NEW ISSUE
Book-Entry-Only

Rating: Moody's: "Aa3"

PRELIMINARY OFFICIAL STATEMENT

$6,100,000*

DYER COUNTY, TENNESSEE

General Obligation Refunding Bonds, Series 2015

OFFERED FOR SALE NOT SOONER THAN

Thursday, April 23, 2015 at 10:15 a.m., E.D.T.
Through the Facilities of ***PARITY***®

at the
OFFICES OF
Cumberland Securities Company, Inc.
Knoxville, Tennessee

Cumberland Securities Company, Inc.
Financial Advisor

April 2, 2015

* Preliminary, subject to change.

NEW ISSUE
BOOK-ENTRY-ONLY

Rating: Moody's – "Aa3"
(See "MISCELLANEOUS-Rating" herein)

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 2, 2015

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "LEGAL MATTERS – Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer, and estate taxes and Tennessee franchise and excise taxes. (See "LEGAL MATTERS -Tax Matters" herein.)

$6,100,000*
DYER COUNTY, TENNESSEE
General Obligation Refunding Bonds, Series 2015

Dated: Date of delivery (assume May 27, 2015). Due: June 1 (as shown below)

The $6,100,000* General Obligation Refunding Bonds, Series 2015 (the "Bonds") of Dyer County, Tennessee (the "County" or the "Issuer") are issuable in fully registered form in denominations of $5,000 and authorized integral multiples thereof. The Bonds will be issued in book-entry-only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as the nominee for DTC, principal and interest with respect to the Bonds shall be payable to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Bonds. Individual purchases of the Bonds will be made in book-entry-only form, in denominations of $5,000 or integral multiples thereof and will bear interest at the annual rates as shown below. Interest on the Bonds is payable semi-annually from the date thereof commencing on December 1, 2015 and thereafter on each June 1 and December 1 by check or draft mailed to the owners thereof as shown on the books and records of the Registration Agent. In the event of discontinuation of the book-entry system, principal of and interest on the Bonds are payable at the principal corporate trust office of Regions Bank, Nashville, Tennessee, the registration and paying agent (the "Registration Agent").

The Bonds are payable from unlimited *ad valorem* taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged. See section entitled "SECURITIES OFFERED – Security".

The Bonds maturing June 1, 2021 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2020.

Due (June 1)	Amount*	Interest Rate	Yield	CUSIP**	Due (June 1)	Amount*	Interest Rate	Yield	CUSIP**
2016	$515,000				2022	$560,000			
2017	525,000				2023	570,000			
2018	530,000				2024	580,000			
2019	535,000				2025	590,000			
2020	540,000				2026	605,000			
2021	550,000								

(Accrued Interest to be added)

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire *Preliminary Official Statement* to obtain information essential to make an informed investment decision.

The Bonds are offered when, as and if issued, subject to the approval of the legality thereof by Glankler Brown, PLLC, Memphis, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon from the County by Wilkerson Gauldin Hayes Jenkins & Dedmon, counsel to the County. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about May __, 2015.

Cumberland Securities Company, Inc.
Financial Advisor

April __, 2015

* Preliminary, subject to change

This Preliminary Official Statement speaks only as of its date, and the information contained herein is subject to change.

This Preliminary Official Statement may contain forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Preliminary Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Preliminary Official Statement. The Issuer disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Preliminary Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Issuer, the Bonds, the Resolution, as herein after defined, the Disclosure Certificate, as herein after defined, and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions and statutes, the Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Bonds are qualified in their entirety to the forms thereof included in the Bond Resolution.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such acts. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the Issuer, the Financial Advisor or the Underwriter, as herein after defined, to give any information or to make any representations other than those contained in this Preliminary Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Issuer, the Financial Advisor or the Underwriter. Except where otherwise indicated, all information contained in this Preliminary Official Statement has been provided by the Issuer. The information set forth herein has been obtained by the Issuer from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Financial Advisor or the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

** These CUSIP numbers have been assigned by Standard & Poor’s CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc., and are included solely for the convenience of the Bond holders. The County is not responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated herein.

DYER COUNTY, TENNESSEE

OFFICIALS

County Mayor	Chris Young
County Clerk	Diane Moore
Director of Schools	Dwight Hedge
County Trustee	Nancy Broadstone
County Attorney	J. Michael Gauldin

BOARD OF COUNTY COMMISSIONERS

Jeff Branham	Pamela Newell
James T. Cobb	Kim Peckenpaugh
Brandon Dodds	Debra Roberson
Rusty Grills	Steve Sartin
Debbie Bradshaw Hart	Larry Shawver
Jimmy Hester	Doug Singleteary
Dob Johnson	Benny Spain
Robert Kirby	Vernita Turner
Terry McCreight	John Uitendaal
Steve Moore	Greg Vestal

BOND COUNSEL

Glankler Brown, PLLC
Memphis, Tennessee

BOND REGISTRAR AND PAYING AGENT

Regions Bank
Nashville, Tennessee

FINANCIAL ADVISOR

Cumberland Securities Company, Inc.
Knoxville, Tennessee

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SUMMARY STATEMENT

The information set forth below is provided for convenient reference and does not purport to be complete and is qualified in its entirety by the information and financial statements appearing elsewhere in this *Preliminary Official Statement*. This Summary Statement shall not be reproduced, distributed or otherwise used except in conjunction with the remainder of this *Preliminary Official Statement*.

The Issuer ..... Dyer County, Tennessee (the "County" or "Issuer"). See the section entitled "Supplemental Information Statement" for more information.

Securities Offered ..... $6,100,000* General Obligation Refunding Bonds, Series 2015 (the "Bonds") of the County, dated the date of delivery (estimated to be May 27, 2015). The Bonds will mature each June 1 beginning June 1, 2016 through June 1, 2026, inclusive. See the section entitled "SECURITIES OFFERED – Authority and Purpose".

Security ..... The Bonds shall be payable from unlimited *ad valorem* taxes to be levied on all taxable property within the County. For the prompt payment of principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are hereby irrevocably pledged.

Purpose ..... The Bonds are being issued for the purposes of providing funds (i) to refinance, in whole or in part, the Outstanding Bonds of the County, as described herein, and (ii) to pay costs incident to the issuance and sale of its general obligation bonds to be issued for such purposes.

Optional Redemption ..... The Bonds are subject to optional redemption prior to maturity on or after June 1, 2020, at the redemption price of par plus accrued interest. See section entitled "SECURITIES OFFERED - Optional Redemption".

Tax Matters ..... In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "LEGAL MATTERS – Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer, and estate taxes and Tennessee franchise and excise taxes. (See "LEGAL MATTERS -Tax Matters" herein.)

Bank Qualification ..... The Bonds will be treated as "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended. See the section entitled "LEGAL MATTERS - Tax Matters" for additional information.

Rating ..... Moody's Investors Service: "Aa3". See the section entitled "MISCELLANEOUS - Rating" for more information.

Underwriter ..... _____, _____, _____.

Financial Advisor ..... Cumberland Securities Company, Inc., Knoxville, Tennessee. See the section entitled "MISCELLANEOUS - Financial Advisor; Related Parties Other", herein.

Bond Counsel ..... Glankler Brown, PLLC, Memphis, Tennessee.

*Preliminary, subject to change.

Book-Entry-Only ..... The Bonds will be issued under the Book-Entry System except as otherwise described herein. For additional information, see the section entitled "BASIC DOCUMENTATION - Book-Entry System"

Registration/Paying Agent ..... Regions Bank, Nashville, Tennessee.

General ..... The Bonds are being issued in full compliance with applicable provisions of Title 9, Chapter 21, *Tennessee Code Annotated*, as supplemented and revised. See "SECURITIES OFFERED" herein. The Bonds will be issued with CUSIP numbers and delivered through the facilities of The Depository Trust Company, New York, New York.

Disclosure ..... In accordance with Rule 15c2-12 of the U.S. Securities and Exchange Commission as amended, the County will provide the Municipal Securities Rulemaking Board ("MSRB") through the operation of the Electronic Municipal Market Access system ("EMMA") and the State information depository ("SID"), if any, annual financial statements and other pertinent credit or event information, including Comprehensive Annual Financial Reports, see the section entitled "MISCELLANEOUS-Continuing Disclosure."

Other Information ..... The information in this *Preliminary Official Statement* is deemed "final" within the meaning of Rule 15c2-12 of the U.S. Securities and Exchange Commission as of the date which appears on the cover hereof except for the omissions of certain pricing information allowed to be omitted pursuant to such Rule 15c2-12. For more information concerning the County or this *Preliminary Official Statement* contact The Honorable Chris Young, County Mayor, 1 Veteran Square, Dyersburg, TN 38024, Telephone: (731) 286-7800, or the County's Financial Advisor, Cumberland Securities Company, Inc., 813 S. Northshore Drive, Suite 201A, Knoxville, Tennessee 37919, Telephone: (865) 988-2663. Additional information regarding BiDCOMP™/PARITY® may be obtained from PARITY®, 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: (800) 850-7422.

GENERAL FUND BALANCES

Summary of Changes In Fund Balances
For the Fiscal Year Ended June 30

	2010	**2011**	**2012**	**2013**	**2014**
Beginning Fund Balance	$1,353,688	$1,427,252	$19,886,951	$19,878,953	$19,689,119
Revenues	9,927,134	10,827,589	10,988,545	10,437,837	11,497,062
Expenditures	10,075,521	10,968,162	11,083,134	10,231,793	11,633,071
Excess (Deficiency) of Revenues Over Expenditures	(148,387)	(140,573)	(94,589)	206,044	(136,009)
Notes Issued	125,000	-	-	-	
Capital Leases Issued	143,284	69,354	64,282	87,831	103,231
Insurance Recovery	-	40,415	22,309	6,794	13,039
Transfers In	21,167	18,490,503	-	-	-
Transfers Out	(67,500)	-	-	(490,503)	-
Ending Fund Balance	**$1,427,252**	**$19,886,951**	**$19,878,953**	**$19,689,119**	**$19,669,380**

Source: Comprehensive Annual Financial Reports of the County.

NOTICE OF SALE

$6,100,000*
DYER COUNTY, TENNESSEE
General Obligation Refunding Bonds, Series 2015

NOTICE IS HEREBY GIVEN that the County Mayor of Dyer County, Tennessee (the "County" or "Issuer") will receive electronic or written sealed bids for the purchase of all, but not less than all, of the County's $6,100,000* General Obligation Refunding Bonds, Series 2015 (the "Bonds") at the office of the County's Financial Advisor, Cumberland Securities Company, Inc., Knoxville, Tennessee, until **10:15 a.m. E.D.T.** on **Thursday, April 23, 2015**. Prior to accepting bids, the County reserves the right to adjust the principal amount of the Bonds being offered as set forth in the Detailed Notice of Sale, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the ***PARITY***® System not later than 9:30 a.m., Eastern Daylight Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours notice via Bloomberg News Service and/or the ***PARITY***® System.

Electronic bids must be submitted through ***PARITY***® via the BiDComp Competitive Bidding Service as described in the Detailed Notice of Sale and no other provider of electronic bidding services will be accepted. For the purposes of the bidding process, both written and electronic, the time maintained by ***PARITY***® shall constitute the official time with respect to all bids. To the extent any instructions or directions set forth in ***PARITY***® conflict with the terms of the Detailed Notice of Sale and this Summary Notice of Sale, the Detailed Notice of Sale and this Summary Notice of Sale shall prevail.

The Bonds will be issued in book-entry form (except as otherwise described in the "Detailed Notice of Sale") and dated their date of issuance and delivery (assume May 27, 2015) and will mature on June 1, 2016 through June 1, 2026, inclusive, with term bonds optional, and will be subject to optional redemption prior to maturity on or after June 1, 2020. Bidders must bid not less than ninety-nine and one-half percent (99.50%) of par or no more than one hundred and twenty-five percent (125%) of par for the Bonds. The approving opinion for the Bonds will be furnished at the expense of the County by Glankler Brown, PLLC, Bond Counsel, Memphis, Tennessee. No rate or rates bid for the Bonds shall exceed five percent (5.00%) per annum. Unless bids are rejected, the Bonds will be awarded by the County Mayor of the County on the sale date to the bidder whose bid results in the lowest true interest rate on the Bonds.

Additional information, including the PRELIMINARY OFFICIAL STATEMENT in near final form and the Detailed Notice of Sale, may be obtained from the undersigned, the Honorable Chris Young, County Mayor, 1 Veteran Square, Dyersburg, TN 38024, Telephone: (731) 286-7800, or from the County's Financial Advisor, Cumberland Securities Company, Inc., 813 S. Northshore Drive, Suite 201A, Knoxville, Tennessee 37919, (865) 988-2663. Further information regarding ***PARITY***® may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York, 10018, Telephone: 212-849-5000.

/s/ Chris Young
County Mayor

* Preliminary, subject to change.

DETAILED NOTICE OF SALE

$6,100,000*
DYER COUNTY, TENNESSEE
General Obligation Refunding Bonds, Series 2015

NOTICE IS HEREBY GIVEN that electronic or sealed written bids will be received by the County Mayor of Dyer County, TENNESSEE (the "County" or "Issuer"), all or none, until 10:15 a.m. E.D.T. on Thursday, April 23, 2015 (or at such later time and date announced at least forty-eight hours in advance via Bloomberg News Service or the ***PARITY***® system) for the purchase of $6,100,000* General Obligation Refunding Bonds, Series 2015 (the "Bonds"). Electronic bids must be submitted through ***PARITY***® as described in this "Detailed Notice of Sale." In case of written sealed bids, bids will be received at the office of the County's Financial Advisor, Cumberland Securities Company, Inc., 813 S. Northshore Drive, Suite 201A, Knoxville, Tennessee 37919. Prior to accepting bids, the County reserves the right to adjust the principal amount of the Bonds being offered as set forth herein, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the ***PARITY***® System not later than 9:30 a.m., Eastern Daylight Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours notice via Bloomberg News Service and/or the ***PARITY***® System.

Description of the Bonds. The Bonds will be issued in book-entry-only form without coupons and will be issued or reissued upon transfer, in $5,000 denominations or multiples thereof, as shall be requested by the purchaser or registered owner thereof, as applicable. Interest on the Bonds will be payable on June 1 and December 1 of each year, commencing December 1, 2015.

The Bonds will mature and be payable on June 1 of each year as outlined below:

Year	Amount*	Year	Amount*
2016	$515,000	2022	$560,000
2017	525,000	2023	570,000
2018	530,000	2024	580,000
2019	535,000	2025	590,000
2020	540,000	2026	605,000
2021	550,000		

Bank Qualification. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.

Registration and Depository Participation. The Bonds, when issued, will be registered in the name of Cede & Co., DTC's partnership nominee. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry system maintained by DTC (the "Book-Entry-Only System"). One or more fully-registered bond certificates (the "Bond Certificates") will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC. The Book-Entry-Only System will evidence beneficial ownership interests of the Bonds in the principal amount of $5,000 for the Bonds and any integral multiple of $5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC, pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the

* Preliminary, subject to change.

Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. The Bonds will be payable, at maturity, to DTC or its nominee, as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments (as applicable) to beneficial owners of the Bonds by participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The County will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Notwithstanding the foregoing, if the winning bidder certifies that it intends to hold the Bonds for its own account and has no present intent to re-offer the Bonds, the use of the Book-Entry-Only system is not required.

In the event that the Book-Entry-Only only system for the Bonds is discontinued and a successor securities depository is not appointed by the County, Bond Certificates in fully registered form will be delivered to, and registered in the names of the DTC participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of $5,000 for the Bonds or integral multiples thereof. The ownership of Bonds so delivered shall be registered in registration books to be kept by the Registration Agent (named herein) at its principal corporate trust office, and the County and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Resolution authorizing the Bonds.

Security Pledged. The Bonds shall be payable from unlimited *ad valorem* taxes to be levied on all taxable property within the County. For the prompt payment of principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are hereby irrevocably pledged.

Purpose. The Bonds are being issued for the purposes of providing funds (i) to refinance, in whole or in part, the Outstanding Bonds of the County, as described herein, and (ii) to pay costs incident to the issuance and sale of its general obligation bonds to be issued for such purposes.

Optional Redemption. The Bonds maturing on and after June 1, 2021 will be subject to optional redemption prior to maturity at the option of the County on and after June 1, 2020 at the redemption price of par plus accrued interest as provided herein.

Term Bond Option; Mandatory Redemption. Bidders shall have the option to designate certain consecutive serial maturities of the Bonds as one or more term bonds ("Term Bonds") bearing a single interest rate. If the successful bidder for the Bonds designates certain consecutive serial maturities of such series of Bonds to be combined as one or more Term Bonds as allowed herein, then each Term Bond shall be subject to mandatory sinking fund redemption by the County at a redemption price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed herein for such principal payment date. Term Bonds to be redeemed within a single maturity shall be selected in the same manner as above for optional redemption of Bonds within a single maturity.

Bidding Instructions. The County will receive electronic or sealed written bids for the purchase of all, but not less than all, of the Bonds. Bidders for the Bonds are requested to name the interest rate or rates the Bonds are to bear in multiples of one-eighth of one percent and/or one-hundredth of one percent (.01%) or one (1) basis point, but no rate specified shall be in excess of five percent (5.00%) per annum. There will be no limitation on the number of rates of interest that may be specified in a single bid for the Bonds but a single rate shall apply to each single maturity of the Bonds. Bidders must bid not less than ninety-nine and one-half percent (99.50%) of par or no more than one hundred and twenty-five percent (125%) of par.

Bidders may designate two or more consecutive serial maturities of the Bonds as one or more Term Bond maturities equal in aggregate principal amount to, and with mandatory redemption requirements corresponding to, such designated serial maturities.

Electronic bids must be submitted through ***PARITY***® via BiDCOMP Competitive Bidding System and no other provider of electronic bidding services will be accepted. Subscription to the i-Deal LLC Dalcomp Division's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid. The County will not confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. For the purposes of the bidding process, the time as maintained by ***PARITY***® shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in ***PARITY***® conflict with the terms of the Detailed Notice of Sale, this Notice shall prevail. An electronic bid made through the facilities of ***PARITY***® shall be deemed an offer to purchase in response to the Detailed Notice of Sale and shall be binding upon the bidder as if made by a signed, sealed written bid delivered to the County. The County shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by ***PARITY***®. The use of ***PARITY***® facilities are at the sole risk of the prospective bidders.

For further information regarding ***PARITY***®, potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, NY 10018, Telephone: 212-849-5000.

In the event of a system malfunction in the electronic bidding process <u>only</u>, bidders may submit bid prior to the established date and time by FACSIMILE transmission sent to the County's Financial Advisor, Cumberland Securities Company, Inc., at 865-988-1863. Any facsimile submission is made at the sole risk of the prospective bidder. The County and the Financial Advisor shall not be responsible for confirming receipt of any facsimile bid or for any malfunction relating to the transmission and receipt of such bids.

Separate written sealed bids should be submitted in a sealed envelope marked "Bid for Bonds" at the offices of the County's Financial Advisor, 350 Lighthouse Pointe Dr., Lenoir City, TN 37772. Written bids must be submitted on the Bid Forms included with the PRELIMINARY OFFICIAL STATEMENT.

Acceptance or rejection of "Bids for Bonds" for the Bonds will not obligate the County to accept or reject "Bids for Bonds".

Unless all bids for the Bonds are rejected, the Bonds will be awarded by the Mayor of the County to the bidder whose bid complies with this notice and results in the lowest true interest rate on the Bonds to be calculated as that rate that, when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the date of the Bonds), produces an amount equal to the purchase price of the Bonds exclusive of accrued interest. For purposes of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part of the Term Bond shall be treated as a serial maturity in such year. In the event that two or more bidders offer to purchase the Bonds at the same lowest true interest rate, the County Mayor shall determine in his sole discretion which of the bidders shall be awarded the Bonds.

The County reserves the right to reject all bids and to waive informalities in the bids accepted.

<u>Adjustment and/or Revision</u>. While it is the County's intention to sell and issue the approximate par amounts of the Bonds as offered herein, there is no guarantee that adjustment and/or revision may not be necessary in order to properly size the Bonds. Accordingly, the County Mayor reserves the right, in his sole discretion, to adjust down the original par amount of the Bonds by up to $1,500,000. Among other factors the County Mayor may (but shall be under no obligation to) consider in sizing the par amounts and

individual maturities of the Bonds is the size of individual maturities or sinking fund installments and/or other preferences of the County. Additionally, the County Mayor reserves the right to change the dated date of the Bonds.

In the event of any such adjustment and/or revision with respect to the Bonds, no rebidding will be permitted, and the portion of such premium or discount (as may have been bid for the Bonds) shall be adjusted in the same proportion as the amount of such revision in par amount of the Bonds bears to the original par amount of such Bonds offered for sale.

The successful bidder for the Bonds will be tentatively notified by not later than 5:00 p.m. (Eastern Daylight Time), on the sale date of the exact revisions and/or adjustments required, if any.

Good Faith Deposit. No good faith check will be required to accompany any bid submitted. The successful bidder shall be required to deliver to the County's Financial Advisor (via wire transfer or certified check) the amount of two percent (2%) of the aggregate principal amount of the Bonds offered for sale which will secure the faithful performance of the terms of the bid. A certified check or wire transfer must be received by the County's Financial Advisor no later than the close of business on the day following the competitive sale. A wire transfer may be sent to First Tennessee Bank, ABA Number: 084-000-026 First Tenn Mem, FAO Cumberland Securities Company, Inc., Account No. 183302631, for further credit to Good Faith Trust Account.

The good faith deposit shall be applied (without interest) to the purchase price of the Bonds. If the successful bidder should fail to accept or pay for the Bonds when tendered for delivery and payment, the good faith deposit will be retained by the County as liquidated damages.

In the event of the failure of the County to deliver the Bonds to the purchaser in accordance with the terms of this Notice within forty-five (45) days after the date of the sale, the good-faith deposit will be promptly returned to the purchaser unless the purchaser directs otherwise.

Reoffering Prices; Other Information. The successful bidder must furnish the following information to the County to complete the *Official Statement* in final form within two (2) hours after receipt and award of the bid for the Bonds:

1. The offering prices or yields for the Bonds (expressed as a price or yield per maturity, exclusive of any accrued interest, if applicable);

2. Selling compensation (aggregate total anticipated compensation to the underwriter(s) expressed in dollars, based on the expectation that all Bonds are sold at the prices or yields as provided above);

3. The identity of the underwriters if the successful bidder is part of a group or syndicate; and

4. Any other material information necessary to complete the *Official Statement* in final form but not known to the County.

In addition, within two hours of the award of the Bonds, the successful bidder shall furnish to the County a certificate acceptable to Bond Counsel stating: (i) the reoffering prices (as shown in the bidder's winning bid); (ii) that the successful bidder will make a bona fide public offering of all of the Bonds at such reoffering prices; and (iii) that the successful bidder reasonably expects that the Bonds (or at least 10% of each maturity of the Bonds) will be sold to the public (excluding bond houses, brokers and other intermediaries) at those reoffering prices.

As a condition to the delivery of the Bonds, the successful bidder will be required to deliver a certificate to the County confirming that nothing has come to the bidder's attention that would lead it to believe that its certification with respect to the reoffering prices of the Bonds given in connection with the award of the Bonds is inaccurate, and addressing such other matters as to the reoffering prices of the Bonds as bond counsel may request.

Legal Opinion. The unqualified approving opinion of Glankler Brown, PLLC, Memphis, Tennessee, Bond Counsel along with other certificates including, but not limited to, a tax certificate and a continuing disclosure certificate dated as of the date of delivery of the Bonds will be furnished to the purchaser at the expense of the County. As set forth in the *Preliminary Official Statement*, Bond Counsel's opinion with respect to the Bonds will state that interest on the Bonds will be excluded from gross income for federal income tax purposes; is not an item of tax preference for purposes of the federal law alternative minimum tax imposed on individuals and corporations; and is taken into account in determining adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. As set forth in the *Preliminary Official Statement*, the owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. Reference is hereby made to the *Preliminary Official Statement* and the form of the opinion contained in Appendix A.

Continuing Disclosure. At the time the Bonds are delivered, the County will execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information relating to the County by not later than twelve months after each of the County's fiscal years, (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events, if determined by the County to be material under applicable federal securities laws. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through the operation of the Electronic Municipal Market Access system (the "EMMA") and any State Information Depository established in the State of Tennessee (the "SID"). If the County is unable to provide the Annual Report to the MSRB and the SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The notices of material events will be filed by the County either with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report or the notices of material events will be summarized in the County's *Official Statement* to be prepared and distributed in connection with the sale of the Bonds.

Delivery of Bonds. Delivery of the Bonds is expected within forty-five (45) days. At least five (5) days notice will be given the successful bidder. Delivery will be made in book-entry form through the facilities of The Depository Trust Company, New York, New York. Payment for the Bonds must be made in *Federal Funds* or other immediately available funds. Delivery is currently expected on or about May 27, 2015.

CUSIP Numbers. CUSIP numbers will be assigned to the Bonds at the expense of the County. The County will assume no obligation for assignment of such numbers or the correctness of such numbers and neither failure to record such numbers on Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and make payment for the Bonds.

Official Statements; Other. The County has deemed the PRELIMINARY OFFICIAL STATEMENT to be final as of its date within the meaning of Rule 15c2-12 of the U.S. Securities and Exchange Commission (the "SEC") except for the omission of certain pricing and other information. The County will furnish the successful bidder at the expense of the County a reasonable number of copies of *Official Statement* in final form, containing the pricing and other information to be supplied by the successful bidder and to be dated the date of the sale, to be delivered by the successful bidder(s) to the persons to whom such bidder and members of its bidding group initially sell the Bonds. Acceptance of the bid will constitute a contract between the County and the successful bidder for the provision of such copies within seven business days of the sale date.

Further Information. Additional information, including the *Preliminary Official Statement*, the Detailed Notice of Sale and the Official Bid Form, may be obtained from the County's Financial Advisor, Cumberland Securities Company, Inc., 813 S. Northshore Drive, Suite 201A, Knoxville, Tennessee 37919, Telephone: 865-988-2663. Further information regarding ***PARITY***® may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone: 212-849-5000.

/s/ Chris Young, County Mayor

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BID FORM
(Written Alternative)

Honorable Chris Young, County Mayor
1 Veteran Square
Dyersburg, TN 38024

April 23, 2015

Dear Mayor Young:

For your legally issued, properly executed $6,100,000* General Obligation Refunding Bonds, Series 2015 (the "Bonds") of Dyer County, Tennessee (the "County") in all respects as more fully outlined in your Notices of Sale which by reference are made a part hereof, we will pay you a sum of _____.

The Bonds shall be dated the date of delivery (assume May 27, 2015) and shall be callable in accordance with the Detailed Notice of Sale. The Bonds shall mature on June 1 and bear interest at the following rates:

Year	Amount*	Rate	Year	Amount*	Rate
2016	$515,000	_____%	2022	$560,000	_____%
2017	525,000	_____%	2023	570,000	_____%
2018	530,000	_____%	2024	580,000	_____%
2019	535,000	_____%	2025	590,000	_____%
2020	540,000	_____%	2026	605,000	_____%
2021	550,000	_____%			

We have the option to designate two or more consecutive serial maturities of the Bonds as term bond maturities as indicated:

Term Bond 1: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.
Term Bond 2: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.
Term Bond 3: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.
Term Bond 4: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.
Term Bond 5: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.

It is our understanding that the Bonds will be issued as "qualified tax-exempt obligations" subject to the final approving opinion of Glankler Brown, PLLC, Bond Counsel, Memphis, Tennessee, whose opinion together with the executed Bonds, will be furnished by the County without cost to us.

If our bid is accepted, we agree to provide a good faith deposit for 2% of the aggregate principal amount of the Bonds on which we have bid by the close of business on the date of the competitive public sale as outlined in the *Detailed Notice of Sale*. Should for any reason we fail to comply with the terms of this bid, this good faith deposit shall be forfeited by us as full liquidated damages. Otherwise, this good faith deposit shall be applied to the purchase price of the Bonds on which we have bid.

Accepted for and on behalf of the
Dyer County, Tennessee, this
April 23, 2015.

_____
Chris Young, County Mayor

Respectfully submitted,

_____
_____

Total interest cost from
May 27, 2015 to final maturity $_____
Less: Premium /plus discount, if any $_____
Net Interest Cost ..... $_____
True Interest Rate ..... _____%

The computations of net interest cost and true interest rate are for comparison purposes only and are not to be considered as part of this proposal.

* Preliminary, subject to change.

$6,100,000*
DYER COUNTY, TENNESSEE
General Obligation Refunding Bonds, Series 2015

SECURITIES OFFERED

AUTHORITY AND PURPOSE

This *Preliminary Official Statement*, which includes the Summary Statement and appendices, is furnished in connection with the offering by Dyer County, Tennessee (the "County" or "Issuer") of its $6,100,000* General Obligation Refunding Bonds, Series 2015 (the "Bonds").

The Bonds are authorized to be issued pursuant to the provisions of Title 9, Chapter 21, *Tennessee Code Annotated*, as supplemented and amended, and other applicable provisions of law and pursuant to the bond resolution (the "Resolution") duly adopted by the County Commission of the County on March 9, 2015.

The Bonds are being issued for the purposes of providing funds (i) to refinance, in whole or in part, the Outstanding Bonds of the County, as described herein, and (ii) to pay costs incident to the issuance and sale of its general obligation bonds to be issued for such purposes.

DESCRIPTION OF THE BONDS

The Bonds will be initially dated and bear interest from their date of issuance and delivery (assume May 27, 2015). Interest on the Bonds will be payable semi-annually on June 1 and December 1, commencing December 1, 2015. The Bonds are issuable in book-entry-only form in $5,000 denominations or integral multiples thereof as shall be requested by each respective registered owner.

The Bonds shall be signed by the County Mayor and shall be attested by the County Clerk. No Bond shall be valid until it has been authorized by the manual signature of an authorized officer or employee of the Registration Agent and the date of the authentication noted thereon.

REFUNDING PLAN

The County is proposing to refinance the General Obligation Refunding Bonds, Series 2005, dated April 21, 2005, maturing June 1, 2016 through June 1, 2026 (the "Outstanding Bonds"). The Outstanding Bonds will be called for redemption on June 1, 2015 at par plus accrued interest.

As required by Title 9, Chapter 21, Part 9 of *Tennessee Code Annotated* as supplemented and revised, a plan of refunding (the "Plan") for the Outstanding Bonds was submitted to the

* Preliminary, subject to change.

Director of State and Local Finance for review and that office's report on the Plan was submitted to the County.

SECURITY

The Bonds shall be payable from unlimited *ad valorem* taxes to be levied on all taxable property within the County. For the prompt payment of principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are hereby irrevocably pledged.

The County through its governing body, shall annually levy and collect a tax on all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay the principal of and interest on the Bonds when due. Principal and interest on the Bonds falling due at any time when there are insufficient funds from such tax shall be paid from the current funds of the County and reimbursement therefore shall be made out of taxes provided by the Resolution when the same shall have been collected. The taxes may be reduced to the extent of direct appropriations from the General Fund of the County to the payment of debt service on the Bonds.

The Bonds will not be obligations of the State of Tennessee.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Under the Internal Revenue Code of 1986, as amended (the "Code"), in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations," as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the County as to the Bonds, Bond Counsel has determined that the Bonds upon issuance will be "qualified tax-exempt obligations" within the meaning of the Code.

OPTIONAL REDEMPTION OF THE BONDS

Bonds maturing on June 1, 2021 and thereafter shall be subject to optional redemption prior to maturity at the option of the County on June 1, 2020 and thereafter, as a whole or in part, at any time, at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of County Commissioners, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

MANDATORY REDEMPTION

The bidders have the option of creating term bonds pursuant to the Detailed Notice of Sale. If term bonds are created, then the following provisions will apply. Subject to the credit hereinafter provided, the County shall redeem Bonds maturing June 1, 20__, and June 1, 20__ on the redemption dates set forth below opposite the maturity date, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. The Bonds to be so redeemed shall be selected by lot or in such other random manner as the Registration Agent in its discretion may designate.

The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Maturity	Redemption Date	Principal Amount of Bonds Redeemed

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds of the maturity to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this section) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation shall be accordingly reduced. The County shall on or before the forty-fifth (45) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) described above are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

NOTICE OF REDEMPTION

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the County not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither

failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

PAYMENT OF BONDS

The Bonds will bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, on the dates provided herein, such interest being computed upon the basis of a 360-day year of twelve 30-day months. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

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BASIC DOCUMENTATION

REGISTRATION AGENT

The Registration and Paying Agent, Regions Bank, Nashville, Tennessee, its successor (the "Registration Agent") or the County will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent, except as detonated in the following section titled "Book-Entry-Only System". However, if the winning bidder certifies to the County that it intends to hold the Bonds for its own account and has no present intent to reoffer the Bonds, then the use of the Book-Entry System is not required.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners (as herein after defined) of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. For additional information, see the following section.

BOOK-ENTRY-ONLY SYSTEM

The Registration Agent, its successor or the Issuer will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at its address shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Issuer in respect of such Bonds to the extent of the payments so made, except as described above. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable.

So long as Cede & Co. is the Registered Owner of the Bonds, as herein after defined, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners (as herein after defined) of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

The Bonds, when issued, will be registered in the name of Cede & Co., DTC's partnership nominee, except as described above. When the Bonds are issued, ownership interests will be available to purchasers only through a book entry system maintained by DTC (the "Book Entry Only System"). One fully registered bond certificate will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC.

DTC and its Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of

U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the U.S. Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of Ownership Interests. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

Payments of Principal and Interest. Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Registration Agent on the payable date in accordance with their respective holdings shown on DTC's records, unless DTC has reason to believe it will not receive payment on such date. Payments by Direct and Indirect Participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with municipal securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Issuer or the Registration Agent subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, tender price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the beneficial owners shall be the responsibility of Direct and Indirect Participants.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds f or their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NONE OF THE ISSUER, THE UNDERWRITER, THE BOND COUNSEL, THE FINANCIAL ADVISOR OR THE REGISTRATION AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENT TO, OR THE PROVIDING OF NOTICE FOR, SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES.

Transfers of Bonds. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the beneficial owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

None of the Issuer, the Bond Counsel, the Registration Agent, the Financial Advisor or the Underwriter will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any Bond on the registration books of the Registration Agent.

DISCONTINUANCE OF BOOK-ENTRY-ONLY SYSTEM

In the event that (i) DTC determines not to continue to act as securities depository for the Bonds or (ii) to the extent permitted by the rules of DTC, the County determines to discontinue the Book-Entry-Only System, the Book-Entry-Only System shall be discontinued. Upon the occurrence of the event described above, the County will attempt to locate another qualified

securities depository, and if no qualified securities depository is available, Bond certificates will be printed and delivered to Beneficial Owners.

No Assurance Regarding DTC Practices. The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County, the Bond Counsel, the Registration Agent, the Financial Advisor and the Underwriter do not take any responsibility for the accuracy thereof. So long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, references herein to the holders or registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds. None of the County, the Bond Counsel, the Registration Agent, the Financial Advisor or the Underwriter will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the Beneficial Owners or (iii) any other action taken by DTC or its partnership nominee as owner of the Bonds.

For more information on the duties of the Registration Agent, please refer to the Resolution. Also, please see the section entitled "SECURITIES OFFERED – Redemption."

DISPOSITION OF BOND PROCEEDS

The proceeds of the sale of the Bonds shall be applied by the County as follows:

(a) all accrued interest, if any, shall be deposited to the Bond Fund of the County to be used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds;

(b) the County shall pay, or cause to be paid, all costs of issuance the Bonds, including, but not limited to, necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, bond insurance premium, if any, administrative and clerical costs, rating agency fees, registration agent fees, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds; and

(c) an amount, which together with other legally available funds of the County, and earnings on said proceeds and funds, that will be sufficient to pay principal of, premium, if any, and interest on the portion of the Outstanding Bonds being refunded shall be applied to the payment of such outstanding portion of the Outstanding Bonds.

DISCHARGE AND SATISFACTION OF BONDS

If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways:

1. By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

2. By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or

3. By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable hereunder by the County with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the County as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the County, as received by the Registration Agent. For the purposes of this Section, Defeasance Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee law for the purposes described in this Section, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

REMEDIES OF BONDHOLDERS

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

(1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the County, including, but not limited to, the right to require the County to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the County to carry out any other covenants and agreements, or

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder.

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LEGAL MATTERS

LITIGATION

There are no claims against the County, including claims in litigation, which, in the opinion of the County, would materially affect the County's financial position as it relates to its ability to make payments on the Bonds. There are no suits threatened or pending challenging the legality or validity of the Bonds or the right of the County to sell or issue the Bonds.

TAX MATTERS

Federal

General. Glankler Brown, PLLC, Memphis, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the County and assuming compliance by the County with certain covenants, is that interest on the Bonds:

- is excluded from a bondholder's federal gross income under the Internal Revenue Code of 1986, as amended (the "Code"),
- is not a preference item for a bondholder under the federal alternative minimum tax, and
- is included in the adjusted current earnings of a corporation under the federal corporate alternative minimum tax.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes requirements on the Bonds that the County must continue to meet after the Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the County does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The County has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the

Bonds or affect the market price of the Bonds. See also "Proposed Legislation and Other Matters" below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and, as it is amortized, a bondholder's tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with a bond premium, even though the Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Original Issue Discount. A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder's federal gross income under the Internal Revenue Code. The tax accounting treatment of an original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount

Qualified Tax-Exempt Obligations. Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the County as to the Bonds, Bond Counsel has determined that the Bonds, upon issuance, will be "qualified tax-exempt obligations" within the meaning of the Code.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

State Taxes

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

CHANGES IN FEDERAL AND STATE TAX LAW

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the County will execute in a form satisfactory to Bond Counsel, certain closing certificates including the following: (i) a certificate as to the *Official Statement*, in final form, signed by the County Mayor acting in his official capacity to the effect that to the best of his knowledge and belief, and after reasonable investigation, (a) neither the *Official Statement*, in final form, nor any amendment or supplement thereto, contains any untrue statements of material fact or omits to state any material fact necessary to make statements therein, in light of the circumstances in which they are made, misleading, (b) since the date of the *Official Statement*, in final form, no event has occurred which should have been set forth in such a memo or supplement, (c) there has been no material adverse change in the operation or the affairs of the County since the date of the *Official Statement*, in final form, and having attached thereto a copy of the *Official Statement*, in final form, and (d) there is no litigation of any nature pending or threatened seeking to restrain the issuance, sale, execution and delivery of the Bonds, or contesting the validity of the Bonds or any proceeding taken pursuant to which the Bonds were authorized; (ii) certificates as to the delivery and payment, signed by the County Mayor acting in his official capacity, evidencing delivery of and payment for the Bonds; (iii) a signature identification and incumbency certificate, signed by the County Mayor and County Clerk acting in their official capacities certifying as to the due execution of the Bonds; and, (iv) a Continuing Disclosure Certificate regarding certain covenants of the County concerning the preparation and distribution of certain annual financial information and notification of certain material events, if any.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters relating to the authorization and the validity of the Bonds are subject to the approval of Glankler Brown, PLLC, Memphis, Tennessee, Bond Counsel. Bond counsel has not prepared the *Preliminary Official Statement* or the *Official Statement*, in final form, or verified their accuracy, completeness or fairness. Accordingly, Bond Counsel expresses no opinion of any kind concerning the *Preliminary Official Statement* or *Official Statement*, in final form, except for the information in the section entitled "LEGAL MATTERS - Tax Matters." The opinion of Bond Counsel will be limited to matters relating to authorization and validity of the Bonds and to the tax-exemption of interest on the Bonds under present federal income tax laws, both as described above. The legal opinion will be delivered with the Bonds and the form of the opinion is included in APPENDIX A. For additional information, see the section entitled "MISCELLANEOUS – Competitive Public Sale", "- Additional Information" and "- Continuing Disclosure."

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MISCELLANEOUS

RATING

Moody's Investors Service ("Moody's") has given the Bonds the rating of "Aa3".

There is no assurance that such rating will continue for any given period of time or that the rating may not be suspended, lowered or withdrawn entirely by Moody's, if circumstances so warrant. Due to the ongoing uncertainty regarding the economy and debt of the United States of America, including, without limitation, the general economic conditions in the country, and other political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the Bonds, could be subject to a rating downgrade. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, including the Bonds. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds.

The rating reflects only the views of Moody's and any explanation of the significance of such ratings should be obtained from Moody's.

COMPETITIVE PUBLIC SALE

The Bonds will be offered for sale at competitive public bidding on April 23, 2015. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that was dated April 2, 2015.

The successful bidder for the Bonds was an account led by _____, _____, _____ (the "Underwriters") who contracted with the County, subject to the conditions set forth in the Official Notice of Sale and Bid Form to purchase the Bonds at a purchase price of $_____ (consisting of the par amount of the Bonds, less an underwriter's discount of $_____ and an original issue discount of $_____) or ____% of par plus accrued interest, if any, to the date of delivery.

FINANCIAL ADVISOR; RELATED PARTIES; OTHER

Financial Advisor. Cumberland Securities Company, Inc., Knoxville, Tennessee has been employed by the County to serve as its Financial Advisor. The Financial Advisor is an independently owned financial advisory firm.

Regions Bank. Regions Bank (the "Bank") is a wholly-owned subsidiary of Regions Financial Corporation. The Bank provides, among other services, commercial banking, investments and corporate trust services to private parties and to State and local jurisdictions, including serving as registration, paying agent or filing agent related to debt offerings. The Bank will receive compensation for its role in serving as Registration and Paying Agent for the Bonds.

In instances where the Bank serves the County in other normal commercial banking capacities, it will be compensated separately for such services.

Official Statements. Certain information relative to the location, economy and finances of the Issuer is found in the *Preliminary Official Statement*, in final form and the *Official Statement*, in final form. Except where otherwise indicated, all information contained in this Official Statement has been provided by the Issuer. The information set forth herein has been obtained by the Issuer from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Financial Advisor or the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

Cumberland Securities Company, Inc. distributed the *Preliminary Official Statement*, in final form, and the *Official Statement*, in final form on behalf of the County and will be compensated and/or reimbursed for such distribution and other such services.

Bond Counsel. From time to time, Glankler Brown, PLLC has represented the Bank on legal matters unrelated to the County and may do so again in the future.

Other. Among other services, Cumberland Securities Company, Inc. and the Bank may also assist local jurisdictions in the investment of idle funds and may serve in various other capacities, including Cumberland Securities Company's role as serving as the County's Dissemination Agent. If the County chooses to use one or more of these other services provided by Cumberland Securities Company, Inc. and/or the Bank, then Cumberland Securities Company, Inc. and/or the Bank may be entitled to separate compensation for the performance of such services.

ADDITIONAL DEBT

The County has not authorized any additional debt at this time. However, the County has ongoing captial needs and may or may not issue additional debt in the future.

DEBT RECORD

There is no record of a default on principal and interest payments by the County from information available. Additionally, no agreements or legal proceedings of the County relating to securities have been declared invalid or unenforceable.

CONTINUING DISCLOSURE

The County will at the time the Bonds are delivered execute a continuing disclosure certificate (the "Disclosure Certificate") under which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the County by not later than twelve months after the end of each fiscal year

commencing with the fiscal year ending June 30, 2015 (the "Annual Report"), and to provide notice of the occurrence of certain significant events not later than ten business days after the occurrence of the events and notice of failure to provide any required financial information of the County. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the "Rule").

Five-Year History of Filing. While it is believed that all appropriate filings were made with respect to the insured ratings of the County's outstanding bond issues, which were insured by the various municipal bond insurance companies, no absolute assurance can be made that all such rating downgrades of the various insurance companies which insured each transaction were made or made in a timely manner as required by SEC Rule 15c2-2. With the exception of the foregoing, for the past five years, the County has complied in all material respects with its existing continuing disclosure agreements in accordance with SEC Rule 15c2-12.

Content of Annual Report. The County's Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the County for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the County's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available. The Annual Report shall also include in a similar format the following information included in APPENDIX B entitled "SUPPLEMENTAL INFORMATION STATEMENT."

1. Summary of bonded indebtedness as of the end of such fiscal year as shown on page B-10;

2. The indebtedness and debt ratio as of the end of such fiscal year, together with information about the property tax base as shown on pages B-11 and B-12;

3. Information about the Bonded Debt Service Requirements – General Fund and General Debt Service Fund as of the end of such fiscal year as show on page B-13;

4. The fund balances and retained earnings for the fiscal year as shown on page B-15;

5. Summary of Revenues, Expenditures and Changes in Fund Balances - General Fund for the fiscal year as shown on page B-16;

6. The estimated assessed value of property in the County for the tax year ending in such fiscal year and the total estimated actual value of all taxable property for such year as shown on page B-19;

8. Property tax rates and tax collections of the County for the tax year ending in such fiscal year as well as the uncollected balance for such fiscal year as shown on page B-20; and

9. The ten largest taxpayers as shown on page B-20.

Any or all of the items above may be incorporated by reference from other documents, including Official Statements in final form for debt issues of the County or related public entities, which have been submitted to each of the Repositories or the U.S. Securities and Exchange Commission. If the document incorporated by reference is a final Official Statement, in final form, it will be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events. The County will file notice regarding material events with the MSRB and the SID, if any, as follows:

1. Upon the occurrence of a Listed Event (as defined in (3) below), the County shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB and SID, if any. Notwithstanding the foregoing, notice of Listed Events described in subsection (3)(h) and (i) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Resolution.

2. For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the County shall determine the materiality of such event as soon as possible after learning of its occurrence.

3. The following are the Listed Events:

    a. Principal and interest payment delinquencies;

    b. Non-payment related defaults, if material;

    c. Unscheduled draws on debt service reserves reflecting financial difficulties;

    d. Unscheduled draws on credit enhancements reflecting financial difficulties;

    e. Substitution of credit or liquidity providers, or their failure to perform;

    f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

g. Modifications to rights of Bondholders, if material;

h. Bond calls, if material, and tender offers;

i. Defeasances;

j. Release, substitution, or sale of property securing repayment of the securities, if material;

k. Rating changes;

l. Bankruptcy, insolvency, receivership or similar event of the obligated person;

m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Termination of Reporting Obligation. The County's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the County may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized Bond Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds, or (ii) does not, in the opinion of nationally recognized Bond Counsel, materially impair the interests of the Holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the County shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Default. In the event of a failure of the County to comply with any provision of the Disclosure Certificate, any Bondholder, or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the County to comply with the Disclosure Certificate shall be an action to compel performance.

ADDITIONAL INFORMATION

Use of the words "shall," "must," or "will" in this Official Statement in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

The references, excerpts and summaries contained herein of certain provisions of the laws of the State of Tennessee, and any documents referred to herein, do not purport to be complete statements of the provisions of such laws or documents, and reference should be made to the complete provisions thereof for a full and complete statement of all matters of fact relating to the Bonds, the security for the payment of the Bonds, and the rights of the holders thereof.

The PRELIMINARY OFFICIAL STATEMENT and OFFICIAL STATEMENT, in final form, and any advertisement of the Bonds, is not to be construed as a contract or agreement between the County and the purchasers of any of the Bonds. Any statements or information printed in this PRELIMINARY OFFICIAL STATEMENT or the OFFICIAL STATEMENT, in final form, involving matters of opinions or of estimates, whether or not expressly so identified, is intended merely as such and not as representation of fact.

The County has deemed this PRELIMINARY OFFICIAL STATEMENT as “final” as of its date within the meaning of Rule 15c2-12(b) of the U.S. Securities and Exchange Commission except for the omission of certain pricing information allowed to be omitted pursuant to Rule 15c2-12(b).

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CERTIFICATION OF ISSUER

On behalf of the County, we hereby certify that to the best of our knowledge and belief, the information contained herein as of this date is true and correct in all material respects, and does not contain an untrue statement of material fact or omit to state a material fact required to be stated where necessary to make the statement made, in light of the circumstance under which they were made, not misleading.

/s/ _____
County Mayor

ATTEST:

/s/ _____
County Clerk

APPENDIX A

PROPOSED FORM OF LEGAL OPINION

[Letterhead of Glankler Brown, PLLC]

(Date of Closing)

Board of County Commissioners
of Dyer County, Tennessee
1 Veteran Square
Dyersburg, Tennessee 38024

Re: $6,100,000 General Obligation Refunding Bonds, Series 2015 of Dyer County, Tennessee

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Dyer County, Tennessee (the "County"), of $6,100,000 aggregate principal amount of its General Obligation Refunding Bonds, Series 2015 dated as of the date hereof (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Preliminary Official Statement or any other offering material published and distributed in connection with the sale of the Bonds or any other information concerning the financial condition of the County which may have been provided to the purchasers of the Bonds, and we express no opinion relating thereto.

Based on our examination, we are of the opinion, under existing law, as of the date hereof, as follows:

1. The Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of Tennessee and constitute the valid and binding general obligations of the County for the payment of which the County has irrevocably pledged its full faith and credit. The Bonds are payable as to both principal and interest from ad valorem taxes to be levied, as necessary, upon all taxable property within the County without limitation as to rate or amount.

2. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on

individuals and corporations; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax. The opinion set forth in clause (a) above is subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The County has covenanted to comply with all such requirements. Except as set forth in this Paragraph 2 and in Paragraph 4 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

3. The Bonds and the income therefrom are exempt from all present state, county and municipal taxation in the State of Tennessee, except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on all or a portion of the interest on any Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

4. The Bonds have been designated (or are deemed designated) by the County as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

To the extent constitutionally applicable, the rights of the holders of the Bonds and the enforceability thereof are subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereinafter enacted. Also, the enforcement of bondholder rights may be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

APPENDIX B

SUPPLEMENTAL INFORMATION STATEMENT

GENERAL INFORMATION

LOCATION

Dyer County (the "County") is located in the northwestern part of Tennessee and is approximately 78 miles north of Memphis and 45 miles northwest of Jackson. The County is bounded by Lake and Obion Counties to the north, Gibson and Crocket Counties to the east, Lauderdale County to the south and the Mississippi River / Missouri state line to the west. The City of Dyersburg (the "City") is the county seat of the County. The Cities of Newbern and Trimble are the other incorporated cities in the County.

GENERAL

Dyer County has an equal blend of agriculture and industry, with local farms producing great quantities of soybeans, wheat, corn and cotton. Turnip greens, spinach, tomatoes, lima beans and field peas are also grown in quantity. Approximate land area is 337,280 acres. About 75% of Dyer County's acreage is available for agricultural purposes. Livestock and dairy products contribute to farm income. The County's industrial support capabilities are among the most extensive in the region, equivalent to approximately twice those services offered in similarly sized communities.

Dyersburg was designated a Micropolitan Statistical Area (the "mSA") in 2004. An mSA is defined by the U.S. Census Bureau as a non-urban community that is anchored by a town of no more than 50,000 residents. According to the 2010 US Census the County had a population of 38,335 and the City had a population of 17,145.

In 2014 Dyersburg Micropolitan placed 8th out of 576 recognized mSA's in the country based on the number of industries that it has attracted as well as expansions under taken by industries that already call Dyersburg home. The ranking is the highest Dyersburg has ever received in the annual listing and it is also the highest ranking for any Tennessee mSA.

TRANSPORTATION

Roadways. The County is served by U.S. Highways 51 and 412 and State Highways 77, 78, 104, 210 and 211. U.S. Highway 412 is a four-lane connector between I-40 at Jackson, Tennessee and I-155 at Dyersburg. Interstate I-155 provides 25 miles of interstate linkage from I-55 in Missouri to State Highway 51 north of Dyersburg. Interstate I-40 is located about 46 miles south of the County. The Mississippi River Bridge, a quarter-of-a-mile structure located near the City and Caruthersville, Missouri, is the only river bridge between Memphis, Tennessee and Cairo, Illinois. The proposed Interstate 69 from Canada to Mexico has been approved in Congress and will go past Dyersburg and Memphis. See "RECENT DEVELOPMENTS" for more information.

River Ports. The Mississippi River is located 13 miles west of Dyersburg via State Route 20 and I-155; easily accessible to Mississippi River ports at Caruthersville, Missouri, Hickman, Kentucky, and Memphis, Tennessee with barge loading and unloading locally. The Port of Cates Landing on the Mississippi is a natural slackwater port 29 miles northwest of the County in Lake

County that has recently been approved by the U.S. Corps of Engineers. It is a joint project between Lake, Obion and Dyer Counties. It is the only port that is not protected by a levee between Memphis and Illinois since it is above a 100-year-flood plain of the Mississippi. The port became operational in 2013. The Port of Cate Landing has been designated a foreign trade zone.

The 2,320-mile-long Mississippi River is part of the Missouri-Mississippi river system, which is the largest river system in North America. The River borders Lake, Obion, Dyer, Lauderdale, Tipton and Shelby Counties in the state. Channelization of the Mississippi River to a 9-foot minimum navigable depth from its junction in Minnesota to the Gulf of Mexico gives the County the benefits of year round, low cost water transportation. The Lower Mississippi, below St. Louis, is only constrained by levees and directed by numerous wing dams which make it relatively free-flowing compared to the Upper Mississippi which has a series 29 locks and dams.

Railways and Bus Service. Dyer County is served by Amtrak along the Illinois Central mainline, with daily service to Chicago and New Orleans. Departure and arrival is located at the Historic Newbern Depot in downtown Newbern. Trailways Bus Line operates daily service through Dyersburg en route to Chicago, Memphis and many other destinations.

Airport. Dyersburg Municipal Airport is a full service airport. Two lighted runways are 5,700 and 4,000 feet in length. The Dyersburg Airport was taken over by the City of Dyersburg in 2012. In 2014 a new $3.7 million runway resurfacing was completed (See "RECENT DEVELOPMENTS" for more information). The nearest commercial airport is Memphis International, 78 miles southwest, and McKellar Airport, 45 miles southeast of Dyersburg at Jackson.

Source: Dyersburg Dyer County Chamber of Commerce.

EDUCATION

There are two school systems in the County. The *Dyer County School System* serves a 530 square mile area that includes the cities of Dyersburg, Newbern, and Trimble. The County's school system operates eight schools - five elementary, two middle schools, and one high school. The fall 2013 enrollment was 3,911 students with 232 teachers. The *Dyersburg City School System* operates four schools - two elementary, one middle school and one high school. The fall 2013 enrollment was 2,908 students with 184 teachers.

Source: Tennessee Department of Education.

Dyersburg State Community College is an accredited public comprehensive community college that operates within the governance of the Tennessee Board of Regents. Founded in 1967, Dyersburg State is located on a 100-acre campus in Dyer County, Tennessee and serves the educational needs of a seven-county area of Northwest Tennessee: Lake, Obion, Dyer, Gibson, Lauderdale, Crockett and Tipton Counties. The fall of 2013 semester had an enrollment of 3,271 students. Dyersburg State also offers increased access to education via technology-assisted instruction, distance learning and course offerings at convenient locations in three other campuses in Obion, Gibson and Tipton Counties.

Source: Dyersburg State Community College and Tennessee Higher Education Commission.

The Tennessee Technology Center at Newbern. The Tennessee Technology Center at Newbern is part of a statewide system of 26 vocational-technical schools. The Tennessee Technology

Center meets a Tennessee mandate that no resident is more than 50 miles from a vocational-technical shop. The institution's primary purpose is to meet the occupational and technical training needs of the citizens including employees of existing and prospective businesses and industries in the region. The Technology Center at Newbern serves the northwest region of the state including Dyer, Lake and Obion Counties. The Technology Center at Newbern began operations in 1965, and the main campus is located in Dyer County. Fall 2012 enrollment was 489 students.

Source: Tennessee Technology Center at Newbern and Tennessee Higher Education Commission.

There are other institutes of higher learning in the area including the University of Tennessee at Memphis and the University of Tennessee at Martin. In nearby Jackson, linked by the four-lane US Highway 412, are three four-year universities: Union University, a Baptist college, Lambuth, a Methodist college and Lane College. Each institution offers a variety of courses and degrees ranging from vocational and technical training to nursing, education, business, and engineering degrees.

MEDICAL

The *Dyersburg Regional Medical Center* (the "DRMC") is a 225 bed, acute care hospital located in Dyersburg and is accredited by the Joint Commission on Accreditation of Healthcare Organizations. The medical center serves the citizens of Dyer, Lake, and Lauderdale Counties, comprising a population of about 75,000 people. DRMC offers 24-hour emergency care and includes a fast-track service for those patients seeking non-emergency care. DRMC offers a full range of services including intensive care, medical/surgical care, orthopedics, gastroenterology, OB/GYN, urology, E.N.T., endocrinology, and diagnostic imaging. The hospital completed a renovation in early 2011 (Please see "RECENT DEVELOPMENT" for more information.) DRMC is affiliated with Community Health Systems (the "CHS") which is one of the nation's leading operators of general acute care hospitals based in Brentwood, TN. The organization's affiliates own, operate or lease more than 110 hospitals in 28 states, with an aggregate of more than 17,000 licensed beds. There are eleven CHS hospitals in Tennessee.

Source: Community Health Systems.

MANUFACTURING AND COMMERCE

The Dyersburg / Dyer County mSA was named the top Micropolitan Statistical Area in the State for 2013 and 2014 and was listed in the top ten nationwide of mSA's for 2013 and 2014. The ranking is based on the number of industries attracted to the area and industry expansions that already base their facility in the area. In 2013 483 new jobs from new and existing facilities were added in the County with $25.9 million in new capital investments. In 2014, 388 new jobs from new and existing facilities were crated with $62.5 million in new capital investments.

The County is the regional retail, medical, employment and cultural center for more than 300,000 people who live in 10 counties in a tri-state area that includes Tennessee, Missouri and Arkansas. A bridge across the Mississippi River links Dyer County with Interstate 55, a major north/south highway in the center of the country. The County is also with a day's drive of 76 percent of the county's major markets.

Dyer County has several full service Industrial Parks. Dyersburg Industrial Park has 603 acres with 150 acres currently available for development and Newbern Industrial Park that has 57

acres, 14 of which are available for development. Blankenship Property, a private development, is located within the city limits of Dyersburg adjacent to the Newbern Industrial Park and has 140 acres currently available for development. The North Industrial Park, recently built across Interstate I55 from Dyersburg Industrial Park by the County and City, added another 247 acres for industrial development.

The Dyersburg Rail Site, which is located near the Port of Cates Landing, was certified in 2013 as a Select Tennessee Certified Sites. This recognizes select industrial parks, sites and other areas as having met international standards by leading site-selection firms.

Source: Dyersburg Dyer County Chamber of Commerce and the State Gazette.

Major Employers located in Dyer County, Tennessee

Company	Product	Employees
Jimmy Dean Foods	Pork Processing	900
ERMCO	Distribution Transformers	700
NSK	Automotive manufacturing	632
WalMart	Retail	528
Nordyne	HVAC Systems	475
City of Dyersburg	Government	365
Heckethorn Manufacturing	Exhaust System Clamps	362
Dyersburg School System	Education	339
Huish Detergents	Household Cleaning Products	208
SR Products	Automotive Components	206
Royalguard Vinyl	Vinyl Siding	206
Eaton Global Hoses	Rubber Industrial Hoses	171
Rough Country	Automotive Lift Kits	168
Ford Asphalt Plant	Hot Mix Asphalt	150
Caterpillar Precision Machined	Machined Clutch Housing	147
PolyOne	Custom Mix, Plastics, Sponge Rubber	120
Firestone Ind. Products	Metal Stampings for Air Springs	108
Colonial DPP	Diversified Polymer Products	89
Dr. Pepper/ Pepsi Bottling Co.	Bottled Soft Drinks	75
City of Newbern	Government	57
Impressive Manufacturing	Metal Fabrication	55

Source: Department of Economic & Community Development and the State Gazette - 2014.

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EMPLOYMENT INFORMATION

Unemployment in the Dyersburg mSA and Dyer County as of December 2014 stood at 8.0%, representing 14,740 persons employed out of a labor force of 16,020. The chart below depicts unemployment trends in the County:

Unemployment

	Annual Average **2009**	Annual Average **2010**	Annual Average **2011**	Annual Average **2012**	Annual Average **2013**
National	9.3%	9.6%	8.9%	8.1%	7.4%
Tennessee	10.5%	9.7%	9.2%	8.0%	8.2%
Dyersburg mSA & Dyer County	**13.9%**	**12.6%**	**13.1%**	**11.6%**	**11.2%**
Index vs. National	149	131	147	143	151
Index vs. State	132	130	142	145	137

Source: Tennessee Department of Labor and Workforce Development.

ECONOMIC DATA

Per Capita Personal Income

	2009	**2010**	**2011**	**2012**	**2013**
National	$39,379	$40,144	$42,332	$44,200	$44,765
Tennessee	$34,439	$35,426	$37,151	$39,002	$39,558
Dyersburg mSA & Dyer County	**$30,816**	**$32,145**	**$34,099**	**$35,700**	**$37,032**
Index vs. National	78	80	81	81	83
Index vs. State	89	91	92	92	94

Source: Bureau of Economic Analysis.

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Social and Economic Characteristics

	National	Tennessee	Dyer County	Dyersburg
Median Value Owner Occupied Housing	$176,700	$139,200	$99,500	$96,400
% High School Graduates or Higher Persons 25 Years Old and Older	86.0%	84.4%	83.6%	83.6%
% Persons with Income Below Poverty Level	15.4%	17.6%	17.8%	24.3%
Median Household Income	$53,046	$44,298	$38,953	$30,864

Source: U.S. Census Bureau State & County QuickFacts - 2013.

RECREATION

With an abundance of lakes, rivers, and wildlife areas, Tennessee is the perfect home for outdoor enthusiasts. Dyersburg is 22 miles south of Reelfoot Lake and Wildlife Refuge. Water sports, fishing and wildlife appreciation are popular forms of recreation in the area. Each April, Dyersburg comes alive with the annual Dogwood Festival and the Dogwood Dash. The festival includes a golf tournament, beauty pageants, a chili cook-off, a car show, and other activities. The Dogwood Dash - a youth run, a health walk, and 5K and 10K races - attracts hundreds of participants from across the country.

Reelfoot Lake State Park. Reelfoot Lake State Park is located in 22 miles north of Dyersburg in Lake and Obion Counties. It contains about 25,000 acres, 15,000 of which are water. The area is said to be the greatest hunting and fishing preserve in the nation. Park naturalists conduct daily American bald eagles tours in the winter when the birds make their seasonal homes there. The park also harbors almost every other kind of shore and wading bird. At least a thousand pairs of birds, including anhingas, cormorants, great blue herons, and common egrets nested in the crowns of cypress trees, some more than 100 feet tall. The park has a museum, an auditorium, a Conference Center, a Visitor Center and a motel. Reelfoot Lake offers a large variety of motels, inns and restaurants. The park also features campgrounds, swimming pools, fishing, boating and picnic areas.

Historians record that Reelfoot Lake was created by a series of severe earthquakes during the bitter cold winter of 1811-12. Landslides swept down the bluffs, large areas of land were uplifted and still larger areas sank. As the land subsided the water poured over in one of the large sunken areas and filled the basin. The large pool gradually grew placid and Reelfoot Lake was born. Practically every variety of fish known from Yellowstone to Pennsylvania was swept into the basin. Cypress trees and willow flourished, and one of the world's greatest natural fish hatcheries resulted.

Source: Tennessee State Parks.

RECENT DEVELOPMENTS

Briggs & Stratton Plant. The outdoor equipment manufacturer announced in early 2012 the complete closure of the Newbern plant. The plant is expected to shut down in May of 2012 and will affect almost 700 workers. All operations are to be moved to another facility in Georgia. Briggs & Stratton was operational by fall of 2007 and invested about $22 million into converting the 252,200-square-foot plant.

CVS Pharmacy. The empty Best Western Inn began demolition in late 2014 to clear room to build a new CVS Pharmacy. Construction of the CVS is expected to begin in early 2015.

Dot Foods. The nation's largest food redistributor, Dot Foods, in early 2015 opened a new, 166,000-square-foot, $24 million facility in Dyersburg, bringing 157 new jobs. The facility is expected to be operational in November of 2014. Dot Foods averages approximately $4.5 billion in annual sales and employs close to 4,000 full-time employees.

Dyersburg Municipal Airport. In 2012 the City of Dyersburg took over the day-to-day operations of the Dyersburg Municipal Airport. The 5,700-foot runway was resurfaced and rebuilt in 2014, paid for by a $3.7 million grant from the Tennessee Aeronautics Division. In 2013, the Dyersburg Airport was a busy as the larger airport in Jackson, TN. They sold over 70,000 gallons of fuel, which is nearly three times the average amount of fuel an airport of its size usually sells.

Dyersburg Regional Medical Center. In early 2011 the Medical Center completed a renovation that created fifteen private rooms from an unused area of the Hospital. Construction lasted a year and cost about $4.3 million. The unused area was the old operating suites that closed and relocated in 1997.

Full Throttle Distillery. The Full Throttle Distillery opened a 9,000-square-foot moonshine distillery in Trimble (located in both Dyer and Obion Counties). Construction began in 2012 and was completed in 2014 in an old cotton gin. The facility features a new diner and a retail store. The grand opening featured a free three-day event that was filled with live music, a car show, food vendors and a concert from a country music star.

Interstate 69 Project. The proposed north-south highway corridor between Canada and Mexico will go past Dyersburg and Memphis. There are already service-related businesses expressing interest in coming to Dyersburg once the interstate is completed. It is estimated that 63 percent of the truck traffic between Canada and Mexico will go through West Tennessee on I-69. Completion of the corridor in Tennessee could cost in excess of $800 million. The economic potential of this interstate's location in West Tennessee is very promising. One study has shown I-69 would produce about $1.57 for every dollar invested.

Love's Travel Stop. In early 2015 approval was granted to begin construction for a Love's Travel Stop on Highway 78 in Dyersburg. The 10 acre site will accommodate 77 car parks and 89 truck parks, a convenience store, gift shop, tire care facility for trucks and also a Hardee's restaurant. The project will cost $9-$11 million and should open by the end of 2015. It will employ seven salaried management personnel with 30-35 full-time employees.

McIver's Grant Public Library. McIver's Grant Public Library was awarded $2.6 million in federal loans and grants in late 2010. The project renovated and converted Dyersburg's old Piggly Wiggly building into a brand new library. The new facility features approximately 16,400 square feet of usable space on a single level.

NORDYNE. In 2014 the NORDYNE company began moving production from one of its Missouri facilities to the Dyersburg plant. The $40 million expansion should be completed and running in 2015. NORDYNE is an HVAC manufacturer with seven locations in North America.

NSK Steering Systems. NSK Steering, a leading global manufacturer of automotive steering systems and its components, occupy a 100,000 square-foot building in the Dyersburg North Industrial Park. NSK announced in 2014 that it would begin a $700,000 expansion to its office space and additional manufacturing lines would be added in 2015, which would bring in more additional jobs. In 2013 the company finished construction on an additional 100,000 square-foot, $30 million expansion that employed an additional 300 workers. The company is headquartered in Japan and has sales operation in 25 countries supplying steering systems and components to companies such as Toyota, Honda, Mercedes and Nissan. The Dyersburg operation became operational in the fall of 2007.

Port of Cates Landing. The Port of Cates Landing is a natural slackwater port four miles northeast of Tiptonville in Lake County (and 29 miles north of Dyersburg) that is a joint project of Lake, Obion and Dyer Counties and the U.S. Corps of Engineers. It is the only port that is not protected by a levee between Memphis and Illinois since it is above a 100 year flood plain of the Mississippi. R.J. Corman Railroad Group of Nicholasville, KY has been awarded the contract as port operator.

Construction of the 420 acre site began in 2011, and the $35 million port became operational in 2013. There is room for an industrial park at the site, and the port is expected to bring 1,700 jobs to the region and retain 2,293 related jobs. In late 2010 a federal grant of $13 million was awarded to the port to complete construction and infrastructure. In addition to the construction at the river an upgrade of the local roads and rail lines was also completed. In summer of 2011 Choctaw Transportation, a locally operated business, won the $9.6 million bid for the construction of the open cell dock construction at the port. Construction was completed in 2012. It is the most expensive and critical piece to the larger project of building the Port.

The Northwest Tennessee Port is an intermodal freight transfer facility and potential industrial park complex designed to exploit the unique geography and existing river, rail and highway transportation assets already in place. The River Port is comprised of a river terminal and includes a cross-dock, and trans-load facility that is designed to handle, Barge to Rail, Barge to Truck and Truck to Rail. The site of a proposed Industrial Park is comprised of the adjacent 350 acres of flat lands north of the City of Tiptonville. The optimum use envisioned for the Park is one which would exploit the River, and the proximity to I-55, I-24 as well as the planned I-69 corridor, and the main line Canadian National Railway. Being centrally located in Mid-America makes this location even more obvious as a venue for the project. The benefit of the Port to the City of Dyersburg lies in the fact that all southern highway access to the Port and all Railroad access to the Port runs through the City of Dyersburg. The City anticipates a significant economic boast resulting from the commencement of the Port operations.

Rough Country. Dyersburg-based Rough Country has expanded to a fifth facility within the County in the old Briggs and Stratton building in Newbern. The facility was operational in August 2014. This adds to the existing facilities in Dyersburg and Yorkville. Rough Country produces automotive lift kits in all three facilities. The company, which started in 1992, distributes to 100 countries and currently has 168 workers employed.

Royal Building Products. The PVC pipe production company, Royal Building Products, announced in 2014 that it will invest $24 million in new equipment at its Newbern facility. This will create 85 new jobs by the beginning of 2015.

White Squirrel Winery. Located in Kenton, the White Squirrel Winery opened in 2004 and is the second largest fruit producer in the state. The Winery opened up an event center in 2014 to accommodate groups of 150 people.

Worldcolor. The Worldcolor property was sold to West-Tenn Industrial Redevelopment in early 2012 for $3.7 million. Worldcolor, or World Color Press Inc, was acquired by Quad/Graphics Inc. in January of 2010. In March of 2011 the Dyersburg plant of about 668 employees was completely closed.

Source: The State Gazette, and NORDYNE.

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DYER COUNTY, TENNESSEE

Summary of Long Term Indebtedness

AMOUNT ISSUED		PURPOSE	DUE DATE	INTEREST RATE(S)	As of June 30, 2014 OUTSTANDING (1)
$ 7,980,000		General Obligation Refunding Bonds, Series 2005	June 1, 2026	Fixed	$ 6,405,000
19,910,000		General Obligation Bonds, Series 2009A	June 1, 2026	Fixed	17,210,000
10,330,000		General Obligation Bonds, Series 2009B	June 1, 2026	Fixed	9,085,000
8,960,000		Qualified School Construction Bonds, Series 2009	2027	Fixed	6,851,341
5,673,000	(2)	Qualified School Construction Bonds, Series 2010	2028	Fixed	4,670,257
1,325,000	(3)	Spec Building Loan, Series 2010	2030	Fixed	1,325,000
$ 54,178,000		**EXISTING LONG TERM INDEBTEDNESS**			$ 45,546,598
$ 6,100,000		General Obligation Refunding Bonds, Series 2015	June 1, 2026	Fixed	$ 6,100,000
(7,980,000)		Less: Bonds Being Refunded (Series 2005 Bonds)			(6,025,000)
$ 52,298,000		**NET LONG TERM INDEBTEDNESS**			$ 45,621,598

Notes:

(1) The above figures do not include short-term notes or leases outstanding, if any. For more information, see the notes to the Financial Statements in the GENERAL PURPOSE FINANCIAL STATEMENTS included herein.

(2) The original federal subsidy on the Qualified School Construction Bonds, Series 2010 has been reduced by 7.3% for the federal fiscal year ending September 30, 2015 as a result of the sequestration by the Budget Control Act of 2011. After October 1, 2015, the sequestration rate will be subject to change.

(3) Dyer County, Tennessee and the City of Dyersburg, Tennessee each guaranteed the 50% of the debt payments on a spec building built in one of the local industrial park. When the spec building is sold the debt will be retired.

Debt Record: There is no record of a default of paying principal and interest on any debt for information available.

DYER COUNTY, TENNESSEE

INDEBTEDNESS AND DEBT RATIOS

INTRODUCTION

The information set forth in the following table is based upon information derived in part from the CAFR and the table should be read in conjunction with those statements. The table does not include future funding plans whether disclosed or not in this Preliminary Official Statement.

INDEBTEDNESS	Fiscal Year Ending June 30					After Issuance
	2010	2011	2012	2013	2014	2015
TAX SUPPORTED						
General Obligation Bonds and Notes (3)	$48,806,416	$53,346,271	$50,650,732	$48,055,990	$45,546,598	$ 45,621,598
TOTAL TAX SUPPORTED	$48,806,416	$53,346,271	$50,650,732	$48,055,990	$45,546,598	$45,621,598
TOTAL DEBT	$48,806,416	$53,346,271	$50,650,732	$48,055,990	$45,546,598	$45,621,598
Less: Revenue Supported Debt	$0	$0	$0	$0	$0	$0
Less: Debt Service Funds	(3,566,980)	(4,247,840)	(2,560,633)	(2,129,464)	(1,979,879)	(1,979,879)
NET DIRECT DEBT	$45,239,436	$49,098,431	$48,090,099	$45,926,526	$43,566,719	$43,641,719
PROPERTY TAX BASE						
Estimated Actual Value	$2,174,520,025	$2,132,957,155	$2,113,658,572	$2,153,490,287	$2,189,989,203	$2,189,989,203
Appraised Value	2,174,520,025	2,132,957,155	2,113,658,572	2,153,490,287	2,189,989,203	2,189,989,203
Assessed Value	631,763,237	618,425,089	612,343,946	626,662,061	638,298,132	638,298,132

DEBT RATIOS	Fiscal Year Ending June 30 2010	2011	2012	2013	2014	After Issuance 2015
TOTAL DEBT to Estimated Actual Value	2.24%	2.50%	2.40%	2.23%	2.08%	2.08%
TOTAL DEBT to Appraised Value	2.24%	2.50%	2.40%	2.23%	2.08%	2.08%
TOTAL DEBT to Assessed Value	7.73%	8.63%	8.27%	7.67%	7.14%	7.15%
NET DIRECT DEBT to Estimated Actual Value	2.08%	2.30%	2.28%	2.13%	1.99%	1.99%
NET DIRECT DEBT to Appraised Value	2.08%	2.30%	2.28%	2.13%	1.99%	1.99%
NET DIRECT DEBT to Assessed Value	7.16%	7.94%	7.85%	7.33%	6.83%	6.84%
PER CAPITA RATIOS						
POPULATION (1)	38,313	38,161	38,253	38,213	38,213	38,213
PER CAPITA PERSONAL INCOME (2)	$32,145	$34,099	$25,700	$37,032	$37,032	$37,032
Estimated Actual Value to POPULATION	$56,757	$55,894	$55,255	$56,355	$57,310	$57,310
Assessed Value to POPULATION	$16,490	$16,206	$16,008	$16,399	$16,704	$16,704
Total Debt to POPULATION	$1,274	$1,398	$1,324	$1,258	$1,192	$1,194
Net Direct Debt to POPULATION	$1,181	$1,287	$1,257	$1,202	$1,140	$1,142
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	3.96%	4.10%	5.15%	3.40%	3.22%	3.22%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	3.67%	3.77%	4.89%	3.25%	3.08%	3.08%

(1) Per Capita computations are based upon POPULATION data according to the U.S. Census.

(2) PER CAPITA PERSONAL INCOME is based upon the most current data available from the U. S. Department of Commerce.

(3) Includes the 50% guarantee by Dyer County, Tennessee of the debt payments on a spec building built in one of the local industrial park. When the spec building is sold the debt will be retired

DYER COUNTY, TENNESSEE

General Obligation Debt Service - General Debt Service Fund

F.Y. Ended 6/30	Existing General Obligation Debt As of June 30, 2014				Less: Bonds Being Refunded			General Obligation Refunding Bonds, Series 2015			% 2015 Principal Repaid	Total Bonded Debt Service Requirements (1)				% All Principal Repaid
	Principal	Interest (2)	Est. Rebate	TOTAL	Principal	Interest	TOTAL	Principal	Interest (3)	TOTAL		Principal	Interest	Est. Rebate	TOTAL	
2015	$ 2,668,078	$ 1,294,189	$ (135,744)	$ 3,826,523		$ -	$ -			$ -	0.00%	$ 2,668,078	$ 1,294,189	$ (135,744)	$ 3,826,523	5.85%
2016	2,811,412	1,238,689	(135,744)	3,914,356	(375,000)	(253,635)	(628,635)	515,000	104,076	619,076		2,951,412	1,089,130	(135,744)	3,904,797	
2017	2,871,412	1,177,668	(135,744)	3,913,336	(425,000)	(239,198)	(664,198)	525,000	92,723	617,723		2,971,412	1,031,193	(135,744)	3,866,861	
2018	2,941,412	1,113,785	(135,744)	3,919,452	(425,000)	(222,198)	(647,198)	530,000	89,048	619,048		3,046,412	980,635	(135,744)	3,891,302	
2019	3,086,412	1,045,389	(135,744)	3,996,056	(520,000)	(205,198)	(725,198)	535,000	84,013	619,013	34.51%	3,101,412	924,204	(135,744)	3,889,871	32.31%
2020	3,181,412	969,139	(135,744)	4,014,807	(515,000)	(184,138)	(699,138)	540,000	77,860	617,860		3,206,412	862,862	(135,744)	3,933,529	
2021	3,216,412	885,151	(135,744)	3,965,818	(515,000)	(163,023)	(678,023)	550,000	70,300	620,300		3,251,412	792,428	(135,744)	3,908,096	
2022	3,306,412	797,345	(135,744)	3,968,013	(560,000)	(141,650)	(701,650)	560,000	61,775	621,775		3,306,412	717,470	(135,744)	3,888,138	
2023	4,951,412	703,702	(135,744)	5,519,369	(605,000)	(117,850)	(722,850)	570,000	51,695	621,695		4,916,412	637,547	(135,744)	5,418,214	
2024	5,021,412	540,353	(135,744)	5,426,021	(600,000)	(91,835)	(691,835)	580,000	40,580	620,580	80.41%	5,001,412	489,098	(135,744)	5,354,766	75.45%
2025	5,196,412	373,920	(135,744)	5,434,588	(695,000)	(65,735)	(760,735)	590,000	28,400	618,400		5,091,412	336,585	(135,744)	5,292,253	
2026	5,431,447	199,807	(135,744)	5,495,509	(790,000)	(35,155)	(825,155)	605,000	15,125	620,125	100.00%	5,246,447	179,777	(135,744)	5,290,479	
2027	564,367	14,133	(22,624)	555,877	-	-	-	-	-	-		564,367	14,133	(22,624)	555,877	
2028	121,923	10,600	-	132,523	-	-	-	-	-	-		121,923	10,600	-	132,523	99.61%
2029	88,333	7,067	-	95,400	-	-	-	-	-	-		88,333	7,067	-	95,400	
2030	88,333	3,533	-	91,867	-	-	-	-	-	-		88,333	3,533	-	91,867	100.00%
	$ 45,546,598	$ 10,374,469	$ (1,651,552)	$ 54,269,515	$ (6,025,000)	$ (1,719,613)	$ (7,744,613)	$ 6,100,000	$ 715,593	$ 6,815,593		**$ 45,621,598**	**$ 9,370,450**	**$ (1,651,552)**	**$ 53,340,496**	

NOTES:

(1) The above figures do not include short-term notes outstanding and leases, if any. For more information, see the notes to the Financial Statements in the GENERAL PURPOSE FINANCIAL STATEMENTS included herein. Includes the 50% guarantee by Dyer County, Tennessee of the debt payments on a spec building built in one of the local industrial park. When the spec building is sold the debt will be retired.

(2) The original federal subsidy on the Qualified School Construction Bonds, Series 2010 has been reduced by 7.3% for the federal fiscal year ending September 30, 2015 as a result of the sequestration by the Budget Control Act of 2011. After October 1, 2015, the sequestration rate will be subject to change.

(3) Estimated Interest Rates. Estimated Average Coupon 1.88%.

FINANCIAL INFORMATION

BASIS OF ACCOUNTING AND PRESENTATION

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All Proprietary Funds, Nonexpendable Trust Funds and Pension Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and fund balance components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds and, expendable trust funds are accounted for using a current financial resource measurement focus. Revenues are recognized when they become measurable and available as a net current asset. Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general ruling include: (1) sick pay which is not accrued or vested, and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred.

BUDGETARY PROCESS

The County is required by State statute to adopt annual operating budgets. The general fund, special revenue funds, and debt service funds are budgeted on a basis so that current available funds are sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed initial or revised appropriations authorized by the County Commission. Unencumbered appropriations at the end of each fiscal year lapse.

The County's budgetary basis of accounting are consistent with generally accepted accounting principles (GAAP) except where encumbrances are treated as budgeted expenditures.

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FUND BALANCES, NET ASSETS AND RETAINED EARNINGS

The following table depicts fund balances, net assets and retained earnings for the last five fiscal years ending June 30:

	For the Fiscal Year Ended June 30,				
Fund Type	**2010**	**2011**	**2012**	**2013**	**2014**
Governmental Funds:					
General	$1,427,252	$19,886,951	$19,878,953	$19,689,119	$19,669,380
Special Purpose	18,490,503	-	-	-	-
Highway/Public Works	2,339,124	3,209,747	3,804,837	3,175,984	2,843,242
General Debt Service	3,566,980	4,247,840	2,560,633	2,129,464	1,979,879
Other Governmental	118,493	116,809	147,690	126,679	93,964
Total	**$25,942,352**	**$27,461,347**	**$26,392,113**	**$25,121,246**	**$24,586,465**
Proprietary Net Assets:					
Worker's Compensation	$636,781	$690,669	$714,786	$706,065	$684,507

Source: Comprehensive Annual Financial Reports and Auditors Reports for Dyer County, Tennessee.

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DYER COUNTY, TENNESSEE

Five Year Summary of Revenues, Expenditures and
Changes In Fund Balances - General Fund
For the Fiscal Year Ended June 30

	2010	2011	2012	2013	2014
Revenues:					
Local Taxes	$ 5,840,772	$ 5,771,895	$ 5,824,496	$ 5,866,237	$ 5,968,168
Licenses and Permits	122,669	105,610	106,330	97,712	80,591
Fines, forfeitures & penalties	110,997	147,684	172,355	204,803	169,869
Charges for current services	61,931	69,466	62,763	63,927	124,136
Other local revenue	236,611	310,037	288,945	315,535	233,939
Fees Recv'd from County Officials	1,633,036	1,552,220	1,561,365	1,540,487	1,556,327
State of Tennessee	1,496,163	2,462,745	2,249,142	2,064,242	3,040,957
Federal Government	378,936	301,462	449,505	250,246	292,290
Other Governments & Citizens Groups	46,019	106,470	273,644	34,648	30,785
Total Revenues	$ 9,927,134	$ 10,827,589	$ 10,988,545	$ 10,437,837	$ 11,497,062
Expenditures:					
General government	$ 1,597,855	$ 2,471,993	$ 1,762,802	$ 1,391,447	$ 2,525,367
Finance	1,103,720	1,132,293	1,119,718	1,117,246	1,122,157
Administration of Justice	1,252,510	1,241,230	1,271,508	1,304,436	1,347,592
Public Safety	4,434,679	4,544,920	4,652,671	4,631,741	4,811,735
Public Health & Welfare	494,325	488,759	502,933	510,408	543,968
Social, Cultural & Recreational Services	629,855	597,824	632,588	653,556	684,735
Agricultural & Natural Resources	210,373	192,334	187,793	192,656	207,316
Other Operations	208,350	154,748	816,630	354,356	302,747
Debt Service	143,854	144,061	136,491	75,947	87,454
Capital Projects	-	-	-	-	-
Total Expenditures	$ 10,075,521	$ 10,968,162	$ 11,083,134	$ 10,231,793	$ 11,633,071
Excess (Deficiency) of Revenues Over Expenditures	$ (148,387)	$ (140,573)	$ (94,589)	$ 206,044	$ (136,009)
Other Sources & Uses:					
Notes Issued	$ 125,000	$ -	$ -	$ -	$ -
Capital Leases Issued	143,284	69,354	64,282	87,831	103,231
Insurance Recovery	-	40,415	22,309	6,794	13,039
Operating Transfers In	21,167	18,490,503	-	-	-
Operating Transfers Out	(67,500)	-	-	(490,503)	-
Total Sources & Uses	$ 221,951	$ 18,600,272	$ 86,591	$ (395,878)	$ 116,270
Net Change in Fund Balances	$ 73,564	$ 18,459,699	$ (7,998)	$ (189,834)	$ (19,739)
Fund Balance July 1	1,353,688	1,427,252	19,886,951	19,878,953	19,689,119
Prior Period Adjustment	-	-	-	-	-
Fund Balance June 30	**$ 1,427,252**	**$ 19,886,951**	**$ 19,878,953**	**$ 19,689,119**	**$ 19,669,380**

Source: Comprehensive Annual Financial Reports for Dyer County, Tennessee.

DYER COUNTY, TENNESSEE

Five Year Summary of Local Option Sales Tax and Wheel Tax Colletctions

For the Fiscal Year Ended June 30

	2010	2011	2012	2013	2014
Local Option Sales Tax					
Rate (Percent of retail sales) Distribution	2.75%	2.75%	2.75%	2.75%	2.75%
Debt Service Fund	$ 88,116	$ 95,451	$ 96,284	$ 93,293	$ 105,541
Education Fund	3,018,334	3,289,017	3,570,529	3,578,127	3,779,278
Cities Portion of County Sales Tax	3,020,717	3,088,203	3,303,140	3,257,734	3,286,105
City School	4,593,347	4,575,137	4,787,201	4,614,193	4,655,074
Total Amount Collected	**$ 10,720,514**	**$ 11,047,808**	**$ 11,757,154**	**$ 11,543,347**	**$ 11,825,998**
% of Increase (Decrease)	-2.69%	3.05%	6.42%	-1.82%	2.39%
Wheel Tax					
Rate Per Vehicle	$ 60	$ 60	$ 60	$ 60	$ 60
General Purpose School Fund	$ 807,485	$ 825,183	$ 857,625	$ 876,050	$ 888,345
School Transportation	271,944	267,143	268,008	267,505	268,150
City School	733,531	678,626	661,090	639,814	631,170
Total Amount Collected	**$ 1,812,960**	**$ 1,770,952**	**$ 1,786,723**	**$ 1,783,369**	**$ 1,787,665**
% of Increase (Decrease)	0.03%	-2.32%	0.89%	-0.19%	0.24%

Source: Comprehensive Annual Financial Reports for Dyer County, Tennessee.

INVESTMENT AND CASH MANAGEMENT PRACTICES

Investment of idle County operating funds is controlled by State statute and local policies. Generally, such policies limit investment instruments to direct U. S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. Unless deposited in a financial institution participating in the State Consolidated Collateral Pool, all demand deposits or Certificates of Deposit must be secured by similar grade collateral (such as direct U. S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit) pledged at 105% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. Deposits with savings and loan associations must be collateralized as outlined above, by an irrevocable letter of credit issued by the Federal Home Loan Bank or by providing notes secured by the first mortgages or first deeds for trust upon residential property in the state equal to at least 150 percent of the amount of uninsured deposits.

All collateral must be held in a third party escrow account for the benefit of the County. For reporting purposes, all investments are stated at cost which approximates market value. The County Trustee is responsible for the administration of all County investments.

Prevailing State law does not allow cities or counties in the State to invest in reverse repurchase agreements or unusual “derivative" products.

PROPERTY TAX

Introduction. The County is authorized to levy a tax on all property within the County without limitation as to rate or amount. All real and personal property within the County is assessed in accordance with the State constitutional and statutory provisions by the County Property Tax Assessor except most utility property, which is assessed directly by the Office of State Assessed Properties. All property taxes are due on October 1 of each year based upon appraisals as of January 1 of the same calendar year. All property taxes are delinquent on March 1 of the subsequent calendar year. Delinquent taxes begin accumulating interest and penalties on that date. In order to collect delinquent taxes, law suits must be filed in Chancery Court within a ten year period of the delinquency date. Additional costs are incurred and attached to delinquent property after the Chancery Court is filed by the County.

Reappraisal Program. Title 67, Chapter 5, Part 16, *Tennessee Code Annotated*, as supplemented and amended, mandates that after June 1, 1989, all property in the State will be reappraised on a continuous six (6) year cycle composed of an on-sight review of each parcel of property over a five (5) year period followed by reevaluation of all such property in the year following the completion of the review. In the second and fourth years of the review, there shall be an updating of all real property values by application of an index or indexes established for the jurisdiction by the State Board of Equalization, so as to maintain real property values at full value as defined in Title 67, Chapter 5, Part 6, *Tennessee Code Annotated*. The State Board of Equalization is also required to consider a plan submitted by a local assessor which may be used in lieu of indexing which would have the effect of maintaining real property values at full value.

Title 67, Chapter 5, Part 17, *Tennessee Code Annotated*, provides that at such time as such reappraisal and reassessment processes are completed in a particular county, the respective governing bodies of the county and the municipalities located therein shall determine and certify a tax rate which will provide the same ad valorem tax revenue for the respective jurisdiction as was levied prior to reappraisal and reassessment. In computing the new tax rate, the estimated assessed value of all new construction and improvements placed on the tax rolls since the previous year, and the assessed value of all deletions from the previous tax roll are excluded. The new tax rate therefore, is derived from a comparison of tax revenues, tax rates and assessed values of property on the tax roll in both the year before and the year after the reappraisal. The effect of the reappraisal and reassessment statutes is to adjust the property tax rate downward to prevent a taxing unit from collecting additional property tax revenues as a result of reappraisal. Once a municipality or county complies with State law and certifies a tax rate which provides the same property tax revenue as was collected for reappraisal, its governing body may vote to approve a tax rate change which would produce more or less tax revenue.

Assessed Valuations. According to the Tax Aggregate Report, property in the County reflected a ratio of appraised value to true market value of 1.00. The following table shows pertinent data for tax year 2013[1].

Class	Estimated Assessed Valuation	Assessment Rate	Estimated Appraised Value
Public Utilities	$ 47,946,124	55%	$ 109,799,877
Commercial and Industrial	157,340,680	40%	393,351,700
Personal Tangible Property	67,811,528	30%	226,038,427
Residential and Farm	365,199,800	25%	1,460,799,200
Total	**$638,298,132**		**$2,189,989,203**

Source: 2013 Tax Aggregate Report for Tennessee and the County.

The estimated assessed value of property in the County for the fiscal year ending June 30, 2014 (tax year 2013) is $638,298,132 compared to $626,662,061 for the fiscal year ending June 30, 2013 (tax year 2012). The estimated actual value of all taxable property for tax year 2013 is $2,189,989,203 compared to $2,153,490,287 for tax year 2012.

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[1] The tax year coincides with the calendar year, so tax year 2013 for example is actually fiscal year 2013-2014.

Property Tax Rates and Collections. The following table shows the property tax rates and collections of the County for tax years 2010 through 2014 as well as the aggregate uncollected balances for each fiscal year ending June 30.

PROPERTY TAX RATES AND COLLECTIONS				Fiscal Yr Collections		Aggregate Uncollected Balance	
Tax Year	Assessed Valuation	Tax Rates	Taxes Levied	Amount	Pct	As of June 30, 2014 Amount	Pct
2010	$618,425,089	$2.50	$15,462,483	$14,637,213	94.7%	N/A	
2011	612,343,946	2.50	15,308,599	14,612,247	95.5%	N/A	
2012	626,662,061	2.50	15,666,552	14,882,404	95.0%	N/A	
2013	638,298,132	2.50	15,957,453	15,521,190	97.3%	$789,894	5.0%
2014	658,426,644	2.50	16,471,268	IN PROGRESS			

(a) The tax year coincides with the calendar year, so tax year 2014 for example is actually fiscal year 2014-2015.

Ten Largest Taxpayers. For the fiscal year ending June 30, 2015 (tax year 2014), the largest taxpayers in the County were as follows:

	Taxpayer	Business Type	Assessment	Taxes Paid
1.	Dyersburg Hospital	Hospital	$15,169,487	$ 379,237
2.	Illinois Centra RR	Railroad	13,763,092	344,078
3.	Electric Research	Manufacturing	12,947,502	323,687
4.	Sun Detergents	Cleaning products	11,573,498	289,338
5.	Jimmy Dean/Sara Lee	Meat processing	9,547,691	238,692
6.	Seigel-Robert Inc	Manufacturing	8,720,402	188,263
7.	Excel Polymers/Hexpool	Polymer products	5,204,120	130,103
8.	Trunkline Gas Co LLC	Pipeline	4,475,335	111,883
9.	Forked Deer	Electric Co-op	4,414,290	110,357
10.	NSK	Manufacturing	4,257,053	108,530
	TOTAL		**$90,072,470**	**$2,224,168**

Source: The County.

Ten Largest Taxpayers. For the fiscal year ending June 30, 2014 (tax year 2013), the largest taxpayers in the County were as follows:

	Taxpayer	Business Type	Assessment	Taxes Paid
1.	Electric Research	Manufacturing	$14,039,959	$ 350,998
2.	Dyersburg Hospital	Hospital	13,301,410	332,535
3.	Illinois Central RR	Railroad	12,894,377	322,733
4.	Sun Detergents	Cleaning Products	12,099,760	263,015
5.	Sara Lee	Meat Processing	12,861,023	237,848
6.	W TN Industrial Redevelopment	Industrial Development	8,481,986	212,050
7.	Seigel-Robert Inc.	Manufacturing	4,124,082	161,186
8.	Trunkline Gas Co. LLC	Pipeline	5,173,077	129,327
9.	Excel Polymer	Polymer Products	3,857,374	121,759
10.	PolyOne Corp/M.A. Hanna	Manufacturing	3,053,939	115,928
	TOTAL		**$89,886,987**	**$2,247,379**

Source: The County.

PENSION PLANS

Employees of Dyer County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Dyer County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

For additional information on the funding status, trend information and actuarial status of the County's retirement programs, please refer to the General Purpose Financial Statements of the County located in herein.

UNFUNDED ACCRUED LIABILITY FOR POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

GASB Statement 45 establishes standards for the measurement, recognition, and display of Other Post-Employment Benefits ("OPEB") in the financial reports of state and local government employers. GASB 45 requires the recognition of the accrued liability for the respective year, plus the disclosure of the total unfunded liability. Cash funding of the unfunded liability is not required.

For more information see the Notes to the General Purpose Financial Statements located herein.

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APPENDIX C

GENERAL PURPOSE FINANCIAL STATEMENTS

DYER COUNTY, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2014

The General Purpose Financial Statements are extracted from the Financial Statements with Report of Certified Public Accountants of Dyer County for the fiscal year ended June 30, 2014 which is available upon request from the County.

ANNUAL FINANCIAL REPORT
DYER COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2014

TENNESSEE
COMPTROLLER
OF THE TREASURY

ANNUAL FINANCIAL REPORT

DYER COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2014

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

JAN PAGE, CPA, CFE
Audit Manager

B. KEITH RICE, CGFM
Auditor 4

MELISSA DARBY, CPA, CFE
GREG HOWELL
LAUREN JEWELL
ELISHA CROWELL, CISA, CFE
State Auditors

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

DYER COUNTY, TENNESSEE
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Summary of Audit Findings

Annual Financial Report
Dyer County, Tennessee
For the Year Ended June 30, 2014

Scope

We have audited the basic financial statements of Dyer County as of and for the year ended June 30, 2014.

Results

Our report on Dyer County's financial statements is unmodified.

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- Bonus payments to county employees were not made through the payroll system.
- Expenditures exceeded appropriations.

OFFICES OF COUNTY MAYOR AND ROAD SUPERVISOR

- Compensation was paid in-lieu-of insurance benefits to some employees.

OFFICE OF ROAD SUPERVISOR

- Some purchase orders were not properly completed.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- Unclaimed funds were not reported and paid to the state.
- The office did not implement adequate controls to protect its information resources.

OFFICE OF SHERIFF

- The office had accounting deficiencies.
- The office did not deposit some funds within three days of collection.
- The county's budgetary and purchasing processes were circumvented.

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

- Duties were not segregated adequately.

Introductory Section

Dyer County Officials
June 30, 2014

Officials

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

Board of County Commissioners

Milton Magee, Chairman
David Agee
Bill Cloar
Brandon Dodds
Rusty Grills
Debbie Bradshaw Hart
Jimmy Hester
Jim Horner
William Mallard
Larry Maupin
Steve Moore
Pamela Newell
Kyle Reynolds
Steve Sartin
Tommy Seratt
Al Seward
Benny Spain
Vernita Turner
John Uitendaal
Adam Williams

Board of Education

Mike McLaughlin, Chairman
Keith Anderson
Sherrell Armstrong
LeAnn Childress
Steve Dodds
Carol Feather
Jeremy Gatlin
Ross Maldonado
William May
Maria Starks

Audit Committee

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

Financial Section

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dyer, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dyer County, Tennessee, as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Dyer County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plan and other postemployment benefit plan on pages 67-69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental

Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dyer County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Dyer County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

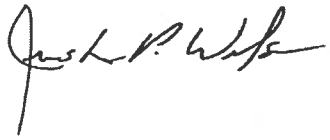
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Dyer County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Dyer County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2014, on our consideration of Dyer County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Dyer County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 31, 2014

JPW/sb

Basic Financial Statements

Exhibit A

Dyer County, Tennessee
Statement of Net Position
June 30, 2014

	Primary Government	Component Unit
	Governmental Activities	Dyer County School Department
ASSETS		
Cash	$ 1,403	$ 880
Equity in Pooled Cash and Investments	23,087,612	7,018,015
Accounts Receivable	2,490	3,483
Due from Other Governments	1,007,560	1,097,629
Property Taxes Receivable	9,177,721	4,492,045
Allowance for Uncollectible Property Taxes	(131,040)	(69,409)
Accrued Interest Receivable	91,609	0
Notes Receivable - Long-term	1,359,353	0
Capital Assets:		
Assets Not Depreciated:		
Land	3,554,709	1,134,829
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	9,539,073	41,603,662
Infrastructure	8,045,256	0
Other Capital Assets	2,586,045	3,686,045
Total Assets	$ 58,321,791	$ 58,967,179
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	$ 185,205	$ 0
Total Deferred Outflows of Resources	$ 185,205	$ 0
LIABILITIES		
Accounts Payable	$ 11,739	$ 96,732
Accrued Payroll	109	692
Payroll Deductions Payable	0	735,587
Accrued Interest Payable	103,769	0
Noncurrent Liabilities:		
Due Within One Year	2,730,975	5,676
Due in More Than One Year (net of unamortized discount on debt)	41,530,008	3,773,781
Total Liabilities	$ 44,376,600	$ 4,612,468

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Dyer County School Department
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	$ 8,690,743	$ 4,217,807
Total Deferred Inflows of Resources	$ 8,690,743	$ 4,217,807
NET POSITION		
Net Investment in Capital Assets	$ 17,243,656	$ 46,424,536
Restricted for:		
General Government	1,367,752	0
Administration of Justice	35,856	0
Public Safety	31,366	0
Highway/Public Works	3,026,675	0
Debt Service	134,327	0
Education	0	9,513
Support Services	0	47,539
Operation of Non-instructional Services	0	813,921
Unrestricted	(16,399,979)	2,841,395
Total Net Position	$ 5,439,653	$ 50,136,904

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

Exhibit B

Dyer County, Tennessee
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit: Dyer County School Department
Primary Government:						
Governmental Activities:						
General Government	$ 2,591,462	$ 241,322	$ 92,711	$ 665,205	$ (1,592,224)	$ 0
Finance	1,128,350	919,465	0	0	(208,885)	0
Administration of Justice	1,359,127	708,073	345	0	(650,709)	0
Public Safety	4,993,659	1,670,553	132,652	360,261	(2,830,193)	0
Public Health and Welfare	950,210	18,072	399,298	234,605	(298,235)	0
Social, Cultural, and Recreational Services	703,604	56,740	332,509	0	(314,355)	0
Agriculture and Natural Resources	208,128	0	0	0	(208,128)	0
Highways	3,823,973	23,294	1,884,718	0	(1,915,961)	0
Education	67,027	71,582	0	0	4,555	0
Interest on Long-term Debt	1,735,570	0	0	0	(1,735,570)	0
Total Primary Government	$ 17,561,110	$ 3,709,101	$ 2,842,233	$ 1,260,071	$ (9,749,705)	$ 0
Component Unit:						
Dyer County School Department	$ 34,143,489	$ 695,639	$ 5,295,573	$ 0	$ 0	$ (28,152,277)
Total Component Unit	$ 34,143,489	$ 695,639	$ 5,295,573	$ 0	$ 0	$ (28,152,277)

(Continued)

Exhibit B

Dyer County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit: Dyer County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					$ 7,032,522	$ 4,504,879
Property Taxes Levied for Debt Service					2,031,361	0
Local Option Sales Taxes					106,115	3,779,278
Wheel Tax					0	1,156,495
Litigation Tax					278,120	0
Business Tax					362,242	0
Wholesale Beer Tax					79,423	0
Interstate Telecommunications Tax					0	3,451
Grants and Contributions Not Restricted to Specific Programs					1,235,621	18,041,628
Unrestricted Investment Income					1,039,886	55,564
Miscellaneous					99,121	65,054
Total General Revenues					$ 12,264,411	$ 27,606,349
Change in Net Position					$ 2,514,706	$ (545,928)
Net Position, July 1, 2013					2,924,947	50,682,832
Net Position, June 30, 2014					$ 5,439,653	$ 50,136,904

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

Exhibit C-1

Dyer County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2014

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 1,403	$ 1,403
Equity in Pooled Cash and Investments	17,816,785	2,664,091	1,833,720	88,509	22,403,105
Accounts Receivable	1,501	0	0	989	2,490
Due from Other Governments	613,617	336,122	53,291	4,530	1,007,560
Due from Other Funds	1,403	0	0	0	1,403
Property Taxes Receivable	5,214,437	1,746,806	2,216,478	0	9,177,721
Allowance for Uncollectible Property Taxes	(77,551)	(25,989)	(27,500)	0	(131,040)
Accrued Interest Receivable	0	0	91,609	0	91,609
Notes Receivable - Long-term	1,359,353	0	0	0	1,359,353
Total Assets	$ 24,929,545	$ 4,721,030	$ 4,167,598	$ 95,431	$ 33,913,604
LIABILITIES					
Accounts Payable	$ 11,739	$ 0	$ 0	$ 0	$ 11,739
Payroll Deductions Payable	0	45	0	64	109
Due to Other Funds	0	0	0	1,403	1,403
Total Liabilities	$ 11,739	$ 45	$ 0	$ 1,467	$ 13,251
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 4,916,651	$ 1,646,987	$ 2,127,105	$ 0	$ 8,690,743
Deferred Delinquent Property Taxes	192,729	64,609	51,138	0	308,476
Other Deferred/Unavailable Revenue	139,046	166,147	9,476	0	314,669
Total Deferred Inflows of Resources	$ 5,248,426	$ 1,877,743	$ 2,187,719	$ 0	$ 9,313,888

(Continued)

Exhibit C-1

Dyer County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES					
Nonspendable:					
Long-term Notes Receivable	$ 1,359,353	$ 0	$ 0	$ 0	$ 1,359,353
Restricted:					
Restricted for General Government	8,399	0	0	0	8,399
Restricted for Administration of Justice	0	0	0	37,609	37,609
Restricted for Public Safety	8,641	0	0	22,725	31,366
Restricted for Highways/Public Works	0	2,795,919	0	0	2,795,919
Committed:					
Committed for Public Health and Welfare	0	0	0	33,630	33,630
Committed for Highways/Public Works	0	47,323	0	0	47,323
Committed for Debt Service	0	0	1,979,879	0	1,979,879
Unassigned	18,292,987	0	0	0	18,292,987
Total Fund Balances	$ 19,669,380	$ 2,843,242	$ 1,979,879	$ 93,964	$ 24,586,465
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 24,929,545	$ 4,721,030	$ 4,167,598	$ 95,431	$ 33,913,604

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

Exhibit C-2

Dyer County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		$ 24,586,465
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 3,554,709	
Add: buildings and improvements net of accumulated depreciation	9,539,073	
Add: infrastructure net of accumulated depreciation	8,045,256	
Add: other capital assets net of accumulated depreciation	2,586,045	23,725,083
(2) Internal service funds are used by management to charge the costs of workers' compensation benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		684,507
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: capital leases payable	$ (97,236)	
Less: other loans payable	(11,521,598)	
Less: bonds payable	(32,700,000)	
Add: deferred amount on unamortized debt discount	57,851	
Add: deferred amount on refunding	185,205	
Less: accrued interest on capital leases and bonds	(103,769)	(44,179,547)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		623,145
Net position of governmental activities (Exhibit A)		$ 5,439,653

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

Exhibit C-3

Dyer County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Revenues					
Local Taxes	$ 5,968,168	$ 1,757,701	$ 3,149,159	$ 76,480	$ 10,951,508
Licenses and Permits	80,591	11,665	0	0	92,256
Fines, Forfeitures, and Penalties	169,869	0	0	2,655	172,524
Charges for Current Services	124,136	0	0	9,448	133,584
Other Local Revenues	233,939	39,887	761,641	22,409	1,057,876
Fees Received from County Officials	1,556,327	0	0	0	1,556,327
State of Tennessee	3,040,957	1,880,783	0	26,355	4,948,095
Federal Government	292,290	0	253,162	0	545,452
Other Governments and Citizens Groups	30,785	0	0	0	30,785
Total Revenues	$ 11,497,062	$ 3,690,036	$ 4,163,962	$ 137,347	$ 19,488,407
Expenditures					
Current:					
General Government	$ 2,525,367	$ 0	$ 0	$ 0	$ 2,525,367
Finance	1,122,157	0	0	0	1,122,157
Administration of Justice	1,347,592	0	0	3,791	1,351,383
Public Safety	4,811,735	0	0	42,910	4,854,645
Public Health and Welfare	543,968	0	0	123,361	667,329
Social, Cultural, and Recreational Services	684,735	0	0	0	684,735
Agriculture and Natural Resources	207,316	0	0	0	207,316
Other Operations	302,747	0	0	0	302,747
Highways	0	4,022,778	0	0	4,022,778
Debt Service:					
Principal on Debt	85,157	0	2,522,205	0	2,607,362
Interest on Debt	2,297	0	1,704,973	0	1,707,270
Other Debt Service	0	0	86,369	0	86,369
Total Expenditures	$ 11,633,071	$ 4,022,778	$ 4,313,547	$ 170,062	$ 20,139,458

(Continued)

Exhibit C-3

Dyer County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	$ (136,009)	$ (332,742)	$ (149,585)	$ (32,715)	$ (651,051)
Other Financing Sources (Uses)					
Capital Leases Issued	$ 103,231	$ 0	$ 0	$ 0	$ 103,231
Insurance Recovery	13,039	0	0	0	13,039
Total Other Financing Sources (Uses)	$ 116,270	$ 0	$ 0	$ 0	$ 116,270
Net Change in Fund Balances	$ (19,739)	$ (332,742)	$ (149,585)	$ (32,715)	$ (534,781)
Fund Balance, July 1, 2013	19,689,119	3,175,984	2,129,464	126,679	25,121,246
Fund Balance, June 30, 2014	$ 19,669,380	$ 2,843,242	$ 1,979,879	$ 93,964	$ 24,586,465

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

Exhibit C-4

Dyer County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:		
Net change in fund balances - total governmental funds (Exhibit C-3)		$ (534,781)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	$ 1,730,008	
Less: current-year depreciation expense	(1,637,808)	92,200
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized		360,261
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2014	$ 623,145	
Less: deferred delinquent property taxes and other deferred June 30, 2013	(467,579)	155,566
(4) The issuance of long-term debt (e.g., capital leases, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: capital lease proceeds	$ (103,231)	
Less: change in discount on debt issuances	(6,640)	
Less: change in deferred amount on refunding debt	(25,673)	
Add: principal payments on capital leases	85,157	
Add: principal payments on other loans	809,392	
Add: principal payments on bonds	1,700,000	2,459,005
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable		4,013
(6) Internal service funds are used by management to charge the costs of workers' benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		(21,558)
Change in net position of governmental activities (Exhibit B)		$ 2,514,706

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

Exhibit C-5

Dyer County, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 5,968,168	$ 6,004,998	$ 6,004,998	$ (36,830)
Licenses and Permits	80,591	122,563	122,563	(41,972)
Fines, Forfeitures, and Penalties	169,869	239,515	359,832	(189,963)
Charges for Current Services	124,136	72,330	72,688	51,448
Other Local Revenues	233,939	198,195	283,570	(49,631)
Fees Received from County Officials	1,556,327	1,617,500	1,617,500	(61,173)
State of Tennessee	3,040,957	2,352,966	3,142,204	(101,247)
Federal Government	292,290	260,200	260,200	32,090
Other Governments and Citizens Groups	30,785	32,500	32,500	(1,715)
Total Revenues	$ 11,497,062	$ 10,900,767	$ 11,896,055	$ (398,993)
Expenditures				
General Government				
County Commission	$ 88,460	$ 90,401	$ 90,401	$ 1,941
Board of Equalization	4,483	8,000	8,000	3,517
Other Boards and Committees	2,520	4,000	4,000	1,480
County Mayor/Executive	227,946	223,712	229,294	1,348
County Attorney	49,817	51,293	51,293	1,476
Election Commission	325,394	397,547	399,087	73,693
Register of Deeds	183,661	187,746	187,746	4,085
Planning	128,139	133,966	133,876	5,737
County Buildings	276,430	250,766	282,959	6,529
Other General Administration	1,216,344	350,460	1,069,778	(146,566)
Preservation of Records	22,173	0	22,300	127
Finance				
Accounting and Budgeting	167,532	168,942	168,942	1,410
Property Assessor's Office	292,116	298,523	297,023	4,907
Reappraisal Program	57,731	60,377	60,377	2,646
County Trustee's Office	211,531	217,945	217,945	6,414
County Clerk's Office	353,152	434,166	434,026	80,874
Other Finance	40,095	45,190	41,690	1,595
Administration of Justice				
Circuit Court	432,757	450,221	448,751	15,994
General Sessions Court	203,200	203,512	203,512	312
Drug Court	60,675	50,000	70,000	9,325
Chancery Court	287,294	296,440	296,440	9,146
Juvenile Court	286,406	313,124	313,124	26,718
Other Administration of Justice	77,260	73,390	81,205	3,945
Public Safety				
Sheriff's Department	2,196,462	2,019,487	2,194,053	(2,409)
Drug Enforcement	6,467	2,585	8,085	1,618
Jail	2,268,515	2,209,413	2,274,494	5,979
Fire Prevention and Control	273,914	289,400	297,681	23,767
Disaster Relief	44,236	53,905	53,755	9,519
County Coroner/Medical Examiner	12,714	13,000	13,000	286
Other Public Safety	9,427	9,319	9,319	(108)

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)				
Public Health and Welfare				
Local Health Center	$ 76,688	$ 112,272	$ 115,942	$ 39,254
Rabies and Animal Control	84,750	84,750	84,750	0
Crippled Children Services	1,240	1,240	1,240	0
Other Local Health Services	62,181	64,200	74,200	12,019
General Welfare Assistance	90,524	91,605	91,605	1,081
Aid to Dependent Children	142,120	142,200	142,200	80
Sanitation Education/Information	86,465	94,978	94,978	8,513
Social, Cultural, and Recreational Services				
Adult Activities	115,852	96,888	119,748	3,896
Senior Citizens Assistance	320,928	332,224	332,224	11,296
Libraries	137,000	137,000	137,000	0
Parks and Fair Boards	2,295	2,295	2,295	0
Other Social, Cultural, and Recreational	108,660	128,010	129,198	20,538
Agriculture and Natural Resources				
Agricultural Extension Service	148,850	147,300	147,300	(1,550)
Soil Conservation	26,767	26,828	26,828	61
Flood Control	31,699	33,619	33,619	1,920
Other Agriculture and Natural Resources	0	14,900	14,900	14,900
Other Operations				
Industrial Development	2,700	3,500	3,500	800
Contributions to Other Agencies	28,160	0	0	(28,160)
Miscellaneous	271,887	290,625	326,950	55,063
Principal on Debt				
General Government	85,157	90,000	89,892	4,735
Interest on Debt				
General Government	2,297	57,500	57,608	55,311
Total Expenditures	$ 11,633,071	$ 10,858,764	$ 11,988,133	$ 355,062
Excess (Deficiency) of Revenues Over Expenditures	$ (136,009)	$ 42,003	$ (92,078)	$ (43,931)
Other Financing Sources (Uses)				
Capital Leases Issued	$ 103,231	$ 0	$ 103,231	$ 0
Insurance Recovery	13,039	0	8,097	4,942
Transfers In	0	194,585	194,585	(194,585)
Total Other Financing Sources	$ 116,270	$ 194,585	$ 305,913	$ (189,643)
Net Change in Fund Balance	$ (19,739)	$ 236,588	$ 213,835	$ (233,574)
Fund Balance, July 1, 2013	19,689,119	0	0	19,689,119
Fund Balance, June 30, 2014	$ 19,669,380	$ 236,588	$ 213,835	$ 19,455,545

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

Exhibit C-6

Dyer County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,757,701	$ 1,747,294	$ 1,747,294	$ 10,407
Licenses and Permits	11,665	9,735	9,735	1,930
Other Local Revenues	39,887	48,985	48,985	(9,098)
State of Tennessee	1,880,783	3,018,281	3,018,281	(1,137,498)
Total Revenues	$ 3,690,036	$ 4,824,295	$ 4,824,295	$ (1,134,259)
Expenditures				
Highways				
Administration	$ 159,994	$ 184,736	$ 184,736	$ 24,742
Highway and Bridge Maintenance	2,863,524	3,425,555	3,425,555	562,031
Operation and Maintenance of Equipment	580,137	694,537	694,537	114,400
Other Charges	143,715	205,000	205,000	61,285
Employee Benefits	217,659	288,200	253,200	35,541
Capital Outlay	57,749	1,278,824	1,313,824	1,256,075
Total Expenditures	$ 4,022,778	$ 6,076,852	$ 6,076,852	$ 2,054,074
Excess (Deficiency) of Revenues Over Expenditures	$ (332,742)	$ (1,252,557)	$ (1,252,557)	$ 919,815
Net Change in Fund Balance	$ (332,742)	$ (1,252,557)	$ (1,252,557)	$ 919,815
Fund Balance, July 1, 2013	3,175,984	1,711,724	1,711,724	1,464,260
Fund Balance, June 30, 2014	$ 2,843,242	$ 459,167	$ 459,167	$ 2,384,075

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

Exhibit D-1

Dyer County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2014

	Governmental Activities - Internal Service Fund
	Workers' Compensation Fund
ASSETS	
Current Assets:	
Equity in Pooled Cash and Investments	$ 684,507
Total Assets	$ 684,507
NET POSITION	
Unrestricted	$ 684,507
Total Net Position	$ 684,507

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

Exhibit D-2

Dyer County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2014

	Governmental Activities - Internal Service Fund Workers' Compensation Fund
Operating Revenues	
Self-Insurance Premiums	$ 119,833
Total Operating Revenues	$ 119,833
Operating Expenses	
Workers' Compensation Insurance	$ 102,423
Other Self-Insured Claims	38,968
Total Operating Expenses	$ 141,391
Operating Income (Loss)	$ (21,558)
Change in Net Position	$ (21,558)
Net Position, July 1, 2013	706,065
Net Position, June 30, 2014	$ 684,507

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

Exhibit D-3

Dyer County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2014

	Governmental Activities - Internal Service Fund Workers' Compensation Fund
Cash Flows from Operating Activities	
Receipts from Self-Insurance Premiums	$ 165,388
Payments for Claims	(38,968)
Payments for Workers' Compensation Insurance	(102,423)
Net Cash Provided By (Used In) Operating Activities	$ 23,997
Net Increase in Cash	$ 23,997
Cash, July 1, 2013	660,510
Cash, June 30, 2014	$ 684,507
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	$ (21,558)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Change in Assets:	
Decrease in Accounts Receivable	45,555
Net Cash Provided By (Used In) Operating Activities	$ 23,997
Reconciliation of Cash With the Statement of Net Position	
Cash Per Net Position	$ 684,507
Cash, June 30, 2014	$ 684,507

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

Exhibit E

Dyer County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	Agency Funds
ASSETS	
Cash	$ 2,613,874
Equity in Pooled Cash and Investments	247,806
Due from Other Governments	1,000,132
Property Taxes Receivable	2,430,107
Allowance for Uncollectible Property Taxes	(37,063)
Total Assets	$ 6,254,856
LIABILITIES	
Due to Other Taxing Units	$ 3,636,342
Due to Litigants, Heirs, and Others	2,618,514
Total Liabilities	$ 6,254,856

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

DYER COUNTY, TENNESSEE
Index of Notes to the Financial Statements

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Dyer County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Dyer County:

A. Reporting Entity

Dyer County is a public municipal corporation governed by an elected 20-member board. As required by GAAP, these financial statements present Dyer County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Dyer County School Department operates the public school system in the county, and the voters of Dyer County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Dyer County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Dyer County, and the Dyer County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Dyer County Emergency Communications District were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

The Dyer County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Dyer

County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Dyer County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Dyer County Emergency Communications District
P.O. Box 367
Dyersburg, TN 38024

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Dyer County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Dyer County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Dyer County issues all debt for the discretely presented Dyer County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2014.

Separate financial statements are provided for governmental funds, the proprietary fund (internal service), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the

government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Dyer County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Dyer County only reports one proprietary fund, an internal service fund. It has no enterprise funds to report.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The internal service fund and the fiduciary funds in total are reported in single columns by fund type.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Dyer County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Proprietary fund and fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Dyer County reports the following major governmental funds:

General Fund – This is the county's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Highway/Public Works Fund – This special revenue fund accounts for transactions of the county's Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

General Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, Dyer County reports the following fund types:

Internal Service Fund – The Workers' Compensation Fund is used to account for the self-insured workers' compensation programs managed by the county for the primary government and the discretely presented Dyer County School Department. Premiums charged to the various funds are placed in this fund for the payment of claims of employees.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Dyer County, the city school system's share of educational revenues, restricted revenues held for the benefit of the Office of District Attorney General, and assets held in a custodial capacity for two watershed districts. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Dyer County School Department reports the following major governmental funds:

General Purpose School Fund – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

School Transportation Fund – This special revenue fund is used to account for the transportation of students in the school system. Local taxes are the foundational revenues of this fund.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an internal service fund, used to account for the workers' compensation program. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges for services. Operating expenses for the internal service fund include workers' compensation claims and administrative charges.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on deposit with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Dyer County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is

assigned to the General Debt Service Fund. Dyer County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. **Receivables and Payables**

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to .76 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

3. **Capital Assets**

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $15,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

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

4. **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net 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/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net 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 government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for revenues, which do not meet availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. **Compensated Absences**

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

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

6. **Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a

systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. **Net Position and Fund Balance**

In the government-wide financial statements and the proprietary fund (internal service fund) in the fund financial statements, equity is classified as net position and displayed in three components:

a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2014, Dyer County had $37,816,598 in outstanding debt issued for capital purposes for the discretely presented Dyer County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Dyersburg School System) based on the average daily attendance proration. This debt is a liability of Dyer County; but the capital assets acquired are reported in the financial statements of the School Department and the City of Dyersburg School System.

Therefore, Dyer County has incurred a liability, significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

to specific purposes within the General and General Purpose School funds.

8. **Stabilization Arrangement**

Dyer County sold its hospital in a prior year. The County Commission adopted a resolution to retain the principal intact and appropriate the interest income earned on the investment of these funds annually through the budgetary process. The principal balance in this stabilization arrangement totaled $18,000,000 at June 30, 2014. Of this amount, $1,359,353 is a long-term note receivable and is offset by nonspendable fund balance. However, the remaining balance of $16,640,647 is included in the General Fund's unassigned fund balance account since this arrangement does not meet the criteria for restricted or committed fund balance as defined by GASB Statement No. 54.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Dyer County School Department

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the changes in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Dyer County School Department

Exhibit J-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Other Boards and Committees, County Mayor/Executive, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2014, the Dyer County School Department reported the following significant encumbrances:

Fund	Description	Amount
School Department:		
Major Fund:		
General Purpose School	School renovations and equipment	$ 312,889
School Transportation	Buses	105,828

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control) of the following funds:

Fund/Major Appropriation Category	Amount Overspent
General:	
Other General Administration	$ 146,566
Sheriff's Department	2,409
Other Public Safety	108
Agricultural Extension Service	1,550
Contributions to Other Agencies	28,160
General Debt Service:	
Interest on Debt - General Government	29

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Dyer County and the Dyer County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2014, Dyer County had the following investments carried at fair value. Separate disclosures concerning pooled investments cannot be made for Dyer County and the discretely presented

Dyer County School Department since both pool their deposits and investments through the county trustee.

Investment	Maturities	Fair Value
Municipal Bonds	3-1-17 to 8-1-29	$ 9,387,637

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Dyer County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Dyer County has no investment policy that would further limit its investment choices. Dyer County investments in municipal bonds were rated from A2 to Aa3 by Moody's Investor's Service and from A to AAA by Standard and Poor's ratings.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Dyer County places no limit on the amount the county may invest in one issuer. More than five percent of the county's investments are in municipal bonds. These investments are 100 percent of the county's total investments.

B. Notes Receivable – Long-term

Notes receivable of $1,359,353 in the General Fund represent a long-term loan made to the Dyer County Industrial Development Board for industrial purposes and are offset by nonspendable fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets Not Depreciated:			
Land	$ 3,554,709	$ 0	$ 3,554,709
Total Capital Assets Not Depreciated	$ 3,554,709	$ 0	$ 3,554,709
Capital Assets Depreciated:			
Buildings and Improvements	$ 12,902,050	$ 180,000	$ 13,082,050
Infrastructure	20,882,918	1,287,602	22,170,520
Other Capital Assets	7,186,142	622,667	7,808,809
Total Capital Assets Depreciated	$ 40,971,110	$ 2,090,269	$ 43,061,379
Less Accumulated Depreciation For:			
Buildings and Improvements	$ 3,203,714	$ 339,263	$ 3,542,977
Infrastructure	13,287,525	837,739	14,125,264
Other Capital Assets	4,761,958	460,806	5,222,764
Total Accumulated Depreciation	$ 21,253,197	$ 1,637,808	$ 22,891,005
Total Capital Assets Depreciated, Net	$ 19,717,913	$ 452,461	$ 20,170,374
Governmental Activities Capital Assets, Net	$ 23,272,622	$ 452,461	$ 23,725,083

There were no decreases in capital assets to report during the year ended June 30, 2014. Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	$ 152,113
Finance	1,896
Administration of Justice	3,350
Public Safety	321,540
Public Health and Welfare	32,614
Social, Cultural, and Recreational Services	17,905
Agriculture and Natural Resources	675
Highways	1,107,715
Total Depreciation Expense - Governmental Activities	$ 1,637,808

Discretely Presented Dyer County School Department

Governmental Activities

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets Not Depreciated:			
Land	$ 1,082,197	$ 52,632	$ 1,134,829
Total Capital Assets Not Depreciated	$ 1,082,197	$ 52,632	$ 1,134,829
Capital Assets Depreciated			
Buildings and Improvements	$ 53,477,801	$ 338,780	$ 53,816,581
Other Capital Assets	6,133,301	1,028,106	7,161,407
Total Capital Assets Depreciated	$ 59,611,102	$ 1,366,886	$ 60,977,988
Less Accumulated Depreciation For:			
Buildings and Improvements	$ 11,150,320	$ 1,062,599	$ 12,212,919
Other Capital Assets	3,007,196	468,166	3,475,362
Total Accumulated Depreciation	$ 14,157,516	$ 1,530,765	$ 15,688,281
Total Capital Assets Depreciated, Net	$ 45,453,586	$ (163,879)	$ 45,289,707
Governmental Activities Capital Assets, Net	$ 46,535,783	$ (111,247)	$ 46,424,536

There were no decreases in capital assets to report during the year ended June 30, 2014. Depreciation expense was charged to functions of the discretely presented Dyer County School Department as follows:

Governmental Activities:

Instruction	$ 977,159
Support Services	463,868
Operation of Non-instructional Services	89,738
Total Depreciation Expense - Governmental Activities	$ 1,530,765

D. Construction Commitments

At June 30, 2014, the General Purpose School Fund had uncompleted construction contracts of approximately $206,331 for building improvements. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2014, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	$ 1,403

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2014, consisted of the following amount:

Discretely Presented Dyer County School Department

	Transfer In
Transfer Out	General Purpose School Fund
Nonmajor governmental fund	$ 14,506

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

F. Capital Leases

Terms of capital lease obligations outstanding at June 30, 2014, are as follows:

Description	Date of Lease	Last Maturity Date	Total Principal Payments	Interest Rate
Sheriff's Patrol Cars	11-5-12	10-18-14	$ 87,831	2.79 %
Sheriff's Patrol Cars	10-17-13	10-18-15	80,793	2.49
Sheriff's Patrol Cars	12-23-13	10-18-15	22,438	2.49

Titles to the above-noted equipment transfer to Dyer County at the end of the lease periods.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities
Machinery and Equipment	$ 191,062
Less: Accumulated Depreciation	(56,648)
Total Book Value	$ 134,414

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

Year Ending June 30	Governmental Funds
2015	$ 65,374
2016	35,224
Total Minimum Lease Payments	100,598
Less: Amount Representing Interest	$ (3,362)
Present Value of Minimum Lease Payments	$ 97,236

G. Long-term Obligations

Primary Government

General Obligation Bonds and Other Loans

Dyer County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition,

general obligation bonds have been issued to refund other general obligation bonds.

General obligation bonds and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 21 years for bonds and 17 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and other loans included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and capital leases outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds – Refunding	3 to 4.45 %	6-1-26	$ 7,980,000	$ 6,405,000
School Refunding Bonds	2 to 4.1	6-1-26	30,240,000	26,295,000
Other Loans	0 to 1.515	9-15-27	14,633,000	11,521,598
Capital Leases	2.49 to 2.79	10-18-15	191,062	97,236

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

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

The annual requirements to amortize the bonds and other loans outstanding as of June 30, 2014, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	$ 1,755,000	$ 1,241,189	$ 2,996,189
2016	1,810,000	1,185,689	2,995,689
2017	1,870,000	1,128,201	2,998,201
2018	1,940,000	1,067,851	3,007,851
2019	2,085,000	1,002,989	3,087,989
2020-2024	14,670,000	3,736,689	18,406,689
2025-2026	8,570,000	534,860	9,104,860
Total	$ 32,700,000	$ 9,897,468	$ 42,597,468

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2015	$ 913,076	$ 410,771	$ 13,498	$ 1,337,345
2016	913,076	410,771	13,498	1,337,345
2017	913,076	410,771	13,498	1,337,345
2018	913,076	410,771	13,498	1,337,345
2019	913,076	410,771	13,498	1,337,345
2020-2024	4,565,380	2,053,855	67,490	6,686,725
2025-2028	2,390,838	1,098,652	32,297	3,521,787
Total	$ 11,521,598	$ 5,206,362	$ 167,277	$ 16,895,237

There is $1,979,879 available in the General Debt Service Fund to service long-term debt. Debt per capita, including capital leases, other loans, and bonds totaled $1,156, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

Governmental Activities:	Bonds	Other Loans	Capital Leases
Balance, July 1, 2013	$ 34,400,000	$ 12,330,990	$ 79,162
Additions	0	0	103,231
Reductions	(1,700,000)	(809,392)	(85,157)
Balance, June 30, 2014	$ 32,700,000	$ 11,521,598	$ 97,236
Balance Due Within One Year	$ 1,755,000	$ 913,076	$ 62,899

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	$ 44,318,834
Less: Balance Due Within One Year	(2,730,975)
Less: Deferred Discount on Debt	(57,851)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 41,530,008

Discretely Presented Dyer County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Dyer County School Department, for the year ended June 30, 2014, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	$ 101,506	$ 3,360,692
Additions	96,393	677,463
Reductions	(84,387)	(372,210)
Balance, June 30, 2014	$ 113,512	$ 3,665,945
Balance Due Within One Year	$ 5,676	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	$	3,779,457
Less: Balance Due Within One Year		(5,676)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$	3,773,781

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Dyer County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, were $128,253 and $20,356, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Dyer County carries commercial insurance for active employee's health insurance. Pre-65 age retirees are not allowed to remain in the program. Settled claims have not exceeded this commercial insurance coverage in any of the past three fiscal years.

Dyer County participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding $100,000 for each insured event.

The county and the discretely presented Dyer County School Department have chosen to fund risks associated with employee on-the-job injuries through the Workers' Compensation Fund. The Workers' Compensation Fund is accounted for as an internal service fund in which assets are set aside for claim settlements. The county is self-insured to a limit of $50,000

for a single occurrence. The county carries Occupational Accident Insurance through a commercial insurance carrier for on-the-job injuries that exceed the single occurrence limit.

All full-time employees of the primary government and the discretely presented School Department are eligible to participate in the Workers' Compensation Fund. Premium charges are allocated to the General, Highway/Public Works, and General Purpose School funds. These charges are based on the current year's commercial insurance premium prorated to the funds based on the percentage of the prior-year's claims. Liabilities of the fund are reported when losses are probable and the amounts of the losses can be reasonably estimated. The Workers' Compensation Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years for the Workers' Compensation Fund are as follows:

Workers' Compensation Fund

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	Balance at Fiscal Year-end
2011-12	$ 0	$ 156,638	$ 156,638	$ 0
2012-13	0	148,370	148,370	0
2013-14	0	141,391	141,391	0

The discretely presented Dyer County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA),* all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

The discretely presented Dyer County School Department carries commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property, and casualty losses. Settled claims have not exceeded this commercial coverage in any of the past three years.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67, replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70, relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

C. Subsequent Events

On August 31, 2014, Richard Hill left the Office of County Mayor and was succeeded by Chris Young, and Judy Patton left the Office of Trustee and was succeeded by Nancy Broadstone.

D. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

As described in Note V.E. below, Dyer County is a participant with Obion and Lake counties in a joint venture known as the Northwest Tennessee Regional Port Authority. The port authority borrowed $410,000 in April 2007. The county commissions of the participating counties have approved making payments on the debt issuance (Lake County – 50 percent, Dyer County – 25 percent, and Obion County – 25 percent) until such time as the port authority has revenue to make payments.

E. Joint Ventures

The McIver's Grant Public Library Board is a joint venture in which the county and the City of Dyersburg participate in the operation of the library facility. The board comprises 14 members, seven of whom are appointed by the Dyer County Commission and seven are appointed by the City of Dyersburg. The library generates its operating revenue from appropriations from the county and city, fines, interest, and copy fees. Dyer County contributed $99,188 to the operations of the board during the year ended June 30, 2014. Dyer County is responsible for funding 50 percent of any deficits from operations; however, the county and city do not retain an equity

interest in the library. Complete financial statements for the McIver's Grant Public Library can be obtained from its administrative office at the following address:

Administrative Office:

McIver's Grant Public Library
204 Mill Avenue
Dyersburg, TN 38024

Dyer County is a participant with Obion and Lake counties in a multi-county entity known as the Northwest Tennessee Regional Port Authority. This entity was created to operate and maintain a port to be located in Lake County on the Mississippi River. A board is appointed by the participating counties with the mayors of each county serving as ex-officio members. The board comprises eight members, four of whom are appointed by the Lake County Commission, two by the Obion County Commission, and two by the Dyer County Commission. Dyer County has control over budgeting and financing the joint venture only to the extent of representation by the two board members appointed. In April 2007, the port authority borrowed $410,000 without interest for construction costs of the port with payments of $4,271 due in 96 monthly installments beginning in April 2009. The Dyer County Commission had approved making payments of 25 percent of this debt issuance until such time as the port authority has revenue to make the payments, which is estimated to be at least two years. This entity has yet to begin operations. Their administrative office can be contacted at P.O. Box 267, Dyersburg, TN 38025.

Dyer County is a participant with Lake County and the cities of Tiptonville, Ridgely, and Dyersburg in an entity known as the TennKen Railroad Authority. The governing board for the authority consists of the mayors of both counties and all three cities. This entity was created to facilitate active involvement by all affected local governments in Tennessee regarding a section of railroad track commonly known as the TennKen Railroad. The TennKen Railroad is owned by the Hickman River City Development Corporation (HRCDC), a public entity chartered in Kentucky. The HRCDC had previously purchased the line from Illinois Central Railroad to ensure rail access to the river port in Hickman, Kentucky. All funding for the TennKen Railroad Authority comes from the State of Tennessee through the Tennessee Department of Transportation as grants, which are used for the maintenance and rehabilitation of the TennKen Railroad track and the necessary engineering services for said maintenance and rehabilitation. The Lake County Mayor's Office handles the administration of these grant funds and passes them through to the HRCDC for disbursement.

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

Employees of Dyer County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Dyer County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at http://www.tn.gov/treasury/tcrs/PS/.

Funding Policy

Dyer County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 6.97 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2014, the county's annual pension cost of $55,678 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was six years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	$55,678	100%	$0
6-30-13	52,848	100	0
6-30-12	51,165	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 92.98 percent funded. The actuarial accrued liability for benefits was $2.38 million, and the actuarial value of assets was $2.21 million, resulting in an unfunded actuarial accrued liability (UAAL) of $.17 million. The covered payroll (annual payroll of active employees covered by the plan) was $.76 million, and the ratio of the UAAL to the covered payroll was 22 percent.

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

SCHOOL TEACHERS

Plan Description

The Dyer County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2014, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2014, 2013, and 2012, were $1,128,581, $1,088,454, and $1,086,977, respectively, equal to the required contributions for each year.

2. Deferred Compensation

The Dyer County Highway Department offers its employees a deferred compensation plan established pursuant to IRC Section 457. The Highway/Public Works Fund will match employee contributions up to 2.5 percent of gross payroll. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plan.

G. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The School Department makes a contribution toward the health insurance premium of the School Department's group medical plan for all employees who accumulate sick leave and meet length of employment and age criteria of 20 years of service with the Dyer County School System at age 55, or 30 years of service regardless of age. Currently, 35 retirees meet those eligibility requirements. The School Department pays 100 percent of single coverage for all certified teachers. The School Department pays 67.42 percent of the medical insurance premium for single coverage for non-certified employees with the former employees continuing

contributions at their opted level of coverage until Medicare becomes available. Retirees' contributions vary depending on the insurance options they select. During the year ended June 30, 2014, the Dyer County School Department contributed $372,210 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
ARC	$ 674,000
Interest on the NOPEBO	134,428
Adjustment to the ARC	(130,965)
Annual OPEB cost	$ 677,463
Less: Amount of contribution	(372,210)
Increase/decrease in NOPEBO	$ 305,253
Net OPEB obligation, 7-1-13	3,360,692
Net OPEB obligation, 6-30-14	$ 3,665,945

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Education Group	$ 873,387	37 %	$ 2,828,849
6-30-13	"	881,043	40	3,360,692
6-30-14	"	667,463	55	3,665,945

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

	Local Education Group Plan
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	$ 5,613,000
Actuarial value of plan assets	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 5,613,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	$ 16,788,550
UAAL as a % of covered payroll	33%

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

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.5 percent for fiscal year 2014. The trend will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level of percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

H. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding $10,000 to be competitively bid through newspaper advertisement.

Office of Road Supervisor

Chapter 421, Private Acts of 1929, as amended, and the Uniform Road Law, Section 54-7-113, *TCA*, govern purchasing procedures for the Highway Department. These statutes provide for the road supervisor to make all purchases and for competitive bids to be solicited through public advertisement on all purchases exceeding $10,000.

Office of Director of Schools

Purchasing procedures for the discretely presented Dyer County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding $10,000.

Copies of the complete financial statements of the County for the current Fiscal Year are available at http://www.comptroller1.state.tn.us/la/CountySelect.asp