

## OFFICIAL STATEMENT

*In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, as hereafter defined, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference in calculating the alternative minimum tax. 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 Tennessee franchise and excise taxes. (See “LEGAL MATTERS -Tax Matters” herein.)*

### **\$11,850,000** **DICKSON COUNTY, TENNESSEE** **General Obligation Refunding Bonds, Series 2019**

Dated: June 28, 2019

Due: March 1 (as shown below)

The \$11,850,000 General Obligation Refunding Bonds, Series 2019 (the “Bonds”) of Dickson 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 September 1, 2019 and thereafter on each March 1 and September 1 by check or draft mailed to the owners thereof as shown on the books and records of Regions Bank, Nashville, Tennessee, the registration and paying agent (the “Registration Agent”). In the event of discontinuation of the book-entry system, principal of and interest on the Bonds are payable at the designated corporate trust office of the Registration Agent.

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 irrevocably pledged.

Bonds maturing March 1, 2027 and thereafter are subject to optional redemption prior to maturity on or after March 1, 2026.

| <u>Due</u><br><u>(March 1)</u> | <u>Amount</u> | <u>Interest</u><br><u>Rate</u> | <u>Yield</u> | <u>CUSIP**</u> | <u>Due</u><br><u>(March 1)</u> | <u>Amount</u> | <u>Interest</u><br><u>Rate</u> | <u>Yield</u> | <u>CUSIP**</u> |
|--------------------------------|---------------|--------------------------------|--------------|----------------|--------------------------------|---------------|--------------------------------|--------------|----------------|
| 2020                           | \$ 980,000    | 5.00%                          | 1.45%        | 253444RP0      | 2026                           | \$ 1,120,000  | 5.00%                          | 1.61%        | 253444RV7      |
| 2021                           | 875,000       | 5.00                           | 1.48         | 253444RQ8      | 2027                           | 1,175,000     | 4.00                           | 1.67 c       | 253444RW5      |
| 2022                           | 920,000       | 5.00                           | 1.50         | 253444RR6      | 2028                           | 1,220,000     | 2.00                           | 2.08         | 253444RX3      |
| 2023                           | 965,000       | 5.00                           | 1.52         | 253444RS4      | 2029                           | 1,245,000     | 2.00                           | 2.20         | 253444RY1      |
| 2024                           | 1,015,000     | 5.00                           | 1.53         | 253444RT2      | 2030                           | 1,270,000     | 2.125                          | 2.32         | 253444RZ8      |
| 2025                           | 1,065,000     | 5.00                           | 1.57         | 253444RU9      |                                |               |                                |              |                |

c= Yield to call on March 1, 2026

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire *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 White & Regen, PLC, Dickson, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the County by Reynolds, Potter, Ragan & Vandivort, PLC, counsel to the County. It is expected that the Bonds will be available for delivery through the facilities of Depository Trust Company in New York, New York, on or about June 28, 2019.

**Cumberland Securities Company, Inc.**  
*Municipal Advisor*

May 29, 2019

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

This 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 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 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 Municipal 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 Municipal Advisor or the Underwriter. 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 Municipal 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.

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.

# DICKSON COUNTY, TENNESSEE

## COUNTY OFFICIALS

|                    |   |
|--------------------|---|
| Honorable Bob Rial | <i>County Mayor</i>                     |
| Luanne Greer       | <i>County Clerk</i>                     |
| Glynda Pendergrass | <i>County Trustee</i>                   |
| Brian Ragan        | <i>County Attorney</i>                  |
| Jenny Heath Martin | <i>Assessor of Property</i>             |
| Don Hall           | <i>Director of Accounts and Budgets</i> |

## BOARD OF COUNTY COMMISSIONERS

|               |                 |
|---------------|-----------------|
| Stacey Batey  | Dwight McIlwain |
| Carl Buckner  | Buford Reed     |
| Jeff Eby      | Randy Simpkins  |
| Clayton Ellis | David Shepard   |
| James Dawson  | Jeff Spencer    |
| Linda Hayes   | Becky Spicer    |

## UNDERWRITER

Citigroup Global Markets Inc.

## BOND REGISTRATION AND PAYING AGENT

Regions Bank  
Nashville, Tennessee

## BOND COUNSEL

White & Regen, PLC  
Dickson, Tennessee

## MUNICIPAL 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 .....                    | Dickson County, Tennessee (the “County” or “Issuer”). See the section entitled “Supplemental Information Statement” for more information.   |
| Securities Offered.....             | \$11,850,000 General Obligation Refunding Bonds, Series 2019 (the “Bonds”) of the County, dated June 28, 2019. The Bonds will mature each March 1 beginning March 1, 2020 through March 1, 2030, 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 and interest on the Bonds, the full faith and credit of the Issuer are irrevocably pledged.  |
| Purpose .....                       | The Bonds are being issued for (i) the purpose of refinancing, in whole or in part, certain Outstanding Debt, as described in the section “REFUNDING PLAN” herein, and (ii) payment of the costs related to the issuance and sale of the Bonds. See the section entitled “SECURITIES OFFERED - Authority and Purpose” contained herein.   |
| Optional Redemption .....           | The Bonds are subject to optional redemption prior to maturity on or after March 1, 2026, 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 in calculating the alternative minimum tax. 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 Tennessee franchise and excise taxes. (See “LEGAL MATTERS -Tax Matters” herein.) |
| Rating .....                        | S&P: “AA”. See the section entitled “MISCELLANEOUS - Rating” for more information.  |
| Underwriter.....                    | Citigroup Global Markets, New York, New York.   |
| Municipal Advisor.....              | Cumberland Securities Company, Inc., Knoxville, Tennessee. See the section entitled “MISCELLANEOUS - Municipal Advisor; Related Parties; Other”, herein.  |
| Bond Counsel .....                  | White & Regen, PLC, Dickson, Tennessee.   |
| 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 and Paying Agent ..... | Regions Bank, Nashville, Tennessee (the “Registration Agent”).  |

|                         |  |
|-------------------------|--|
| General .....           | The Bonds are being issued in full compliance with applicable provisions of Title 9, Chapter 21, <i>Tennessee Code Annotated</i> , as supplemented and revised. See the section entitled 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 promulgated under the Securities Exchange Act of 1934 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" (however, at the moment no such depository has been established). |
| Other Information ..... | For more information concerning the County or this <i>Official Statement</i> contact Mr. Bob Rial, County Mayor, 4 Court Square, Charlotte, Tennessee 37036, (615) 789-7000; or the County's Municipal Advisor, Cumberland Securities Company, Inc., Telephone: (865) 988-2663.  |

**GENERAL FUND BALANCES**  
**Summary of Changes In Fund Balances**  
For the Fiscal Year Ended June 30

|                            | <u>2014</u>                | <u>2015</u>                | <u>2016</u>                | <u>2017</u>                | <u>2018</u>                |
|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Beginning Fund Balance     | \$ 6,615,821               | \$ 8,915,517               | \$ 9,455,853               | \$11,037,386               | \$13,734,935               |
| Revenues                   | 26,371,157                 | 23,548,587                 | 24,371,657                 | 25,647,361                 | 25,409,546                 |
| Expenditures               | 20,967,964                 | 21,419,356                 | 22,683,075                 | 23,651,274                 | 26,400,329                 |
| Other Financing Sources:   |                            |                            |                            |                            |                            |
| Note Proceeds              | 123,000                    | 84,831                     | 170,000                    | 1,065,000                  | 3,756,067                  |
| Insurance Recovery         | 256,871                    | 43,274                     | 133,213                    | 36,812                     | 14,437                     |
| Transfers In               | 114,000                    | 120,000                    | -                          | -                          | 98,069                     |
| Transfers Out              | (897,368)                  | (1,837,000)                | (410,262)                  | (400,350)                  | (1,693,000)                |
| <b>Ending Fund Balance</b> | <b><u>\$ 8,915,517</u></b> | <b><u>\$ 9,455,853</u></b> | <b><u>\$11,037,386</u></b> | <b><u>\$13,734,935</u></b> | <b><u>\$14,919,725</u></b> |

Source: Comprehensive Annual Financial Reports of the County.



**\$11,850,000**  
**DICKSON COUNTY, TENNESSEE**  
**General Obligation Refunding Bonds, Series 2019**

**SECURITIES OFFERED**

**AUTHORITY AND PURPOSE**

This *Official Statement*, which includes the Summary Statement and appendices, is furnished in connection with the offering by Dickson County, Tennessee (the “County” or “Issuer”) of its \$11,850,000 General Obligation Refunding Bonds, Series 2019 (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 April 15, 2019.

The Bonds are being issued for (i) the purpose of refinancing, in whole or in part, certain Outstanding Debt, as described in the section “REFUNDING PLAN” below, and (ii) payment of the costs related to the issuance and sale of the Bonds. See the section entitled “SECURITIES OFFERED - Authority and Purpose” contained herein.

**REFUNDING PLAN**

The County is proposing to issue the Bonds to refinance the County’s outstanding: (1) General Obligation Bonds, Series 2009, dated November 17, 2009, maturing April 1, 2020, and thereafter (the “Outstanding Debt”). The Outstanding Debt will be called for redemption on June 28, 2019.

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 Debt was submitted to the Director of the Office of State and Local Finance for review, and a report was received thereon.

**DESCRIPTION OF THE BONDS**

The Bonds will be initially dated and bear interest from June 28, 2019. Interest on the Bonds will be payable semi-annually on March 1 and September 1, commencing September 1, 2019. 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.

## **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 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 or other available funds of the County to the payment of debt service on the Bonds.

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

## **OPTIONAL REDEMPTION OF THE BONDS**

The Bonds maturing March 1, 2027 and thereafter are subject to optional redemption prior to maturity on or after March 1, 2026 in whole or in part at any time at a redemption price of par plus accrued interest.

If fewer than all of 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.

## **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 dated 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 15<sup>th</sup> 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.

*(The remainder of this page left blank intentionally.)*

## BASIC DOCUMENTATION

### REGISTRATION AGENT

The Bond 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 described in the following section entitled “Book-Entry-Only System”.

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 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, as herein after defined, 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-only 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 S&P 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](http://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-only 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 for 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 MUNICIPAL 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 Municipal 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 Municipal 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 Municipal 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) an amount, which together with investment earnings thereon and other legally available funds of the County, if any, will be sufficient to pay principal of, premium, if any, and interest on the Outstanding Debt until and through the redemption date therefor shall be transferred to the paying agent and/or trustee for the Outstanding Debt to be held to the earliest optional redemption date and used for the payment and retirement of the Outstanding Debt; and
- (b) the remainder of the proceeds of the sale of the Bonds shall be used to pay the costs of issuance the Bonds, and all 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.

## **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:

- (a) 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;

(b) 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

(c) 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 (defined herein) deposited as aforesaid.

Except as otherwise provided in this section, neither Defeasance Obligations nor moneys deposited with the Registration Agent 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 hereof, 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, which 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. See the subsection entitled "Closing Certificates" for additional information.

### TAX MATTERS

#### Federal

*General.* White & Regen, PLC, Dickson, 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"), and
- is not treated as an item of tax preference in calculating the alternative minimum tax.

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 "CHANGES IN FEDERAL AND STATE LAW" 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.

*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 (if any shall be in effect), (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 White & Regen, PLC, Dickson, 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

S&P Global Ratings (“S&P”) has given the Bonds the rating of “AA”.

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 S&P, 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 S&P and any explanation of the significance of such rating should be obtained from S&P.

### COMPETITIVE PUBLIC SALE

The Bonds were offered for sale at competitive public bidding on May 29, 2019. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that was dated May 17, 2019.

The successful bidder for the Bonds was an account led by Citigroup Global Markets, Inc. (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 \$12,811,040.90 (consisting of the par amount of the Bonds, plus an original issue premium of \$992,443.40 and less an underwriter’s discount of \$31,402.50 or 108.110% of par plus accrued interest, if any, to the date of delivery).

### MUNICIPAL ADVISOR; RELATED PARTIES; OTHER

*Municipal Advisor.* Cumberland Securities Company, Inc., Knoxville, Tennessee, has served as Municipal Advisor (the “Municipal Advisor”) to the County for purposes of assisting with the development and implementation of a bond structure in connection with the issuance of the Bonds. The Municipal Advisor has not been engaged by the County to compile, create, or interpret any information in the PRELIMINARY OFFICIAL STATEMENT and OFFICIAL STATEMENT relating to the County, including without limitation any of the County’s financial and operating data, whether historical or projected. Any information contained in the PRELIMINARY OFFICIAL STATEMENT and OFFICIAL STATEMENT concerning the County,

any of its affiliates or contractors and any outside parties has not been independently verified by the Municipal Advisor, and inclusion of such information is not, and should not be construed as, a representation by the Municipal Advisor as to its accuracy or completeness or otherwise. The Municipal Advisor is not a public accounting firm and has not been engaged by the County to review or audit any information in the PRELIMINARY OFFICIAL STATEMENT and OFFICIAL STATEMENT in accordance with accounting standards.

*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 Municipal 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, White & Regen, PLC has not represented the Bank on legal matters unrelated to the County but could possibly do so 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 authorized and issued up to \$25,000,000 of debt for a new justice center on May 10, 2019. Additionally, the County has ongoing needs that may or may not require the



issuance of additional debt. The County may also authorize the issuance of additional refundings of outstanding debt as savings opportunities arise.

## **DEBT LIMITATIONS**

Pursuant to Title 9, Chapter 21, Part 1 *Tennessee Code Annotated*, as amended, there is no limit on the amount of bonds that may be issued when the County uses the statutory authority granted therein to issue bonds. (see DEBT STRUCTURE - Indebtedness and Debt Ratios for additional information.)

## **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 under 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 the end of each fiscal year commencing with the fiscal year ending June 30, 2019 (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 issuer will provide notice in a timely manner to the MSRB of a failure by the County to provide the annual financial information on or before the date specified in the continuing disclosure agreement. The Annual Report and notices described above will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at [www.emma.msrb.org](http://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 Exchange Act Rule 15c2-12(b), as it may be amended from time to time (the "Rule 15c2-12").

*Five-Year Filing History.* The County has filed its audited financial statements (the "Financial Statements") which are part of the Annual Report, as outlined below in connection with the County's Outstanding Bonds. The County has filed late the required supplemental information to the Financial Statements (the "Supplemental Information") since the Outstanding Bonds were issued. See the chart below for dates of filings:

|                                     | <b>Date Filed</b> | <b>Days Filed Late</b> |
|-------------------------------------|-------------------|------------------------|
| <b>FY 2018 Financial Statements</b> | March 27, 2019    | 0                      |
| <b>FY 2017 Financial Statements</b> | March 14, 2018    | 0                      |
| <b>FY 2016 Financial Statements</b> | June 27, 2017     | 0                      |

|                                     |                      |                        |
|-------------------------------------|----------------------|------------------------|
| <b>FY 2015 Financial Statements</b> | <b>July 21, 2016</b> | <b>21 days</b>         |
| <b>FY 2014 Financial Statements</b> | <b>July 21, 2016</b> | <b>386 days</b>        |
|                                     |                      |                        |
|                                     | <b>Date Filed</b>    | <b>Days Filed Late</b> |
| <b>FY 2018 Supplemental Info</b>    | April 29, 2019       | 0                      |
| <b>FY 2017 Supplemental Info</b>    | April 30, 2019       | 304                    |
| <b>FY 2016 Supplemental Info</b>    | April 30, 2019       | 669                    |
| <b>FY 2015 Supplemental Info</b>    | April 30, 2019       | 1,034                  |
| <b>FY 2014 Supplemental Info</b>    | April 30, 2019       | 1,400                  |

The County's fiscal year ending June 30, 2015 and 2014 Financial Statements were filed late on July 21, 2016 after the County took over its dissemination requirements from a third party. The required Supplemental Information for fiscal years ending June 30, 2014, June 30, 2015, June 30, 2016 and June 30, 2017 were not filed until April 30, 2019. A failure to file notice was filed on all of the County's Outstanding Bonds on April 30, 2019.

In the past five years, the County has failed to comply with its requirements with respect to its existing Continuing Disclosure Agreements in accordance with Rule 15c2-12 as described above. The current County staff is now more informed of its responsibilities and has taken steps to remedy the oversights of the past five years. Additionally, the County has retained Cumberland Securities Company, Inc. as its Dissemination Agent to file its required information going forward on an annual basis.

*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-9;
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-10 and B-11;
3. Information about the Bonded Debt Service Requirements – General Fund and General Debt Service Fund as of the end of such fiscal year as shown on page B-12;
4. The fund balances and retained earnings for the fiscal year as shown on page B-13;

5. Summary of Revenues, Expenditures and Changes in Fund Balances - General Fund for the fiscal year as shown on page B-14;
6. The property valuations, total estimated actual value of all taxable property, property tax rates and property tax collections in the County for such year as shown on page B-20; and
7. The ten largest taxpayers for the most recent fiscal year as shown on page B-21 through B-25.

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 the MSRB 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.
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;
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- o. Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation (as described above) of the County, any of which reflect financial difficulties.

*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 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 remainder of this page left blank intentionally.)*

## **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/ Bob Rial  
County Mayor

ATTEST:

/s/ Luanne Greer  
County Clerk





## **APPENDIX A**

### **PROPOSED FORM OF LEGAL OPINION**



June 28, 2019

Mayor Bob Rial  
Dickson County, Tennessee  
4 Court Square  
P. O. Box 267  
Charlotte, Tennessee 37036

Citigroup Global Markets  
390 Greenwich Street  
New York, NY 10013

Re: Dickson County, Tennessee \$11,850,000 General Obligation  
Refunding Bonds, Series 2019 (collectively, the “Bonds”)

Mayor Rial:

We have acted as bond counsel in connection with the issuance by Dickson County, Tennessee (the “Issuer”) of its \$12,950,000 General Obligation Refunding Bonds, Series 2019, dated the date of issuance thereof (collectively, the “Bonds”) pursuant to a resolution adopted by the Board of County Commissioners of the Issuer (the “Governing Body”) on April 15, 2019 (the “Bond Resolution”), and the sale of the Bonds pursuant to the Award, dated June 28, 2019 (the “Award”), awarding sale of the Bonds to Citigroup Global Markets (the “Underwriter”) as provided in the Bond Resolution. Capitalized terms not defined herein have the meanings set forth in the Bond Resolution or the Award respectively.

We have examined an original or a certified copy of the Bond Resolution, provisions of applicable law, including Title 9, Chapter 21 of Tennessee Code Annotated (collectively, the “State Laws”), certified copies of proceedings and documents relating to the Issuer and such other proofs and proceedings as we have deemed necessary as a basis for the opinions hereafter expressed.

The Bonds shall be issued and secured under the provisions of the Bond Resolution and pursuant to the State Laws to refund and redeem the entire remaining outstanding balance, principal and interest, of all outstanding maturities of the County’s \$18,000,000 General Obligation Bonds, Series 2009 (collectively and severally, the “Refunded Bonds”) and financing the costs of issuance of the Bonds.

The Bonds are payable from unlimited *ad valorem* taxes to be levied upon all taxable property situate in the County. For the prompt payment of the principal of and interest on the Bonds, the full faith and credit and unlimited taxing power of the County have been irrevocably pledged.

Reference is made to the form of the Bonds and the Official Statement of the Issuer (the "Official Statement") relating to the issuance and sale of the Bonds for additional information concerning their details, payment and redemption provisions, their purpose, the proceedings pursuant to which they are issued, and certain risks attendant upon ownership of the Bonds, as described in the Official Statement.

Reference is also made to the opinion of Reynolds, Potter, Ragan & Vandivort, PLC as counsel to the Issuer, of even date herewith, upon which we have relied with your permission, with respect to the matters presented therein.

Without undertaking to verify the same by independent investigation, we have relied on certifications by representatives of the Issuer with respect to certain facts relevant to both our opinion and the requirements of the Internal Revenue Code of 1986 (as amended), 26 U.S.C. § 1 *et seq.* (the "Code"). In the Bond Resolution and certain certificates and agreements of the Issuer, the Issuer has covenanted to comply with the provisions of the Code regarding, among other matters, the use, expenditure, and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage profit or penalty in lieu thereof with respect to the Bonds, all as set forth in the documents and proceedings providing for the issuance of and security for the Bonds (the "Covenants").

Based upon the foregoing, in reliance upon the other opinion described herein and, as to the opinions in paragraph 5 below, assuming continued compliance by the Issuer with the Covenants, we are of the opinion that, as of the date hereof and under existing law:

1. The Resolution has been duly authorized and adopted by the Issuer, constitutes a valid and binding agreement of the Issuer, and is enforceable against the Issuer in accordance with its terms.
2. The Bonds have been duly authorized and issued in accordance with the State Laws and, based upon existing law, constitute valid and binding obligations of the Issuer, payable from unlimited *ad valorem* taxes to be levied upon all taxable property situate in the County.
3. The Award has been duly authorized, executed, and delivered by the Issuer, constitutes a valid and binding agreement of the Issuer, and is enforceable against the Issuer in accordance with its terms.
4. The enforceability of the obligations of the Issuer described in paragraphs 1, 2, and 3 above is subject to the provisions of bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, by equitable principles (which may limit

the specific enforcement of certain remedies), whether considered at law or in equity, and by the exercise of judicial discretion in certain cases.

5. The interest on the Bonds is excludable 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. It should be noted, however, that for the purpose of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinions set forth in the preceding two sentences are made upon the assumption, and are subject to the condition, that the Issuer will comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. In the Covenants, the Issuer has covenanted to comply with such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds, irrespective of the date such non-compliance occurs.

With respect to any Bonds initially purchased at prices less than the amounts payable thereon at maturity, the difference between the principal amount of such Bonds and the initial offering price at which price a substantial amount of such Bonds of the same maturity was sold constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on such Bonds. Such original issue discount accrues actuarially on a constant interest rate basis over the term of each such Bond, and the basis of each such Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount.

With respect to any Bonds initially purchased at prices greater than the amounts payable thereon at maturity, the difference between the principal amount of such Bonds and the initial offering price at which price a substantial amount of such Bonds of the same maturity was sold constitutes original issue premium. As a result of the tax cost reduction requirements of the Code relating to amortization of original issue premium, under certain circumstances an initial owner of such Bonds may realize a taxable gain upon the disposition of such Bonds even though such Bonds are sold or redeemed for an amount equal to such owner's original cost of acquiring such Bonds.

Except as set forth in this paragraph 5, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. Under existing law, the Bonds and the income therefrom are exempt from all present state, county, and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the 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 (b) 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.

Our services as bond counsel to the Issuer have been limited to rendering the foregoing opinions based on our review of the proceedings and documents described herein and in reliance upon the other opinion described herein. We have not made any investigation concerning the financial resources of the Issuer or its ability to pay the Bonds when and as due. We are not expressing an opinion on the investment quality of the Bonds.

We express no opinion herein as to the compliance by the Issuer, the Governing Body, or the Underwriter with any federal or state statute, regulation, or ruling that may relate to the sale, distribution, or marketing of the Bonds.

Our opinion relates only to the laws of the State of Tennessee and the United States of America, and we express no opinion as to the laws of any other jurisdiction. Our opinion relates solely to the questions set out herein and does not consider other questions of law.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

With kindest regards, we are

Very truly yours,

WHITE & REGEN, PLC

By: \_\_\_\_\_  
Benjamin C. Regen, Member

## **APPENDIX B**

### **SUPPLEMENTAL INFORMATION STATEMENT**





## GENERAL INFORMATION

### LOCATION

Dickson County, Tennessee (the “County”) is located in the northern region of Middle Tennessee. The County is bordered to the east by Cheatham and Williamson Counties, to the South by Hickman County, to the west by Humphreys and Houston Counties, and to the north by Montgomery County. The Town of Charlotte serves as the county seat and is located approximately 30 miles east of Nashville. Other incorporated cities in the County include Dickson, White Bluff, Burns, Slayden and Vanleer.

### GENERAL

The County is part of the Nashville-Murfreesboro Metropolitan Statistical Area (the “MSA”), which includes Cannon, Cheatham, Davidson, Dickson, Hickman, Macon, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson and Wilson Counties. According to the 2000 US Census the MSA had a population of 1,311,789, a 20 percent increase from the 1990 Census.

The County is also part of the Nashville-Murfreesboro-Columbia Combined Statistical Area (the “CSA”) which includes Maury, Cannon, Cheatham, Davidson, Dickson, Hickman, Macon, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson and Wilson Counties. According to the 2010 Census, the CSA had a population of 1,674,191. The City of Nashville, the State Capital, is the largest city in the CSA with a population of 626,681 according to the 2010 Census.

The 2010 Census puts Dickson County’s population at 49,666. The largest city in Dickson County is the City of Dickson with a 2010 Census population of 14,538.

### TRANSPORTATION

Interstate Highway I-40, Interstate I-840 and U.S. Highway 70 run through the southern half of the County. State Highways 46, 47, 48, 49, 96, 235 and 250 also traverse the County. As many as twelve motor freight companies serve the County, and freight rail service is provided by the CSX Transportation. The Dickson County Municipal Airport is the County’s municipal airport with a 5,000-foot asphalt runway. The nearest commercial airport is Nashville International Airport, which is located 50 miles away.

### EDUCATION

The *Dickson County School System* has 15 schools. The fall of 2017 the system enrolled about 8,171 students with 533 teachers.

*Source:* Tennessee Department of Education.

*Dickson County Higher Learning Center.* Dickson County has partnered with Nashville State Community College and Austin Peay State University to offer college prep and college level courses for interested individuals in this area. Classes can be taken during the daytime, evening or online through the new Higher Learning Center, located in Dickson. Classes through

Nashville State will include college prep classes which will help prepare students for college level work and general education classes which can be applied toward an associate's or bachelor's degree program. Classes through Austin Peay State will include a new Bachelor of Professional Studies which is designed to help individuals who already have earned an associate of applied science (AAS) degree at a community college or technical school work toward their bachelor's degree while allowing for the variations in AAS degree credits. For more information

*Source:* Dickson County Schools.

*Nashville State Technical Community College* is located in Nashville, Tennessee and was founded in 1970. Fall 2017 enrollment was 8,318. Nashville State shares a 109-acre campus with the Tennessee Technology Center at Nashville. The Nashville State facilities include 239,000 square feet of space for classrooms, labs, offices, student services, and a library. Nashville State offers 49-degree programs and 12 certificate programs. In addition, Nashville State offers continuing education courses ranging from technical skills to management training and programs providing training in such areas as computer-aided drafting and office technology. The College serves an area comprised of Davidson, Putnam, Cheatham, Dickson, Houston, Humphreys and Stewart Counties, and the Upper Cumberland region. There are four satellite campuses: Cookeville, Humphreys County, Dickson and Southeast Nashville.

*Source:* Nashville State Community College.

*The Tennessee College of Applied Technology at Dickson.* The Tennessee College of Applied Technology at Dickson (the "TCAT-D") is part of a statewide system of 27 vocational-technical schools. The TCAT-D 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 TCAT-D offers degree, diploma and certificate programs in administrative office technology, automotive technology, computer information technology, cosmetology, dental assistant, diesel powered equipment technology, digital graphic design, heating, ventilation, air conditioning and refrigeration, industrial maintenance/electricity, machine tool technology, mechatronics, pharmacy technician, practical nursing, and welding/pipefitting technology.

The TCAT-D serves the south central region of the state including Dickson, Montgomery, Williamson, Houston and Humphreys Counties. The TCAT-D began operations in 1968, and the main campus is located in Dickson County. Fall 2016 enrollment was 1,183 students. There are three satellite campuses located in Clarksville, Franklin and Waverly, Tennessee. Please see "RECENT DEVELOPMENTS" for more information on a new \$3 million health careers facility that opened in 2018.

*Source:* Tennessee College of Applied Technology at Dickson.

## **HEALTHCARE**

*TriStar Horizon Medical Center.* TriStar Horizon is a fully accredited 157-bed community-based medical center that is located in Dickson. Each year has an average of 5,500 patient admissions. There are about 320 board certified or board eligible physicians, and the facility employees around 450 workers. The facility provides cardiology, diagnostic imaging, emergency, inpatient rehabilitation, oncology, orthopedics, and women's services. As an Accredited Chest Pain Center and a Primary Stroke Center, TriStar Horizon is a leading

provider of emergency heart and stroke care. The satellite campus, TriStar Natchez, offers imaging and oncology services as well a 24/7, full-service ER that provides the same services as the main campus emergency room.

TriStar Horizon originally opened its doors as Goodlark Hospital of Dickson in 1958. Goodlark Hospital was purchased by Hospital Corporation of America in 1995 and became part of the TriStar family of hospitals. The hospital was renamed TriStar Horizon in 2012.

*TriStar Sarah Cannon Cancer Centers.* Located at the Natchez Medical Park at TriStar Horizon Medical Center, TriStar Sarah Cannon Cancer Centers is a network of eight affiliated medical facilities in Tennessee and Bowling Green, Kentucky that provides diagnosis and treatment to cancer patients. The network consists of over 100 medical oncologists, gynecologists, hematologists, radiation oncologists, pathologists and surgeons. TriStar Sarah Cannon has grown to become the largest community based, privately funded, diagnostic and treatment center in the country.

The history of TriStar Sarah Cannon Cancer Center starts in 1983 when Sarah Cannon was diagnosed with breast cancer. Sarah Cannon, known worldwide for her Grand Ole Opry character "Minnie Pearl", became an advocate for early detection, patient education and research-based treatment. In 1991, she gave her name to the cancer center.

*TriStar Health* is the region's largest, most comprehensive healthcare provider and is based in Brentwood, TN. TriStar Health System provides health services to Tennessee and Kentucky. As of 2018, TriStar Health includes 10 hospitals, 14 emergency rooms, 21 imaging locations, 12 CareNow Urgent Care centers, 58 TriStar Medical Group provider office locations and related care areas.

The Nashville-based Hospital Corporation of America (the "HCA") was one of the nation's first hospital companies in 1968. HCA owns the TriStar Health System. Today, HCA is one of the nation's leading providers of healthcare services. The company is comprised of locally managed facilities that include about 162 hospitals and 113 freestanding surgery centers in 20 states and England and employing approximately 199,000 people. Approximately four to five percent of all inpatient care delivered in the country today is provided by HCA facilities.

*Source:* Tri-Star Health System and Hospital Corporation of America.

## **MANUFACTURING AND COMMERCE**

While many residents work in Metropolitan Nashville-Davidson County and other surrounding communities, there are a number of employers located in the County that employ its residents and those from the surrounding area.

As of 2014, an average of 80,909 persons were employed in the manufacturing industries in the MSA, engaging in a wide range of activities and producing a variety of products, including food, tobacco, textiles and furnishings, lumber and paper, printing and publishing, chemical and plastics, leather, concrete, glass, stone, primary metals, machinery and electronics, motor vehicle equipment, measuring and controlling devices, and consumer products.

Nashville MSA's largest manufacturing employers include Nissan North America, Bridgestone Americas, Electrolux Home Products, A.O. Smith Water Products and Vought Aircraft Industries. Nashville is the major wholesale and retail trade center for the MSA and some 50 counties in the central region of the State, southern Kentucky and northern Alabama, a retail trade area of more than 2.3 million people with retail sales of over \$32.0 billion. Major regional shopping centers register more than \$3.0 billion in retail sales annually, placing Nashville in the nation's top 50 markets. In the Nashville region, there are 245 shopping centers with 37.3 million square feet of gross leasable area. Nine of these centers are super-regional and 15 are regional centers. Two of the super-regional centers are located in or near the City. Opry Mills Mall located nearby, but outside the City, now includes several new stores following repairs resulting from the May 2010 flood. Rivergate Mall, one of the MSA's largest shopping centers with nearly 200 stores is located in Goodlettsville and is a major economic engine for the MSA.

*Source:* Official Statements of The Metropolitan Government, the City and various reference sites.

The following chart is a list of the major industrial employers in Dickson County:

| <u>Company</u>               | <u>Product</u>           | <u>Employment</u> |
|------------------------------|--------------------------|-------------------|
| Tennsco Corp.                | Steel Storage            | 630               |
| Nemak                        | Alum Cylinder Heads      | 410               |
| ConAgra Foods                | Food Packaging Plant     | 310               |
| Dal-Tile                     | Ceramic Tile             | 275               |
| Martin-Brower Co             | Food Distribution Center | 260               |
| Bridgestone APM              | Foam Seating             | 210               |
| Masonite International Corp. | Wooden, Steel Doors      | 210               |
| Interstate Packaging         | Flexible Packaging       | 197               |
| Metrican Stamping            | Metal Auto Stamping      | 192               |
| Truform Manufacturing        | Metal Stamping           | 168               |
| Shiloh Industries            | Metal Auto Stamping      | 120               |
| Nashville Wire Products      | Wire Parts for HVAC      | 120               |
| Middle TN Lumber Co.         | Wood Flooring            | 110               |
| Porcelain Industries         | Porcelain Coatings       | 105               |
| Onward Manufacturing         | Gas Grills               | 100               |
| Tennessee Bun                | Bakery                   | 85                |
| A.L.P.                       | Lighting Components      | 75                |

*Source:* TN Department of Economic & Community Development Research & Planning Division.

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## EMPLOYMENT INFORMATION

As of March 2019, Dickson County's unemployment rate was 2.4% with 26,490 persons employed out of a work force of 27,140.

The Nashville-Murfreesboro MSA's unemployment for March 2019 was at 2.1% with 1,055,740 persons employed out of a labor force of 1,078,780. As of March 2019, the unemployment rate in the Nashville-Murfreesboro-Columbia CSA stood at 2.2%, representing 1,109,560 persons employed out of a workforce of 1,134,340. The following charts show unemployment trends in the Counties the last 5 years:

|                                   | Unemployment      |                   |                   |                   |                   |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                   | Annual<br>Average | Annual<br>Average | Annual<br>Average | Annual<br>Average | Annual<br>Average |
|                                   | <u>2014</u>       | <u>2015</u>       | <u>2016</u>       | <u>2017</u>       | <u>2018</u>       |
| National                          | 6.2%              | 5.3%              | 4.9%              | 4.4%              | 4.0%              |
| Tennessee                         | 6.6%              | 5.6%              | 4.7%              | 3.8%              | 3.5%              |
| <b>Dickson County</b>             | <b>6.3%</b>       | <b>5.4%</b>       | <b>4.3%</b>       | <b>3.4%</b>       | <b>3.0%</b>       |
| Index vs. National                | 102               | 102               | 88                | 77                | 75                |
| Index vs. State                   | 95                | 96                | 91                | 89                | 86                |
| <b>Nashville-Murfreesboro MSA</b> | <b>5.2%</b>       | <b>4.5%</b>       | <b>3.7%</b>       | <b>2.9%</b>       | <b>2.7%</b>       |
| Index vs. National                | 84                | 85                | 76                | 66                | 68                |
| Index vs. State                   | 79                | 80                | 79                | 76                | 77                |
| <b>Nashville-Murfreesboro-CSA</b> | <b>5.3%</b>       | <b>4.6%</b>       | <b>3.8%</b>       | <b>3.0%</b>       | <b>2.8%</b>       |
| Index vs. National                | 85                | 87                | 78                | 68                | 70                |
| Index vs. State                   | 80                | 82                | 81                | 79                | 80                |

Source: Tennessee Department of Employment Security, CPS Labor Force Estimates Summary.

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## ECONOMIC DATA

### Per Capita Personal Income

|                                   | <u>2013</u>     | <u>2014</u>     | <u>2015</u>     | <u>2016</u>     | <u>2017</u>     |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| National                          | \$44,826        | \$47,025        | \$48,940        | \$49,831        | \$51,640        |
| Tennessee                         | \$39,549        | \$40,977        | \$42,810        | \$43,932        | \$45,517        |
| <b>Dickson County</b>             | <b>\$33,299</b> | <b>\$34,646</b> | <b>\$36,106</b> | <b>\$37,645</b> | <b>\$39,055</b> |
| Index vs. National                | 74              | 74              | 74              | 76              | 76              |
| Index vs. State                   | 84              | 85              | 84              | 86              | 86              |
| <b>Nashville-Murfreesboro MSA</b> | <b>\$46,521</b> | <b>\$49,138</b> | <b>\$51,800</b> | <b>\$53,582</b> | <b>\$55,944</b> |
| Index vs. National                | 104             | 104             | 106             | 108             | 108             |
| Index vs. State                   | 118             | 120             | 121             | 122             | 123             |
| <b>Nashville-Murfreesboro-CSA</b> | <b>\$45,562</b> | <b>\$48,090</b> | <b>\$50,661</b> | <b>\$52,405</b> | <b>\$54,696</b> |
| Index vs. National                | 102             | 102             | 104             | 105             | 106             |
| Index vs. State                   | 115             | 117             | 118             | 119             | 120             |

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

### Social and Economic Characteristics

|   | <u>National</u> | <u>Tennessee</u> | <u>Dickson<br/>County</u> | <u>Dickson</u> |
|---|-----------------|------------------|---------------------------|----------------|
| Median Value Owner Occupied<br>Housing                              | \$193,500       | \$151,700        | \$146,300                 | \$138,600      |
| % High School Graduates or Higher<br>Persons 25 Years Old and Older | 87.30%          | 86.50%           | 82.9%                     | 85.1%          |
| % Persons with Income Below<br>Poverty Level                        | 12.30%          | 15.00%           | 11.3%                     | 19.5%          |
| Median Household Income   | \$57,652        | \$48,708         | \$47,398                  | \$40,071       |

Source: U.S. Census Bureau State & County QuickFacts - 2017.

## RECREATION

*Henslee Park.* A new 126-acre park in the City of Dickson, Henslee Park opened in 2018 after the city purchased the former Dickson Country Club site for \$1.35 million. The park is open sunrise to sunset for walking, jogging, running and bicycling. The former golf course has more than four miles of paved and concrete cart paths as well as rolling hills that offer challenging opportunities for cross country runs and hikes.

*Montgomery Bell Inn and Convention Center.* The Montgomery Bell Inn and Convention Center opened in 1998 and has 110 rooms, a 150-seat restaurant and a 400-seat meeting hall. The 3,782-acre park also has 8 rental cottages.

*Montgomery Bell State Park.* Montgomery Bell State Park is located Dickson County. The iron industry in the park has been long silent, but the 3,782 acres that make up Montgomery Bell State Resort Park still show the signs of its presence. The park has a conference style meeting room facilities with a restaurant, lodge, rental cabins, campsites and hiking trails. There is also an 18-hole golf course and three lakes to enjoy. The park is also the site of the first Cumberland Presbyterian Church and the remains of the Old Laurel Furnace.

*Source:* Tennessee State Parks.

*Renaissance Center.* The Renaissance Center, founded by the Jackson Foundation, is an 110,000 square foot state-of-the-art facility dedicated to the renewal of an enthusiasm for learning and the improvement of society through learning involvement. The Center includes a planetarium, a performing arts center, a science theatre, art gallery, bookstore, and numerous classrooms. The Jackson Foundation was established with the proceeds from the sale of Goodlark Hospital.

In 2007 the CyberSphere was installed to be a one-of-a-kind learning and entertainment venue. One of the largest planetariums in North America, the CyberSphere features Digistar 3 technology. The planetarium has programs that show from journeys through space in a cardboard rocket to close-up looks at the surface of the sun, from inside a Category 5 hurricane to inside the tombs of ancient pharaohs, from inside the human body to the farthest reaches of the universe, and from life forms on other planets to wildlife millions of years in the future. With more than 50 planetarium and laser music shows now available, the CyberSphere continues to be a popular experience for kids and adults.

## **RECENT DEVELOPMENTS**

*Burns Middle School.* Construction for a new, \$30 million middle school in Burns began in 2018. The roughly 100,000-square-foot Burns Middle School is scheduled to be completed and used by the 2019 school year.

*Dal-Tile.* In 2017, one year after opening the first facility, Dal-Tile began construction on a second Dickson plant that is expected to open in 2019 and will cost \$140 million. The second plant is located at the former Quad Graphics site and will produce quartz slabs. The 68-acre site of Dal-Tile now includes a 250,000-square-foot manufacturing facility, a 5,400-square-foot warehouse, a 4,400-square-foot warehouse and a 13,600-square-foot warehouse building as well as access to rail. Dal-Tile plans to begin operations by December 2023 and anticipates the second facility will create 245 jobs within six years.

Dal-Tile opened in 2016 a 1.8 million-square-foot plant in Dickson. The \$180 million tile plant created 275 new jobs. Dal-Tile, founded in 1947 and headquartered in Dallas, has more than 9,000 employees in North America.

*Ebbtide Holdings, LLC.* In 2018 the owners of Boca Bay Boats purchased the former Ebbtide facility in White Bluff. The new company is Ebbtide Holdings, LLC.

*Metrican.* In 2018 Metrican, which has been located in Dickson since 2005, has invested nearly \$20 million to create more than 100 additional jobs in Dickson. The Canada-based manufacturer of tooling, stamped metal and value-added components added 43,000 square feet to its facility and 104 jobs at a cost of \$18.9 million. Also, Metrican expanded by 15,000 square feet in 2012 at cost of \$6.3 million and created nearly 60 new jobs.

*Porcelain Industries.* Porcelain Industries of Dickson closed in April 2019 after 25 years operating in Dickson County and more than 60 years in existence. The closure lost 100 jobs. The company was a porcelain-coating enameller that about eight years ago reinvented its production capabilities by developing a process to apply a nonstick ceramic coating to cast iron grills, skillets and more. The company had traditionally applied porcelain enameling to parts for appliances, like cast iron-enameled grates for gas stove tops and enameled steel parts for barbecue grills.

*Quad/Graphics.* The Quad/Graphics plant in Dickson closed March of 2015 leading to the loss of 115 jobs. The plant shuttering was caused by the decision to cease publishing USA Weekend and the reduced circulation of Parade magazine. The company, which is based in Wisconsin has facilities in Nashville and in Kentucky. Quad/Graphics has nearly 60 plants nationwide.

*Tennessee College of Applied Technology at Dickson Health Career Facility.* The Tennessee College of Applied Technology at Dickson (the “TCAT-D”) opened in 2018 a new \$3 million, 12,000-square-foot health career facility. The facility includes three classrooms, a simulation laboratory, four dental operatories, one dental preparation lab and support space for students and the eight faculty members in the college’s health careers programs.

*TriStar Natchez Medical Park.* In 2015, TriStar Horizon Medical Center opened a 24-hour, full service emergency room called Natchez Medical Park, which is on Highway 46 just south of the Interstate 40 exit. The new emergency room is a \$9.5 million, eight-bed facility that will offer imaging services and comprehensive laboratory testing. The emergency room on the 66-acre Natchez campus created 40 new, full-time professional positions for the community. TriStar Horizon Medical Center, also in Dickson, has a 26-bed emergency room.

*Truform Manufacturing LLC.* Truform Manufacturing LLC announced in 2018 that the automotive and appliance supplier was investing \$14 million to expand its operations in Dickson to create nearly 90 jobs over the next five years. The company will add 40,000 square feet to its Dickson operations, where the company currently employs approximately 168 people. Truform anticipates the new expansion will be operational in late 2019. Once the additional employees are hired, the total number will be 250 people working at Truform.

*Source:* The Tennessean and the Knoxville News Sentinel.

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**DICKSON COUNTY, TENNESSEE**  
SUMMARY OF LONG-TERM INDEBTEDNESS

| PURPOSE  | DUE<br>DATE       | INTEREST<br>RATE(S) | Estimated as of 6-30-2019 (1) |              |
|--|-------------------|---------------------|-------------------------------|--------------|
|  |                   |                     | OUTSTANDING                   |              |
| Miscellaneous Notes  | 2020-2022         | Fixed               | \$                            | 902,400      |
| \$8,000,000 TMBF Loan, Series 2002 (Vanleer Elementary School)           | (3) May 2022      | Variable            |                               | 1,657,000    |
| \$2,400,000 TMBF Loan, Series 2007 (Emergency Management Building)       | (3) May 2022      | Variable            |                               | 640,000      |
| \$6,000,000 General Obligation TMBF Loan, Series 2014                    | (3) May 2019      | Variable            |                               | 4,844,000    |
| \$40,000,000 General Obligation TMBF Loan, Series 2018                   | (3)(4) March 2038 | Variable            |                               | 40,000,000   |
| \$25,000,000 General Obligation TMBF Loan, Series 2019 (Dated 5-10-2019) | (3)(4) March 2044 | Variable            |                               | 25,000,000   |
| \$1,000,000 Energy Efficiency Schools Initiative, Series 2011A           | (2) August 2022   | Fixed               |                               | 316,694      |
| \$996,314 Energy Efficiency Schools Initiative, Series 2011B             | (2) November 2022 | Fixed               |                               | 365,286      |
| \$18,000,000 General Obligation Bonds, Series 2009                       | April 30          | Fixed               |                               | 12,590,000   |
| \$24,596,000 General Obligation TMBF Refunding Bonds, Series 2013        | March 2020        | Fixed               |                               | 3,795,000    |
| \$8,915,000 General Obligation TMBF Loan, Series 2013A                   | June 2020         | Fixed               |                               | 666,500      |
| \$8,915,000 General Obligation TMBF Loan, Series 2013A                   | June 2020         | Fixed               |                               | 666,500      |
| \$5,422,340 General Obligation Refunding Bonds, Series 2015              | April 2021        | Fixed               |                               | 1,950,300    |
| <b>ESTIMATED TOTAL EXISTING DEBT AS OF JUNE 30, 2019</b>                 |                   |                     | \$                            | 93,393,680   |
| \$11,850,000 General Obligation Refunding Bonds, Series 2019             | March 1, 2030     | Fixed               | \$                            | 11,850,000   |
| Less: Bonds Being Refunded   |                   |                     |                               | (12,590,000) |
| <b>NET LONG TERM INDEBTEDNESS</b>  |                   |                     | \$                            | 92,653,680   |

Source: Annual Financial Report, Dickson County, Tennessee and Dickson County, Tennessee

**Notes:**

- (1) The above figures do not include short-term notes or leases outstanding, if any, compensated absences or the effects of future drawdowns. For more information, see the notes to the Financial Statements in the GENERAL PURPOSE FINANCIAL STATEMENTS included herein. The County closed on a \$25,000,000 Loan Agreement, dated May 10, 2019 (the "Series 2019 Loan") that is included in the above. The County is in the process of drawing down the Series 2019 Loan for the construction of the Justice Center.
- (2) Supported by contributions from the General Purpose School Fund
- (3) Indicates amount approved but may not be fully drawn as of fiscal year end
- (4) Loan has a rate reset provision at a specific date

**DICKSON COUNTY, TENNESSEE**  
Indebtedness and Debt Ratios

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 document.

|                                    | as of Fiscal Year Ending June 30, |                      |                      |                      |                      | Post<br>Issuance (1) |
|------------------------------------|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                    | 2014                              | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 |
| <b>INDEBTEDNESS</b>                |                                   |                      |                      |                      |                      |                      |
| <b>TAX SUPPORTED</b>               |                                   |                      |                      |                      |                      |                      |
| General Obligation Bonds and Notes | \$ 62,768,050                     | \$ 55,002,778        | \$ 50,418,843        | \$ 45,912,127        | \$ 45,912,127        | \$ 92,653,680        |
| <b>TOTAL TAX SUPPORTED</b>         | <b>\$ 62,768,050</b>              | <b>\$ 55,002,778</b> | <b>\$ 50,418,843</b> | <b>\$ 45,912,127</b> | <b>\$ 45,912,127</b> | <b>\$ 92,653,680</b> |
| <b>REVENUE SUPPORTED</b>           |                                   |                      |                      |                      |                      |                      |
| General Purpose School Fund        | \$ -                              | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| <b>TOTAL REVENUE SUPPORTED</b>     | <b>\$ -</b>                       | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          |
| <b>TOTAL DEBT</b>                  | <b>\$ 62,768,050</b>              | <b>\$ 55,002,778</b> | <b>\$ 50,418,843</b> | <b>\$ 45,912,127</b> | <b>\$ 45,912,127</b> | <b>\$ 92,653,680</b> |
| Less: Revenue Supported Debt       | \$ -                              | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Less: Debt Service Fund            | \$ 7,359,330                      | \$ (9,051,314)       | \$ (9,727,497)       | \$ (10,153,795)      | \$ (10,881,173)      | \$ (10,881,173)      |
| <b>NET DIRECT DEBT</b>             | <b>\$70,127,380</b>               | <b>\$45,951,464</b>  | <b>\$40,691,346</b>  | <b>\$35,758,332</b>  | <b>\$35,030,954</b>  | <b>\$81,772,507</b>  |
| <b>PROPERTY TAX BASE</b>           |                                   |                      |                      |                      |                      |                      |
| Estimated Actual Value             | \$ 3,394,663,785                  | \$ 3,445,270,418     | \$ 3,774,933,208     | \$ 3,871,281,246     | \$ 3,943,288,974     | \$ 4,732,477,679     |
| Appraised Value                    | 3,394,663,785                     | 3,445,270,418        | 3,491,058,231        | 3,871,281,246        | 3,943,288,974        | 3,959,664,074        |
| Assessed Value                     | 961,815,436                       | 977,310,567          | 994,441,662          | 1,090,931,942        | 1,109,770,224        | 1,115,384,745        |

(1). The County closed on a \$25,000,000 Loan Agreement, dated May 10, 2019 (the "Series 2019 Loan") that is included in the above 2019 post issuance ratios. The County is in the process of drawing down the Series 2019 Loan for the construction of the Justice Center.

| DEBT RATIOS   | as of Fiscal Year Ending June 30, |           |           |           |           | Post      |
|---|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
|   | 2014                              | 2015      | 2016      | 2017      | 2018      | Issuance  |
| TOTAL DEBT to Estimated Actual Value                                  | 1.85%                             | 1.60%     | 1.34%     | 1.19%     | 1.16%     | 1.96%     |
| TOTAL DEBT to Appraised Value   | 1.85%                             | 1.60%     | 1.44%     | 1.19%     | 1.16%     | 2.34%     |
| TOTAL DEBT to Assessed Value  | 6.53%                             | 5.63%     | 5.07%     | 4.21%     | 4.14%     | 8.31%     |
| NET DIRECT DEBT to Estimated Actual Value                             | 2.07%                             | 1.33%     | 1.08%     | 0.92%     | 0.89%     | 2.07%     |
| NET DIRECT DEBT to Appraised Value                                    | 2.07%                             | 1.33%     | 1.17%     | 0.92%     | 0.89%     | 2.07%     |
| NET DIRECT DEBT to Assessed Value                                     | 7.29%                             | 4.70%     | 4.09%     | 3.28%     | 3.16%     | 7.33%     |
| PER CAPITA RATIOS   |                                   |           |           |           |           |           |
| POPULATION (1)  | 50,473                            | 51,327    | 51,922    | 52,853    | 53,446    | 53,446    |
| PER CAPITA PERSONAL INCOME (2)  | \$34,646                          | \$36,106  | \$37,645  | \$39,055  | \$39,055  | \$39,055  |
| Estimated Actual Value to POPULATION                                  | 67,257.02                         | 67,123.94 | 72,703.93 | 73,246.20 | 73,780.81 | 88,546.90 |
| Assessed Value to POPULATION  | 19,056.04                         | 19,040.87 | 19,152.61 | 20,640.87 | 20,764.33 | 20,869.38 |
| Total Debt to POPULATION  | 1,243.60                          | 1,071.61  | 971.05    | 868.68    | 859.04    | 1,733.59  |
| Net Direct Debt to POPULATION   | 1,389.40                          | 895.27    | 783.70    | 676.56    | 655.45    | 1,530.00  |
| Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME      | 3.59%                             | 2.97%     | 2.58%     | 2.22%     | 2.20%     | 4.44%     |
| Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME | 4.01%                             | 2.48%     | 2.08%     | 1.73%     | 1.68%     | 3.92%     |

(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.

**DICKSON COUNTY, TENNESSEE**  
**DEBT SERVICE REQUIREMENTS -**

| FY Ended<br>6/30 | Existing General Obligation Debt as of June<br>30, 2019 (1) |                     |                      | General Obligation Refunding Bonds, Series<br>2019 |                     |                      | % 2019<br>Principal<br>Repaid | Less Refunded Debt   |                     |                      | Total Debt Service Requirements (1) |                     |                       | % All<br>Principal<br>Repaid |
|------------------|---|---------------------|----------------------|--|---------------------|----------------------|-------------------------------|----------------------|---------------------|----------------------|-------------------------------------|---------------------|-----------------------|------------------------------|
|                  | Principal   | Interest            | TOTAL                | Principal  | Interest (2)        | TOTAL                |                               | Principal            | Interest            | TOTAL                | Principal                           | Interest            | TOTAL                 |                              |
| 2020             | \$ 8,707,532  | \$ 3,601,953        | \$ 12,309,485        | \$ 980,000   | \$ 317,444          | \$ 1,297,444         | 8.27%                         | \$ 950,000           | \$ 515,025          | \$ 1,465,025         | \$ 8,737,532                        | \$ 3,404,372        | \$ 12,141,904         | 9.43%                        |
| 2021             | 5,081,432   | 3,386,002           | 8,467,434            | 875,000  | 421,288             | 1,296,288            |                               | 1,000,000            | 477,025             | 1,477,025            | 4,956,432                           | 3,330,264           | 8,286,696             |                              |
| 2022             | 4,836,632   | 3,206,644           | 8,043,276            | 920,000  | 377,538             | 1,297,538            |                               | 1,020,000            | 437,025             | 1,457,025            | 4,736,632                           | 3,147,157           | 7,883,789             |                              |
| 2023             | 3,846,084   | 3,015,046           | 6,861,130            | 965,000  | 331,538             | 1,296,538            |                               | 1,050,000            | 396,225             | 1,446,225            | 3,761,084                           | 2,950,358           | 6,711,442             |                              |
| 2024             | 3,911,000   | 2,862,310           | 6,773,310            | 1,015,000  | 283,288             | 1,298,288            | 40.13%                        | 1,100,000            | 354,225             | 1,454,225            | 3,826,000                           | 2,791,372           | 6,617,372             | 28.08%                       |
| 2025             | 4,045,000   | 2,703,658           | 6,748,658            | 1,065,000  | 232,538             | 1,297,538            |                               | 1,130,000            | 310,225             | 1,440,225            | 3,980,000                           | 2,625,971           | 6,605,971             |                              |
| 2026             | 4,191,000   | 2,539,643           | 6,730,643            | 1,120,000  | 179,288             | 1,299,288            |                               | 1,170,000            | 265,025             | 1,435,025            | 4,141,000                           | 2,453,905           | 6,594,905             |                              |
| 2027             | 4,333,000   | 2,369,784           | 6,702,784            | 1,175,000  | 123,288             | 1,298,288            |                               | 1,200,000            | 218,225             | 1,418,225            | 4,308,000                           | 2,274,846           | 6,582,846             |                              |
| 2028             | 4,517,000   | 2,192,743           | 6,709,743            | 1,220,000  | 76,288              | 1,296,288            |                               | 1,270,000            | 168,725             | 1,438,725            | 4,467,000                           | 2,100,306           | 6,567,306             |                              |
| 2029             | 4,667,000   | 2,006,678           | 6,673,678            | 1,245,000  | 51,888              | 1,296,888            | 89.28%                        | 1,300,000            | 114,750             | 1,414,750            | 4,612,000                           | 1,943,816           | 6,555,816             | 51.29%                       |
| 2030             | 4,890,000   | 1,814,539           | 6,704,539            | 1,270,000  | 26,988              | 1,296,988            | 100.00%                       | 1,400,000            | 59,500              | 1,459,500            | 4,760,000                           | 1,782,027           | 6,542,027             |                              |
| 2031             | 3,619,000   | 1,613,233           | 5,232,233            | -  | -                   | -                    |                               | -                    | -                   | -                    | 3,619,000                           | 1,613,233           | 5,232,233             |                              |
| 2032             | 3,754,000   | 1,466,272           | 5,220,272            | -  | -                   | -                    |                               | -                    | -                   | -                    | 3,754,000                           | 1,466,272           | 5,220,272             |                              |
| 2033             | 3,893,000   | 1,313,918           | 5,206,918            | -  | -                   | -                    |                               | -                    | -                   | -                    | 3,893,000                           | 1,313,918           | 5,206,918             |                              |
| 2034             | 4,037,000   | 1,156,013           | 5,193,013            | -  | -                   | -                    |                               | -                    | -                   | -                    | 4,037,000                           | 1,156,013           | 5,193,013             | 72.95%                       |
| 2035             | 3,834,000   | 992,358             | 4,826,358            | -  | -                   | -                    |                               | -                    | -                   | -                    | 3,834,000                           | 992,358             | 4,826,358             |                              |
| 2036             | 3,986,000   | 840,375             | 4,826,375            | -  | -                   | -                    |                               | -                    | -                   | -                    | 3,986,000                           | 840,375             | 4,826,375             |                              |
| 2037             | 4,144,000   | 682,367             | 4,826,367            | -  | -                   | -                    |                               | -                    | -                   | -                    | 4,144,000                           | 682,367             | 4,826,367             |                              |
| 2038             | 4,309,000   | 518,096             | 4,827,096            | -  | -                   | -                    |                               | -                    | -                   | -                    | 4,309,000                           | 518,096             | 4,827,096             | 90.51%                       |
| 2039             | 1,327,000   | 347,284             | 1,674,284            | -  | -                   | -                    |                               | -                    | -                   | -                    | 1,327,000                           | 347,284             | 1,674,284             |                              |
| 2040             | 1,380,000   | 294,868             | 1,674,868            | -  | -                   | -                    |                               | -                    | -                   | -                    | 1,380,000                           | 294,868             | 1,674,868             | 93.43%                       |
| 2041             | 1,434,000   | 240,358             | 1,674,358            | -  | -                   | -                    |                               | -                    | -                   | -                    | 1,434,000                           | 240,358             | 1,674,358             |                              |
| 2042             | 1,491,000   | 183,715             | 1,674,715            | -  | -                   | -                    |                               | -                    | -                   | -                    | 1,491,000                           | 183,715             | 1,674,715             |                              |
| 2043             | 1,549,000   | 124,820             | 1,673,820            | -  | -                   | -                    |                               | -                    | -                   | -                    | 1,549,000                           | 124,820             | 1,673,820             |                              |
| 2044             | 1,611,000   | 63,635              | 1,674,635            | -  | -                   | -                    |                               | -                    | -                   | -                    | 1,611,000                           | 63,635              | 1,674,635             | 100.00%                      |
|                  | <u>\$93,393,680</u>   | <u>\$39,536,310</u> | <u>\$131,256,170</u> | <u>\$ 11,850,000</u>                               | <u>\$ 2,421,369</u> | <u>\$ 14,271,369</u> |                               | <u>\$ 12,590,000</u> | <u>\$ 3,315,975</u> | <u>\$ 15,905,975</u> | <u>\$92,653,680</u>                 | <u>\$38,641,704</u> | <u>\$ 131,295,384</u> |                              |

**NOTES:**

(1) The above figures do not include short-term notes or leases outstanding, if any, compensated absences or the effects of future drawdowns. For more information, see the notes to the Financial Statements in the GENERAL PURPOSE FINANCIAL STATEMENTS included herein. The County closed on a \$25,000,000 Loan Agreement, dated May 10, 2019 (the "Series 2019 Loan") that is included in the above. The County is in the process of drawing down the Series 2019 Loan for the construction of the Justice Center.

(2) Estimated Interest Rates. Estimated Average Coupon 2.2375%.

## FINANCIAL INFORMATION

### BASIS OF ACCOUNTING AND PRESENTATION

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The modified accrual basis of accounting is used to account for all governmental funds of the County. Revenues for such funds are recognized when they become measurable and available as net current assets. Expenditures, other than interest or long-term debt, are recognized when incurred and measurable.

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 except for prepaid expenses, such as insurance, which are fully expended at the time of payment.

### FUND BALANCES AND RETAINED EARNINGS

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

|                            | <b><u>For the Fiscal Year Ended June 30</u></b> |                            |                            |                            |                            |
|----------------------------|---|----------------------------|----------------------------|----------------------------|----------------------------|
| <b><u>Fund Type</u></b>    | <b><u>2014</u></b>                              | <b><u>2015</u></b>         | <b><u>2016</u></b>         | <b><u>2017</u></b>         | <b><u>2018</u></b>         |
| <i>Governmental Funds:</i> |   |                            |                            |                            |                            |
| General                    | \$ 8,915,517                                    | \$ 9,455,853               | \$11,037,386               | \$13,734,935               | \$14,919,725               |
| Highway/ Public Works      | 4,399,051                                       | 3,983,822                  | 3,939,557                  | 3,298,827                  | 3,011,812                  |
| Debt Service               | 7,359,330                                       | 9,051,314                  | 9,727,497                  | 10,153,795                 | 10,881,173                 |
| Other Governmental         | <u>5,678,733</u>                                | <u>6,680,208</u>           | <u>6,845,519</u>           | <u>7,794,452</u>           | <u>9,879,780</u>           |
| <b>Total</b>               | <b><u>\$26,352,631</u></b>                      | <b><u>\$29,171,197</u></b> | <b><u>\$31,549,959</u></b> | <b><u>\$34,982,009</u></b> | <b><u>\$38,692,490</u></b> |

*Source:* Comprehensive Annual Financial Report and Auditor's Report, Dickson County, Tennessee

|                            | <b><u>For the Fiscal Year Ended June 30</u></b> |                            |                            |                            |                            |
|----------------------------|---|----------------------------|----------------------------|----------------------------|----------------------------|
| <b><u>Fund Type</u></b>    | <b><u>2010</u></b>                              | <b><u>2011</u></b>         | <b><u>2012</u></b>         | <b><u>2013</u></b>         | <b><u>2014</u></b>         |
| <i>Governmental Funds:</i> |   |                            |                            |                            |                            |
| General                    | \$ 3,389,439                                    | \$ 2,987,527               | \$ 4,358,077               | \$ 6,615,821               | \$ 8,915,517               |
| Highway/ Public Works      | 2,158,560                                       | 2,755,020                  | 3,409,368                  | 4,051,592                  | 4,399,051                  |
| Debt Service               | 2,773,166                                       | 2,477,326                  | 2,931,125                  | 6,749,764                  | 7,359,330                  |
| Other Governmental         | <u>3,383,467</u>                                | <u>2,110,404</u>           | <u>4,210,179</u>           | <u>5,003,096</u>           | <u>5,678,733</u>           |
| <b>Total</b>               | <b><u>\$11,704,632</u></b>                      | <b><u>\$10,330,277</u></b> | <b><u>\$14,908,749</u></b> | <b><u>\$22,420,273</u></b> | <b><u>\$26,352,631</u></b> |

*Source:* Comprehensive Annual Financial Report and Auditor's Report, Dickson County, Tennessee

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

|  | <u>2014</u>                | <u>2015</u>                | <u>2016</u>                 | <u>2017</u>                 | <u>2018</u>                 |
|--|----------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Revenues:</b>   |                            |                            |                             |                             |                             |
| Local Taxes  | \$ 14,684,046              | \$ 15,023,543              | \$ 15,059,438               | \$ 15,784,469               | \$ 16,056,573               |
| Licenses and Permits   | 233,115                    | 242,425                    | 291,844                     | 307,541                     | 347,743                     |
| Fines, forfeitures and penalties   | 366,973                    | 332,373                    | 333,113                     | 381,463                     | 367,159                     |
| Charges for current services   | 2,215,074                  | 2,740,889                  | 3,100,697                   | 3,339,174                   | 2,609,622                   |
| Other local revenues   | 422,879                    | 350,520                    | 378,175                     | 435,972                     | 412,535                     |
| Fees received from County officials  | 2,521,922                  | 2,502,994                  | 2,592,517                   | 2,738,804                   | 2,931,861                   |
| State of Tennessee   | 2,682,199                  | 2,000,959                  | 2,276,739                   | 2,343,190                   | 2,409,253                   |
| Federal Government   | 359,191                    | 153,557                    | 55,151                      | 73,384                      | 63,156                      |
| Other Governments & Citizens Groups  | 185,758                    | 201,327                    | 283,983                     | 243,364                     | 211,644                     |
| <b>Total Revenues</b>  | <u>\$ 23,671,157</u>       | <u>\$ 23,548,587</u>       | <u>\$ 24,371,657</u>        | <u>\$ 25,647,361</u>        | <u>\$ 25,409,546</u>        |
| <b>Expenditures:</b>   |                            |                            |                             |                             |                             |
| General government   | \$ 1,647,478               | \$ 1,637,356               | \$ 1,650,139                | \$ 1,724,574                | \$ 1,812,550                |
| Finance  | 1,323,858                  | 1,335,436                  | 1,445,371                   | 1,328,162                   | 1,446,890                   |
| Administration of Justice  | 1,902,760                  | 2,058,233                  | 2,105,794                   | 2,171,110                   | 2,291,391                   |
| Public Safety  | 10,699,830                 | 10,677,639                 | 10,866,283                  | 10,583,792                  | 11,692,323                  |
| Public Health & Welfare  | 4,075,500                  | 4,271,833                  | 4,897,896                   | 5,318,202                   | 5,658,592                   |
| Social, Cultural & Recreational Services   | 460,776                    | 458,375                    | 482,315                     | 478,936                     | 516,561                     |
| Agricultural & Natural Resources   | 183,189                    | 182,745                    | 186,754                     | 196,442                     | 167,576                     |
| Other Operations   | 674,573                    | 797,739                    | 850,431                     | 1,392,642                   | 2,814,446                   |
| Highways   | -                          | -                          | -                           | -                           | -                           |
| Debt Service   | -                          | -                          | -                           | -                           | -                           |
| Capital Projects   | -                          | -                          | 198,092                     | 457,414                     | -                           |
| <b>Total Expenditures</b>  | <u>\$ 20,967,964</u>       | <u>\$ 21,419,356</u>       | <u>\$ 22,683,075</u>        | <u>\$ 23,651,274</u>        | <u>\$ 26,400,329</u>        |
| Excess (Deficiency) of Revenues<br>Over Expenditures   | \$ 2,703,193               | \$ 2,129,231               | \$ 1,688,582                | \$ 1,996,087                | \$ (990,783)                |
| <b>Other Sources and Uses:</b>   |                            |                            |                             |                             |                             |
| Note Proceeds  | \$ 123,000                 | \$ 84,831                  | \$ 170,000                  | \$ 1,065,000                | \$ 3,756,067                |
| Other Loans Issued   | -                          | -                          | -                           | -                           | -                           |
| Insurance Recovery   | 256,871                    | 43,274                     | 133,213                     | 36,812                      | 14,437                      |
| Operating Transfers - In   | 114,000                    | 120,000                    | -                           | -                           | 98,069                      |
| Operating Transfers - Out  | (897,368)                  | (1,837,000)                | (410,262)                   | (400,350)                   | (1,693,000)                 |
| <b>Total Expenditures &amp; Other Uses</b>   | <u>\$ (403,497)</u>        | <u>\$ (1,588,895)</u>      | <u>\$ (107,049)</u>         | <u>\$ 701,462</u>           | <u>\$ 2,175,573</u>         |
| Excess of Revenues &<br>Other Financing Sources<br>Over (under) Expenditures &<br>Other Uses | \$ 2,299,696               | \$ 540,336                 | \$ 1,581,533                | \$ 2,697,549                | \$ 1,184,790                |
| <b>Fund Balance July 1</b>   | 6,615,821                  | 8,915,517                  | 9,455,853                   | 11,037,386                  | 13,734,935                  |
| Residual Equity Transfers  | -                          | -                          | -                           | -                           | -                           |
| <b>Fund Balance June 30</b>  | <u><u>\$ 8,915,517</u></u> | <u><u>\$ 9,455,853</u></u> | <u><u>\$ 11,037,386</u></u> | <u><u>\$ 13,734,935</u></u> | <u><u>\$ 14,919,725</u></u> |

Source: Comprehensive Annual Financial Report for Dickson County, Tennessee.

## **INVESTMENT AND CASH MANAGEMENT PRACTICES**

Investment of idle County operating funds is controlled by state statute and local policies and administered by the County Trustee. Generally, such policies limit investment instruments to direct U. S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. As required by prevailing statutes, all demand deposits or Certificates of Deposit are secured by similar grade collateral pledged at 110% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. For reporting purposes, all investments are stated at cost which approximates market value.

## **REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES**

### *State Taxation of Property; Classifications of Taxable Property; Assessment Rates*

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the "General Assembly") exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as provided under Tennessee law.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four sub classifications and assessed at the rates as follows:

- (a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;
- (b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;
- (c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and
- (d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three sub classifications and assessed at the rates as follows:

- (a) Public Utility Property, to be assessed at 55% of its value;
- (b) Industrial and Commercial Property, to be assessed at 30% of its value; and
- (c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of \$7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into sub classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

#### *County Taxation of Property*

The Constitution of the State of Tennessee empowers the General Assembly to authorize the several counties and incorporated towns in the State of Tennessee to impose taxes for county and municipal purposes in the manner prescribed by law. Under the *Tennessee Code Annotated*, the General Assembly has authorized the counties in Tennessee to levy an *ad valorem* tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the county legislative body of each county based upon tax rates to be established on the first Monday of July of each year or as soon thereafter as practicable.

All property is required to be taxed according to its value upon the principles established in regard to State taxation as described above, including equality and uniformity. All counties, which levy and collect taxes to pay off any bonded indebtedness, are empowered, through the respective county legislative bodies, to place all funds levied and collected into a special fund of the respective counties and to appropriate and use the money for the purpose of discharging any bonded indebtedness of the respective counties.

#### *Assessment of Property*

*County Assessments; County Board of Equalization.* The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own such property on January 1 for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each



county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessment records are open to public inspection at the assessor's office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the county board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local board of equalization begins its annual session.

The county board of equalization is required (among other things) to carefully examine, compare and equalize the county assessments; assure that all taxable properties are included on the assessments lists and that exempt properties are eliminated from the assessment lists; hear and act upon taxpayer complaints; and correct errors and assure conformity to State law and regulations.

*State Assessments of Public Utility Property; State Board of Equalization.* The State Comptroller of the Treasury is authorized and directed under Tennessee law to assess for taxation, for State, county and municipal purposes, all public utility properties of every description, tangible and intangible, within the State. Such assessment is required to be made annually as of the same day as other properties are assessed by law (as described above) and takes into account such factors as are prescribed by Tennessee law.

On or before the first Monday in August of each year, the assessments are required to be completed and the State Comptroller of the Treasury is required to send a notice of assessment to each company assessable under Tennessee law. Within ten days after the first Monday in August of each year, any owner or user of property so assessed may file an exception to such assessment together with supporting evidence to the State Comptroller of the Treasury, who may change or affirm the valuation. On or before the first Monday in September of each year, the State Comptroller of the Treasury is required to file with the State Board of Equalization assessments so made. The State Board of Equalization is required to examine such assessments and is authorized to increase or diminish the valuation placed upon any property valued by the State Comptroller of the Treasury.

The State Board of Equalization has jurisdiction over the valuation, classification and assessment of all properties in the State. The State Board of Equalization is authorized to create an assessment appeals commission to hear and act upon taxpayer complaints. The action of the State Board of Equalization is final and conclusive as to all matters passed upon by the Board, subject to judicial review consisting of a new hearing in chancery court.

#### *Periodic Reappraisal and Equalization*

Tennessee law requires reappraisal in each county by a continuous six-year cycle comprised of an on-site review of each parcel of real property over a five-year period, or, upon approval of the State Board of Equalization, by a continuous four-year cycle comprised of an

one-site review of each parcel of real property over a three-year period, followed by revaluation of all such property in the year following completion of the review period. Alternatively, if approved by the assessor and adopted by a majority vote of the county legislative body, the reappraisal program may be completed by a continuous five-year cycle comprised of an on-site review of each parcel of real property over a four-year period followed by revaluation of all such property in the year following completion of the review period.

After a reappraisal program has been completed and approved by the Director of Property Assessments, the value so determined must be used as the basis of assessments and taxation for property that has been reappraised. The State Board of Equalization is responsible to determine whether or not property within each county of the State has been valued and assessed in accordance with the Constitution and laws of the State of Tennessee.

### *Valuation for Property Tax Purposes*

*County Valuation of Property.* The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State board of equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

*State Valuation of Public Utility Property.* The State Comptroller of the Treasury determines the value of public utility property based upon the appraisal of the property as a whole without geographical or functional division of the whole (*i.e.*, the unit rule of appraisal) and on other factors provided by Tennessee law. In applying the unit rule of appraisal, the State Comptroller of the Treasury is required to determine the State's share of the unit or system value based upon factors that relate to the portion of the system relating to the State of Tennessee.

### *Certified Tax Rate*

Upon a general reappraisal of property as determined by the State Board of Equalization, the county assessor of property is required to (1) certify to the governing bodies of the county and each municipality within the county the total assessed value of taxable property within the jurisdiction of each governing body and (2) furnish to each governing body an estimate of the total assessed value of all new construction and improvements not included on the previous assessment roll and the assessed value of deletions from the previous assessment roll. Exclusive of such new construction, improvements and deletions, each governing body is required to determine and certify a tax rate (herein referred to as the "*Certified Tax Rate*") which will provide the same *ad valorem* revenue for that jurisdiction as was levied during the previous year. The governing body of a county or municipality may adjust the Certified Tax Rate to reflect extraordinary assessment changes or to recapture excessive adjustments.

Tennessee law provides that no tax rate in excess of the Certified Tax Rate may be levied by the governing body of any county or of any municipality until a resolution or ordinance has

been adopted by the governing body after publication of a notice of the governing body's intent to exceed the Certified Tax Rate in a newspaper of general circulation and the holding of a public hearing.

The Tennessee Local Government Public Obligations Act of 1986 provides that a tax sufficient to pay when due the principal of and interest on general obligation bonds (such as the Bonds) shall be levied annually and assessed, collected and paid, in like manner with the other taxes of the local government as described above and shall be in addition to all other taxes authorized or limited by law. Bonds issued pursuant to the Local Government Public Obligations Act of 1986 may be issued without regard to any limit on indebtedness provided by law.

#### *Tax Freeze for the Elderly Homeowners*

The Tennessee Constitution was amended by the voters in November 2006 to authorize the Tennessee General Assembly to enact legislation providing property tax relief for homeowners age 65 and older. The General Assembly subsequently adopted the Property Tax Freeze Act permitting (but not requiring) local governments to implement a program for "freezing" the property taxes of eligible taxpayers at an amount equal to the taxes for the year the taxpayer becomes eligible. For example, if a taxpayer's property tax bill is \$500 for the year in which he becomes eligible, his property taxes will remain at \$500 even if property tax rates or appraisals increase so long as he continues to meet the program's ownership and income requirements.

#### *Tax Collection and Tax Lien*

Property taxes are payable the first Monday in October of each year. The county trustee of each county acts as the collector of all county property taxes and of all municipal property taxes when the municipality does not collect its own taxes.

The taxes assessed by the State of Tennessee, a county, a municipality, a taxing district or other local governmental entity, upon any property of whatever kind, and all penalties, interest and costs accruing thereon become and remain a first lien on such property from January 1 of the year for which such taxes are assessed. In addition, property taxes are a personal debt of the property owner as of January and, when delinquent, may be collected by suit as any other personal debt. Tennessee law prescribes the procedures to be followed to foreclose tax liens and to pursue legal proceedings against property owners whose property taxes are delinquent.

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**DICKSON COUNTY, TENNESSEE**  
**PROPERTY VALUATION AND PROPERTY TAX**

| <b>Fiscal Year<br/>Tax Year</b>          | <b>2014-2015<br/>2014</b> | <b>2015-2016<br/>2015</b> | <b>2016-2017<br/>2016</b> | <b>2017-2018<br/>2017</b> | <b>2018-2019<br/>2018</b> |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Estimated Actual Values (1)              |                           |                           |                           |                           |                           |
| Residential & Farms                      | \$2,497,926,700           | \$2,727,087,779           | \$2,864,131,100           | \$2,914,596,700           | \$3,567,437,940           |
| Commercial & Industrial                  | 612,104,100               | 692,860,181               | 644,544,600               | 646,739,200               | 775,883,469               |
| Personal Tangible Property               | 281,166,864               | 299,435,160               | 301,529,325               | 324,248,347               | 335,956,981               |
| Public Utilities                         | 54,072,754                | 55,550,088                | 61,076,221                | 57,704,727                | 53,199,289                |
| <b>Total Assessor's Appraised Values</b> | <b>\$ 3,445,270,418</b>   | <b>\$ 3,774,933,208</b>   | <b>\$ 3,871,281,246</b>   | <b>\$3,943,288,974</b>    | <b>\$4,732,477,679</b>    |
| Assessed Values (1)                      |                           |                           |                           |                           |                           |
| Residential & Farms (25%)                | \$624,481,675             | \$630,502,700             | \$716,032,775             | \$728,649,175             | \$746,218,825             |
| Commercial & Industrial (40%)            | 244,841,640               | 256,246,740               | 257,746,200               | 258,624,040               | 259,601,040               |
| Personal Tangible Property (30%)         | 84,350,195                | 83,421,035                | 90,458,897                | 97,274,596                | 86,334,836                |
| Public Utilities (30%-55%)               | 23,637,057                | 24,271,187                | 26,694,070                | 25,222,713                | 23,230,044                |
| <b>Total Assessed Values</b>             | <b>\$ 977,310,567</b>     | <b>\$994,441,662</b>      | <b>\$1,090,931,942</b>    | <b>\$1,109,770,524</b>    | <b>\$1,115,384,745</b>    |
| Appraisal Ratio                          | 100.00%                   | 92.48%                    | 100.00%                   | 100.00%                   | 83.67%                    |
| Property Tax Rate                        | \$ 2.900                  | \$ 2.900                  | \$ 2.700                  | \$ 2.700                  | \$ 2.700                  |
| Taxes Levied During Current Fiscal Year  | \$ 28,342,457             | \$ 28,838,859             | \$ 29,455,602             | \$ 29,964,239             | \$ 30,115,388             |
| Collections                              |                           |                           |                           |                           |                           |
| Current Fiscal Year                      | \$ 27,099,545             | \$ 27,616,816             | \$ 28,405,940             | \$ 29,020,632             | In Process                |
| Percent Collected During FY              | 95.61%                    | 95.76%                    | 96.44%                    | 96.85%                    | In Process                |
| Amount Uncollected as of 6/30/2018       | \$ 40,527                 | \$ 60,348                 | \$ 279,962                | \$ 943,607                | In Process                |
| Percent Uncollected                      | 0.14%                     | 0.21%                     | 0.95%                     | 3.15%                     | In Process                |

*Ten Largest Taxpayers.* For the fiscal year ending June 30, 2018 (tax year 2017), the ten largest taxpayers in the County are as follows:

|     | <u><b>Taxpayer</b></u>   | <u><b>Business Type</b></u> | <u><b>Taxes Levied</b></u> | <u><b>% of Total Levied</b></u> |
|-----|--------------------------|-----------------------------|----------------------------|---------------------------------|
| 1.  | Tennsco Corporation      | Metal Shelving/Furniture    | \$ 485,141                 | 1.62%                           |
| 2.  | Central Tenn. Hospital   | Medical Services            | 405,654                    | 1.35%                           |
| 3.  | Nemak/Teksid Aluminum    | Aluminum Cylinder Parts     | 383,670                    | 1.28%                           |
| 4.  | Shiloh Industries        | Automotive                  | 324,983                    | 1.08%                           |
| 5.  | Tennessee Gas Pipeline   | Public Utility              | 233,895                    | 0.78%                           |
| 6.  | BSM Thornton             | Commercial                  | 158,043                    | 0.53%                           |
| 7.  | Sumiden Wire Products    | Wire Manufacturing          | 154,183                    | 0.51%                           |
| 8.  | Bellsouth Telecomm.      | Public Utility              | 150,265                    | 0.50%                           |
| 9.  | Interstate Packaging Co. | Packaging                   | 148,073                    | 0.49%                           |
| 10. | Wal-Mart                 | Retail                      | <u>124,099</u>             | <u>0.41%</u>                    |
|     | <b>TOTAL</b>             |                             | <u><b>\$2,568,006</b></u>  | <u><b>8.55%</b></u>             |

*Source:* The County.

*Ten Largest Taxpayers.* For the fiscal year ending June 30, 2017 (tax year 2016), the ten largest taxpayers in the County are as follows:

|     | <u><b>Taxpayer</b></u>   | <u><b>Business Type</b></u> | <u><b>Taxes Levied</b></u> | <u><b>% of Total Levied</b></u> |
|-----|--------------------------|-----------------------------|----------------------------|---------------------------------|
| 1.  | Tennsco Corporation      | Metal Shelving/Furniture    | \$ 481,729                 | 1.64%                           |
| 2.  | Central Tenn. Hospital   | Medical Services            | 409,896                    | 1.39%                           |
| 3.  | Nemak/Teksid Aluminum    | Aluminum Cylinder Parks     | 277,183                    | 0.94%                           |
| 4.  | Shiloh Industries        | Automotive                  | 257,094                    | 0.87%                           |
| 5.  | Tennessee Gas Pipeline   | Public Utility              | 219,452                    | 0.75%                           |
| 6.  | Bellsouth Communications | Public Utility              | 200,995                    | 0.68%                           |
| 7.  | BSM Thornton             | Commercial                  | 181,374                    | 0.62%                           |
| 8.  | Interstate Packaging     | Packaging                   | 152,173                    | 0.52%                           |
| 9.  | Sumiden Wire Products    | Wire Manufacturing          | 142,782                    | 0.48%                           |
| 10. | Wal-Mart                 | Retail                      | <u>126,204</u>             | <u>0.43%</u>                    |
|     | <b>TOTAL</b>             |                             | <u><b>\$2,448,882</b></u>  | <u><b>8.32%</b></u>             |

*Source:* The County.

*Ten Largest Taxpayers.* For the fiscal year ending June 30, 2016 (tax year 2015), the ten largest taxpayers in the County are as follows:

|     | <u><b>Taxpayer</b></u> | <u><b>Business Type</b></u> | <u><b>Taxes Levied</b></u> | <u><b>% of Total Levied</b></u> |
|-----|------------------------|-----------------------------|----------------------------|---------------------------------|
| 1.  | Tennsco Corporation    | Metal Shelving/Furniture    | \$ 479,525                 | 1.66%                           |
| 2.  | Central Tenn. Hospital | Medical Services            | 446,784                    | 1.55%                           |
| 3.  | Nemak/Teksid Aluminum  | Aluminum Cylinder Parts     | 321,801                    | 1.12%                           |
| 4.  | Shiloh Industries      | Automotive                  | 240,823                    | 0.84%                           |
| 5.  | Tennessee Gas Pipeline | Public Utility              | 216,669                    | 0.75%                           |
| 6.  | Sumiden Wire Products  | Wire Manufacturing          | 185,757                    | 0.64%                           |
| 7.  | Interstate Packaging   | Packaging                   | 170,773                    | 0.59%                           |
| 8.  | AT & T                 | Public Utility              | 153,641                    | 0.53%                           |
| 9.  | Wal-Mart               | Retail                      | 137,718                    | 0.48%                           |
| 10. | Metrican               | Metal Stamping              | <u>115,064</u>             | <u>0.40%</u>                    |
|     | <b>TOTAL</b>           |                             | <b><u>\$2,468,555</u></b>  | <b><u>8.56%</u></b>             |

*Source:* The County.

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

|     | <u><b>Taxpayer</b></u>   | <u><b>Business Type</b></u> | <u><b>Taxes Levied</b></u> | <u><b>% of Total Levied</b></u> |
|-----|--------------------------|-----------------------------|----------------------------|---------------------------------|
| 1.  | Tennsco Corporation      | Metal Shelving/Furniture    | \$ 466,392                 | 1.65%                           |
| 2.  | Central Tenn. Hospital   | Medical Services            | 422,842                    | 1.49%                           |
| 3.  | Nemak/Teksid Aluminum    | Aluminum Cylinder Parts     | 301,882                    | 1.07%                           |
| 4.  | Shiloh Industries        | Automotive                  | 228,138                    | 0.80%                           |
| 5.  | Tennessee Gas Pipeline   | Public Utility              | 189,973                    | 0.67%                           |
| 6.  | Sumiden Wire Products    | Wire Manufacturing          | 168,478                    | 0.59%                           |
| 7.  | Bellsouth Communications | Public Utility              | 165,506                    | 0.58%                           |
| 8.  | Interstate Packaging     | Packaging                   | 165,206                    | 0.58%                           |
| 9.  | Wal-Mart                 | Retail                      | 126,044                    | 0.44%                           |
| 10. | CSX Transportation       | Public Utility              | <u>119,127</u>             | <u>0.42%</u>                    |
|     | <b>TOTAL</b>             |                             | <b><u>\$2,353,588</u></b>  | <b><u>8.29%</u></b>             |

*Source:* The County.

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

|     | <u><b>Taxpayer</b></u>   | <u><b>Business Type</b></u> | <u><b>Taxes Levied</b></u> | <u><b>% of Total Levied</b></u> |
|-----|--------------------------|-----------------------------|----------------------------|---------------------------------|
| 1.  | Tennsco Corporation      | Metal Shelving/Furniture    | \$ 452,511                 | 1.62%                           |
| 2.  | Central Tenn. Hospital   | Medical Services            | 418,514                    | 1.50%                           |
| 3.  | Nemak/Teksid Aluminum    | Aluminum Cylinder Parts     | 303,709                    | 1.09%                           |
| 4.  | Shiloh Industries        | Automotive                  | 205,381                    | 0.74%                           |
| 5.  | Bellsouth Communications | Public Utility              | 163,828                    | 0.59%                           |
| 6.  | Sumiden Wire Products    | Wire Manufacturing          | 158,358                    | 0.57%                           |
| 7.  | Tennessee Gas Pipeline   | Public Utility              | 151,494                    | 0.54%                           |
| 8.  | Wal-Mart                 | Retail                      | 127,892                    | 0.46%                           |
| 9.  | Interstate Packaging     | Packaging                   | 125,441                    | 0.45%                           |
| 10. | CSX Transportation       | Public Utility              | <u>115,655</u>             | <u>0.42%</u>                    |
|     | <b>TOTAL</b>             |                             | <b><u>\$2,222,783</u></b>  | <b><u>7.98%</u></b>             |

Source: The County.

*Ten Largest Taxpayers.* For the fiscal year ending June 30, 2013 (tax year 2012), the ten largest taxpayers in the County are as follows:

|     | <u><b>Taxpayer</b></u>   | <u><b>Business Type</b></u> | <u><b>Taxes Levied</b></u> | <u><b>% of Total Levied</b></u> |
|-----|--------------------------|-----------------------------|----------------------------|---------------------------------|
| 1.  | Tennsco Corporation      | Metal Shelving/Furniture    | \$ 434,714                 | 1.56%                           |
| 2.  | Central Tenn. Hospital   | Medical Services            | 403,885                    | 1.45%                           |
| 3.  | Nemak/Teksid Aluminum    | Aluminum Cylinder Parts     | 241,232                    | 0.87%                           |
| 4.  | Shiloh Industries        | Automotive                  | 196,094                    | 0.70%                           |
| 5.  | Bellsouth Communications | Public Utility              | 183,613                    | 0.66%                           |
| 6.  | Sumiden Wire Products    | Wire Manufacturing          | 181,628                    | 0.65%                           |
| 7.  | Tennessee Gas Pipeline   | Public Utility              | 137,989                    | 0.50%                           |
| 8.  | Interstate Packaging     | Packaging                   | 126,394                    | 0.45%                           |
| 9.  | Quadgraphics             | Printing                    | 122,314                    | 0.44%                           |
| 10. | Wal-Mart                 | Retail                      | <u>121,767</u>             | <u>0.44%</u>                    |
|     | <b>TOTAL</b>             |                             | <b><u>\$2,149,630</u></b>  | <b><u>7.72%</u></b>             |

Source: The County.

*Ten Largest Taxpayers.* For the fiscal year ending June 30, 2012 (tax year 2011), the ten largest taxpayers in the County are as follows:

|     | <u><b>Taxpayer</b></u>   | <u><b>Business Type</b></u> | <u><b>Taxes Levied</b></u> | <u><b>% of Total Levied</b></u> |
|-----|--------------------------|-----------------------------|----------------------------|---------------------------------|
| 1.  | Tennsco Corporation      | Metal Shelving/Furniture    | \$ 434,464                 | 1.56%                           |
| 2.  | Central Tenn. Hospital   | Medical Services            | 415,821                    | 1.49%                           |
| 3.  | Nemak/Teksid Aluminum    | Aluminum Cylinder Parts     | 241,459                    | 0.87%                           |
| 4.  | Worldcolor/QW Memphis    | Printing                    | 236,673                    | 0.85%                           |
| 5.  | Shiloh Industries        | Automotive                  | 194,147                    | 0.70%                           |
| 6.  | Bellsouth Communications | Public Utility              | 189,605                    | 0.68%                           |
| 7.  | Sumiden Wire Products    | Wire Manufacturing          | 171,480                    | 0.62%                           |
| 8.  | Wal-Mart                 | Retail                      | 124,695                    | 0.45%                           |
| 9.  | Tennessee Gas Pipeline   | Public Utility              | 118,951                    | 0.43%                           |
| 10. | Interstate Packaging     | Packaging                   | <u>115,378</u>             | <u>0.41%</u>                    |
|     | <b>TOTAL</b>             |                             | <b><u>\$2,242,673</u></b>  | <b><u>8.06%</u></b>             |

Source: The County.

*Ten Largest Taxpayers.* For the fiscal year ending June 30, 2011 (tax year 2010), the ten largest taxpayers in the County are as follows:

|     | <u><b>Taxpayer</b></u>     | <u><b>Business Type</b></u> | <u><b>Taxes Levied</b></u> | <u><b>% of Total Levied</b></u> |
|-----|----------------------------|-----------------------------|----------------------------|---------------------------------|
| 1.  | Tennsco Corporation        | Metal Shelving/Furniture    | \$ 442,958                 | 1.60%                           |
| 2.  | Central Tenn. Hospital     | Medical Services            | 407,380                    | 1.47%                           |
| 3.  | Nemak/Teksid Aluminum      | Aluminum Cylinder Parts     | 210,864                    | 0.76%                           |
| 4.  | Shiloh Industries          | Automotive                  | 201,740                    | 0.73%                           |
| 5.  | Worldcolor/QW Memphis      | Printing                    | 200,004                    | 0.72%                           |
| 6.  | Bellsouth Communications   | Public Utility              | 189,604                    | 0.69%                           |
| 7.  | Sumiden Wire Products      | Wire Manufacturing          | 143,146                    | 0.52%                           |
| 8.  | Fiesta Gas Grills/Minshall | Manufacturer                | 130,382                    | 0.47%                           |
| 9.  | Wal-Mart                   | Retail                      | 127,993                    | 0.46%                           |
| 10. | Tennessee Gas Pipeline     | Public Utility              | <u>118,951</u>             | <u>0.43%</u>                    |
|     | <b>TOTAL</b>               |                             | <b><u>\$2,173,023</u></b>  | <b><u>7.85%</u></b>             |

Source: The County.



*Ten Largest Taxpayers.* For the fiscal year ending June 30, 2010 (tax year 2009), the ten largest taxpayers in the County are as follows:

|     | <u>Taxpayer</u>          | <u>Business Type</u>     | <u>Taxes Levied</u>       | <u>% of Total Levied</u> |
|-----|--------------------------|--------------------------|---------------------------|--------------------------|
| 1.  | Tennsco Corporation      | Metal Shelving/Furniture | \$ 431,349                | 1.57%                    |
| 2.  | Central Tenn. Hospital   | Medical Services         | 403,984                   | 1.47%                    |
| 3.  | Quebecor World           | Printing                 | 236,613                   | 0.86%                    |
| 4.  | Nemak/Teksid Aluminum    | Aluminum Cylinder Parts  | 230,715                   | 0.84%                    |
| 5.  | Shiloh Industries        | Automotive               | 203,582                   | 0.74%                    |
| 6.  | Bellsouth Communications | Public Utility           | 199,282                   | 0.73%                    |
| 7.  | Sumiden Wire Products    | Wire Manufacturing       | 162,674                   | 0.59%                    |
| 8.  | Fiesta Gas Grills        | Manufacturer             | 136,335                   | 0.50%                    |
| 9.  | Wal-Mart                 | Retail                   | 120,998                   | 0.44%                    |
| 10. | Tennessee Gas Pipeline   | Public Utility           | <u>115,484</u>            | <u>0.42%</u>             |
|     | <b>TOTAL</b>             |                          | <b><u>\$2,241,016</u></b> | <b><u>8.16%</u></b>      |

*Source:* The County.

#### **LOCAL OPTION SALES TAX**

| <u>Fiscal Year</u> | <u>General Fund</u> | <u>Highway / Public Works</u> | <u>General Purpose School</u> | <u>Cities</u> | <u>Total</u> | <u>% of Increase</u> |
|--------------------|---------------------|-------------------------------|-------------------------------|---------------|--------------|----------------------|
| 2010               | \$196,850           | \$281,317                     | \$9,632,219                   | \$4,793,612   | \$14,903,998 | (2.08%)              |
| 2011               | 239,782             | 345,988                       | 10,099,343                    | 5,123,953     | 15,809,066   | 6.07%                |
| 2012               | 259,110             | 366,611                       | 10,268,084                    | 5,097,765     | 15,991,570   | 1.15%                |
| 2013               | 258,578             | 369,397                       | 10,555,766                    | 5,287,960     | 16,471,701   | 3.00%                |
| 2014               | 266,071             | 380,101                       | 10,871,932                    | 5,438,507     | 16,956,611   | 2.94%                |
| 2015               | 175,269             | 250,384                       | 11,123,507                    | 6,278,188     | 17,827,348   | 5.14%                |
| 2016               | 149,131             | 213,045                       | 12,247,422                    | 7,362,491     | 19,972,089   | 12.03%               |
| 2017               | 148,271             | 211,815                       | 12,787,316                    | 7,681,681     | 20,829,083   | 4.29%                |
| 2018               | 145,493             | 207,848                       | 13,132,791                    | 8,052,622     | 21,538,754   | 3.41%                |

*Source:* Comprehensive Annual Financial Report and Auditor's Report, Dickson County, Tennessee

#### **PENSION PLANS**

Employees of Dickson County and non-certified employees of the discretely presented Dickson County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the

TCRS. The primary government employees comprised 65.92 percent and the non-certified employees of the discretely presented School Department comprised 34.08 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

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.

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**GENERAL PURPOSE FINANCIAL STATEMENTS**

DICKSON COUNTY, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2018

The General Purpose Financial Statements are extracted from the Financial Statements with Report of Certified Public Accountants of Dickson County for the fiscal year ended June 30, 2018 which is available upon request from the County.



**ANNUAL FINANCIAL REPORT**  
**DICKSON COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2018**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT  
DICKSON COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2018**

***COMPTROLLER OF THE TREASURY  
JUSTIN P. WILSON***

***DIVISION OF LOCAL GOVERNMENT AUDIT  
JAMES R. ARNETTE  
Director***

***JEFF BAILEY, CPA, CGFM, CFE  
Audit Manager***

***KATIE ARMSTRONG, CPA, CGFM, CFE  
Senior Auditor***

***CARRIE SABIN  
DONYA WADE, CFE  
TAYLOR ERSKIN, CPA  
BETHANY GRAVES  
State Auditors***

**This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)**

# DICKSON COUNTY, TENNESSEE

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## ***Summary of Audit Findings***

Annual Financial Report  
Dickson County, Tennessee  
For the Year Ended June 30, 2018

### ***Scope***

We have audited the basic financial statements of Dickson County as of and for the year ended June 30, 2018.

### ***Results***

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

Our audit resulted in five findings and recommendations, which we have reviewed with Dickson 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:

#### **OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS**

- ◆ Material audit adjustments were required for proper financial statement presentation.

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#### **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ Material audit adjustments were required for proper financial statement presentation.
- ◆ The School Federal Projects Fund had a cash overdraft of \$58,284 at June 30, 2018.
- ◆ Several capital assets were not included in the capital assets records.

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#### **OFFICE OF SHERIFF**

- ◆ A cash shortage of \$2,000 existed in the Sheriff's Office at June 30, 2018.



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# INTRODUCTORY SECTION

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**Dickson County Officials**  
**June 30, 2018**

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**Officials**

Bob Rial, County Mayor  
Jerry Burgess, Highway Engineer  
Dr. Danny Weeks, Director of Schools  
Glynda Pendergrass, Trustee  
Jenny Martin, Assessor of Property  
Luanne Greer, County Clerk  
Pamela Lewis, Circuit Court Clerk  
Barbara Spann, General Sessions Court Clerk  
Nancy Miller, Clerk and Master  
Shelly Yates, Register of Deeds  
Jeff Bledsoe, Sheriff  
Don Hall, Director of Accounts and Budgets

**Board of County Commissioners**

Bob Rial, County Mayor, Chairman  
Buford Reed  
Jeff Spencer  
Dwight McIlwain  
Becky Spicer  
James Dawson  
Stacey Batey

Randy Simpkins  
Carl Buckner  
Kyle Sanders  
Tony Adams  
Linda Hayes  
Jeff Eby

**Highway Commission**

Kenneth Edmisson, Chairman  
Clay Simpkins

Benjamin Regen  
Austin Potter

**Board of Education**

Tim Potter, Chairman  
Rick Chandler  
Steve Haley

Kirk Vandivort  
Phil Buckner  
Josh Lewis

**Audit Committee**

Wilson Overton, Chairman  
Mike Walters  
Kenny Crow

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# FINANCIAL SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

## Independent Auditor's Report

Dickson County Mayor and  
Board of County Commissioners  
Dickson 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 Dickson County, Tennessee, as of and for the year ended June 30, 2018, 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 Dickson County, Tennessee, as of June 30, 2018, and the respective changes in financial position and the respective budgetary comparison 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., Dickson County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Emphasis of Matter***

We draw attention to Note I.D.9. to the financial statements, which describes a restatement reducing the beginning net position of the discretely presented Dickson County School Department by \$2,458,928 on the Government-wide Statement of Activities. This restatement was necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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 schedule of changes in the county's net pension liability (asset) and related ratios, schedule of county and school contributions, schedule of school's proportionate share of the net pension

liability (asset), and schedule of school's changes in the total OPEB liability and related ratios on pages 85-92 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 Dickson County's 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 Dickson County School Department (a discretely presented component unit), miscellaneous schedules and the other information such as the introductory section and management's corrective action plans are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

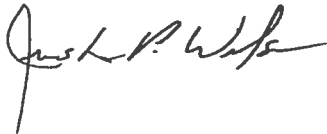
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Dickson County School Department (a discretely presented component unit), schedule of expenditures of federal awards, 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, 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 Dickson County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and management's corrective action plans have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2019, on our consideration of Dickson 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Dickson County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dickson County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 28, 2019

JPW/kp

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## BASIC FINANCIAL STATEMENTS

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## Exhibit A

Dickson County, Tennessee  
Statement of Net Position  
June 30, 2018

|   | Primary<br>Government<br>Governmental<br>Activities | Component<br>Unit<br>Dickson<br>County<br>School<br>Department |
|---|---|--|
| <u>ASSETS</u>                                 |   |  |
| Cash  | \$ 31,114   | \$ 125,453   |
| Equity in Pooled Cash and Investments         | 36,617,985  | 13,405,510   |
| Inventories                                   | 1,838   | 0  |
| Accounts Receivable                           | 14,099,865  | 95,589   |
| Allowance for Uncollectibles                  | (7,723,791)   | 0  |
| Due from Other Governments                    | 2,155,611   | 3,783,391  |
| Due from Primary Government                   | 0   | 2,380,238  |
| Due from Component Unit                       | 881,612   | 0  |
| Property Taxes Receivable                     | 20,052,510  | 8,593,933  |
| Allowance for Uncollectible Property Taxes    | (517,377)   | (221,732)  |
| Net Pension Asset - Agent Plan                | 1,294,618   | 739,346  |
| Net Pension Asset - Teacher Retirement Plan   | 0   | 166,318  |
| Net Pension Asset - Teacher Legacy Plan       | 0   | 256,533  |
| Cash Shortage                                 | 2,000   | 0  |
| Capital Assets:                               |   |  |
| Assets Not Depreciated:                       |   |  |
| Land  | 8,359,203   | 3,445,200  |
| Construction in Progress                      | 2,077,117   | 2,374,638  |
| Assets Net of Accumulated Depreciation:       |   |  |
| Buildings and Improvements                    | 19,898,071  | 22,445,949   |
| Other Capital Assets                          | 3,499,972   | 5,417,872  |
| Infrastructure                                | 31,388,621  | 0  |
| Total Assets                                  | <u>\$ 132,118,969</u>                               | <u>\$ 63,008,238</u>   |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>         |   |  |
| Deferred Charge on Refunding                  | \$ 30,668   | \$ 0   |
| Pension Contributions After Measurement Date  | 925,848   | 3,289,908  |
| Pension Changes in Investment Earnings        | 0   | 38,941   |
| Pension Changes in Experience                 | 103,232   | 219,441  |
| Pension Changes in Assumptions                | 531,918   | 2,491,078  |
| Pension Changes in Proportionate Share of NPL | 0   | 122,437  |
| OPEB Benefits Paid After Measurement Date     | 0   | 356,749  |
| Total Deferred Outflows of Resources          | <u>\$ 1,591,666</u>                                 | <u>\$ 6,518,554</u>  |
| <u>LIABILITIES</u>                            |   |  |
| Accounts Payable                              | \$ 1,642,580  | \$ 302,894   |
| Payroll Deductions Payable                    | 159,970   | 0  |
| Cash Overdraft                                | 0   | 58,284   |
| Contracts Payable                             | 0   | 1,975,147  |
| Retainage Payable                             | 0   | 103,955  |
| Due to Primary Government                     | 0   | 881,612  |
| Accrued Interest Payable                      | 230,174   | 0  |
| Due to Component Unit                         | 2,380,238   | 0  |
| Due to State of Tennessee                     | 2,273   | 53   |
| Due to Litigants, Heirs, and Others           | 32,608  | 0  |
| Other Current Liabilities                     | 2,957   | 0  |
| Noncurrent Liabilities:                       |   |  |
| Due Within One Year                           | 10,254,203  | 42,296   |
| Due in More Than One Year                     | 35,691,229  | 8,441,887  |
| Total Liabilities                             | <u>\$ 50,396,232</u>                                | <u>\$ 11,806,128</u>   |

(Continued)

Exhibit A

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

|   | Primary<br>Governmental<br>Activities | Component<br>Unit<br>Dickson<br>County<br>School<br>Department |
|---|---------------------------------------|--|
| <u>DEFERRED INFLOWS OF RESOURCES</u>          |                                       |  |
| Deferred Current Property Taxes               | \$ 18,936,182                         | \$ 8,115,507   |
| Pension Changes in Investment Earnings        | 16,180                                | 18,189   |
| Pension Changes in Experience                 | 299,765                               | 5,479,918  |
| Pension Changes in Proportionate Share of NPL | 0                                     | 179,017  |
| OPEB Changes in Assumptions                   | 0                                     | 334,627  |
| Total Deferred Inflows of Resources           | <u>\$ 19,252,127</u>                  | <u>\$ 14,127,258</u>   |
| <u>NET POSITION</u>                           |                                       |  |
| Net Investment in Capital Assets              | \$ 46,177,941                         | \$ 33,683,659  |
| Restricted for:                               |                                       |  |
| General Government                            | 1,580,248                             | 0  |
| Finance                                       | 132,309                               | 0  |
| Administration of Justice                     | 1,336,948                             | 0  |
| Public Safety                                 | 1,230,932                             | 0  |
| Public Health and Welfare                     | 5,255,392                             | 0  |
| Social, Cultural, and Recreational Services   | 2,057,573                             | 0  |
| Highway/Public Works                          | 4,546,758                             | 0  |
| Debt Service                                  | 10,846,287                            | 0  |
| Capital Projects                              | 26,935                                | 0  |
| Pensions                                      | 1,294,618                             | 1,162,197  |
| Education                                     | 0                                     | 1,265,147  |
| Capital Outlay                                | 0                                     | 17   |
| Unrestricted                                  | <u>(10,423,665)</u>                   | <u>7,482,386</u>   |
| Total Net Position                            | <u>\$ 64,062,276</u>                  | <u>\$ 43,593,406</u>   |

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

Dickson County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2018

(Continued)

Exhibit B

Dickson County, Tennessee  
Statement of Activities (Cont.)

| Functions/Programs   | Program Revenues |                            |   |   | Net (Expense) Revenue and                                    |  |
|--|------------------|----------------------------|---|---|--|--|
|  | Expenses         | Charges<br>for<br>Services | Operating<br>Grants<br>and<br>Contributions | Capital<br>Grants<br>and<br>Contributions | Net Position   |  |
|  |                  |                            |   |   | Primary<br>Government<br>Total<br>Governmental<br>Activities | Component<br>Unit<br>Dickson<br>County<br>School<br>Department |
|  |                  |                            |   |   |  |  |
| General Revenues:  |                  |                            |   |   |  |  |
| Taxes:   |                  |                            |   |   |  |  |
| Property Taxes Levied for General Purposes                   |                  | \$                         | 14,667,845                                  |   | \$   | 9,107,997  |
| Property Taxes Levied for Debt Service                       |                  |                            | 6,657,084                                   |   |  | 0  |
| Local Option Sales Tax                                       |                  |                            | 359,494                                     |   |  | 13,162,190   |
| Wheel Tax  |                  |                            | 3,089,498                                   |   |  | 0  |
| Litigation Taxes   |                  |                            | 819,324                                     |   |  | 0  |
| Business Tax   |                  |                            | 473,422                                     |   |  | 203,260  |
| Mixed Drink Tax  |                  |                            | 928   |   |  | 62,223   |
| Mineral Severance Tax  |                  |                            | 185,072                                     |   |  | 0  |
| Adequate Facilities Tax                                      |                  |                            | 732,434                                     |   |  | 0  |
| Bank Excise Tax  |                  |                            | 229,907                                     |   |  | 0  |
| Interstate Telecommunications Tax                            |                  |                            | 76,801                                      |   |  | 0  |
| Hotel/Motel Tax  |                  |                            | 675,865                                     |   |  | 0  |
| Grants and Contributions Not Restricted to Specific Programs |                  |                            | 1,475,215                                   |   |  | 46,037,307   |
| Unrestricted Investment Earnings                             |                  |                            | 465,055                                     |   |  | 153,428  |
| Miscellaneous  |                  |                            | 21,495                                      |   |  | 105,841  |
| Total General Revenues                                       |                  |                            | \$ 29,929,439                               |   | \$   | 68,832,246   |
| Change in Net Position                                       |                  |                            |   |   |  |  |
| Net Position, July 1, 2017                                   |                  |                            | \$ 9,563,750                                |   | \$   | 4,437,906  |
| Restatement - See Note I.D.9.                                |                  |                            | 54,498,526                                  |   |  | 41,614,428   |
|  |                  |                            | 0   |   |  | (2,458,928)  |
| Net Position, June 30, 2018                                  |                  |                            | \$ 64,062,276                               |   | \$   | 43,593,406   |

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

Dickson County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2018

|  | Major Funds   |                           |                         | Nonmajor Funds                 |                                |
|--|---------------|---------------------------|-------------------------|--------------------------------|--------------------------------|
|  | General       | Highway /<br>Public Works | General<br>Debt Service | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
| <b>ASSETS</b>                              |               |                           |                         |                                |                                |
| Cash                                       | \$ 181        | \$ 25                     | \$ 0                    | \$ 30,908                      | \$ 31,114                      |
| Equity in Pooled Cash and Investments      | 12,568,859    | 3,344,103                 | 10,615,025              | 9,962,918                      | 36,490,905                     |
| Inventories                                | 1,838         | 0                         | 0                       | 0                              | 1,838                          |
| Accounts Receivable                        | 7,039,546     | 62,607                    | 191,533                 | 6,806,179                      | 14,099,865                     |
| Allowance for Uncollectibles               | (5,449,091)   | 0                         | 0                       | (2,274,700)                    | (7,723,791)                    |
| Due from Other Governments                 | 517,260       | 997,895                   | 61,947                  | 578,509                        | 2,155,611                      |
| Due from Other Funds                       | 677,080       | 0                         | 0                       | 0                              | 677,080                        |
| Property Taxes Receivable                  | 12,625,655    | 1,167,077                 | 6,259,778               | 0                              | 20,052,510                     |
| Allowance for Uncollectible Property Taxes | (325,756)     | (30,112)                  | (161,509)               | 0                              | (517,377)                      |
| Cash Shortage                              | 0             | 0                         | 0                       | 2,000                          | 2,000                          |
| Advances to Other Funds                    | 1,293,000     | 0                         | 0                       | 0                              | 1,293,000                      |
| Total Assets                               | \$ 28,948,572 | \$ 5,541,595              | \$ 16,966,774           | \$ 15,105,814                  | \$ 66,562,755                  |
| <b>LIABILITIES</b>                         |               |                           |                         |                                |                                |
| Accounts Payable                           | \$ 562,581    | \$ 584,938                | \$ 9,686                | \$ 485,375                     | \$ 1,642,580                   |
| Payroll Deductions Payable                 | 139,588       | 14,510                    | 0                       | 5,872                          | 159,970                        |
| Due to Other Funds                         | 0             | 550,000                   | 0                       | 0                              | 550,000                        |
| Due to Component Units                     | 0             | 0                         | 0                       | 2,380,238                      | 2,380,238                      |
| Due to State of Tennessee                  | 1,730         | 73                        | 0                       | 470                            | 2,273                          |
| Due to Litigants, Heirs, and Others        | 0             | 0                         | 0                       | 32,608                         | 32,608                         |
| Advances Payable to Other Funds            | 0             | 0                         | 0                       | 1,293,000                      | 1,293,000                      |
| Other Current Liabilities                  | 0             | 0                         | 0                       | 2,957                          | 2,957                          |
| Total Liabilities                          | \$ 703,899    | \$ 1,149,521              | \$ 9,686                | \$ 4,200,520                   | \$ 6,063,626                   |

(Continued)

Exhibit C-1

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

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes  
Deferred Delinquent Property Taxes  
Other Deferred/Unavailable Revenue  
Total Deferred Inflows of Resources

FUND BALANCES

Nonspendable:

Inventory  
Long-term Advances Receivable  
Restricted:  
Restricted for General Government  
Restricted for Finance  
Restricted for Administration of Justice  
Restricted for Public Safety  
Restricted for Public Health and Welfare  
Restricted for Social, Cultural, and Recreational Services  
Restricted for Other Operations  
Restricted for Highways/Public Works  
Restricted for Capital Outlay  
Restricted for Debt Service

Committed:

Committed for Capital Projects  
Unassigned  
Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

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

|                  | Major Funds  |                        |                      | Nonmajor Funds           |  | Total Governmental Funds |
|------------------|--------------|------------------------|----------------------|--------------------------|--|--------------------------|
|                  | General      | Highway / Public Works | General Debt Service | Other Governmental Funds |  |                          |
| \$ 11,922,781 \$ | 1,102,106 \$ | 5,911,295 \$           | 0 \$                 | 18,936,182               |  |                          |
| 332,031          | 30,692       | 164,620                | 0                    | 527,343                  |  |                          |
| 1,070,136        | 247,464      | 0                      | 1,025,514            | 2,343,114                |  |                          |
| \$ 13,324,948 \$ | 1,380,262 \$ | 6,075,915 \$           | 1,025,514 \$         | 21,806,639               |  |                          |
|                  |              |                        |                      |                          |  |                          |
| \$ 1,838 \$      | 0 \$         | 0 \$                   | 0 \$                 | 1,838                    |  |                          |
| 1,293,000        | 0            | 0                      | 0                    | 1,293,000                |  |                          |
| 506,021          | 0            | 0                      | 0                    | 506,021                  |  |                          |
| 132,309          | 0            | 0                      | 0                    | 132,309                  |  |                          |
| 1,336,948        | 0            | 0                      | 0                    | 1,336,948                |  |                          |
| 628,624          | 0            | 0                      | 602,308              | 1,230,932                |  |                          |
| 83,737           | 0            | 0                      | 6,167,858            | 6,251,595                |  |                          |
| 2,057,573        | 0            | 0                      | 0                    | 2,057,573                |  |                          |
| 0                | 0            | 0                      | 1,074,227            | 1,074,227                |  |                          |
| 0                | 3,011,812    | 0                      | 1,283,726            | 4,295,538                |  |                          |
| 0                | 0            | 0                      | 26,935               | 26,935                   |  |                          |
| 0                | 0            | 10,881,173             | 0                    | 10,881,173               |  |                          |
| 0                | 0            | 0                      | 724,726              | 724,726                  |  |                          |
| 8,879,675        | 0            | 0                      | 0                    | 8,879,675                |  |                          |
| \$ 14,919,725 \$ | 3,011,812 \$ | 10,881,173 \$          | 9,879,780 \$         | 38,692,490               |  |                          |
| \$ 28,948,572 \$ | 5,541,595 \$ | 16,966,774 \$          | 15,105,814 \$        | 66,562,755               |  |                          |

Exhibit C-2

Dickson County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2018

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)  |                   | \$ 38,692,490        |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.  |                   |                      |
| Add: land   | \$ 8,359,203      |                      |
| Add: construction in progress   | 2,077,117         |                      |
| Add: buildings and improvements net of accumulated depreciation   | 19,898,071        |                      |
| Add: other capital assets net of accumulated depreciation   | 3,499,972         |                      |
| Add: infrastructure net of accumulated depreciation   | <u>31,388,621</u> | 65,222,984           |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.   |                   |                      |
| Less: bonds payable   | \$ (26,514,800)   |                      |
| Less: notes payable   | (5,863,367)       |                      |
| Less: other loans payable   | (11,562,850)      |                      |
| Add: debt to be contributed by the School Department  | 881,612           |                      |
| Less: compensated absences payable  | (475,967)         |                      |
| Less: landfill closure/postclosure care costs   | (236,320)         |                      |
| Less: landfill remediation  | (1,200,000)       |                      |
| Less: accrued interest on bonds and notes   | (230,174)         |                      |
| Less: unamortized premium on debt   | (92,128)          |                      |
| Add: deferred amount on refunding   | <u>30,668</u>     | (45,263,326)         |
| (3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years. |                   |                      |
| Add: deferred outflows of resources related to pensions   | \$ 1,560,998      |                      |
| Less: deferred inflows of resources related to pensions   | <u>(315,945)</u>  | 1,245,053            |
| (4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.  |                   | 1,294,618            |
| (5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.   |                   | <u>2,870,457</u>     |
| Net position of governmental activities (Exhibit A)   |                   | <u>\$ 64,062,276</u> |

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

Exhibit C-3

Dickson County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2018

|                                       | Major Funds   |                        |                      | Nonmajor Funds |                    | Total Governmental Funds |
|---------------------------------------|---------------|------------------------|----------------------|----------------|--------------------|--------------------------|
|                                       | General       | Highway / Public Works | General Debt Service | Other          | Governmental Funds |                          |
| <u>Revenues</u>                       |               |                        |                      |                |                    |                          |
| Local Taxes                           | \$ 16,056,573 | \$ 1,988,973           | \$ 9,766,802         | \$ 675,865     | \$ 28,488,213      |                          |
| Licenses and Permits                  | 347,743       | 17                     | 91                   | 0              | 347,851            |                          |
| Fines, Forfeitures, and Penalties     | 367,159       | 0                      | 0                    | 498,783        | 865,942            |                          |
| Charges for Current Services          | 2,609,622     | 0                      | 600                  | 4,295,330      | 6,905,552          |                          |
| Other Local Revenues                  | 412,535       | 166,668                | 155,012              | 127,279        | 861,494            |                          |
| Fees Received From County Officials   | 2,931,861     | 0                      | 0                    | 0              | 2,931,861          |                          |
| State of Tennessee                    | 2,409,253     | 3,411,476              | 178,329              | 316,886        | 6,315,944          |                          |
| Federal Government                    | 63,156        | 0                      | 0                    | 2,319          | 65,475             |                          |
| Other Governments and Citizens Groups | 211,644       | 0                      | 199,632              | 5,000          | 416,276            |                          |
| Total Revenues                        | \$ 25,409,546 | \$ 5,567,134           | \$ 10,300,466        | \$ 5,921,462   | \$ 47,198,608      |                          |

Expenditures

Current:

|   |              |           |           |           |              |
|---|--------------|-----------|-----------|-----------|--------------|
| General Government                          | \$ 1,812,550 | \$ 0      | \$ 0      | \$ 0      | \$ 1,812,550 |
| Finance                                     | 1,446,890    | 0         | 0         | 0         | 1,446,890    |
| Administration of Justice                   | 2,291,391    | 0         | 0         | 0         | 2,291,391    |
| Public Safety                               | 11,692,323   | 0         | 0         | 189,881   | 11,882,204   |
| Public Health and Welfare                   | 5,658,592    | 0         | 0         | 3,792,319 | 9,450,911    |
| Social, Cultural, and Recreational Services | 516,561      | 0         | 0         | 0         | 516,561      |
| Agriculture and Natural Resources           | 167,576      | 0         | 0         | 0         | 167,576      |
| Other Operations                            | 2,814,446    | 0         | 0         | 879,870   | 3,694,316    |
| Highways                                    | 0            | 5,917,130 | 0         | 377,234   | 6,294,364    |
| Debt Service:                               |              |           |           |           |              |
| Principal on Debt                           | 0            | 0         | 8,417,415 | 0         | 8,417,415    |
| Interest on Debt                            | 0            | 0         | 1,227,407 | 0         | 1,227,407    |
| Other Debt Service                          | 0            | 0         | 201,295   | 160,000   | 361,295      |

(Continued)



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

|  | Major Funds   |                           |                      | Nonmajor Funds |                    | Total Governmental Funds |
|--|---------------|---------------------------|----------------------|----------------|--------------------|--------------------------|
|  | General       | Highway /<br>Public Works | General Debt Service | Other          | Governmental Funds |                          |
| <u>Expenditures (Cont.)</u>                              |               |                           |                      |                |                    |                          |
| Capital Projects   | \$ 0          | \$ 0                      | \$ 0                 | \$ 2,448,970   | \$ 2,448,970       | \$ 2,448,970             |
| Total Expenditures                                       | \$ 26,400,329 | \$ 5,917,130              | \$ 9,846,117         | \$ 7,848,274   | \$ 50,011,850      | \$ 50,011,850            |
| <u>Excess (Deficiency) of Revenues Over Expenditures</u> | \$ (990,783)  | \$ (349,996)              | \$ 454,349           | \$ (1,926,812) | \$ (2,813,242)     | \$ (2,813,242)           |
| <u>Other Financing Sources (Uses)</u>                    |               |                           |                      |                |                    |                          |
| Notes Issued   | \$ 3,756,067  | \$ 0                      | \$ 0                 | \$ 150,000     | \$ 3,906,067       | \$ 3,906,067             |
| Other Loans Issued                                       | 0             | 0                         | 0                    | 2,540,238      | 2,540,238          | 2,540,238                |
| Insurance Recovery                                       | 14,437        | 62,981                    | 0                    | 0              | 77,418             | 77,418                   |
| Transfers In   | 98,069        | 0                         | 273,029              | 1,693,000      | 2,064,098          | 2,064,098                |
| Transfers Out  | (1,693,000)   | 0                         | 0                    | (371,098)      | (2,064,098)        | (2,064,098)              |
| Total Other Financing Sources (Uses)                     | \$ 2,175,573  | \$ 62,981                 | \$ 273,029           | \$ 4,012,140   | \$ 6,523,723       | \$ 6,523,723             |
| Net Change in Fund Balances                              | \$ 1,184,790  | \$ (287,015)              | \$ 727,378           | \$ 2,085,328   | \$ 3,710,481       | \$ 3,710,481             |
| Fund Balance, July 1, 2017                               | 13,734,935    | 3,298,827                 | 10,153,795           | 7,794,452      | 34,982,009         | 34,982,009               |
| Fund Balance, June 30, 2018                              | \$ 14,919,725 | \$ 3,011,812              | \$ 10,881,173        | \$ 9,879,780   | \$ 38,692,490      | \$ 38,692,490            |

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

Exhibit C-4

Dickson 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, 2018

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)  |                    | \$ 3,710,481        |
| (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   | \$ 5,475,975       |                     |
| Less: current-year depreciation expense   | <u>(2,538,518)</u> | 2,937,457           |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.  |                    |                     |
| Less: book value of capital assets disposed   |                    | (57,586)            |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  |                    |                     |
| Less: deferred delinquent property taxes and other deferred June 30, 2017   | \$ (2,728,412)     |                     |
| Add: deferred delinquent property taxes and other deferred June 30, 2018  | <u>2,870,457</u>   | 142,045             |
| (4) The issuance of long-term debt (e.g., notes, bonds, 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 effect of these differences in the treatment of long-term debt and related items: |                    |                     |
| Less: note proceeds   | \$ (3,906,067)     |                     |
| Less: other loan proceeds   | (2,540,238)        |                     |
| Add: principal payments on notes  | 573,283            |                     |
| Add: principal payments on bonds  | 6,674,500          |                     |
| Add: principal payments on other loans  | 1,169,632          |                     |
| Add: change in premium on debt issuances  | 7,807              |                     |
| Less: contributions from the School Department for other loans  | (199,632)          |                     |
| Less: change in deferred amount on refunding debt   | <u>(19,405)</u>    | 1,759,880           |
| (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 net pension liability/asset   | \$ 1,080,079       |                     |
| Change in deferred outflows of resources related to pensions  | (389,983)          |                     |
| Change in deferred inflows of resources related to pensions   | (255,665)          |                     |
| Change in accrued interest payable  | 41,401             |                     |
| Change in compensated absences payable  | (31,243)           |                     |
| Change in landfill closure/postclosure care costs   | 226,884            |                     |
| Change in landfill remediation  | <u>400,000</u>     | 1,071,473           |
| Change in net position of governmental activities (Exhibit B)   |                    | <u>\$ 9,563,750</u> |

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

## Exhibit C-5

Dickson County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Fund  
For the Year Ended June 30, 2018

|  | Actual        | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------|------------------|---------------|--|
|  |               | Original         | Final         |  |
| <u>Revenues</u>                                |               |                  |               |  |
| Local Taxes                                    | \$ 16,056,573 | \$ 15,266,900    | \$ 15,371,400 | \$ 685,173   |
| Licenses and Permits                           | 347,743       | 268,100          | 268,100       | 79,643   |
| Fines, Forfeitures, and Penalties              | 367,159       | 587,625          | 386,865       | (19,706)   |
| Charges for Current Services                   | 2,609,622     | 3,501,250        | 3,514,250     | (904,628)  |
| Other Local Revenues                           | 412,535       | 325,250          | 394,750       | 17,785   |
| Fees Received From County Officials            | 2,931,861     | 2,540,000        | 2,770,000     | 161,861  |
| State of Tennessee                             | 2,409,253     | 2,463,974        | 2,436,924     | (27,671)   |
| Federal Government                             | 63,156        | 252,850          | 257,850       | (194,694)  |
| Other Governments and Citizens Groups          | 211,644       | 607,252          | 808,145       | (596,501)  |
| Total Revenues                                 | \$ 25,409,546 | \$ 25,813,201    | \$ 26,208,284 | \$ (798,738)   |
| <u>Expenditures</u>                            |               |                  |               |  |
| <u>General Government</u>                      |               |                  |               |  |
| County Commission                              | \$ 98,027     | \$ 99,380        | \$ 100,200    | \$ 2,173   |
| Board of Equalization                          | 3,115         | 6,600            | 6,600         | 3,485  |
| Other Boards and Committees                    | 325           | 1,880            | 1,880         | 1,555  |
| County Mayor/Executive                         | 218,111       | 220,355          | 224,107       | 5,996  |
| County Attorney                                | 191,514       | 190,000          | 219,590       | 28,076   |
| Election Commission                            | 181,326       | 635,397          | 638,448       | 457,122  |
| Register of Deeds                              | 221,839       | 237,410          | 231,810       | 9,971  |
| Codes Compliance                               | 263,506       | 281,555          | 286,676       | 23,170   |
| County Buildings                               | 569,997       | 458,185          | 599,676       | 29,679   |
| Preservation of Records                        | 64,790        | 70,553           | 78,492        | 13,702   |
| <u>Finance</u>                                 |               |                  |               |  |
| Accounting and Budgeting                       | 180,628       | 178,274          | 185,595       | 4,967  |
| Property Assessor's Office                     | 381,343       | 371,799          | 389,872       | 8,529  |
| County Trustee's Office                        | 337,199       | 344,497          | 355,043       | 17,844   |
| County Clerk's Office                          | 547,720       | 536,814          | 579,451       | 31,731   |
| <u>Administration of Justice</u>               |               |                  |               |  |
| Circuit Court                                  | 416,017       | 368,018          | 575,973       | 159,956  |
| General Sessions Court                         | 647,816       | 638,295          | 677,607       | 29,791   |
| Drug Court                                     | 42,254        | 36,000           | 53,000        | 10,746   |
| Chancery Court                                 | 306,508       | 284,781          | 325,440       | 18,932   |
| Juvenile Court                                 | 468,122       | 469,800          | 490,768       | 22,646   |
| District Attorney General                      | 76,071        | 145,225          | 145,695       | 69,624   |
| Other Administration of Justice                | 289,743       | 419,955          | 429,955       | 140,212  |
| Victim Assistance Programs                     | 44,860        | 65,000           | 68,000        | 23,140   |
| <u>Public Safety</u>                           |               |                  |               |  |
| Sheriff's Department                           | 4,923,454     | 5,040,194        | 5,165,086     | 241,632  |
| Drug Enforcement                               | 49,590        | 364,907          | 510,900       | 461,310  |
| Administration of the Sexual Offender Registry | 4,200         | 17,000           | 30,000        | 25,800   |
| Jail   | 5,783,601     | 5,257,663        | 6,080,351     | 296,750  |
| Juvenile Services                              | 36,192        | 55,258           | 55,728        | 19,536   |
| Civil Defense                                  | 380,285       | 390,253          | 412,445       | 32,160   |
| County Coroner/Medical Examiner                | 21,425        | 25,000           | 50,000        | 28,575   |
| Other Public Safety                            | 493,576       | 513,836          | 513,836       | 20,260   |
| <u>Public Health and Welfare</u>               |               |                  |               |  |
| Local Health Center                            | 98,832        | 84,386           | 138,986       | 40,154   |

(Continued)

## Exhibit C-5

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

|  | Actual        | Budgeted Amounts |                | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------|------------------|----------------|--|
|  |               | Original         | Final          |  |
| <u>Expenditures (Cont.)</u>                          |               |                  |                |  |
| <u>Public Health and Welfare (Cont.)</u>             |               |                  |                |  |
| Rabies and Animal Control                            | \$ 56,212     | \$ 56,038        | \$ 60,279      | \$ 4,067   |
| Ambulance/Emergency Medical Services                 | 3,824,620     | 3,684,342        | 4,415,499      | 590,879  |
| Dental Health Program                                | 656,305       | 654,600          | 745,200        | 88,895   |
| Other Local Health Services                          | 91,615        | 80,000           | 140,000        | 48,385   |
| Appropriation to State                               | 88,514        | 90,000           | 88,514         | 0  |
| Other Local Welfare Services                         | 842,494       | 1,494,194        | 1,505,894      | 663,400  |
| <u>Social, Cultural, and Recreational Services</u>   |               |                  |                |  |
| Libraries  | 516,561       | 516,623          | 516,623        | 62   |
| <u>Agriculture and Natural Resources</u>             |               |                  |                |  |
| Agricultural Extension Service                       | 119,370       | 157,533          | 161,533        | 42,163   |
| Forest Service                                       | 2,000         | 2,000            | 2,000          | 0  |
| Soil Conservation                                    | 46,206        | 43,998           | 47,202         | 996  |
| <u>Other Operations</u>                              |               |                  |                |  |
| Other Charges  | 50,374        | 86,500           | 86,500         | 36,126   |
| Miscellaneous  | 2,764,072     | 1,318,420        | 4,945,558      | 2,181,486  |
| Total Expenditures                                   | \$ 26,400,329 | \$ 25,992,518    | \$ 32,336,012  | \$ 5,935,683   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ (990,783)  | \$ (179,317)     | \$ (6,127,728) | \$ 5,136,945   |
| <u>Other Financing Sources (Uses)</u>                |               |                  |                |  |
| Notes Issued   | \$ 3,756,067  | \$ 436,658       | \$ 3,756,067   | \$ 0   |
| Insurance Recovery                                   | 14,437        | 50,000           | 50,000         | (35,563)   |
| Transfers In   | 98,069        | 0                | 648,069        | (550,000)  |
| Transfers Out  | (1,693,000)   | (400,000)        | (2,243,000)    | 550,000  |
| Total Other Financing Sources                        | \$ 2,175,573  | \$ 86,658        | \$ 2,211,136   | \$ (35,563)  |
| Net Change in Fund Balance                           | \$ 1,184,790  | \$ (92,659)      | \$ (3,916,592) | \$ 5,101,382   |
| Fund Balance, July 1, 2017                           | 13,734,935    | 10,670,142       | 13,734,935     | 0  |
| Fund Balance, June 30, 2018                          | \$ 14,919,725 | \$ 10,577,483    | \$ 9,818,343   | \$ 5,101,382   |

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

## Exhibit C-6

Dickson County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2018

|  | Actual       | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|--------------|------------------|--------------|--|
|  |              | Original         | Final        |  |
| <u>Revenues</u>                                      |              |                  |              |  |
| Local Taxes  | \$ 1,988,973 | \$ 1,879,052     | \$ 1,879,052 | \$ 109,921   |
| Licenses and Permits                                 | 17           | 10               | 10           | 7  |
| Other Local Revenues                                 | 166,668      | 61,000           | 111,000      | 55,668   |
| State of Tennessee                                   | 3,411,476    | 3,514,970        | 4,822,238    | (1,410,762)  |
| Total Revenues                                       | \$ 5,567,134 | \$ 5,455,032     | \$ 6,812,300 | \$ (1,245,166)   |
| <u>Expenditures</u>                                  |              |                  |              |  |
| <u>Highways</u>                                      |              |                  |              |  |
| Administration                                       | \$ 232,932   | \$ 228,949       | \$ 248,453   | \$ 15,521  |
| Highway and Bridge Maintenance                       | 4,438,256    | 3,172,093        | 5,086,318    | 648,062  |
| Operation and Maintenance of Equipment               | 459,687      | 649,525          | 677,100      | 217,413  |
| Other Charges  | 120,779      | 127,500          | 132,500      | 11,721   |
| Employee Benefits                                    | 416,055      | 430,500          | 455,500      | 39,445   |
| Capital Outlay                                       | 249,421      | 0                | 250,000      | 579  |
| Total Expenditures                                   | \$ 5,917,130 | \$ 4,608,567     | \$ 6,849,871 | \$ 932,741   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ (349,996) | \$ 846,465       | \$ (37,571)  | \$ (312,425)   |
| <u>Other Financing Sources (Uses)</u>                |              |                  |              |  |
| Insurance Recovery                                   | \$ 62,981    | \$ 1,000         | \$ 60,000    | \$ 2,981   |
| Transfers Out  | 0            | 0                | (550,000)    | 550,000  |
| Total Other Financing Sources                        | \$ 62,981    | \$ 1,000         | \$ (490,000) | \$ 552,981   |
| Net Change in Fund Balance                           | \$ (287,015) | \$ 847,465       | \$ (527,571) | \$ 240,556   |
| Fund Balance, July 1, 2017                           | 3,298,827    | 2,648,790        | 3,298,827    | 0  |
| Fund Balance, June 30, 2018                          | \$ 3,011,812 | \$ 3,496,255     | \$ 2,771,256 | \$ 240,556   |

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

Exhibit D

Dickson County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2018

|                                       | <u>Agency<br/>Funds</u> |
|---------------------------------------|-------------------------|
| <u>ASSETS</u>                         |                         |
| Cash                                  | \$ 1,994,898            |
| Equity in Pooled Cash and Investments | 5,840,629               |
| Accounts Receivable                   | 10,099                  |
| Due from Other Governments            | <u>1,423,555</u>        |
| Total Assets                          | <u>\$ 9,269,181</u>     |
| <u>LIABILITIES</u>                    |                         |
| Accounts Payable                      | \$ 38,336               |
| Due to Other Funds                    | 127,080                 |
| Due to Other Taxing Units             | 1,419,948               |
| Due to Litigants, Heirs, and Others   | 2,006,372               |
| Due to Joint Ventures                 | 3,183,881               |
| Other Current Liabilities             | <u>2,493,564</u>        |
| Total Liabilities                     | <u>\$ 9,269,181</u>     |

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

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**DICKSON COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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**DICKSON COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Dickson 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 Dickson County:

**A. Reporting Entity**

Dickson County is a public municipal corporation governed by an elected 12-member board. As required by GAAP, these financial statements present Dickson County (the primary government) and its component units. The financial statements of the Dickson County Emergency Communications District and the Dickson County Municipal Airport Authority, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission did not affect the independent auditor's opinion thereon. 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 Dickson County School Department operates the public school system in the county, and the voters of Dickson 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 Dickson County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Dickson County, and the Dickson 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 Dickson County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.



The Dickson County Municipal Airport Authority operates the county's only airport facility. The Dickson County Commission appoints a majority of the governing body of the Dickson County Municipal Airport Authority. The county appoints three members, and the City of Dickson's City Council appoints two members. The county and city have historically provided annual operating subsidies to the authority. The financial statements of the Dickson County Municipal Airport Authority were not material to the component units' opinion unit and therefore have been omitted from this report.

The Dickson 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. Complete financial statements of the Dickson County Emergency Communications District and the Dickson County Municipal Airport Authority can be obtained from their administrative offices at the following addresses:

**Administrative Offices:**

Dickson County Emergency Communications District  
201 West Chestnut Street  
Dickson, TN 37055

Dickson County Municipal Airport Authority  
2372 Sylvia Road  
Dickson, TN 37055

**Related Organization** – The Dickson County Industrial Development Board is a related organization of Dickson County. The Dickson County Commission is responsible for appointing the members of the board. This board operates the county's industrial park. The county's accountability for this organization does not extend beyond making the appointments.

**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 Dickson 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 Dickson 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.

Dickson County issues all debt for the discretely presented Dickson County School Department. Net debt issues totaling \$2,380,238 were contributed by the county to the School Department during the year ended June 30, 2018.

Separate financial statements are provided for governmental funds and fiduciary funds. 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 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 Dickson 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. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Dickson County has no proprietary funds to report.

Separate financial statements are provided for governmental funds 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 fiduciary funds in total are reported in a single column.

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. Dickson 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.

Fiduciary fund 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.

Dickson 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, Dickson County reports the following fund types:

**Capital Projects Funds** – These funds account for financial resources to be used for the acquisition or construction of major capital facilities.

**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 Dickson County, state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General. 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 Dickson 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.

**Education Capital Projects Fund** – This fund is used to account for the receipt of debt issued by Dickson County and contributed to the School Department for building construction and renovations.

Additionally, the Dickson County School Department reports the following fund type:

**Special Revenue Funds** – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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.

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

**1. Deposits and Investments**

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 Dickson 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, Highway/Public Works, General Debt Service, and General Purpose School funds. Dickson 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 amortized cost using a stable net asset value. 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 that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Advances/long-term loans/notes receivable between funds, as reported in the General Fund financial statements, are offset by a nonspendable fund balance classification account to indicate that they are not available for appropriation and are not expendable from available financial resources.

All ambulance, solid waste, and property taxes receivable are shown with an allowance for uncollectibles. Ambulance and solid waste receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to one 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.

Retainage payable in the discretely presented School Department's Education Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments.

### **3. Inventories**

Inventories of Dickson County are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

### **4. 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 \$10,000 (\$25,000 for the School Department) or more 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 acquisition 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:

| <u>Assets</u>              | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 10 - 30      |
| Other Capital Assets       | 3 - 15       |
| Infrastructure:            |              |
| Roads                      | 100          |
| Bridges                    | 50           |

#### **5. 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 has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for deferred charge on refunding, pension changes in experience, pension changes in assumptions, pension changes in investment earnings, pension changes in proportionate share of net pension liability, pension contributions made after the measurement date, and OPEB benefits paid after the measurement date.

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, pension changes in investment earnings, pension changes in experience, pension changes in proportionate share of net pension liability, OPEB changes in assumptions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**6. Compensated Absences**

It is the county's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Dickson County does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

**7. 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 are 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, termination benefits, other postemployment benefits, landfill closure/postclosure care costs, and landfill settlement remediation are recognized to the extent that the liabilities have matured (come due for payment) each period.

## **8. Net Position and Fund Balance**

In the government-wide 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, 2018, Dickson County had \$22,797,034 in outstanding debt for capital purposes for the discretely presented Dickson County School Department. This debt is a liability of Dickson County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Dickson 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 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.

## **9. Restatement**

In prior years, the government was required to recognize a liability for its other postemployment benefits plans under Governmental Accounting Standards Board (GASB) Statement No. 45. As of July 1, 2017, Dickson County has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. A restatement reducing the beginning net position of the discretely presented Dickson County School Department by \$2,458,928 has been recognized to account for the transitional requirements.

**E. Pension Plans**

**Primary Government**

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

**Discretely Presented Dickson County School Department**

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

**F. Other Postemployment Benefit (OPEB) Plans**

**Discretely Presented Dickson County School Department**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Dickson County School Department. For this purpose, the School Department recognizes benefit payments when due and payable in accordance with benefit terms. The School Department's OPEB plan is not administered through a trust.

## **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 Dickson County School Department**

Exhibit I-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 change in net position of governmental activities reported in the government-wide Statement of Activities.

#### **Discretely Presented Dickson County School Department**

Exhibit I-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 Other Special Revenue and the Constitutional Officers - Fees funds (special revenue funds), which are not budgeted, and the capital projects funds (except for the Community Development/Industrial Park Fund), which adopt project length budgets. 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, 2018, the Dickson County School Department had outstanding encumbrances in the budget funds as follows:

| Fund                                    | Amount            |
|---|-------------------|
| Discretely Presented School Department: |                   |
| General Purpose School                  | \$ 829,109        |
| Nonmajor Governmental                   | 47,153            |
| Total                                   | <u>\$ 876,262</u> |

**B. Cash Shortage – Current Year**

The Office of Sheriff had a cash shortage of \$2,000 as of June 30, 2018. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

**C. Cash Overdraft**

The discretely presented School Federal Projects Fund had a cash overdraft of \$58,284 at June 30, 2018. This cash overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2018.

**D. Investigation**

A fraud investigation against a former employee of the Circuit Court Clerk was conducted by the Tennessee Bureau of Investigation. On June 19, 2018, a former employee was indicted by the grand jury on one count of theft over \$10,000. A trial date has been set for July 17, 2019.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Dickson County and the Dickson 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, 2018, Dickson County had the following investments carried at amortized cost using a Stable Net Asset Value. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Dickson County and the discretely presented Dickson County School Department since both pool their deposits and investments through the county trustee.

| Investment                        | Weighted<br>Average<br>Maturity<br>(days) | Maturities | Amortized<br>Cost |
|-----------------------------------|---|------------|-------------------|
| State Treasurer's Investment Pool | 2 to 113                                  | N/A        | \$ 33,921,901     |

**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. Dickson 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. Dickson County has no investment policy that would further limit its investment choices. As of June 30, 2018, Dickson County's investment in the State Treasurer's Investment Pool was unrated.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2018, was as follows:

**Primary Government**

**Governmental Activities:**

|  | Balance<br>7-1-17 | Increases    | Decreases    | Balance<br>6-30-18 |
|--|-------------------|--------------|--------------|--------------------|
| Capital Assets Not<br>Depreciated:             |                   |              |              |                    |
| Land   | \$ 7,880,894      | \$ 478,309   | \$ 0         | \$ 8,359,203       |
| Construction in Progress                       | 92,263            | 2,077,117    | (92,263)     | 2,077,117          |
| Total Capital Assets<br>Not Depreciated        | \$ 7,973,157      | \$ 2,555,426 | \$ (92,263)  | \$ 10,436,320      |
| Capital Assets Depreciated:                    |                   |              |              |                    |
| Buildings and<br>Improvements                  | \$ 31,940,230     | \$ 561,830   | \$ 0         | \$ 32,502,060      |
| Other Capital Assets                           | 10,457,393        | 1,192,097    | (260,590)    | 11,388,900         |
| Infrastructure                                 | 38,678,673        | 1,258,885    | 0            | 39,937,558         |
| Total Capital Assets<br>Depreciated            | \$ 81,076,296     | \$ 3,012,812 | \$ (260,590) | \$ 83,828,518      |
| Less Accumulated<br>Depreciation For:          |                   |              |              |                    |
| Buildings and<br>Improvements                  | \$ 11,585,794     | \$ 1,018,195 | \$ 0         | \$ 12,603,989      |
| Other Capital Assets                           | 7,097,323         | 994,609      | (203,004)    | 7,888,928          |
| Infrastructure                                 | 8,023,223         | 525,714      | 0            | 8,548,937          |
| Total Accumulated<br>Depreciation              | \$ 26,706,340     | \$ 2,538,518 | \$ (203,004) | \$ 29,041,854      |
| Total Capital Assets<br>Depreciated, Net       | \$ 54,369,956     | \$ 474,294   | \$ (57,586)  | \$ 54,786,664      |
| Governmental Activities<br>Capital Assets, Net | \$ 62,343,113     | \$ 3,029,720 | \$ (149,849) | \$ 65,222,984      |

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



**Governmental Activities:**

|   |    |           |
|---|----|-----------|
| General Government                          | \$ | 72,488    |
| Finance                                     |    | 1,377     |
| Administration of Justice                   |    | 5,305     |
| Public Safety                               |    | 1,186,365 |
| Public Health and Welfare                   |    | 549,054   |
| Social, Cultural, and Recreational Services |    | 30,000    |
| Highway/Public Works                        |    | 693,929   |

Total Depreciation Expense - Governmental Activities \$ 2,538,518

**Discretely Presented Dickson County School Department****Governmental Activities:**

|   | Balance<br>7-1-17 | Increases      | Decreases   | Balance<br>6-30-18 |
|---|-------------------|----------------|-------------|--------------------|
| Capital Assets Not Depreciated:             |                   |                |             |                    |
| Land  | \$ 2,154,911      | \$ 1,290,289   | \$ 0        | \$ 3,445,200       |
| Construction in Progress                    | 0                 | 2,374,638      | 0           | 2,374,638          |
| Total Capital Assets Not Depreciated        | \$ 2,154,911      | \$ 3,664,927   | \$ 0        | \$ 5,819,838       |
| Capital Assets Depreciated:                 |                   |                |             |                    |
| Buildings and Improvements                  | \$ 70,662,744     | \$ 0           | \$ 0        | \$ 70,662,744      |
| Other Capital Assets                        | 13,262,976        | 891,520        | (55,508)    | 14,098,988         |
| Total Capital Assets Depreciated            | \$ 83,925,720     | \$ 891,520     | \$ (55,508) | \$ 84,761,732      |
| Less Accumulated Depreciation For:          |                   |                |             |                    |
| Buildings and Improvements                  | \$ 46,338,276     | \$ 1,878,519   | \$ 0        | \$ 48,216,795      |
| Other Capital Assets                        | 8,063,649         | 672,975        | (55,508)    | 8,681,116          |
| Total Accumulated Depreciation              | \$ 54,401,925     | \$ 2,551,494   | \$ (55,508) | \$ 56,897,911      |
| Total Capital Assets Depreciated, Net       | \$ 29,523,795     | \$ (1,659,974) | \$ 0        | \$ 27,863,821      |
| Governmental Activities Capital Assets, Net | \$ 31,678,706     | \$ 2,004,953   | \$ 0        | \$ 33,683,659      |

Depreciation expense was charged to functions of the discretely presented Dickson County School Department as follows:

**Governmental Activities:**

|   |                     |
|---|---------------------|
| Instruction   | \$ 4,223            |
| Support Services  | 2,424,769           |
| Operation of Non-instructional Services                 | <u>122,502</u>      |
| Total Depreciation Expense -<br>Governmental Activities | <u>\$ 2,551,494</u> |

**C. Construction Commitments**

At June 30, 2018, the School Department had uncompleted construction contracts of approximately \$35,096,300 in the Education Capital Projects Fund for various school renovations. Funding for these future expenditures will be received from loan proceeds contributed by the county.

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

The composition of interfund balances as of June 30, 2018, was as follows:

**Due to/from Other Funds:**

| Receivable Fund                            | Payable Fund          | Amount     |
|--|-----------------------|------------|
| Primary Government:                        |                       |            |
| General                                    | Fiduciary             | \$ 127,080 |
| "  | Highway/Public Works  | 550,000    |
| Discretely Presented School<br>Department: |                       |            |
| General Purpose School                     | Nonmajor governmental | 88,851     |

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

**Interfund Loans to/from Other Funds:**

| Receivable Fund     | Payable Fund             | Amount       |
|---------------------|--------------------------|--------------|
| Primary Government: |                          |              |
| General             | General Capital Projects | \$ 1,293,000 |

The balance of \$1,293,000 due to the General Fund from the General Capital Projects Fund resulted from an advance to the General Capital Projects Fund for cash flow purposes.

**Due to/from Primary Government and Component Unit:**

| Receivable Fund   | Payable Fund   | Amount     |
|---|--|------------|
| Primary Government:<br>Governmental Activities                      | Component Unit:<br>School Department:<br>Governmental Activities | \$ 881,612 |
| Component Unit:<br>School Department:<br>Education Capital Projects | Primary Government:<br>Nonmajor governmental                     | 2,380,238  |

The Due to the Primary Government from the School Department is the balance of the other loans payable issued by the county for the School Department. The School Department has agreed to contribute the funds necessary to retire the debt.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2018, consisted of the following amounts:

**Primary Government**

| Transfers Out               | Transfers In |                           |                             | Purpose                                  |
|-----------------------------|--------------|---------------------------|-----------------------------|--|
|                             | General Fund | General Debt Service Fund | Nonmajor Governmental Funds |  |
| General Fund                | \$ 0         | \$ 0                      | \$ 1,693,000                | Lawsuit remediation and capital projects |
| Nonmajor governmental funds | 98,069       | 273,029                   | 0                           | Patrol cars and debt retirement          |
| Total                       | \$ 98,069    | \$ 273,029                | \$ 1,693,000                |  |

**Discretely Presented Dickson County School Department**

| Transfers Out               | Transfers In<br>General Purpose School Fund | Purpose        |
|-----------------------------|---|----------------|
| Nonmajor governmental funds | \$ 188,851                                  | Indirect costs |
| Total                       | \$ 188,851                                  |                |

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 and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## **E. Long-term Obligations**

### **Primary Government**

#### **General Obligation Bonds, Notes, and Other Loans**

Dickson 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. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, other loans, and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds, other loans, and capital outlay notes outstanding were issued for original terms of up to 21 years for bonds, 20 years for other loans, and up to ten years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, other loans, and notes included in long-term debt as of June 30, 2018, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and capital outlay notes outstanding as of June 30, 2018, for governmental activities are as follows:

| Type                                    | Interest<br>Rate | Final<br>Maturity | Original<br>Amount<br>of Issue | Balance<br>6-30-18 |
|---|------------------|-------------------|--------------------------------|--------------------|
| General Obligation Bonds                | 3 to 4.25%       | 4-1-30            | \$ 18,000,000                  | \$ 13,510,000      |
| General Obligation Bonds -<br>Refunding | .84 to 2.48      | 4-1-21            | 38,933,340                     | 13,004,800         |
| Capital Outlay Notes                    | 1.15 to 3.41     | 2-1-22            | 7,129,168                      | 5,863,367          |
| Other Loans                             | variable         | 3-1-38            | 20,936,552                     | 11,562,850         |

In prior years, Dickson County entered into loan agreements with the Montgomery County Public Building Authority. Under these loan agreements, the authority loaned \$8,000,000 and \$2,400,000 to Dickson County on an as-needed basis for various renovation and construction projects. The loans are repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly, depending on the particular programs. In addition, the county pays various other fees (trustee, letter of credit, and

debt remarketing) in connection with these loans. At June 30, 2018, the loans carried a variable interest rate of 1.51 percent, and other fees totaled approximately .50 percent (letter of credit), .08 percent (remarketing), and \$60 per month (trustee) of the outstanding loan principal.

Also in prior years, Dickson County entered into a loan agreement with the City of Clarksville Public Building Authority. This loan agreement provided for the authority to make \$6,000,000 available for loan to Dickson County on an as-needed basis for various school renovations. This loan is repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2018, this loan carried a variable interest rate of 1.27 percent, and other fees totaled approximately .15 percent (administrative fee) and \$100 per month (trustee) of the outstanding loan principal.

Additionally, in the current year, Dickson County entered into a loan agreement with the City of Clarksville Public Building Authority. This loan agreement provided for the authority to loan \$40,000,000 to Dickson County on an as-needed basis for various school renovation and construction projects. This loan is repayable at a fixed interest rate of 3.97 percent.

The annual requirements to amortize all general obligation bonds, other loans, and notes outstanding as of June 30, 2018, including interest payments and other loan fees, are presented in the following tables:

| Year Ending<br>June 30 | Bonds         |              |               |
|------------------------|---------------|--------------|---------------|
|                        | Principal     | Interest     | Total         |
| 2019                   | \$ 6,846,500  | \$ 846,565   | \$ 7,693,065  |
| 2020                   | 7,033,500     | 676,042      | 7,709,542     |
| 2021                   | 1,994,800     | 495,852      | 2,490,652     |
| 2022                   | 1,020,000     | 437,025      | 1,457,025     |
| 2023                   | 1,050,000     | 396,225      | 1,446,225     |
| 2024-2028              | 5,870,000     | 1,316,425    | 7,186,425     |
| 2029-2030              | 2,700,000     | 174,250      | 2,874,250     |
| Total                  | \$ 26,514,800 | \$ 4,342,384 | \$ 30,857,184 |

| Year Ending<br>June 30 | Notes        |            |              |
|------------------------|--------------|------------|--------------|
|                        | Principal    | Interest   | Total        |
| 2019                   | \$ 1,578,967 | \$ 81,313  | \$ 1,660,280 |
| 2020                   | 967,900      | 61,456     | 1,029,356    |
| 2021                   | 3,113,500    | 29,961     | 3,143,461    |
| 2022                   | 203,000      | 4,002      | 207,002      |
| Total                  | \$ 5,863,367 | \$ 176,732 | \$ 6,040,099 |

| Year Ending<br>June 30 | Other Loans          |                     |                   |                      |
|------------------------|----------------------|---------------------|-------------------|----------------------|
|                        | Principal            | Interest            | Other Fees        | Total                |
| 2019                   | \$ 1,199,632         | \$ 211,445          | \$ 27,658         | \$ 1,438,735         |
| 2020                   | 1,231,632            | 197,051             | 23,129            | 1,451,812            |
| 2021                   | 2,829,632            | 182,181             | 18,427            | 3,030,240            |
| 2022                   | 2,276,870            | 104,715             | 13,424            | 2,395,009            |
| 2023                   | 391,084              | 50,063              | 7,032             | 448,179              |
| 2024-2028              | 1,594,000            | 190,754             | 28,220            | 1,812,974            |
| 2029-2033              | 1,690,000            | 87,122              | 16,150            | 1,793,272            |
| 2034                   | 350,000              | 4,445               | 1,718             | 356,163              |
| Total                  | <u>\$ 11,562,850</u> | <u>\$ 1,027,776</u> | <u>\$ 135,758</u> | <u>\$ 12,726,384</u> |

There is \$10,881,173 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$534, based on the 2010 federal census. Total debt per capita, including bonds, notes, other loans, and unamortized debt premiums, totaled \$887, based on the 2010 federal census.

The School Department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government.

| Description of Indebtedness                               | Outstanding<br>6-30-18 |
|---|------------------------|
| <u>Other Loans Payable</u>                                |                        |
| <u>Contributions from the General Purpose School Fund</u> |                        |
| Energy Efficient Schools Initiative                       | \$ 416,690             |
| Energy Efficient Schools Initiative                       | 464,922                |
| Total   | \$ 881,612             |

#### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2018, was as follows:

Governmental Activities:

|                             | Bonds         | Notes        | Other<br>Loans |
|-----------------------------|---------------|--------------|----------------|
| Balance, July 1, 2017       | \$ 33,189,300 | \$ 2,530,583 | \$ 10,192,244  |
| Additions                   | 0             | 3,906,067    | 2,540,238      |
| Reductions                  | (6,674,500)   | (573,283)    | (1,169,632)    |
| Balance, June 30, 2018      | \$ 26,514,800 | \$ 5,863,367 | \$ 11,562,850  |
| Balance Due Within One Year | \$ 6,846,500  | \$ 1,578,967 | \$ 1,199,632   |

|                             | Compensated<br>Absences | Landfill<br>Closure/<br>Postclosure<br>Care Costs | Landfill<br>Settlement<br>Remediation |
|-----------------------------|-------------------------|---|---------------------------------------|
| Balance, July 1, 2017       | \$ 444,724              | \$ 463,204  | \$ 1,600,000                          |
| Additions                   | 662,272                 | 4,179   | 0                                     |
| Reductions                  | (631,029)               | (231,063)   | (400,000)                             |
| Balance, June 30, 2018      | \$ 475,967              | \$ 236,320  | \$ 1,200,000                          |
| Balance Due Within One Year | \$ 63,104               | \$ 166,000  | \$ 400,000                            |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

|   |               |
|---|---------------|
| Total Noncurrent Liabilities, June 30, 2018                       | \$ 45,853,304 |
| Less: Due Within One Year   | (10,254,203)  |
| Add: Unamortized Premium on Debt                                  | 92,128        |
| Noncurrent Liabilities - Due in<br>More Than One Year - Exhibit A | \$ 35,691,229 |

Compensated absences will be paid from the employing funds, primarily the General Fund. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund, and landfill settlement remediation will be paid from the Other Special Revenue Fund.

**Discretely Presented Dickson County School Department**

**Changes in Long-term Obligations**

Long-term obligations activity for the discretely presented Dickson County School Department for the year ended June 30, 2018, was as follows:

|                             | Termination<br>Benefits | Other<br>Postemploy-<br>ment<br>Benefits^ | Net Pension<br>Liability -<br>Teacher Legacy<br>Pension Plan* |
|-----------------------------|-------------------------|---|---|
| Balance, July 1, 2017       | \$ 175,611              | \$ 8,222,209                              | \$ 5,007,556  |
| Additions                   | 156,431                 | 1,102,670                                 | 2,781,004   |
| Reductions                  | (133,951)               | (1,038,787)                               | (8,045,093)   |
| Balance, June 30, 2018      | \$ 198,091              | \$ 8,286,092                              | \$ (256,533)  |
| Balance Due Within One Year | \$ 42,296               | \$ 0                                      | \$ 0  |

^OPEB balance at July 1, 2017, was restated. See Note I.D.9.

\*At June 30, 2018, the legacy plan has a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

|   |                     |
|---|---------------------|
| Total Noncurrent Liabilities, June 30, 2018                       | \$ 8,484,183        |
| Less: Due Within One Year   | <u>(42,296)</u>     |
| Noncurrent Liabilities - Due in<br>More Than One Year - Exhibit A | <u>\$ 8,441,887</u> |

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

**F. On-Behalf Payments - Discretely Presented Dickson County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Dickson County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is 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 for the year ended June 30, 2018, were \$180,903. 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**

The county joined 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, casualty, and workers' compensation 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 continues to carry commercial insurance for all other risks of loss, including employee health and accident. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years. Pre-65 age retirees are not allowed to participate in the employee health and accident insurance program.

The discretely presented Dickson County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The discretely presented Dickson 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.

## **B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; Statement No. 81, *Irrevocable Split-Interest Agreements*; Statement No. 85, *Omnibus 2017*; and Statement No. 86, *Certain Debt Extinguishment Issues* became effective for the year ended June 30, 2018.

GASB Statement No. 75, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 45 and No. 57. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB Statement No. 81, establishes accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary.

GASB Statement No. 85, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

GASB Statement No. 86, establishes guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also provides guidance for accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

**C. Contingent Liabilities**

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

**D. Landfill Closure/Postclosure Care Costs**

Dickson County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill, balefill, and a demolition landfill. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Dickson County closed its sanitary landfill in 1998. The \$236,320 reported as postclosure care liability at June 30, 2018, represents amounts based on what it would cost to perform all postclosure care in 2018. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**E. Joint Ventures**

The Twenty-third Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-third Judicial District; Cheatham, Dickson, Houston, Humphreys, and Stewart counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a Board of Directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Dickson County made no contributions to the DTF for the year ended June 30, 2018.

The Dickson County Joint Economic and Community Development Board is a joint venture between Dickson County and the cities of Dickson, Burns, Charlotte, White Bluff, Vanleer, and Slayden. The board comprises of the county mayor, city mayors, and two additional members. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The county and cities will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county when financial activity begins. Dickson County did not appropriate any funds to the Dickson County Joint Economic and Community Development Board for the year ended June 30, 2018.

Dickson County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Twenty-third Judicial District Drug Task Force can be obtained from its administrative office at the following address:

**Administrative Office:**

District Attorney General  
Twenty-third Judicial District Drug Task Force  
P.O. Box 580  
Charlotte, TN 37036

**Discretely Presented Dickson County School Department**

The discretely presented School Department participates in the Volunteer State Cooperative (VOLCO), which represents a cost-sharing arrangement. The cooperative was established through a contractual agreement between the Boards of Education of Dickson County, Bedford County, Coffee County, Fayetteville City, Hickman County, Houston County, Humphreys County, Lewis County, Lincoln County, Manchester City, Marshall County, and Stewart County. The cooperative was authorized through Chapter 49 of

*Tennessee Code Annotated* to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Dickson County School Department) and a service provider to provide these services. The cooperative is governed by a Representative Committee, comprising one representative from each of the member districts; and an Executive Council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the Representative Committee.

Complete financial statements for the Volunteer State Cooperative can be obtained from its administrative office at the following address:

Administrative Office:

Volunteer State Cooperative  
220 McLemore Street  
Dickson, TN 37055

**F. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Dickson County and non-certified employees of the discretely presented Dickson County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 63.65 percent, the non-certified employees of the discretely presented School Department comprise 36.35 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit

regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

|  |              |
|--|--------------|
| Inactive Employees or Beneficiaries Currently        |              |
| Receiving Benefits                                   | 205          |
| Inactive Employees Entitled to But Not Yet Receiving |              |
| Benefits   | 628          |
| Active Employees                                     | 655          |
| Total  | <u>1,488</u> |

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Dickson County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2018, the employer contribution for Dickson County was \$1,414,378 based on a rate of 6.67 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Dickson County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the

year, the cost of administration, as well as an amortized portion of any unfunded liability.

#### **Net Pension Liability (Asset)**

Dickson County's net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.5%   |
| Salary Increases          | Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4% |
| Investment Rate of Return | 7.25%, Net of Pension Plan Investment Expenses, Including Inflation                      |
| Cost of Living Adjustment | 2.25%  |

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

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

| Asset Class           | Percentage<br>Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Target<br>Allocations |
|-----------------------|---|-------------------------------------|
| U.S. Equity           | 5.69  | 31                                  |
| Developed Market      |   |                                     |
| International Equity  | 5.29  | 14                                  |
| Emerging Market       |   |                                     |
| International Equity  | 6.36  | 4                                   |
| Private Equity and    |   |                                     |
| Strategic Lending     | 5.79  | 20                                  |
| U.S. Fixed Income     | 2.01  | 20                                  |
| Real Estate           | 4.32  | 10                                  |
| Short-term Securities | 0.00  | 1                                   |
| Total                 |   | 100                                 |

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

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified the mortality assumptions.

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

### Changes in the Net Pension Liability (Asset)

|   | Increase (Decrease)                  |  |  |
|---|--------------------------------------|--|--|
|   | Total<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(Asset)<br>(a)-(b) |
| Balance, July 1, 2016   | \$ 42,357,092                        | \$ 42,682,546                            | \$ (325,454)                                   |
| Changes for the Year:   |                                      |  |  |
| Service Cost  | \$ 1,695,490                         | \$ 0                                     | \$ 1,695,490                                   |
| Interest  | 3,250,054                            | 0  | 3,250,054                                      |
| Differences Between Expected<br>and Actual Experience               | (490,640)                            | 0  | (490,640)                                      |
| Changes in Assumptions  | 1,002,831                            | 0  | 1,002,831                                      |
| Contributions-Employer  | 0                                    | 1,335,915                                | (1,335,915)                                    |
| Contributions-Employees   | 0                                    | 1,001,440                                | (1,001,440)                                    |
| Net Investment Income   | 0                                    | 4,885,071                                | (4,885,071)                                    |
| Benefit Payments, Including<br>Refunds of Employee<br>Contributions | (1,437,068)                          | (1,437,068)                              | 0  |
| Administrative Expense  | 0                                    | (56,181)                                 | 56,181   |
| Other Changes   | 0                                    | 0  | 0  |
| Net Changes   | \$ 4,020,667                         | \$ 5,729,177                             | \$ (1,708,510)                                 |
| Balance, June 30, 2017  | \$ 46,377,759                        | \$ 48,411,723                            | \$ (2,033,964)                                 |

### Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

|                    |        | Total<br>Pension<br>Liability | Plan<br>Fiduciary<br>Net<br>Position | Net<br>Pension<br>Liability<br>(Asset) |
|--------------------|--------|-------------------------------|--------------------------------------|--|
| Primary Government | 63.65% | \$ 29,519,444                 | \$ 30,814,062                        | \$ (1,294,618)                         |
| School Department  | 36.35% | 16,858,315                    | 17,597,661                           | (739,346)                              |
| Total              |        | \$ 46,377,759                 | \$ 48,411,723                        | \$ (2,033,964)                         |

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Dickson County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:



|                | 1%<br>Decrease | Current<br>Discount<br>Rate | 1%<br>Increase |
|----------------|----------------|-----------------------------|----------------|
| Dickson County | 6.25%          | 7.25%                       | 8.25%          |

Net Pension Liability      \$ 4,652,037   \$ (2,033,964)   \$ (7,525,291)

**Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions**

*Pension Expense or Negative Pension Expense.* For the year ended June 30, 2018, Dickson County recognized pension expense of \$704,386.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, Dickson County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and Actual Experience                                | \$ 162,187                              | \$ 470,958                             |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 0                                       | 25,420                                 |
| Changes in Assumptions   | 835,692                                 | 0                                      |
| Contributions Subsequent to the Measurement Date of June 30, 2017 (1)            | 1,414,378                               | N/A                                    |
| Total  | \$ 2,412,257                            | \$ 496,378                             |

- (1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2017," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and  
Deferred Inflows of Resources

|                    | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--------------------|--------------------------------------|-------------------------------------|
| Primary Government | \$ 1,560,998                         | \$ 315,945                          |
| School Department  | 851,259                              | 180,433                             |
| Total              | <u>\$ 2,412,257</u>                  | <u>\$ 496,378</u>                   |

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30 | Amount      |
|------------------------|-------------|
| 2019                   | \$ (63,054) |
| 2020                   | 520,599     |
| 2021                   | 205,365     |
| 2022                   | (246,770)   |
| 2023                   | 85,366      |
| Thereafter             | 0           |

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

**Discretely Presented Dickson County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Dickson County and non-certified employees of the discretely presented Dickson County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 63.65 percent and the non-certified employees of the discretely presented School

Department comprise 36.35 percent of the plan based on contribution data.

### **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Dickson County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent

COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2018, to the Teacher Retirement Plan were \$228,894, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities (Assets).* At June 30, 2018, the School Department reported a liability (asset) of (\$166,318) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2017, the School Department's proportion was .630385 percent. The proportion as of June 30, 2016, was .557099 percent.

*Pension Expense.* For the year ended June 30, 2018, the School Department recognized pension expense of \$74,897.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and Actual Experience                                | \$ 5,829                                | \$ 12,508                              |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 0                                       | 8,949                                  |
| Changes in Assumptions   | 14,612                                  | 0                                      |
| Changes in Proportion of Net Pension Liability (Asset)                           | 1,775                                   | 8,114                                  |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2017 (1)      | 228,894                                 | N/A                                    |
| Total  | <u>\$ 251,110</u>                       | <u>\$ 29,571</u>                       |

The School Department's employer contributions of \$228,894, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30 | Amount     |
|------------------------|------------|
| 2019                   | \$ (1,336) |
| 2020                   | (1,336)    |
| 2021                   | (1,848)    |
| 2022                   | (4,150)    |
| 2023                   | 70         |
| Thereafter             | 1,242      |

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

*Actuarial Assumptions.* The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.5%   |
| Salary Increases          | Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4% |
| Investment Rate of Return | 7.25%, Net of Pension Plan Investment Expenses, Including Inflation                      |
| Cost of Living Adjustment | 2.25%  |

Mortality rates are based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

| Asset Class   | Percentage<br>Long-term<br>Expected<br>Real Rate<br>of Return |   | Percentage<br>Target<br>Allocations |   |
|---|---|---|-------------------------------------|---|
| U.S. Equity<br>Developed Market                                 | 5.69  | % | 31                                  | % |
| International Equity<br>Emerging Market                         | 5.29  |   | 14                                  |   |
| International Equity<br>Private Equity and<br>Strategic Lending | 6.36  |   | 4                                   |   |
| U.S. Fixed Income   | 5.79  |   | 20                                  |   |
| Real Estate   | 2.01  |   | 20                                  |   |
| Short-term Securities   | 4.32  |   | 10                                  |   |
|   | 0.00  |   | 1                                   |   |
| Total   |   |   | 100                                 | % |

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

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

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

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

| School Department's<br>Proportionate Share of<br>the Net Pension<br>Liability (Asset) | 1%<br>Decrease<br>6.25% | Current<br>Discount<br>Rate<br>7.25% | 1%<br>Increase<br>8.25% |
|---|-------------------------|--------------------------------------|-------------------------|
| Net Pension Liability   | \$ 33,182               | \$ (166,318)                         | \$ (312,654)            |

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

### **Teacher Legacy Pension Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Dickson County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average



compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Dickson County School Department for the year ended June 30, 2018, to the Teacher Legacy Pension Plan were \$2,572,484, which is 9.08 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liability (Assets).* At June 30, 2018, the School Department reported a liability (asset) of (\$256,533) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was

measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2017, the School Department's proportion was .784068 percent. The proportion measured at June 30, 2016, was .801280 percent.

*Pension Expense.* For the year ended June 30, 2018, the School Department recognized pension expense of \$6,723.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and Actual Experience  | \$ 154,657                              | \$ 5,296,217                           |
| Changes in Assumptions   | 2,172,692                               | 0                                      |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments                           | 38,941                                  | 0                                      |
| Changes in Proportion and Differences Between LEA's Contributions and Proportionate Share of Contributions | 120,662                                 | 170,903                                |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2017                                    | 2,572,484                               | N/A                                    |
| Total  | <u>\$ 5,059,436</u>                     | <u>\$ 5,467,120</u>                    |

The School Department's employer contributions of \$2,572,484 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30 | Amount         |
|------------------------|----------------|
| 2019                   | \$ (1,831,873) |
| 2020                   | 792,516        |
| 2021                   | (657,365)      |
| 2022                   | (1,283,447)    |
| 2023                   | 0              |
| Thereafter             | 0              |

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

*Actuarial Assumptions.* The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.5%   |
| Salary Increases          | Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4% |
| Investment Rate of Return | 7.25%, Net of Pension Plan Investment Expenses, Including Inflation                      |
| Cost of Living Adjustment | 2.25%  |

Mortality rates are based actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

investment policy target asset allocation for each major class are summarized in the following table:

| Asset Class           | Percentage<br>Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Target<br>Allocations |
|-----------------------|---|-------------------------------------|
| U.S. Equity           | 5.69 %  | 31 %                                |
| Developed Market      |   |                                     |
| International Equity  | 5.29  | 14                                  |
| Emerging Market       |   |                                     |
| International Equity  | 6.36  | 4                                   |
| Private Equity and    |   |                                     |
| Strategic Lending     | 5.79  | 20                                  |
| U.S. Fixed Income     | 2.01  | 20                                  |
| Real Estate           | 4.32  | 10                                  |
| Short-term Securities | 0.00  | 1                                   |
| Total                 |   | 100 %                               |

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

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

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

periods of projected benefit payments to determine the total pension liability.

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

| School Department's<br>Proportionate Share of<br>the Net Pension<br>Liability (Asset) | 1%<br>Decrease<br>6.25% | Current<br>Discount<br>Rate<br>7.25% | 1%<br>Increase<br>8.25% |
|---|-------------------------|--------------------------------------|-------------------------|
|---|-------------------------|--------------------------------------|-------------------------|

|                       |               |              |                 |
|-----------------------|---------------|--------------|-----------------|
| Net Pension Liability | \$ 23,018,395 | \$ (256,533) | \$ (19,494,796) |
|-----------------------|---------------|--------------|-----------------|

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

## 2. Deferred Compensation

### Primary Government

Dickson County offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 401(k). All costs of administering and funding these programs are the responsibility of plan participants. The Section 401(k) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k) and 457 establish participation, contribution, and withdrawal provisions for the plans.

### Discretely Presented Dickson County School Department

Teachers hired after July 1, 2014, by the School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion, which is placed into the state's 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the School Department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the

employee portion. During the year the School Department contributed \$278,264 and teachers contributed \$100,542 to this deferred compensation pension plan.

The Dickson County School Department offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 457 and the Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 457 and 403(b) establish participation, contribution, and withdrawal provisions for the plans.

**G. Other Postemployment Benefits (OPEB)**

**Discretely Presented Dickson County School Department**

Dickson County School Department provides OPEB benefits to its retirees through a state administered public entity risk pool. For reporting purposes the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

**OPEB Provided Through State Administered Public Entity Risk Pool**

The Dickson County School Department provides healthcare benefits to its retirees under the Local Education Plan (LEP) for 3 years or until they reach Medicare eligibility, whichever comes first. The retirees of Dickson County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the School Department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The School Department's total OPEB liability for the plan was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2017, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|  |  |
|--|--|
| Actuarial Cost Method                  | Entry Age Normal   |
| Inflation                              | 2.25%  |
| Salary Increases                       | Salary increases used in the July 1, 2107 TCRS actuarial valuation; 3.44% to 8.72%, including inflation  |
| Discount Rate                          | 3.56%  |
| Healthcare Cost Trend Rates            | Based on the Getzen Model, with trend starting at 7.5% for the 2018 calendar year, and gradually decreasing over a 33-year period to an ultimate trend rate of 3.53% with .18% added to approximate the effect of the excise tax |
| Retirees Share of Benefit Related Cost | Discussed under each plan  |

The discount rate was 3.56%, based on the daily rate of Fidelity's 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2017, actuarial valuation of the TCRS.

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

*Changes in Assumptions.* The discount rate changed from 2.92 percent as of the beginning of the measurement period to 3.56 percent as of the measurement date of June 30, 2017.

### **Closed Local Education (LEP) OPEB Plan (Discretely Presented School Department)**

*Plan Description.* Employees of the Dickson County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits Provided.* The Dickson County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. During the year, Dickson County provided a direct subsidy for retired certified employees of 50% of the monthly premium on a single only policy. This direct subsidy is available for 3 years or until the retiree reaches Medicare eligibility, whichever comes first. Dickson County does not provide any direct subsidy for retired support staff. Also, the state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

#### **Employees Covered by Benefit Terms**

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:



|  | <u>School<br/>Department</u> |
|--|------------------------------|
| Inactive Employees or<br>Beneficiaries Currently<br>Receiving Benefits | 57                           |
| Inactive Employees<br>Entitled to But Not<br>Yet Receiving Benefits    | 0                            |
| Active Employees   | 889                          |
| Total  | <u>946</u>                   |

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the School Department paid \$356,749 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

|  | <u>Share of Collective Liability</u>            |                            |                         |
|--|---|----------------------------|-------------------------|
|  | Dickson County<br>School Department<br>66.2536% | State of<br>TN<br>33.7464% | Total OPEB<br>Liability |
| Balance July 1, 2016                                       | \$ 8,222,209                                    | \$ 4,187,998               | \$ 12,410,207           |
| Changes for the Year:                                      |   |                            |                         |
| Service Cost   | \$ 493,658                                      | \$ 251,445                 | \$ 745,103              |
| Interest   | 250,032   | 127,354                    | 377,386                 |
| Changes in<br>Benefit Terms                                | 0   | 0                          | 0                       |
| Difference between<br>Expected and Actuarial<br>Experience | 0   | 0                          | 0                       |
| Changes in Assumption<br>and Other Inputs                  | (373,538)                                       | (190,262)                  | (563,800)               |
| Benefit Payments   | (306,269)                                       | (155,998)                  | (462,267)               |
| Net Changes  | <u>\$ 63,883</u>                                | <u>\$ 32,539</u>           | <u>\$ 96,422</u>        |
| Balance June 30, 2017                                      | <u>\$ 8,286,092</u>                             | <u>\$ 4,220,537</u>        | <u>\$ 12,506,629</u>    |

The Dickson County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Dickson County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department recognized \$358,981 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department retirees.

During the year, the Dickson County School Department's proportionate share of the collective OPEB liability was 66.2536% and the State of Tennessee's share was 33.7464%.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the School Department recognized OPEB expense of \$1,063,760, including the state's share of the expense. At June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and Actual Experience  | \$ 0                                    | \$ 0                                   |
| Changes of Assumptions/Inputs  | 0                                       | 334,627                                |
| Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employee and Nonemployer Contributors As Benefits Came Due | 0                                       | 0                                      |
| Benefits Paid After the Measurement Date   | 356,749                                 | 0                                      |
| Total  | <u>\$ 356,749</u>                       | <u>\$ 334,627</u>                      |

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ending<br/>June 30</u> | <u>School<br/>Department</u> |
|--------------------------------|------------------------------|
| 2019                           | \$ (38,910)                  |
| 2020                           | (38,910)                     |
| 2021                           | (38,910)                     |
| 2022                           | (38,910)                     |
| 2023                           | (38,910)                     |
| Thereafter                     | (140,077)                    |

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

*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

| <u>Discount Rate</u>    | <u>Current<br/>Discount<br/>Rate</u> |
|-------------------------|--------------------------------------|
| 1%<br>Decrease<br>2.56% | 1%<br>Increase<br>4.56%              |

|  |              |              |              |
|--|--------------|--------------|--------------|
| Proportionate Share of the<br>Collective Total OPEB<br>Liability | \$ 8,873,710 | \$ 8,286,092 | \$ 7,723,547 |
|--|--------------|--------------|--------------|

*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

Healthcare Cost Trend Rate

|  | 1%<br>Decrease<br>6.5 to 2.71% | Curent<br>Rates<br>7.5 to 3.71% | 1%<br>Increase<br>8.5 to 4.71% |
|--|--------------------------------|---------------------------------|--------------------------------|
|--|--------------------------------|---------------------------------|--------------------------------|

Proportionate Share of the  
Collective Total OPEB  
Liability

\$ 7,370,935   \$ 8,286,092   \$ 9,364,991

**H. Termination Benefits**

The School Department does not have a policy to permit employees to accumulate earned but unused vacation. General policy of the School Department for all professional personnel (teachers) permits the unlimited accumulation of unused sick leave days. A certified employee of the School Department who either dies or retires from the School Department and begins drawing a retirement benefit from the Tennessee Consolidated Retirement System (TCRS) before the end of the next fiscal year will be eligible for reimbursement of unused sick leave earned in the Dickson County School System at the rate of 25 percent of the employee's final average compensation daily pay rate as determined by the TCRS under the following conditions: (1) the employee's last 15 years of service must have been with the Dickson County School Department and (2) reimbursement will be only for sick leave earned as an employee of the Dickson County School Department.

**I. Pollution Remediation**

The Tennessee Department of Environment and Conservation (TDEC) notified Dickson County on September 9, 1994, that the county's landfill was in violation of the Clean Water Act because of ground water contamination. The notification required Dickson County to monitor ground water near the landfill site. On February 1, 2001, TDEC issued a remedial action notice to Dickson County regarding the contamination. To comply with the remedial action notice, Dickson County chose to provide public water to the affected areas. On December 9, 2011, Dickson County settled several lawsuits related to groundwater contamination at the landfill site. Dickson County was ordered to create a remediation fund and deposit \$5,000,000 over ten years, as follows: \$1,400,000 on or before March 15, 2012; and an additional \$400,000 on or before March 15 in each year from 2013 through 2021. The county agreed to include in this funding the \$1,120,000 that the City of Dickson agreed to pay Dickson County as settlement of the city's liabilities in the lawsuit. Per the settlement agreement, an expert panel was established to oversee the expenditures of the remediation fund. Also, Dickson County has paid the plaintiff's attorney fees and costs of \$600,000, per the settlement agreement.

As of June 30, 2018, Dickson County had deposited \$4,400,000 into the fund for remediation costs and legal fees. In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation*

*Obligations*, Dickson County has recorded a long-term liability of \$1,200,000 as of June 30, 2018, on the Statement of Net Position.

**J. Office of Central Accounting and Budgeting**

**Office of Director of Accounts and Budgets**

Dickson County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county mayor and highway engineer. These funds are maintained in the Office of Central Accounting, Budgeting, and Purchasing under the supervision of the director of accounts and budgets.

**K. Purchasing Laws**

**Offices of County Mayor and Highway Engineer**

Purchasing procedures for the Offices of County Mayor and Highway Engineer are governed by the County Purchasing Law of 1957 (Section 5-14-101 et seq.,) *Tennessee Code Annotated (TCA)*. Purchasing procedures for the Highway Department are also governed by provisions of the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for a purchasing agent and require competitive bids on all purchases exceeding \$10,000.

**Office of Director of Schools**

Purchasing procedures for the discretely presented Dickson County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the 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 \$25,000.

**L. Subsequent Events**

On August 31, 2018, Barbara Spann left the Office of General Sessions Court Clerk and was succeeded by Leslie Shelton.

On October 10, 2018, Dickson County issued a capital outlay note totaling \$435,000 for landfill demolition work.

On December 1, 2018, Dickson County issued a bond anticipation note totaling \$500,000 for land to construct the Justice Center.

Copies of the complete financial statements of the County for the current Fiscal Year are available at <https://www.comptroller.tn.gov/office-functions/la/reports/audit-reports.html>.