0
Active employees eligible for benefits	264
	288
	288

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

V. Other Information (Continued)

F. Postemployment Healthcare Plan (Continued)

Dyersburg City Schools

1. Closed Teacher Group OPEB Plan (Continued)

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 \$221,192 to the plan for OPEB benefits as they came due.

Actuarial Assumptions. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.10%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age. Including inflation, averaging 4 percent.
Healthcare cost trend rates	9.02% for pr-65 in 2021, decreasing annually over a 10 period to an ultimate rate of 4.50%. 7.56% for post-65 in 2021, decreasing annually over a 4 year period to an ultimate rate of 4.50%.
Future Participation	Active employees currently declining coverage are assumed to opt into the plan in the future and accept retiree coverage at a 10% rate. Covered employees are assumed to remain covered until retirement.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2020, valuations were the same as those employed in the July 1, 2019 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.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

F. Postemployment Healthcare Plan (Continued)

Dyersburg City Schools

1. Closed Teacher Group OPEB Plan (Continued)

Discount Rate. The discount rate used to measure the total OPEB liability was 2.21 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, 2019	\$ 4,914,410
Changes for the year:	
Service cost	222,454
Interest cost	174,694
Changes of benefit terms	-
Differences between expected and actual experience	(18,954)
Change in assumptions	524,332
Benefit payments	(322,429)
Net changes	580,097
Balance at June 30, 2020	\$ 5,494,507
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 1,507,736
Employer's proportionate share of the collective total OPEB liability	\$ 3,986,771
Employer's proportion of the collective total OPEB liability	72.56%

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

F. Postemployment Healthcare Plan (Continued)

Dyersburg City Schools

1. Closed Teacher Group OPEB Plan (Continued)

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 non-employer contributing entities, actuarially determined. The proportion changed 1.74% from the prior measurement date. The Schools recognized \$117,379 in revenue for subsidies provided by non-employer contributing entities for benefits paid by the TGOP for the School's retirees.

Changes in Assumptions. The discount rate was changed from 3.51% as of the beginning of the measurement period to 2.21% as of June 30, 2020. This change in assumption decreased the total OPEB liability.

Sensitivity of the Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate. The following presents proportionate share of the collective total OPEB liability related to the TGOP plan, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.21%) or 1-percentage point higher (3.21%) than the current discount rate:

	<u>1% Decrease 1.21</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Proportionate share of collective total OPEB liability	\$ 4,268,632	\$ 3,986,771	\$ 3,714,800

Sensitivity of the Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the proportionate share of the collective total OPEB liability related to the TGOP plan, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher 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	\$ 3,548,178	\$ 3,986,771	\$ 4,506,809

OPEB Expense. For the fiscal year ended June 30, 2021, the Schools recognized OPEB expense of \$459,540.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

F. Postemployment Healthcare Plan (Continued)

Dyersburg City Schools

1. Closed Teacher Group OPEB Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources. For the fiscal year ended June 30, 2021, 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 Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 12,055
Changes of assumptions	333,482	-
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	61,923	-
Employer payments subsequent to the measurement date	221,192	-
	\$ 616,597	\$ 12,055

The amounts shown above as “Employed payments subsequent to the measurement date” will be included as a reduction to total OPEB liability in the following measurement period.

Amount reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follows:

Years Ending June 30:		
2022	\$	53,993
2023		53,993
2024		53,993
2025		53,993
2026		53,993
Thereafter		113,385

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

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

F. Postemployment Healthcare Plan (Continued)

Dyersburg City Schools

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, 2020, the following employees of the School were covered by the benefit terms of the plan:

Inactive employees currently receiving benefit payments	103
Inactive employees entitled but not yet receiving benefit payments	32
Active employees eligible for benefits	195
	330

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

V. Other Information (Continued)

F. Postemployment Healthcare Plan (Continued)

Dyersburg City Schools

2. Closed Teacher Group OPEB Plan (Continued)

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, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.10%
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, 2020, valuations were the same as those employed in the July 1, 2019 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 2.21 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.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

F. Postemployment Healthcare Plan (Continued)

Dyersburg City Schools

2. Closed Teacher Group OPEB Plan (Continued)

Change in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2019	\$ 1,099,006
Changes for the year:	
Service cost	14,444
Interest cost	38,147
Changes of benefit terms	-
Differences between expected and actual experience	(13,593)
Change in assumptions	200,715
Benefit payments	<u>(53,746)</u>
Net changes	<u>185,967</u>
Balance at June 30, 2020	<u><u>\$ 1,284,973</u></u>
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 1,284,973
Employer's proportionate share of the collective total OPEB liability	\$ -
Employer's proportion of the collective total OPEB liability	0.00%

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 non-employer contributing entities, actuarially determined. The proportion changed 0.00% from the prior measurement date. The Schools recognized \$53,405 in revenue for support provided by non-employer contributing entities for benefits paid by the TNP for the School's retired employees.

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

F. Postemployment Healthcare Plan (Continued)

Dyersburg City Schools

2. Closed Teacher Group OPEB Plan (Continued)

Changes in Assumptions. The discount rate was changed from 3.51% as of the beginning of the measurement period to 2.21% as of June 30, 2020. This change in assumption decreased the total OPEB liability.

OPEB Expense. For the fiscal year ended June 30, 2021, the Schools recognized OPEB expense of \$53,405.

Deferred Outflows of Resources and Deferred Inflows of Resources. For fiscal year ended June 30, 2021, 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:

<u>Entity and Terms</u>	<u>Percentage of Taxes Abated During Year Ended June 30, 2021</u>	<u>Amount of Taxes Abated During Year Ended June 30, 2021</u>
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

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

H. Tax Abatements (Continued)

<u>Entity and Terms</u>	<u>Percentage of Taxes Abated During Year Ended June 30, 2021</u>	<u>Amount of Taxes Abated During Year Ended June 30, 2021</u>
Caterpillar (continued)		
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
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

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

H. Tax Abatements (Continued)

<u>Entity and Terms</u>	<u>Percentage of Taxes Abated During Year Ended June 30, 2021</u>	<u>Amount of Taxes Abated During Year Ended June 30, 2021</u>
Caterpillar (continued)		
Effective 2017, 2018-2027 0%, 2028 increasing every year by 10%, 2037 100%	100% Personal Property	\$ 122,224
		<u>\$ 158,364</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
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

**CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

V. Other Information (Continued)

H. Tax Abatements (Continued)

<u>Entity and Terms</u>	<u>Percentage of Taxes Abated During Year Ended June 30, 2021</u>	<u>Amount of Taxes Abated During Year Ended June 30, 2021</u>
NSK (continued)		
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	<u>9,914</u>
		<u>\$ 190,893</u>
DOT Foods		
Effective 2013, 2014-2028 0% 2029 - 25%, 2030 - 50% 2031 - 75%, 2032 - 100%	100% Personal 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	<u>1,704</u>
		<u>\$ 160,014</u>

VI. Prior Period Adjustment

Fund Financial Statements

Internal School Fund – Changes in Accounting Principal – In January 2017, the GASB issued Statement No. 84 – Fiduciary Activities, effective for reporting periods beginning after December 15, 2018. Management has implemented this Statement in the current financial statements resulting in a restatement of the beginning fund balance of \$577,625.

Internal Service Fund – Correction of Error – In a prior year, the prepaid expense was overstated by \$87,129.

Government-Wide Financial Statements

Governmental Activities - Correction of Error - In a prior year, In a prior year, the prepaid expense was overstated by \$87,129.

CITY OF DYERSBURG, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

VI. Prior Period Adjustment (Continued)

Governmental Activities - Changes in Accounting Principle - In January 2017, the GASB issued Statement No. 84 – Fiduciary Activities, effective for reporting periods beginning after December 15, 2018. The principal objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting. This Statement is also intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. Management has implemented this Statement in the current financial statements resulting in a restatement of the beginning net position of \$577,625, increasing net position.

Also in the prior year, \$552,994 should have been reclassified out of the Governmental Activities and into the Business-Type Activities, decreasing net position.

The net effect of prior period adjustments for the Governmental Activities in the current year was \$24,631.

Business-Type Activities - Correction of Error - In a prior year, In a prior year, the prepaid expense was overstated by \$87,129, decreasing net position.

Also in the prior year, \$552,994 should have been reclassified into the Business-Type Activities and out of the Governmental Activities, increasing net position.

The net effect of prior period adjustments for the Business-Type Activities in the current year was \$465,865.

VII. Change in Accounting Estimate

A change in accounting estimate related to estimated useful lives of capital assets was identified during the year. A prior period adjustment of \$753,614 was recorded to accumulated depreciation to adjust for the change. In future years, the change will be reflected in the useful lives and the depreciation calculation.

VIII. Subsequent Events

The City has evaluated subsequent events through April 15, 2022, the date which the financial statements were available to be issued.

The City has been impacted by the COVID-19 virus. There could be a possible decrease in collections of utility payments, taxes, and other revenues due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

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

	<u>2020</u>	<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)	0.309954%	0.315099%	0.306467%	0.309314%	0.296077%	0.292639%	0.307025%
Dyersburg City Schools' proportionate share of the net pension liability (asset)	\$ (2,363,631)	\$ (3,239,784)	\$ (1,078,432)	\$ (101,202)	\$ 1,850,316	\$ 119,875	\$ 49,890
Dyersburg City Schools' covered payroll	\$ 10,316,070	\$ 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	-22.91%	-30.66%	-10.05%	-0.93%	17.31%	1.09%	0.41%
Plan fiduciary net position as a percentage of the total pension liability	103.09%	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
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
TEACHER RETIREMENT PLAN OF TCRS
DYERSBURG CITY SCHOOLS
FOR THE FISCAL YEAR JUNE 30,

	<u>2020</u>	<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)	0.182089%	0.182715%	0.193774%	0.198496%	0.212778%	0.248278%
Dyersburg City Schools' proportionate share of the net pension liability (asset)	\$ (103,543)	\$ (103,140)	\$ (87,882)	\$ (52,370)	(\$22,151)	(9,988)
Dyersburg City Schools' covered payroll	\$ 2,297,835	\$ 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	-4.51%	(5.33)%	(5.19)%	(4.02)%	(2.37)%	(1.94)%
Plan fiduciary net position as a percentage of the total pension liability	116.52%	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.

See independent auditor's report

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

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 1,073,408	\$ 1,096,600	\$ 1,105,172	\$ 974,418	\$ 988,444	\$ 966,175	\$ 990,327	\$ 1,070,102
Contribution in relation to the contractually required contribution	<u>1,073,408</u>	<u>1,096,600</u>	<u>1,105,172</u>	<u>974,418</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>	<u>\$ -</u>
Dyersburg City Schools' covered payroll	\$ 10,451,864	\$ 10,316,070	\$ 10,565,701	\$ 10,731,446	10,934,120	\$ 10,687,813	\$ 10,954,981	\$ 12,050,701
Contributions as a percentage of Dyersburg City Schools' covered payroll	1027.00%	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
SCHEDULE OF CONTRIBUTIONS
TEACHER RETIREMENT PLAN OF TCRS
DYERSBURG CITY SCHOOLS
FOR THE FISCAL YEAR JUNE 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 49,284	\$ 46,646	\$ 37,510	\$ 27,614	\$ 52,112	\$ 23,436	\$ 516
Contributions in relation to the contractually required contribution	<u>49,284</u>	<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>\$ -</u>	<u>\$ (40,120)</u>	<u>\$ -</u>	<u>\$ (14,013)</u>	<u>\$ (20,118)</u>
Dyersburg City Schools' covered payroll	<u>\$ 2,439,790</u>	<u>\$ 2,297,835</u>	<u>\$ 1,933,497</u>	<u>\$ 1,693,358</u>	<u>\$ 1,302,814</u>	<u>\$ 936,230</u>	<u>\$ 515,864</u>
Contributions as a percentage of Dyersburg City Schools' covered payroll	2.02%	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. For FY 2020, the percentages were 2.03% for the pension plan and 1.97% for the SRT. For FY 2021, the percentages were 2.02% for the pension plan and 1.98% for SRT.

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.

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

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 195,586	\$ 188,063	\$ 194,319	\$ 185,951	\$ 154,102	\$ 147,466	\$ 154,945
Interest	607,193	585,451	573,257	548,298	515,464	489,615	467,004
Difference between actual and expected experience	(344,909)	-	(17,003)	-	57,725	-	(14,196)
Changes of assumptions	(12,123)	-	153,508	-	-	-	-
Benefit payments/refunds	<u>(521,514)</u>	<u>(422,116)</u>	<u>(462,183)</u>	<u>(338,904)</u>	<u>(273,613)</u>	<u>(300,765)</u>	<u>(276,019)</u>
Net change in total pension liability	(75,767)	351,398	441,898	395,345	453,678	336,316	331,734
Total pension liability - beginning	<u>8,734,867</u>	<u>8,383,469</u>	<u>7,941,571</u>	<u>7,546,226</u>	<u>7,092,548</u>	<u>6,756,232</u>	<u>6,424,498</u>
Total pension liability - ending (a)	<u>8,659,100</u>	<u>8,734,867</u>	<u>8,383,469</u>	<u>7,941,571</u>	<u>7,546,226</u>	<u>7,092,548</u>	<u>6,756,232</u>
Plan Fiduciary Net Position							
Contributions - employer	151,778	150,627	150,214	153,278	151,597	139,330	135,007
Contributions - employee	312,660	271,548	232,530	222,199	170,684	111,008	39,835
Net investment income	917,149	1,037,061	(246,239)	607,825	344,302	(56,640)	236,873
Benefit payments/refunds	(521,514)	(422,116)	(462,183)	(338,904)	(273,613)	(300,765)	(276,019)
Administrative expenses	<u>(15,273)</u>	<u>(29,707)</u>	<u>(16,906)</u>	<u>(23,681)</u>	<u>(12,850)</u>	<u>(7,271)</u>	<u>(8,948)</u>
Net change in plan fiduciary net position	844,800	1,007,413	(342,584)	620,717	380,120	(114,338)	126,748
Plan fiduciary net position - beginning	<u>6,486,539</u>	<u>5,479,126</u>	<u>5,821,710</u>	<u>5,200,993</u>	<u>4,820,873</u>	<u>4,935,211</u>	<u>4,808,463</u>
Plan fiduciary net position - ending (b)	<u>7,331,339</u>	<u>6,486,539</u>	<u>5,479,126</u>	<u>5,821,710</u>	<u>5,200,993</u>	<u>4,820,873</u>	<u>4,935,211</u>
Net pension liability - ending (a) - (b)	<u>\$ 1,327,761</u>	<u>\$ 2,248,328</u>	<u>\$ 2,904,343</u>	<u>\$ 2,119,861</u>	<u>\$ 2,345,233</u>	<u>\$ 2,271,675</u>	<u>\$ 1,821,021</u>
Plan fiduciary net position as a % of the total pension liability	84.67%	74.26%	65.36%	73.31%	68.92%	67.97%	73.05%
Covered-employee payroll	\$ 3,052,541	\$ 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	43.50%	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
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS
NON-PROFESSIONAL EMPLOYEES PENSION PLAN
DYERSBURG CITY SCHOOLS

Schedule of Employer Contributions

	Plan years ending December 31,						
	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 290,748	\$ 227,068	\$ 227,068	\$ 170,752	\$ 170,752	\$ 170,567	\$ 170,567
Contributions in relation to the actuarially							
	<u>312,660</u>	<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>\$ (21,912)</u>	<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	\$3,052,541	\$ 3,012,521	\$ 2,926,845	\$ 3,020,158	\$ 3,020,158	\$ 2,571,722	\$ 2,571,722
Contributions as a percentage of covered	10.24%	9.01%	7.94%	7.36%	5.65%	4.32%	1.55%

Schedule of Investment Returns

	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return	14.3%	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
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
NON-PROFESSIONAL EMPLOYEES PENSION PLAN
DYERSBURG CITY SCHOOLS**

Salary Scale

4.0% annual increase to normal retirement

Rate of Retirement

100% at normal retirement age

Rate of Investment Return

7.00% per annum for funding purposes

Actuarial Valuation Method

Entry age normal method - with level dollar amortization

Asset Valuation Method

Fair market value

Mortality

2020 TCRS Non-Teacher Mortality (RP-2014 Blue Collar Mortality, loaded 102% for males and 97% for females and MP-2019 Mortality Improvement Scale projected to 2026)

See independent auditor's report

**CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CHANGES IN PROPORTIONATE SHARE OF COLLECTIVE OPEB LIABILITY AND RELATED RATIOS
TEACHER GROUP INSURANCE PLAN
DYERSBURG CITY SCHOOLS
FOR THE FISCAL YEAR JUNE 30,**

Total OPEB Liability	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 222,454	\$ -	\$ -	\$ 136,683
Interest	174,694	-	-	130,783
Changes of benefit terms	-	1,618,475	-	-
Differences between expected and actual experience	(18,954)	-	-	-
Changes of assumptions	524,332	-	-	-
Benefit payments	<u>(322,429)</u>	-	-	<u>(411,073)</u>
Net change in total OPEB liability	580,097	1,618,475	-	(143,607)
Total OPEB liability - beginning	<u>4,914,410</u>	<u>3,295,935</u>	<u>3,295,935</u>	<u>3,439,542</u>
Total OPEB liability - ending (a)	<u>\$ 5,494,507</u>	<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	\$ 1,507,736	\$ 1,434,020	\$ -	\$ -
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 3,986,771	\$ 2,480,390	\$ 3,295,935	\$ 3,295,935
Covered-employee payroll	\$ 13,964,400	\$ 14,635,924	\$ 13,387,236	\$ 13,387,236
Total OPEB liability as a percentage of covered-employee payroll	28.55%	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, 2020, the following assumptions were changed: the discount rate decreased from 3.51% to 2.21%; long-term price inflation decreased from 2.20% to 2.10%; 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.

See independent auditor's report

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

Total OPEB Liability	<u>2021</u>	<u>2020</u>	<u>2019</u>
Service cost	\$ 14,444	\$ 11,980	\$ -
Interest	38,147	41,174	-
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(13,593)	(67,010)	-
Changes of assumptions	200,715	17,068	-
Benefit payments	<u>(53,746)</u>	<u>(58,753)</u>	<u>-</u>
Net change in total OPEB liability	185,967	(55,541)	-
Total OPEB liability - beginning	<u>1,099,006</u>	<u>1,154,547</u>	<u>1,154,547</u>
Total OPEB liability - ending (a)	<u><u>\$ 1,284,973</u></u>	<u><u>\$ 1,099,006</u></u>	<u><u>\$ 1,154,547</u></u>
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 1,284,973	\$ 1,099,006	\$ 1,154,547
Nonemployer contributing entities proportionate share of the collective total OPEB liability	-	-	-
Covered-employee payroll	\$ 14,092,813	\$ 14,873,740	\$ 14,873,740
Total OPEB liability as a percentage of covered-employee payroll	0.00%	0.00%	0.00%

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, 2020, the discount rate decreased from 3.51% to 2.21%; the long-term inflation decreased from 2.20% to 2.10%; the medical and drug trend rate assumptions were updated to reflect more recent experience as of the measurement date. Given that most participating agencies receive a flat subsidy under the Medicare Supplement Plan, the impact of updated trend assumptions was minimal.

See independent auditor's report

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

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 194,857	\$ 194,893	\$ 193,496	\$ 194,275	\$ 202,475	\$ 151,433	\$ 199,281
Interest	800,221	758,390	712,065	673,043	660,677	579,581	666,182
Change in benefit terms	-	-	-	-	(87,835)	-	-
Differences between expected and actual experience	3,358	(394,083)	47,229	(12,852)	(320,826)	40,702	(309,905)
Changes of assumptions	(223,348)	359,703	-	-	-	1,436,333	(1,183,177)
Benefit payments, including refunds of employee contributions	(308,732)	(289,879)	(246,605)	(303,644)	(223,826)	(174,754)	(772,834)
Net change in total pension liability	466,356	629,024	706,185	550,822	230,665	2,033,295	(1,400,453)
Total pension liability - beginning*	11,812,112	11,183,088	10,476,903	9,926,081	9,695,416	7,662,121	9,062,574
Total pension liability - ending (a)	<u>\$ 12,278,468</u>	<u>\$ 11,812,112</u>	<u>\$ 11,183,088</u>	<u>\$ 10,476,903</u>	<u>\$ 9,926,081</u>	<u>\$ 9,695,416</u>	<u>\$ 7,662,121</u>
Plan fiduciary net position							
Contributions - total	619,155	\$ 602,684	\$ 582,792	\$ 626,663	\$ 585,183	\$ 596,336	\$ 518,955
Net investment income	62,008	414,792	173,991	(71,027)	(162,968)	(140,669)	87,971
Benefit payments, including refunds of employee contributions	(308,732)	(289,879)	(246,605)	(303,644)	(223,826)	(174,754)	(772,834)
Administrative expenses	-	-	-	-	(32,514)	-	-
Net change in plan fiduciary net position	372,431	727,597	510,178	251,992	165,875	280,913	(165,908)
Plan fiduciary net position - beginning*	7,374,593	6,646,996	6,136,818	5,884,826	5,718,951	5,438,038	5,603,946
Plan fiduciary net position - ending (b)	<u>\$ 7,747,024</u>	<u>\$ 7,374,593</u>	<u>\$ 6,646,996</u>	<u>\$ 6,136,818</u>	<u>\$ 5,884,826</u>	<u>\$ 5,718,951</u>	<u>\$ 5,438,038</u>
Net pension liability -- ending (a) - (b)	<u>\$ 4,531,444</u>	<u>\$ 4,437,519</u>	<u>\$ 4,536,092</u>	<u>\$ 4,340,085</u>	<u>\$ 4,041,255</u>	<u>\$ 3,976,465</u>	<u>\$ 2,224,083</u>
Plan fiduciary net position as a percentage of the total pension liability	63.09%	62.43%	59.44%	58.57%	59.29%	58.99%	70.97%
Covered-employee payroll	\$ 2,073,380	\$ 2,139,936	\$ 2,209,476	\$ 2,184,228	\$ 2,222,558	\$ 2,268,421	\$ 2,241,803
Net pension liability as a percentage of covered-employee payroll	218.55%	207.37%	205.30%	198.70%	181.83%	175.30%	99.21%

*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 Auditors' Report.

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS
DYERSBURG ELECTRIC SYSTEM
LAST FISCAL YEAR ENDED JUNE 30

	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contributions*	\$ 456,246	\$ 422,381	\$ 402,786	\$ 409,977	\$ 400,043	\$ 353,937	\$ 348,722
Contributions in relation to the actuarially determined contribution	558,060	539,288	518,951	560,669	585,183	596,336	518,955
Contribution deficiency (excess)	<u>\$ (101,814)</u>	<u>\$ (116,907)</u>	<u>\$ (116,165)</u>	<u>\$ (150,692)</u>	<u>\$ (185,140)</u>	<u>\$ (242,399)</u>	<u>\$ (170,233)</u>
Covered-employee payroll	<u>\$ 2,073,380</u>	<u>\$ 2,139,936</u>	<u>\$ 2,209,476</u>	<u>\$ 2,184,228</u>	<u>\$ 2,222,558</u>	<u>\$ 2,268,421</u>	<u>\$ 2,241,803</u>
Contributions as a percentage of covered-employee payroll	26.92%	25.20%	23.49%	25.67%	26.33%	26.29%	23.15%

*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 percentge of compensation
Amortization method:	Level dollar amortization, closed
Remaining amortization period	25 years as of 1/1/20
Asset valuation method:	Market value of plan assets adjusted to phase in asset gains and losses from 01/01/2016 over a five-year period at 20% per year.
Salary increases:	2.75%
Investment rate of return	6.75%, net of pension plan investment expenses
Retirement age:	Graded scale based on eligibility for unreduced benefits
Mortality table:	RP-2014 Adjusted to 2006, Blue Collar Mortality with Scale MP-2019
Disabled mortality:	Same as above

Schedule of Investment Returns

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Annual money-weighted rate of return, net of investment expense	0.83%	6.10%	2.77%	-0.56%	-2.78%	-2.52%	1.58%

See Independent Auditors' Report.

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

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 90,086	\$ 102,897	\$ 107,402	\$ 128,325	\$ 147,906	\$ 307,788	\$ 228,092
Interest	1,728,674	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)	(449,891)	(28,073)	1,140,472	1,766,623	(4,269,455)	1,480,375	1,185,379
Changes of assumptions	924,072	(11,012,475)	(478,565)	(1,427,515)	1,704,042	1,071,261	19,079,843
Benefit payments, including refunds of employee contributions	(1,191,565)	(1,282,474)	(1,156,537)	(1,357,704)	(1,919,959)	(2,055,619)	(2,094,336)
Net change in total pension liability	1,101,376	(10,963,068)	696,202	187,297	(5,942,524)	2,384,006	19,765,487
Total pension liability - beginning	24,347,517	35,310,585	34,614,383	34,427,086	40,369,610	37,985,604	18,220,117
Total pension liability - ending (a)	\$ 25,448,893	\$24,347,517	\$35,310,585	\$34,614,383	\$ 34,427,086	\$ 40,369,610	\$ 37,985,604
Plan fiduciary net position							
Contributions - employer	1,765,700	1,435,300	1,092,500	\$ 863,600	\$ 2,103,281	\$ 725,193	\$ 724,200
Contributions - employee	209,025	218,752	230,928	245,720	336,670	434,424	456,147
Net investment income	374,940	315,771	362,662	332,770	65,896	192,358	578,519
Benefit payments, including refunds of employee contributions	(1,191,565)	(1,282,474)	(1,156,537)	(1,357,704)	(1,919,959)	(2,055,619)	(2,094,336)
Administrative expenses	(75,533)	(46,369)	(22,635)	(61,655)	(142,286)	(91,727)	(49,374)
Net change in plan fiduciary net position	1,082,567	640,980	506,918	22,731	443,602	(795,371)	(384,844)
Plan fiduciary net position - beginning	4,438,466	3,797,486	3,290,568	3,267,837	2,824,235	3,619,606	4,004,450
Plan fiduciary net position - ending (b)	\$ 5,521,033	\$ 4,438,466	\$ 3,797,486	\$ 3,290,568	\$ 3,267,837	\$ 2,824,235	\$ 3,619,606
Net pension liability -- ending (a) - (b)	\$ 19,927,860	\$19,909,051	\$31,513,099	\$31,323,815	\$ 31,159,249	\$ 37,545,375	\$ 34,365,998
Plan fiduciary net position as a percentage of the total pension liability	21.69%	18.23%	10.75%	9.51%	9.49%	7.00%	9.53%
Covered-employee payroll	\$ 4,278,084	\$ 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	465.81%	455.09%	689.03%	644.57%	604.19%	666.86%	429.39%

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.

**CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS
CITY OF DYERSBURG PENSION PLAN
LAST 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>
Actuarially determined contribution	\$ 1,773,565	\$ 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	<u>1,765,700</u>	<u>1,435,300</u>	<u>1,100,000</u>	<u>900,000</u>	<u>2,100,000</u>	<u>700,000</u>	<u>700,000</u>
Contribution deficiency (excess)	<u>\$ 7,865</u>	<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	<u>\$ 4,278,084</u>	<u>\$ 4,374,710</u>	<u>\$ 4,600,000</u>	<u>4,900,000</u>	<u>\$ 5,200,000</u>	<u>\$ 7,700,000</u>	<u>\$ 800,000</u>
Contributions as a percentage of covered employee payroll	41.27%	32.81%	23.91%	18.37%	40.38%	9.09%	87.50%

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 fiscal years until 10 years of information is available.

The actuarially determined contribution for 2021 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:	7.25% per annum
Discount Rate:	7.10% per annum, compounded annually
Retirement age:	N/A
Mortality:	RF-2014 Blue Collar Base Table adjusted back to 2006, Healthy Employees, Separate for Males and Females with Mortality Improvement scale MP-2019 with scaling factor of 102% for males and 97% for females
Cost of living adjustments:	1% from age 70 through age 74, then 2% after age 75

SUPPLEMENTARY AND OTHER INFORMATION SECTION

**CITY OF DYERSBURG, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds						Total	Debt Service Fund	Capital Project Fund	Permanent Fund Cemetery Care	Total Nonmajor Governmental Funds
	T I P	Cafeteria	Federal Projects	Internal School	Community Development	Insurance Reserve					
ASSETS											
Cash	\$ 285,966	\$ 493,774	\$ -	\$ 624,332	\$ -	\$ 47,661	\$ 1,451,733	\$ 2,006,074	\$ -	\$ -	\$ 3,457,807
Investments	-	-	-	-	-	-	-	-	-	1,648,276	1,648,276
Accounts receivable	-	-	-	-	-	-	-	177,816	-	-	177,816
Due from other funds	148,378	-	-	-	-	112,271	260,649	-	-	800	261,449
Due from grantor	-	170,179	606,112	-	-	-	776,291	-	-	-	776,291
Inventory	-	67,536	-	-	-	-	67,536	-	-	-	67,536
Other prepaids	-	-	-	-	-	30,363	30,363	-	-	-	30,363
Deposits	-	-	-	-	-	92,950	92,950	-	-	-	92,950
Total Assets	\$ 434,344	\$ 731,489	\$ 606,112	\$ 624,332	\$ -	\$ 283,245	\$ 2,679,522	\$ 2,183,890	\$ -	\$ 1,649,076	\$ 6,512,488
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ 1,549	\$ 116	\$ 6,366	\$ -	\$ -	\$ 39,482	\$ 47,513	\$ -	\$ -	\$ -	\$ 47,513
Accrued payroll	-	51,377	156,799	-	-	-	208,176	-	-	-	208,176
Other current liabilities	-	18,992	88,370	-	-	-	107,362	-	-	-	107,362
Due to other funds	6,458	-	354,577	-	-	204,864	565,899	-	-	7,750	573,649
Unavailable confiscated funds	12,725	-	-	-	-	-	12,725	-	-	-	12,725
Total Liabilities	20,732	70,485	606,112	-	-	244,346	941,675	-	-	7,750	949,425
Fund balances:											
Non-spendable	-	67,536	-	-	-	30,363	97,899	-	-	-	97,899
Restricted	413,612	593,468	-	624,332	-	-	1,631,412	2,183,890	-	1,641,326	5,456,628
Committed	-	-	-	-	-	8,536	8,536	-	-	-	8,536
Total Fund Balances	413,612	661,004	-	624,332	-	38,899	1,737,847	2,183,890	-	1,641,326	5,563,063
Total Liabilities and Fund Balances	\$ 434,344	\$ 731,489	\$ 606,112	\$ 624,332	\$ -	\$ 283,245	\$ 2,679,522	\$ 2,183,890	\$ -	\$ 1,649,076	\$ 6,512,488

See Independent Auditors' Report.

CITY OF DYERSBURG, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds						Total	Debt Service Fund	Capital Project Fund	Permanent Fund Cemetery Care	Total Nonmajor Governmental Funds
	T I P	Cafeteria	Federal Projects	Internal School	Community Development	Insurance Reserve					
Revenues:											
Local sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,911,158	\$ -	\$ -	\$ 1,911,158
U.S.D.A. reimbursements	-	1,498,953	-	-	-	-	1,498,953	-	-	-	1,498,953
State school matching funds	-	16,166	-	-	-	-	16,166	-	-	-	16,166
State housing grants	-	-	-	-	254,739	-	254,739	-	-	-	254,739
State education grants	-	-	4,474,802	-	-	-	4,474,802	-	-	-	4,474,802
Charges for service	-	169,182	-	-	-	-	169,182	-	-	-	169,182
Fines, forfeits, and penalties	140,706	-	-	-	-	-	140,706	-	-	-	140,706
Internal school funds revenue	-	-	-	796,915	-	-	796,915	-	-	-	796,915
Investment earnings	264	-	-	-	1	99	364	33,927	4	42,227	76,522
Joint cost reimbursements	-	-	-	-	-	4,028,408	4,028,408	-	-	-	4,028,408
Net increase (decrease) in fair value of investments	-	-	-	-	-	-	-	-	-	(8,278)	(8,278)
Miscellaneous	608	91,887	-	-	-	-	92,495	-	-	(1,234)	91,261
Total revenues	141,578	1,776,188	4,474,802	796,915	254,740	4,028,507	11,472,730	1,945,085	4	32,715	13,450,534
Expenditures:											
Current:											
General and administrative	32,183	-	-	-	254,676	-	286,859	-	-	14,632	301,491
Hospital and healthcare	-	-	-	-	-	3,968,096	3,968,096	-	-	-	3,968,096
Education	-	1,817,842	4,369,446	750,208	-	-	6,937,496	-	-	-	6,937,496
Capital outlay	10,228	-	-	-	-	-	10,228	-	-	-	10,228
Total expenditures	42,411	1,817,842	4,369,446	750,208	254,676	3,968,096	11,202,679	-	-	14,632	11,217,311
Revenues over (under) expenditures	99,167	(41,654)	105,356	46,707	64	60,411	270,051	1,945,085	4	18,083	2,233,223
Other financing sources (uses):											
Transfer from other funds	-	-	-	-	-	-	-	-	-	49,700	49,700
Transfer to other funds	-	-	(106,608)	-	(1,725)	-	(108,333)	(1,665,598)	(1,311)	(36,402)	(1,811,644)
Total other financing sources (uses)	-	-	(106,608)	-	(1,725)	-	(108,333)	(1,665,598)	(1,311)	13,298	(1,761,944)
Net change in fund balances	99,167	(41,654)	(1,252)	46,707	(1,661)	60,411	161,718	279,487	(1,307)	31,381	471,279
Fund balances - July 1, 2020	314,445	702,658	1,252	-	1,661	(21,512)	998,504	1,904,403	1,307	1,609,945	4,514,159
Restatement - GASB Statement No. 84 implementation	-	-	-	577,625	-	-	577,625	-	-	-	577,625
Fund balances - July 1, 2020 restated	314,445	702,658	1,252	577,625	1,661	(21,512)	1,576,129	1,904,403	1,307	1,609,945	5,091,784
Fund balances - June 30, 2021	\$ 413,612	\$ 661,004	\$ -	\$ 624,332	\$ -	\$ 38,899	\$ 1,737,847	\$ 2,183,890	\$ -	\$ 1,641,326	\$ 5,563,063

See Independent Auditors' Report.

**CITY OF DYERSBURG, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TIP FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Over/(Under) Budgetd Amounts</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Fines, forfeits, and penalties	\$ 30,000	\$ 30,000	\$ 140,706	\$ 110,706
Miscellaneous revenue	20,000	20,000	608	(19,392)
Investment earnings	300	300	264	(36)
Total revenues	<u>50,300</u>	<u>50,300</u>	<u>141,578</u>	<u>91,278</u>
EXPENDITURES:				
General and administrative				
Repair and maintenance	10,000	10,000	3,000	(7,000)
Other	<u>10,000</u>	<u>10,000</u>	<u>29,183</u>	<u>19,183</u>
Total general and administrative	<u>20,000</u>	<u>20,000</u>	<u>32,183</u>	<u>12,183</u>
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>10,228</u>	<u>(19,772)</u>
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>42,411</u>	<u>(7,589)</u>
Net Change in Fund Balance	<u>\$ 300</u>	<u>\$ 300</u>	99,167	<u>\$ 98,867</u>
Fund balance - July 1, 2020			<u>314,445</u>	
Fund balance - June 30, 2021			<u>\$ 413,612</u>	

See Independent Auditors' Report.

**CITY OF DYERSBURG, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance Over/(Under) Budgetd Amounts
	Original	Final		
REVENUES:				
State grants	\$ 400,000	\$ 400,000	\$ 254,739	\$ (145,261)
Investment earnings	-	-	1	1
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>254,740</u>	<u>(145,260)</u>
EXPENDITURES:				
General and administrative:				
Miscellaneous	400,000	400,000	254,676	(145,324)
Total general and administrative	<u>400,000</u>	<u>400,000</u>	<u>254,676</u>	<u>(145,324)</u>
Total expenditures	<u>400,000</u>	<u>400,000</u>	<u>254,676</u>	<u>(145,324)</u>
Revenues Over (Under) Expenditures	-	-	64	64
Other Financing Sources (Uses):				
Transfer to other funds	-	-	(1,725)	(1,725)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,725)</u>	<u>(1,725)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(1,661)	<u>\$ (1,661)</u>
Fund balance - July 1, 2020			<u>1,661</u>	
Fund balance - June 30, 2021			<u>\$ -</u>	

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
INSURANCE RESERVE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Over/(Under) Budgetd Amounts</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 99	\$ 99
Joint cost reimbursements	4,270,000	4,270,000	4,028,408	(241,592)
Total revenues	<u>4,270,000</u>	<u>4,270,000</u>	<u>4,028,507</u>	<u>(241,493)</u>
EXPENDITURES:				
Hospital and health care expenditures:				
Medical claims	2,500,000	2,500,000	2,280,020	(219,980)
Drug claims	1,300,000	1,300,000	1,300,687	687
Life insurance	25,000	25,000	26,357	1,357
Re-insurance costs	320,000	320,000	306,268	(13,732)
Insurance administration	95,000	95,000	54,764	(40,236)
Total hospital and health care	<u>4,240,000</u>	<u>4,240,000</u>	<u>3,968,096</u>	<u>(271,904)</u>
Total expenditures	<u>4,240,000</u>	<u>4,240,000</u>	<u>3,968,096</u>	<u>(271,904)</u>
Net Change in Fund Balance	<u>\$ 30,000</u>	<u>\$ 30,000</u>	60,411	<u>\$ 30,411</u>
Fund balance - July 1, 2020			<u>(21,512)</u>	
Fund balance - June 30, 2021			<u>\$ 38,899</u>	

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CAFETERIA FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Over/(Under) Budget Amounts</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
U.S.D.A. reimbursements	\$ 1,358,000	\$ 1,358,000	\$ 1,498,953	\$ 140,953
State school matching funds	20,000	20,000	16,166	(3,834)
Charges for service	433,000	433,000	169,182	(263,818)
Miscellaneous revenue	127,500	127,500	91,887	(35,613)
Total revenues	<u>1,938,500</u>	<u>1,938,500</u>	<u>1,776,188</u>	<u>(162,312)</u>
EXPENDITURES:				
Education:				
Food	760,000	772,000	702,424	(69,576)
Cafeteria labor	652,900	681,810	682,823	1,013
Other expenditures	525,600	484,690	432,595	(52,095)
Total education	<u>1,938,500</u>	<u>1,938,500</u>	<u>1,817,842</u>	<u>(120,658)</u>
Total expenditures	<u>1,938,500</u>	<u>1,938,500</u>	<u>1,817,842</u>	<u>(120,658)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(41,654)	<u>\$ (41,654)</u>
Fund balance - July 1, 2020			<u>702,658</u>	
Fund balance - June 30, 2021			<u>\$ 661,004</u>	

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

CITY OF DYERSBURG, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FEDERAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Over/(Under) Budgetd Amounts</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
State education grants	\$ 7,623,260	\$ 7,623,260	\$ 4,474,802	\$ (3,148,458)
Total revenues	<u>7,623,260</u>	<u>7,623,260</u>	<u>4,474,802</u>	<u>(3,148,458)</u>
EXPENDITURES:				
Education:				
Regular instruction	2,390,700	3,485,723	2,908,293	(577,430)
Vocational education	45,000	49,541	49,541	-
Special education	609,266	612,575	547,334	(65,241)
Student support	567,867	334,811	155,983	(178,828)
Regular instruction support services	224,219	304,324	226,664	(77,660)
Special education support services	199,552	207,826	189,439	(18,387)
Attendance	2,366	2,366	-	(2,366)
Health services	975	900	900	-
Career and technical education	7,420	3,289	924	(2,365)
Technology	65,061	61,229	75,696	14,467
Operation of plant	2,962,318	2,343,832	205,865	(2,137,967)
Food service	100,802	107,596	5,550	(102,046)
Transportation	5,000	3,629	3,257	(372)
Total education	<u>7,180,546</u>	<u>7,517,641</u>	<u>4,369,446</u>	<u>(3,148,195)</u>
Total expenditures	<u>7,180,546</u>	<u>7,517,641</u>	<u>4,369,446</u>	<u>(3,148,195)</u>
Revenues Over (Under) Expenditures	442,714	105,619	105,356	(263)
Other Financing Sources (Uses):				
Transfers from (to) other funds	115,786	106,871	(106,608)	(213,479)
Total other financing sources (uses)	<u>115,786</u>	<u>106,871</u>	<u>(106,608)</u>	<u>(213,479)</u>
Net Change in Fund Balance	<u>\$ 558,500</u>	<u>\$ 212,490</u>	(1,252)	<u>\$ (213,742)</u>
Fund balance - July 1, 2020			<u>1,252</u>	
Fund balance - June 30, 2021			<u>\$ -</u>	

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

**CITY OF DYERSBURG, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
INTERNAL SCHOOL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Actual
REVENUES:	
Internal school funds	\$ 796,915
Total revenues	796,915
EXPENDITURES:	
Other student support	750,208
Total expenditures	750,208
Net Change in Fund Balance	46,707
Fund balance - July 1, 2020	-
Restatement - GASB Statement No. 84 Implementation	577,625
Fund balance - July 1, 2020 restated	577,625
Fund balance - June 30, 2021	\$ 624,332

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

**CITY OF DYERSBURG, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
SCHOOL DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Over/(Under) Budgetd Amounts</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local Sales Tax	\$ 1,750,000	\$ 1,750,000	\$ 1,911,158	\$ 161,158
Investment earnings	<u>35,000</u>	<u>35,000</u>	<u>33,927</u>	<u>(1,073)</u>
Total revenues	<u>1,785,000</u>	<u>1,785,000</u>	<u>1,945,085</u>	<u>160,085</u>
Revenues Over (Under) Expenditures	1,785,000	1,785,000	1,945,085	160,085
Other Financing Sources (Uses):				
Transfer to other funds	<u>(1,770,100)</u>	<u>(1,770,100)</u>	<u>(1,665,598)</u>	<u>104,502</u>
Total other financing sources (uses)	<u>(1,770,100)</u>	<u>(1,770,100)</u>	<u>(1,665,598)</u>	<u>104,502</u>
Net Change in Fund Balance	<u>\$ 14,900</u>	<u>\$ 14,900</u>	279,487	<u>\$ 264,587</u>
Fund balance - July 1, 2020			<u>1,904,403</u>	
Fund balance - June 30, 2021			<u>\$ 2,183,890</u>	

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

**CITY OF DYERSBURG, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECT FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Over/(Under) Budgetd Amounts</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 4	\$ 4
Total revenues	-	-	4	4
Revenues Over (under) expenditures	-	-	4	4
Other Financing Sources (Uses):				
Transfers out	-	-	(1,311)	(1,311)
Total other financing sources (uses)	-	-	(1,311)	(1,311)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(1,307)	<u>\$ (1,307)</u>
Fund balance - July 1, 2020			<u>1,307</u>	
Fund balance - June 30, 2021			<u>\$ -</u>	

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

**CITY OF DYERSBURG, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CEMETARY TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Over/(Under) Budgetd Amounts</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ 35,000	\$ 35,000	\$ 42,227	\$ 7,227
Net increase (decrease) in fair value of investments	5,000	5,000	(8,278)	(13,278)
Miscellaneous revenues	1,000	1,000	(1,234)	(2,234)
Total revenues	<u>41,000</u>	<u>41,000</u>	<u>32,715</u>	<u>(8,285)</u>
Expenditures:				
Trustee fees	15,000	15,000	14,632	(368)
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>14,632</u>	<u>(368)</u>
Revenues Over (under) expenditures	<u>26,000</u>	<u>26,000</u>	<u>18,083</u>	<u>(7,917)</u>
Other Financing Sources (Uses):				
Transfers in	35,000	35,000	49,700	14,700
Transfers out	(35,000)	(35,000)	(36,402)	(1,402)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>13,298</u>	<u>13,298</u>
Net Change in Fund Balance	<u>\$ 26,000</u>	<u>\$ 26,000</u>	31,381	<u>\$ 5,381</u>
Fund balance - July 1, 2019			<u>1,609,945</u>	
Fund balance - June 30, 2020			<u>\$1,641,326</u>	

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

CITY OF DYERSBURG, TENNESSEE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	Internal Service Fund	Communications Service Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,866,000	\$ 399,999	\$ 3,265,999
Accounts receivable (net of allowance for uncollectibles)	48,235	22,170	70,405
Due from other funds	-	115,446	115,446
Total current assets	<u>2,914,235</u>	<u>537,615</u>	<u>3,451,850</u>
Noncurrent assets:			
Capital assets:			
Construction in progress	-	20,950	20,950
Property, plant, and equipment	578,838	1,742,380	2,321,218
Less - accumulated depreciation	(524,134)	(1,509,866)	(2,034,000)
Net property, plant, and equipment	<u>54,704</u>	<u>253,464</u>	<u>308,168</u>
Other assets	<u>37,161</u>	<u>-</u>	<u>37,161</u>
Total Assets	<u><u>\$ 3,006,100</u></u>	<u><u>\$ 791,079</u></u>	<u><u>\$ 3,797,179</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 10,568	\$ 1,363	\$ 11,931
Accrued payroll	16,537	16,502	33,039
Due to other funds	2,261,480	313,899	2,575,379
Total current liabilities	<u>2,288,585</u>	<u>331,764</u>	<u>2,620,349</u>
Noncurrent liabilities:			
Accrued compensated absences	14,534	22,981	37,515
Other accrued liabilities	117,125	-	117,125
Total noncurrent liabilities	<u>131,659</u>	<u>22,981</u>	<u>154,640</u>
Total Liabilities	<u>2,420,244</u>	<u>354,745</u>	<u>2,774,989</u>
NET POSITION			
Investment in capital assets	54,704	253,464	308,168
Unrestricted	531,152	182,870	714,022
Total Net Position	<u>585,856</u>	<u>436,334</u>	<u>1,022,190</u>
Total Liabilities and Net Position	<u><u>\$ 3,006,100</u></u>	<u><u>\$ 791,079</u></u>	<u><u>\$ 3,797,179</u></u>

See Independent Auditors' Report.

**CITY OF DYERSBURG, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION -
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Internal Service</u>	<u>Communication Services</u>	<u>Total</u>
Operating revenues:			
Joint costs	\$ 1,037,134	\$ 841,712	\$ 1,878,846
Miscellaneous revenues	24,378	332,736	357,114
Total operating revenues	<u>1,061,512</u>	<u>1,174,448</u>	<u>2,235,960</u>
Operating expenses:			
Customer service and collection	189,251	-	189,251
Communication services	405,224	849,382	1,254,606
General and administrative	71,601	224,151	295,752
Computer operations	370,113	-	370,113
Emergency warning system	-	55,305	55,305
Depreciation and amortization	27,243	45,644	72,887
Total operating expense	<u>1,063,432</u>	<u>1,174,482</u>	<u>2,237,914</u>
Operating income (loss)	(1,920)	(34)	(1,954)
Nonoperating revenues (expenses):			
Interest income	1,919	34	1,953
Total nonoperating revenues (expenses)	<u>1,919</u>	<u>34</u>	<u>1,953</u>
Change in net position	<u>(1)</u>	<u>-</u>	<u>(1)</u>
Total net position - July 1, 2020	672,986	436,334	1,109,320
Prior Period Adjustment	(87,129)	-	(87,129)
Total Net Position, restated - July 1, 2020	<u>585,857</u>	<u>436,334</u>	<u>1,022,191</u>
Total net position - June 30, 2021	<u>\$ 585,856</u>	<u>\$ 436,334</u>	<u>\$ 1,022,190</u>

See Independent Auditors' Report.

CITY OF DYERSBURG, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Internal Service</u>	<u>Communication Services</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,011,353	\$ 879,953	\$ 1,891,306
(Payments to) receipts from suppliers	(132,417)	(71,714)	(204,131)
Payments to employees for services	(510,099)	(600,253)	(1,110,352)
Payments for employee benefits	(200,048)	(242,517)	(442,565)
Other receipts (payments)	24,378	332,736	357,114
Net cash provided by (used for) operating activities	<u>193,167</u>	<u>298,205</u>	<u>491,372</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Net cash from (used by) financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	<u>(19,780)</u>	<u>-</u>	<u>(19,780)</u>
Net cash provided by (used for) capital and related financing activities	<u>(19,780)</u>	<u>-</u>	<u>(19,780)</u>
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES			
Interest and investment earnings	<u>1,919</u>	<u>34</u>	<u>1,953</u>
Net cash provided by (used for) investing activities	<u>1,919</u>	<u>34</u>	<u>1,953</u>
Net increase (decrease) in cash and cash equivalents	175,306	298,239	473,545
Cash and cash equivalents - July 1, 2020	<u>2,690,694</u>	<u>101,760</u>	<u>2,792,454</u>
Cash and cash equivalents - June 30, 2021	<u>\$ 2,866,000</u>	<u>\$ 399,999</u>	<u>\$ 3,265,999</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES ACTIVITIES			
Operating income (loss)	\$ (1,920)	\$ (34)	\$ (1,954)
Adjustments to reconcile net income (loss) from operations to net cash provided (used) by operating activities			
Depreciation	17,037	45,644	62,681
Amortization	10,206	-	10,206
(Increase) Decrease in Assets			
Accounts receivable, net of allowance	(30,855)	(8,194)	(39,049)
Due from other funds	5,074	46,435	51,509
Prepaid expenses	(87,129)	-	(87,129)
Other assets	55,065	-	55,065
Increase (Decrease) in Liabilities			
Accounts payable	10,252	(3,384)	6,868
Accrued payroll	3,140	1,456	4,596
Due to other funds	197,920	210,538	408,458
Other current liabilities	8,424	-	8,424
Compensated absences	5,953	5,744	11,697
Net cash provided by (used for) operating activities	<u>\$ 193,167</u>	<u>\$ 298,205</u>	<u>\$ 491,372</u>

See Independent Auditors' Report.

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET TO ACTUAL - INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance Over/(Under) Budget Amounts
	Original	Final		
Operating Revenues:				
Miscellaneous revenues:				
Joint cost	\$ 969,600	\$ 969,600	\$ 1,037,134	\$ 67,534
Computer services	21,000	21,000	21,000	-
Other	10,000	10,000	3,378	(6,622)
Total miscellaneous revenues	<u>1,000,600</u>	<u>1,000,600</u>	<u>1,061,512</u>	<u>60,912</u>
Operating Expenses:				
Customer service and collection:				
Salaries	129,600	129,600	129,970	370
Payroll taxes	9,900	9,900	9,358	(542)
Hospital and health insurance	27,500	27,500	21,946	(5,554)
Employee education	1,500	1,500	-	(1,500)
Publicity, subscriptions, and dues	3,500	3,500	1,460	(2,040)
Telephone	2,000	2,000	1,964	(36)
Office supplies	5,000	5,000	4,846	(154)
Small items of equipment	5,000	5,000	6,321	1,321
Postage	8,000	8,000	8,007	7
Repairs and maintenance	1,500	1,500	1,179	(321)
Other	3,800	3,800	4,200	400
Total customer service and collection	<u>197,300</u>	<u>197,300</u>	<u>189,251</u>	<u>(8,049)</u>
Billing:				
Salaries	111,700	111,700	111,874	174
Payroll taxes	8,600	8,600	7,687	(913)
Hospital and health insurance	26,600	26,600	30,862	4,262
Office supplies	6,500	6,500	3,495	(3,005)
Small items of equipment	-	-	-	-
Postage	32,000	32,000	36,732	4,732
Repairs and maintenance	1,500	1,500	1,476	(24)
Total billing	<u>186,900</u>	<u>186,900</u>	<u>192,126</u>	<u>5,226</u>
Meter reading:				
Salaries	132,200	132,200	132,688	488
Payroll taxes	10,100	10,100	9,572	(528)
Hospital and health insurance	42,100	42,100	44,106	2,006
Publicity, subscriptions, and dues	-	-	-	-
Telephone	1,500	1,500	1,835	335
Professional services	1,000	1,000	30	(970)
Small items of equipment	-	-	-	-
Operating supplies	900	900	828	(72)
Uniforms	15,000	15,000	16,208	1,208
Repairs and maintenance	-	-	875	875
Gas and oil	6,000	6,000	5,862	(138)
Insurance	1,000	1,000	1,094	94
Total meter reading	<u>209,800</u>	<u>209,800</u>	<u>213,098</u>	<u>3,298</u>
Computer operations:				
Salaries	78,000	78,000	109,826	31,826
Payroll taxes	6,000	6,000	8,217	2,217
Hospital and health insurance	28,000	28,000	32,518	4,518
Training	1,500	1,500	-	(1,500)
Publicity, subscriptions, dues	7,200	7,200	992	(6,208)
Telephone	4,500	4,500	5,549	1,049
Travel	2,000	2,000	-	(2,000)
Automobile allowance	2,700	2,700	2,700	-

See Independent Auditors' Report.

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET TO ACTUAL - INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating Expenses (continued):				
Computer operations (continued):				
Small items of equipment	\$ 11,500	\$ 11,500	\$ 26,498	\$ 14,998
Operating supplies	5,000	5,000	3,283	(1,717)
Repairs and maintenance	165,000	165,000	170,903	5,903
Insurance	12,000	12,000	9,627	(2,373)
Total computer operations	<u>323,400</u>	<u>323,400</u>	<u>370,113</u>	<u>46,713</u>
Administrative expenses:				
Vacation and sick leave	1,000	1,000	5,953	4,953
Retirement	61,000	61,000	61,303	303
Professional service	10,000	10,000	3,178	(6,822)
Insurance	1,000	1,000	660	(340)
Other	300	300	507	207
Total administrative expenses	<u>73,300</u>	<u>73,300</u>	<u>71,601</u>	<u>(1,699)</u>
Depreciation and amortization expense	<u>19,800</u>	<u>19,800</u>	<u>27,243</u>	<u>7,443</u>
Total operating expense	<u>1,010,500</u>	<u>1,010,500</u>	<u>1,063,432</u>	<u>52,932</u>
Operating Income (loss)	(9,900)	(9,900)	(1,920)	7,980
Nonoperating Revenues (Expenses):				
Interest income	<u>10,000</u>	<u>10,000</u>	<u>1,919</u>	<u>(8,081)</u>
Change in Net Position	<u>\$ 100</u>	<u>\$ 100</u>	<u>(1)</u>	<u>\$ (101)</u>
Total Net Position - July 1, 2020			672,986	
Prior Period Adjustment			<u>(87,129)</u>	
Total Net Position, restated - July 1, 2020			<u>585,857</u>	
Total Net Position - June 30, 2021			<u>\$ 585,856</u>	

See Independent Auditors' Report.

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET TO ACTUAL - COMMUNICATIONS SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance Over/(Under) Budgetd Amounts
	Original	Final		
Operating Revenues:				
Miscellaneous revenues:				
Joint cost	\$ 823,200	\$ 823,200	\$ 841,712	\$ 18,512
Bad Debt Recoveries	300	300	179	(121)
E-911 REvenues	72,000	72,000	63,374	(8,626)
Other revenue	275,000	275,000	269,183	(5,817)
Total miscellaneous revenues	<u>1,170,500</u>	<u>1,170,500</u>	<u>1,174,448</u>	<u>3,948</u>
Operating Expenses:				
General and administrativ				
Salaries	62,900	62,900	68,305	5,405
Payroll taxes	4,500	4,500	4,647	147
Hospital and health insurance	21,000	21,000	24,495	3,495
Retirement	80,700	80,700	77,266	(3,434)
Postage	-	-	2	2
Publicity, subscriptions and dues	1,000	1,000	-	(1,000)
Utility services	25,000	25,000	22,517	(2,483)
Professional services	5,000	5,000	3,626	(1,374)
Travel	1,000	1,000	316	(684)
Automobile allowance	5,400	5,400	5,400	-
Insurance	14,000	14,000	17,164	3,164
Operating supplies	-	-	413	413
Total general and administrative	<u>220,500</u>	<u>220,500</u>	<u>224,151</u>	<u>3,651</u>
Communication services				
Salaries	469,000	469,000	495,336	26,336
Payroll taxes	35,900	35,900	35,509	(391)
Hospital and health insurance	124,100	124,100	135,356	11,256
Unemployment insurance	-	-	2,728	2,728
Training	2,500	2,500	-	(2,500)
Publicity, subscriptions and dues	8,000	8,000	4,649	(3,351)
Telephone	17,000	17,000	17,046	46
Travel	3,500	3,500	4	(3,496)
Other contractual services	84,000	84,000	96,130	12,130
Mobile data services	30,000	30,000	14,389	(15,611)
Office supplies	1,500	1,500	252	(1,248)
Small items of equipment	15,000	15,000	5,333	(9,667)
Operating supplies	12,000	12,000	9,003	(2,997)
Uniforms	1,500	1,500	1,233	(267)
Repairs and maintenance	55,000	55,000	32,414	(22,586)
Total communication services	<u>859,000</u>	<u>859,000</u>	<u>849,382</u>	<u>(9,618)</u>
Emergency warning system				
Salaries	2,500	2,500	3,410	910
Payroll taxes	400	400	246	(154)
Utility services	25,000	25,000	22,071	(2,929)
Operating supplies	1,000	1,000	199	(801)
Repairs and maintenance	15,000	15,000	29,379	14,379
Total emergency warning system	<u>43,900</u>	<u>43,900</u>	<u>55,305</u>	<u>11,405</u>
Depreciation and Amortization expense	<u>47,100</u>	<u>47,100</u>	<u>45,644</u>	<u>(1,456)</u>
Total operating expense	<u>1,170,500</u>	<u>1,170,500</u>	<u>1,174,482</u>	<u>3,982</u>
Operating Income (loss)	-	-	(34)	(34)

See Independent Auditors' Report.

**CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET TO ACTUAL - COMMUNICATIONS SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Nonoperating Revenues (Expenses):				
Interest income	\$ -	\$ -	\$ 34	\$ 34
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>34</u>	<u>34</u>
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Total Net Position - July 1, 2020			<u>436,334</u>	
Total Net Position - June 30, 2021			<u>\$ 436,334</u>	

See Independent Auditors' Report.

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
FOR THE YEAR ENDED JUNE 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 6/30/2020	Issued During Period	Matured During Period	Refunded During Period	Outstanding 6/30/2021
Governmental Activities:									
Notes From Direct Borrowings									
Variable Rate Tennessee Municipal Bond Fund, Series 2016	\$ 1,500,000	3.00%	2/18/2016	5/25/2035	\$ 1,273,000	\$ -	\$ 77,000	\$ -	\$ 1,196,000
Variable Rate Tennessee Municipal Bond Fund, Series 1999	\$ 10,000,000	Variable	9/19/2000	6/25/2023	2,400,000	-	800,000	-	1,600,000
Variable Rate Tennessee Municipal Bond Fund, Series 2018	\$ 4,600,000	4.05%	9/1/2018	9/1/2030	4,222,817	-	25,000	-	4,197,817
Energy Efficient Schools Initiative, 2012	\$ 500,000	0%	4/9/2012	3/1/2023	133,304	-	50,004	-	83,300
Energy Efficient Schools Initiative, 2018	\$ 689,955	0.75%	5/1/2018	5/1/2024	444,481	-	114,624	-	329,857
Total Notes From Direct Borrowings					<u>8,473,602</u>	<u>-</u>	<u>1,066,628</u>	<u>-</u>	<u>7,406,974</u>
Bonds Payable									
General Obligation Refunding Bonds, Series 2016	\$ 2,840,944	2.240%	9/28/2016	6/1/2019	989,000	-	490,000	-	499,000
Qualified School Construction Bonds, Series 2009	\$ 2,960,000	1.515%	12/17/2009	9/15/2026	1,128,399	-	184,699	-	943,700
General Obligation School Bonds, Series 2013	\$ 9,600,000	4.10%	8/16/2013	6/1/2033	8,905,000	-	145,000	-	8,760,000
Total Bonds Payable					<u>11,022,399</u>	<u>-</u>	<u>819,699</u>	<u>-</u>	<u>10,202,700</u>
Total Governmental Activities					<u>19,496,001</u>	<u>-</u>	<u>1,886,327</u>	<u>-</u>	<u>17,609,674</u>
Business Type Activities:									
Notes From Direct Borrowings									
State Revolving Clean Water Loan (CG7 2020-439)	\$ 2,500,000	0.39%	7/26/2019	Note 1	179,355	212,699	-	78,411	313,643
Total Notes From Direct Borrowings					<u>179,355</u>	<u>212,699</u>	<u>-</u>	<u>78,411</u>	<u>313,643</u>
Bonds Payable									
Revenue Bonds, 2019	\$ 2,750,000	3.29%	3/22/2019	6/30/2034	2,575,000	-	300,000	-	2,275,000
Total Bonds Payable					<u>2,575,000</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>2,275,000</u>
Total Business-Type Activities					<u>2,754,355</u>	<u>212,699</u>	<u>300,000</u>	<u>78,411</u>	<u>2,588,643</u>
Total Long-Term Debt					<u>\$ 22,250,356</u>	<u>\$ 212,699</u>	<u>\$ 2,186,327</u>	<u>\$ 78,411</u>	<u>\$ 20,198,317</u>

Note 1 - The maturity date depends on the completion of the project and is unknown at the time of the audit report.

**CITY OF DYERSBURG, TENNESSEE
PRINCIPAL AND INTEREST REQUIREMENTS
PROPRIETARY FUNDS
JUNE 30, 2021**

<u>Year Ended June 30,</u>	3.29% Electric System Refunding Bonds Series 2019			0.39% State Revolving Clean Water Loan		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 305,000	\$ 74,848	\$ 379,848	\$ 313,643	\$ -	\$ 313,643
2023	315,000	64,813	379,813	-	-	-
2024	130,000	54,450	184,450	-	-	-
2025	130,000	50,173	180,173	-	-	-
2026	135,000	45,896	180,896	-	-	-
2027	140,000	41,454	181,454	-	-	-
2028	145,000	36,848	181,848	-	-	-
2029	150,000	32,078	182,078	-	-	-
2030	155,000	27,143	182,143	-	-	-
2031	160,000	22,043	182,043	-	-	-
2032	165,000	16,779	181,779	-	-	-
2033	170,000	11,351	181,351	-	-	-
2034	175,000	5,758	180,758	-	-	-
	<u>\$ 2,275,000</u>	<u>\$ 483,634</u>	<u>\$ 2,758,634</u>	<u>\$ 313,643</u>	<u>\$ -</u>	<u>\$ 313,643</u>

See Independent Auditors' Report.

**CITY OF DYERSBURG, TENNESSEE
PRINCIPAL AND INTEREST REQUIREMENTS
GOVERNMENTAL ACTIVITIES
JUNE 30, 2021**

Year Ended June 30,	General Obligation Debt to be repaid from Governmental Activities General Obligation Construction Bonds, Series 2009 Issued December 17, 2009			General Obligation Debt to be repaid from Governmental Activities General Obligation School Bonds, Series 2013 Issued August 16, 2013			General Obligation Debt to be repaid from Governmental Activities General Obligation Refunding Bonds, Series 2016 Issued September 28, 2016		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 184,699	\$ 44,844	\$ 229,543	\$ 180,000	\$ 321,213	\$ 501,213	\$ 499,000	\$ 11,178	\$ 510,178
2023	184,699	44,844	229,543	220,000	316,353	536,353	-	-	-
2024	184,699	44,844	229,543	705,000	310,193	1,015,193	-	-	-
2025	184,699	44,844	229,543	725,000	289,395	1,014,395	-	-	-
2026	204,904	44,844	249,748	750,000	266,920	1,016,920	-	-	-
2027	-	-	-	780,000	242,545	1,022,545	-	-	-
2028	-	-	-	810,000	215,245	1,025,245	-	-	-
2029	-	-	-	845,000	184,870	1,029,870	-	-	-
2030	-	-	-	880,000	153,183	1,033,183	-	-	-
2031	-	-	-	915,000	117,983	1,032,983	-	-	-
2032	-	-	-	955,000	81,383	1,036,383	-	-	-
2033	-	-	-	995,000	40,795	1,035,795	-	-	-
	<u>\$ 943,700</u>	<u>\$ 224,220</u>	<u>\$ 1,167,920</u>	<u>\$ 8,760,000</u>	<u>\$ 2,540,078</u>	<u>\$ 11,300,078</u>	<u>\$ 499,000</u>	<u>\$ 11,178</u>	<u>\$ 510,178</u>

See Independent Auditors' Report.

**CITY OF DYERSBURG, TENNESSEE
PRINCIPAL AND INTEREST REQUIREMENTS
GOVERNMENTAL ACTIVITIES
JUNE 30, 2021**

Year Ended June 30,	Variable Rate Tennessee Municipal Bond Fund, Series 2018 Issued September 1, 2018			Variable Rate Tennessee Municipal Bond Fund, Series 2016 Issued February 18, 2016			Variable Rate Tennessee Municipal Bond Fund, Series 1999 Issued September 19, 2000		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2022	\$ 25,000	\$ 183,769	\$ 208,769	\$ 78,000	\$ 35,940	\$ 113,940	\$ 800,000	\$ 48,000
2023	50,000	182,250	232,250	79,000	33,600	112,600	800,000	24,000	824,000
2024	750,000	166,050	916,050	81,000	31,230	112,230	-	-	-
2025	675,000	137,194	812,194	82,000	28,800	110,800	-	-	-
2026	650,000	110,363	760,363	83,000	26,340	109,340	-	-	-
2027	650,000	84,038	734,038	84,000	23,850	107,850	-	-	-
2028	650,000	57,713	707,713	85,000	21,330	106,330	-	-	-
2029	550,000	33,413	583,413	86,000	18,780	104,780	-	-	-
2030	197,817	11,138	208,955	87,000	16,200	103,200	-	-	-
2031	-	-	-	88,000	13,590	101,590	-	-	-
2032	-	-	-	89,000	10,950	99,950	-	-	-
2033	-	-	-	91,000	8,280	99,280	-	-	-
2034	-	-	-	92,000	5,550	97,550	-	-	-
2035	-	-	-	91,000	2,790	93,790	-	-	-
	<u>\$ 4,197,817</u>	<u>\$ 965,928</u>	<u>\$ 5,163,745</u>	<u>\$ 1,196,000</u>	<u>\$ 277,230</u>	<u>\$ 1,473,230</u>	<u>\$ 1,600,000</u>	<u>\$ 72,000</u>	<u>\$ 1,672,000</u>

**CITY OF DYERSBURG, TENNESSEE
 PRINCIPAL AND INTEREST REQUIREMENTS
 GOVERNMENTAL ACTIVITIES
 JUNE 30, 2021**

<u>Year Ended June 30,</u>	<u>Energy Efficient School Initiative Loan, Series 2012 Issued April 9, 2012</u>			<u>Energy Efficient School Initiative Loan, Series 2018 Issued May 1, 2018</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 50,004	\$ -	\$ 50,004	\$ 115,488	\$ 2,148	\$ 117,636
2023	33,296	-	33,296	116,352	1,284	117,636
2024	-	-	-	98,017	401	98,418
	<u>\$ 83,300</u>	<u>\$ -</u>	<u>\$ 83,300</u>	<u>\$ 329,857</u>	<u>\$ 3,833</u>	<u>\$ 333,690</u>

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2021

<u>Year of Levy</u>	<u>Balance July 1, 2020</u>	<u>Current Assessments & Adjustments</u>	<u>Collections</u>	<u>Write-offs</u>	<u>Balance June 30, 2021</u>
2009	\$ 4,648	\$ -	\$ -	\$ -	\$ 4,648
2010	4,939	-	329	-	5,268
2011	14,546	-	1,035	-	15,581
2012	7,153	-	548	-	7,701
2013	6,192	-	514	-	6,706
2014	6,837	-	618	-	7,455
2015	12,622	-	652	-	13,274
2016	16,031	-	(2,220)	-	13,811
2017	39,368	-	(10,608)	-	28,760
2018	110,474	(847)	(79,347)	-	30,280
2019	675,298	(4,583)	(585,697)	-	85,018
2020	8,856,361	(133,302)	(8,434,158)	-	288,901
2021	-	9,211,582	-	-	9,211,582
	<u>\$ 9,754,469</u>	<u>\$ 9,072,850</u>	<u>\$ (9,108,334)</u>	<u>\$ -</u>	9,718,985
Unassessed property tax receivable					9,211,582
Delinquent taxes					507,402
Allowance for uncollectible taxes					<u>(45,000)</u>
Net property taxes receivable					<u>\$ 9,673,984</u>

See Independent Auditors' Report.

**CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF PROPERTY TAX RATES AND ASSESSMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Assessment Year</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Assessment</u>
2012	\$ 307,174,378	2.14%	\$ 7,006,899
2013	\$ 312,683,654	2.14%	\$ 7,182,286
2014	\$ 309,409,491	2.24%	\$ 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
2021	\$ 363,183,248	2.42%	\$ 9,211,582

See Independent Auditors' Report.

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021

Program/Cluster name	Federal CFDA #	Grant Number	Unearned (due from) 6/30/2020	Receipts	Expenditures	Unearned (due from) 6/30/2021
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	\$ (95,367)	\$ 234,949	\$ 244,349	\$ (104,767)
Community Development Block Grant - Water & Sewer - 2018	14.228	33004-21519	-	69,506	69,506	-
			<u>(95,367)</u>	<u>304,455</u>	<u>313,855</u>	<u>(104,767)</u>
Home Investment Partnerships Program	14.239	HM17-03	(106,999)	361,738	254,739	-
			<u>(106,999)</u>	<u>361,738</u>	<u>254,739</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>(202,366)</u>	<u>666,193</u>	<u>568,594</u>	<u>(104,767)</u>
U.S. Department of Justice						
Office of Justice Programs						
Bulletproof Vest Partnership Program	16.607	Unknown	-	3,000	3,000	-
			<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0201	-	14,308	14,308	-
			<u>-</u>	<u>14,308</u>	<u>14,308</u>	<u>-</u>
Total U.S. Department of Justice			<u>-</u>	<u>17,308</u>	<u>17,308</u>	<u>-</u>
U.S. Department of Transportation						
Passed through Tennessee Department of Transportation						
Airport Improvement Program - Upgrade Security Camera System	20.106	23-555-0135-20	(24,254)	24,254	-	-
COVID-19 Airport Improvement Program - CARES Act Operational Expenses	20.106	23-555-0140-21	-	43,249	69,000	(25,751)
			<u>(24,254)</u>	<u>67,503</u>	<u>69,000</u>	<u>(25,751)</u>
U.S. Department of Environmental Protection Agency						
Passed through Tennessee Department of Environment and Conservation						
Capitalization Grants for Clean Water						
State Revolving Funds - Loan	66.458	Unknown	-	170,159	170,159	-
State Revolving Funds - Principal Forgiveness	66.458	Unknown	-	42,540	42,540	-
			<u>-</u>	<u>212,699</u>	<u>212,699</u>	<u>-</u>
U.S. Department of the Treasury						
Passed through Tennessee Department of the Treasury						
COVID-19 Coronavirus Relief Fund	21.019*	Unknown	-	245,835	245,835	-
			<u>-</u>	<u>245,835</u>	<u>245,835</u>	<u>-</u>
Total Federal Awards			<u>\$ (226,620)</u>	<u>\$ 1,209,538</u>	<u>\$ 1,113,436</u>	<u>\$ (130,518)</u>

See Independent Auditors' Report.

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021

Program/Cluster name	Federal CFDA #	Grant Number	Unearned (due from) 6/30/2020	Receipts	Expenditures	Unearned (due from) 6/30/2021
State Awards						
Tennessee Department of Transportation						
Airport Improvement Program - Maintenance		23-555-0739-21	\$ -	\$ 13,266	\$ 13,266	\$ -
Airport Improvement Program - Upgrade Security Camera System		23-555-0138-20	(1,348)	1,348	-	-
			<u>(1,348)</u>	<u>14,614</u>	<u>13,266</u>	<u>-</u>
Tennessee Department of Finance and Administration						
Governor's Local Government Support Grants			-	391,680	391,680	-
			<u>-</u>	<u>391,680</u>	<u>391,680</u>	<u>-</u>
Total State Awards			<u>\$ (1,348)</u>	<u>\$ 406,294</u>	<u>\$ 404,946</u>	<u>\$ -</u>
Total Federal Awards and State Awards			<u>\$ (227,968)</u>	<u>\$ 1,615,832</u>	<u>\$ 1,518,382</u>	<u>\$ (130,518)</u>

* denotes major program

Basis of Presentation: The schedule of expenditures of federal awards and state financial assistance summarizes the activity of the City of Dyersburg, Tennessee under the federal award programs and state assistance for the year ended June 30, 2021, and is presented on the accrual basis of accounting. The schedule of expenditures of federal awards and state financial assistance for Dyersburg Electric System 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 as to reimbursement. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Capitalization Grants for Clean Water State Revolving Funds Loan Disclosure: At June 30, 2021, the balance on State Revolving Funds Loan #CG7 20-439 is \$313,643.

See Independent Auditors' Report.

OTHER MISCELLANEOUS INFORMATION SECTION

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CURRENT UTILITY RATES IN FORCE (UNAUDITED)
JUNE 30, 2021

	Rates	TVA Fuel Rate
Gas:		
City Residential (G2)		
Service charge per month	\$ 5.00	
Base rate per MCF consumed	7.28	
Transportation charges and commodity costs per MCF consumed	Variable	
County Residential (G2)		
Service charge per month	\$ 5.00	
Base rate per MCF consumed	7.73	
Transportation charges and commodity costs per MCF consumed	Variable	
City Small commercial (G1)		
Service charge per month	\$ 7.50	
Base rate per MCF consumed	7.33	
Transportation charges and commodity costs per MCF consumed	Variable	
County Small commercial (G1)		
Service charge per month	\$ 7.50	
Base rate per MCF consumed	7.79	
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	6.70	
Transportation charges and commodity costs per MCF consumed	Variable	
County Large commercial, light industrial, schools, and government buildings (G3)		
Service charge per month	\$ 50.00	
Base rate per MCF consumed	7.10	
Transportation charges and commodity costs per MCF consumed	Variable	
City Industrial - Firm (G5)		
Service charge per month	\$ 50.00	
Base rate per MCF consumed	5.96	
Transportation charges and commodity costs per MCF consumed	Variable	
County Industrial - Firm (G25)		
Service charge per month	\$ 50.00	
Base rate per MCF consumed	6.56	
Transportation charges and commodity costs per MCF consumed	Variable	

See Independent Auditors' Report.

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CURRENT UTILITY RATES IN FORCE (UNAUDITED)
JUNE 30, 2021

	<u>Rates</u>	<u>TVA Fuel Rate</u>
Gas (continued)		
City Industrial - Interruptible (G7)		
Service charge per month	\$ 50.00	
Base rate per MCF consumed	5.96	
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	
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	\$ 5.02	
Residential - per 1,000 gallons used	4.41	
Commercial - per 1,000 gallons used	4.63	
Industrial - per 1,000 gallons used	5.05	
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	\$ 0.01811
Additional kWh per month	0.06505	0.01811
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	\$ 0.01793
Additional kWh per month	0.06931	0.01793
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	

See Independent Auditors' Report.

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CURRENT UTILITY RATES IN FORCE (UNAUDITED)
JUNE 30, 2021

	<u>Rates</u>	<u>TVA Fuel Rate</u>
Electrical (continued)		
General Power Rate Schedule - GSA (continued)		
GSA - 2 (51 - 1,000 kW) (a.) (continued)		
Energy charge - per kW		
First 15,000 kWh	0.03958	\$ 0.01783
Additional kWh	0.03958	0.01783
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	\$ 0.01773
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	\$ 0.01624
Off peak kWh - First 200 HUD	0.03279	0.01624
Off peak kWh - Next 200 HUD	0.00310	0.01624
Off peak kWh - Over 400 HUD	0.00055	0.01624
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	0.05716	\$ 0.01783
Off peak Energy	0.03453	0.01783
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	\$ 0.01773
Off peak Energy	0.03435	0.01773

See Independent Auditors' Report.

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CURRENT UTILITY RATES IN FORCE (UNAUDITED)
JUNE 30, 2021

	<u>Rates</u>	<u>TVA Fuel Rate</u>
Electrical (continued):		
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	\$ 0.01785
Off peak kWh - first 200 HUD	0.03053	0.01785
Off peak kWh - next 200 HUD	0.00310	0.01785
Off peak kWh - over 400 HUD	0.00055	0.01785
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	\$ 0.01811
Drainage Pump Schedule - DPS		
Customer charge - per delivery point per month	\$ 500.00	
Energy charge - per kWh	0.04670	\$ 0.01793

Notes:

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

See Independent Auditors' Report.

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF CUSTOMERS IN SERVICE (UNAUDITED)
JUNE 30, 2021

<u>Utility Service</u>	<u>Customers</u>		
	<u>6/30/2020</u>	<u>Increase (Decrease)</u>	<u>6/30/2021</u>
Water	8,131	133	8,264
Sewer	7,604	71	7,675
Gas	7,982	(59)	7,923
Electric	11,920	18	11,938

See Independent Auditors' Report.

CITY OF DYERSBURG, TENNESSEE

UNAUDITED WATER LOSS SCHEDULE - AWWA REPORTING MODEL

FOR THE YEAR ENDED JUNE 30, 2021

AWWA Free Water Audit Software:
Reporting Worksheet

WAS v5.0
 American Water Works Association
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[?](#) Click to access definition

[+](#) Click to add a comment

Water Audit Report for: City of Dyersburg Water Plant (0000211)

Reporting Year: 2021 7/2020 - 6/2021

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

<----- Enter grading in column 'E' and 'J' ----->

WATER SUPPLIED

Volume from own sources:	+ ?	10	1,180.626	MG/Yr			
Water imported:	+ ?	n/a		MG/Yr	+ ?	?	?
Water exported:	+ ?	n/a		MG/Yr	+ ?	?	?

WATER SUPPLIED: 1,180.626 MG/Yr

Master Meter and Supply Error Adjustments

	Pcrt:		Value:		
+ ?	?	?	?	?	?
+ ?	?	?	?	?	?
+ ?	?	?	?	?	?

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

AUTHORIZED CONSUMPTION

Billed metered:	+ ?	7	773.444	MG/Yr			
Billed unmetered:	+ ?	n/a		MG/Yr	+ ?	?	?
Unbilled metered:	+ ?	n/a		MG/Yr	+ ?	?	?
Unbilled unmetered:	+ ?	?	14.758	MG/Yr	+ ?	?	?

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

AUTHORIZED CONSUMPTION: 788.202 MG/Yr

Click here: [?](#) for help using option buttons below

	Pcrt:		Value:		
1.25%	?	?	?	?	?

Use buttons to select percentage of water supplied OR value

	Pcrt:		Value:		
0.25%	?	?	?	?	?

WATER LOSSES (Water Supplied - Authorized Consumption)

392.424 MG/Yr

Apparent Losses

Unauthorized consumption:	+ ?	?	2.952	MG/Yr			
---------------------------	-----	---	-------	-------	--	--	--

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

Customer metering inaccuracies:	+ ?	10	0.000	MG/Yr			
Systematic data handling errors:	+ ?	?	1.934	MG/Yr	+ ?	?	?

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

Apparent Losses: 4.885 MG/Yr

	Pcrt:		Value:		
0.25%	?	?	?	?	?

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 387.539 MG/Yr

WATER LOSSES: 392.424 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 407.182 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+ ?	10	160.0	miles			
Number of active AND inactive service connections:	+ ?	7	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: ? (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: 7 55.0 psi

COST DATA

Total annual cost of operating water system:	+ ?	9	\$3,899,876	\$/Year			
Customer retail unit cost (applied to Apparent Losses):	+ ?	9	\$4.49	\$/1000 gallons (US)	+ ?	?	?
Variable production cost (applied to Real Losses):	+ ?	7		\$/Million gallons	+ ?	?	?

Use Customer Retail Unit Cost to value real losses

*** 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

See Independent Auditors' Report.

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**CITY OF DYERSBURG, TENNESSEE
UNAUDITED WATER LOSS SCHEDULE - AWWA REPORTING MODEL
FOR THE YEAR ENDED JUNE 30, 2021**



**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: **2021** | **7/2020 - 6/2021**

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

System Attributes:

Apparent Losses:	<input type="text" value="4.885"/>	MG/Yr
+ Real Losses:	<input type="text" value="387.539"/>	MG/Yr
= Water Losses:	<input type="text" value="392.424"/>	MG/Yr

Unavoidable Annual Real Losses (UARL): MG/Yr

Annual cost of Apparent Losses:

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:
Non-revenue water as percent by cost of operating system: Real Losses valued at Variable Production Cost

Operational Efficiency: { Apparent Losses per service connection per day: gallons/connection/day
Real Losses per service connection per day: gallons/connection/day
Real Losses per length of main per day*:
Real Losses per service connection per day per psi pressure: gallons/connection/day/psi

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

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

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

See Independent Auditors' Report.

CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF OFFICIAL BONDS OF PRINCIPAL OFFICIALS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<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 Auditors' Report.

INTERNAL CONTROL AND COMPLIANCE SECTION



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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, 2021, 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, 2020, and the fiduciary fund for the City of Dyersburg Pension Plan for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 15, 2022. 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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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Fax (731)285-8975

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 did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be significant deficiencies.

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 disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2020-001.

City of Dyersburg's Response to Findings

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

Purpose of this Report

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

Cowart Reese Sargent, CPAs, P.C.

Cowart Reese Sargent CPAs, P.C.
Dyersburg, Tennessee
April 15, 2022



Members: American Institute of Certified Public Accountants | Tennessee Society of Certified Public Accountants
Governmental Audit Quality Center | Private Companies Practice Section
www.crs CPA.com

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, 2021. 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, 2021.

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
April 15, 2022

**CITY OF DYERSBURG, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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? Yes

Federal Awards

1. Internal Control Over Major Federal Programs:

*Material weaknesses identified?	No
*Significant deficiency identified?	No
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>
Coronavirus Relief Fund	21.019
5. Auditee qualified as low-risk auditee? Yes

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

2021-001 –Expenditures in Excess of Appropriations in Government Funds (Significant Deficiency and Noncompliance)

Condition: The City expended more than budgeted appropriations by major appropriation category in the Communication Services Fund, Internal Service Fund, and the TIP 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, 2021**

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
2020-001	Expenditures in Excess of Appropriations in Government Funds (original finding is #2020-001)	Repeated/ 2021-001

CORRECTIVE ACTION PLAN



425 West Court Street
P.O. Box 1358
Dyersburg, TN 38025-1358
www.dyersburgtn.gov

MANAGEMENT'S CORRECTIVE ACTION PLAN

City of Dyersburg, Tennessee respectfully submits the following corrective action plan for the year ended June 30, 2021.

Name and address of independent public accounting firm:
Cowart 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, 2021

The findings from the June 30, 2021, 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

2021-001 – Expenditures in Excess of Appropriations in Government Funds (Significant Deficiency and Noncompliance)

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

Anticipated Completion Date of Corrective Action: June 30, 2022

Repeat Finding: Yes

Planned Corrective Action: The City will more closely monitor financial performance to prevent overspending of budgets in future periods.

Respectfully Submitted,

John Holden, Mayor