NEW ISSUE Ratings: S&P – "AA" (stable outlook) (AGM)
"A" (Underlying)

BOOK-ENTRY-ONLY (See "MISCELLANEOUS-Rating" herein)

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the District, 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 excise and franchise taxes. (See "LEGAL MATTERS -Tax Matters" herein.)

$19,995,000
TRENTON SPECIAL SCHOOL DISTRICT
(GIBSON COUNTY, TENNESSEE)
Limited Tax School Bonds, Series 2020

Dated: June 1, 2020 Due: May 1, as shown herein

The $19,995,000 Limited Tax School Bonds, Series 2020 (the "Bonds") of Trenton Special School District (Gibson County, Tennessee) (the "District") 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 November 1, 2020 and thereafter on each May 1 and November 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-only system, principal of and interest on the Bonds are payable at the designated corporate trust office of the Registration Agent.

PRINCIPAL OF AND INTEREST ON THE BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE FROM THE PROCEEDS OF A CONTINUING ANNUAL PROPERTY TAX LEVIED BY THE TENNESSEE GENERAL ASSEMBLY ON ALL TAXABLE PROPERTY WITHIN THE BOUNDARIES OF THE DISTRICT. THE BONDS ARE ADDITIONALLY PAYABLE FROM CERTAIN OTHER FUNDS OF THE DISTRICT, INCLUDING THE DISTRICT'S SHARE OF LOCAL OPTION SALES AND USE TAX REVENUES AND TENNESSEE BASIC EDUCATION PROGRAM CAPITAL OUTLAY FUNDS. THE BONDS ARE NOT OBLIGATIONS OF THE STATE OF TENNESSEE, GIBSON COUNTY, TENNESSEE, THE CITY OF TRENTON, TENNESSEE OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE. THE DISTRICT HAS NO POWER OF TAXATION. IN THE EVENT OF A DEFICIENCY OR DEFAULT IN THE PAYMENT FOR THE BONDS, THE STATE GENERAL ASSEMBLY HAS THE AUTHORITY AND POWER TO INCREASE THE TAX RATE AND PROVIDE OTHER SOURCES OF PAYMENT OF PRINCIPAL AND INTEREST BUT HAS NOT UNDERTAKEN ANY OBLIGATION TO DO SO. See section entitled "SECURITIES OFFERED – Security".

The Bonds maturing May 1, 2029 and thereafter are subject to optional redemption prior to maturity on or after May 1, 2028.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY MUNICIPAL CORP.**

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.

ASSURED GUARANTY® MUNICIPAL

The Bonds are offered when, as and if issued, subject to the approval of the legality thereof by Bass, Berry & Sims PLC, Knoxville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the District by Mark Johnson, counsel to the District. 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 1, 2020.

Cumberland Securities Company, Inc.
Municipal Advisor

May 6, 2020

Limited Tax School Bonds, Series 2020

Due (May 1)	Amount	Interest Rate	Yield	CUSIP**	Due (May 1)	Amount	Interest Rate	Yield	CUSIP**
2021	$ 615,000	5.00 %	1.00 %	895264CY3	2030	$ 865,000	5.00 %	1.80 % c	895264DH9
2022	620,000	5.00	1.05	895264CZ0	2033	910,000	2.125	2.10 c	895264DL0
2023	655,000	5.00	1.15	895264DA4	2034	915,000	2.125	2.20	895264DM8
2024	660,000	5.00	1.20	895264DB2	2035	915,000	2.25	2.30	895264DN6
2025	700,000	5.00	1.30	895264DC0	2036	920,000	2.375	2.40	895264DP1
2026	720,000	5.00	1.40	895264DD8	2037	925,000	2.50	2.50	895264DQ9
2027	760,000	5.00	1.50	895264DE6	2038	935,000	2.50	2.55	895264DR7
2028	805,000	5.00	1.60	895264DF3	2039	800,000	2.50	2.60	895264DS5
2029	830,000	5.00	1.70 c	895264DG1	2040	800,000	2.625	2.65	895264DT3

$ 1,805,000	2.00 %	Term Bond Due	May 1, 2032	@	2.00 %	895264DK2
$ 1,600,000	2.625 %	Term Bond Due	May 1, 2042	@	2.70 %	895264DV8
$ 2,240,000	2.75 %	Term Bond Due	May 1, 2045	@	2.75 %	895264DY2

c = Yield to call on May 1, 2028

(Accrued Interest to be Added)

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 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 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, the Continuing Disclosure Certificate (as such capitalized terms are defined herein), 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 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 such capitalized terms are defined herein) 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.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "Appendix D – Bond Insurance and Specimen Municipal Bond Insurance Policy".

TRENTON SPECIAL SCHOOL DISTRICT
(GIBSON COUNTY, TENNESSEE)

UNDERWRITER

Robert W. Baird & Co., Inc.
Red Bank, New Jersey

REGISTRATION AGENT AND PAYING AGENT

Regions Bank
Nashville, Tennessee

BOND COUNSEL

Bass, Berry & Sims PLC
Knoxville, Tennessee

MUNICIPAL ADVISOR

Cumberland Securities Company, Inc.

TABLE OF CONTENTS

APPENDIX B: SUPPLEMENTAL INFORMATION STATEMENT

APPENDIX C: TRENTON SPECIAL SCHOOL DISTRICT GENERAL PURPOSE FINANCIAL STATEMENTS

APPENDIX D: BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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 *Official Statement*. This Summary Statement shall not be reproduced, distributed, or otherwise used except in conjunction with the remainder of this *Official Statement*.

The Issuer .... Trenton Special School District (Gibson County, Tennessee) (the "District" or "Issuer"). See APPENDIX B contained herein.

Securities Offered.......................... $19,995,000 Limited Tax School Bonds, Series 2020 (the "Bonds") of the District, dated June 1, 2020. The Bonds mature each May 1 beginning May 1, 2021 through May 1, 2030, inclusive; May 1, 2032; May 1, 2033 through May 1, 2040, inclusive; May 1, 2042 and May 1, 2045. See section entitled "SECURITIES OFFERED" herein for additional information.

Security .... The Bonds are payable primarily from and secured by a pledge of a continuing annual tax, the rate of which is established by the Act (as hereinafter defined), as such rate may be adjusted from time to time by the General Assembly of the State of Tennessee, to be levied on all taxable property within the boundaries of the District. The Bonds are additionally payable from the District's share of the Local Option Sales and Use Tax revenues now or hereafter levied and collected in Gibson County, Tennessee, pursuant to Section 67-6-712, Tennessee Code Annotated, as amended, and funds received by the District under the Tennessee Basic Education Program which are available to be used for capital outlay expenditures, as set forth in Section 49-3-351 et seq., Tennessee Code Annotated, as amended, and related sections. In the event the above-described funds are insufficient to pay principal and interest on the Bonds when due, the District will apply funds, to the extent available, from operations or other available funds of the District for the payment thereof when due.

In the event of any deficiency or default in payment of principal of or interest on the Bonds, the General Assembly of the State of Tennessee has the authority and power to increase the tax rate and provide other sources for the payment of said principal and interest but has not undertaken any obligation to do so.

The District may hereafter issue bonds or other obligations of the District on a parity of lien with the pledges provided herein without the consent of any holders of the Bonds.

The Bonds are not obligations of the State of Tennessee, Gibson County, the City of Trenton or any of their political subdivisions, and the purchasers shall have no recourse to the taxing power of any of the foregoing. The power of the District to levy and/or collect any taxes is authorized only by special legislation of the General Assembly of the State of Tennessee.

Bond Insurance............................. Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included hereto to this Official Statement.

Any information regarding AGM included herein under the caption "APPENDIX D – BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Purpose	The Bonds are being issued for the purposes of providing funds for the (i) refunding the District's outstanding Limited Tax School Bonds, Series 2010A, dated August 12, 2010 maturing May 1, 2021 and thereafter; its Limited Tax School Bonds, Series 2010B (Federally Taxable Build America Bonds), dated August 12, 2010, maturing May 1, 2021 and thereafter; and its Limited Tax School Refunding Bonds, Series 2012, dated October 30, 2012, maturing May 1, 2021 and thereafter; (ii) to acquire improvements, renovations, expansions, furnishings, fixtures and equipment used in school buildings and facilities and leased by the District; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing (collectively, the "Project"); and (iv) the payment of costs incident to the issuance of the Bonds.
Optional Redemption	The Bonds maturing May 1, 2029 and thereafter are subject to optional redemption prior to maturity on or after May 1, 2028. 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 District, 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.)
Ratings	S&P: AGM Insured "AA" (stable outlook). S&P: "A" underlying. See the section entitled "MISCELLANEOUS - Ratings" for more information.
Municipal Advisor	Cumberland Securities Company, Inc., See the section entitled "MISCELLANEOUS-Municipal Advisor; Related parties; Other" herein.
Underwriter	Robert W. Baird & Co., Inc., Red Bank, New Jersey.
Bond Counsel	Bass, Berry & Sims PLC, Knoxville, Tennessee.
Book-Entry Only	The Bonds will be issued under the Book-Entry-Only System except as otherwise described herein. For additional information, see the section entitled "BASIC DOCUMENTATION - Book-Entry-Only System"
Registration Agent	Regions Bank, Nashville, Tennessee.
General	The Bonds are issued pursuant to the provisions of Chapter 144 of the 1975 Private Acts of the State of Tennessee, as amended and supplemented, including, but not limited to, by Chapter 202 of the 1996 Private Acts and Chapter 46 of the 2010 Private Acts of the State of Tennessee (the "Act"). See "SECURITIES OFFERED" herein. The Bonds will be issued with CUSIP numbers and delivered through the facilities of The Depository Trust Company, New York, New York.
Disclosure	In accordance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as amended, the District will provide the Municipal Securities Rulemaking Board (the "MSRB") through the operation of the Electronic Municipal Market Access system ("EMMA") and the State Information Depository ("SID"), if any, annual financial statements and other pertinent credit or event information, including Comprehensive Annual Financial Reports, see the section entitled "MISCELLANEOUS-Continuing Disclosure."

Other Information.......................... The information in this *Official Statement* is deemed "final" within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as of the date which appears on the cover hereof. For more information concerning the District or this *Official Statement,* contact Tim Haney, Director of Schools, Trenton Special School District, 201 West 10th Street, Trenton, Tennessee 38382, (731) 855-1191; or the District's Municipal Advisor, Cumberland Securities Company, Inc., Telephone: (865) 988-2663.

GENERAL PURPOSE SCHOOL FUND BALANCES
For the Fiscal Year Ended June 30

	2015	**2016**	**2017**	**2018**	**2019**
Beginning Fund Balance	$ 3,751,682	$ 4,135,727	$ 4,625,350	$ 5,327,961	$ 5,869,107
Revenues	11,663,810	11,702,072	12,037,710	12,285,602	12,784,959
Expenditures	11,279,765	11,212,449	11,335,099	11,744,456	14,648,157
Other Financing Sources:					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
Ending Fund Balance	**$ 4,135,727**	**$ 4,625,350**	**$ 5,327,961**	**$ 5,869,107**	**$ 7,395,402**

Source: Comprehensive Annual Financial Reports of Trenton Special School District (Gibson County, Tennessee).

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$19,995,000

TRENTON SPECIAL SCHOOL DISTRICT
(GIBSON COUNTY, TENNESSEE)

Limited Tax School Bonds, Series 2020

SECURITIES OFFERED

AUTHORITY

This OFFICIAL STATEMENT which includes the Summary Statement hereof and appendices hereto, is furnished in connection with the offering by Trenton Special School District (Gibson County, Tennessee) (the "District") of $19,995,000 Limited Tax School Bonds, Series 2020 (the "Bonds").

The Bonds are authorized to be issued pursuant to the provisions of Chapter 144 of the 1975 Private Acts of the State of Tennessee, as amended and supplemented, and including, but not limited to, by Chapter 202 of the 1996 Private Acts and Chapter 45 of the 2010 Private Acts of the State of Tennessee (the "Act") and other applicable provision of law and pursuant to a resolution (the "Bond Resolution") duly adopted by the Trenton Special School District Board of Trustees on February 11, 2020 (the "Resolution").

The Bonds are being issued for the purposes of providing funds for the (i) refunding the District's outstanding Limited Tax School Bonds, Series 2010A, dated August 12, 2010 maturing May 1, 2021 and thereafter; its Limited Tax School Bonds, Series 2010B (Federally Taxable Build America Bonds), dated August 12, 2010, maturing May 1, 2021 and thereafter; and its Limited Tax School Refunding Bonds, Series 2012, dated October 30, 2012, maturing May 1, 2021 and thereafter (collectively, the "Refunded Bonds"); (ii) to acquire improvements, renovations, expansions, furnishings, fixtures and equipment used in school buildings and facilities and leased by the District; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing (collectively, the "Project"); and (iv) the payment of costs incident to the issuance of the bonds.

DESCRIPTION OF THE BONDS

The Bonds will be dated June 1, 2020. Interest on the Bonds will be payable semi-annually on May 1 and November 1, commencing November 1, 2020. 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 Chairman and shall be attested by the Secretary. 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 are payable primarily from and secured by a pledge of a continuing annual tax, the rate of which is established by the Act, as such rate may be adjusted from time to time by the General Assembly of the State of Tennessee, to be levied on all taxable property within the boundaries of the District. The District has covenanted to take no action to rescind or reduce the aforesaid tax or seek to have it rescinded or reduced or the legislation authorizing such tax repealed or amended in such a way as to abolish the tax or reduce the annual tax to an amount less than that necessary to maintain funds sufficient to pay any deficiency in annual principal and interest requirements on the Bonds.

The Bonds are additionally payable from the District's share of the Local Option Sales and Use Tax revenues now or hereafter levied and collected in Gibson County, Tennessee, pursuant to Section 67-6-712, Tennessee Code Annotated, as amended, and funds received by the District under the Tennessee Basic Education Program which are available to be used for capital outlay expenditures, as set forth in Section 49-3-351 et seq., Tennessee Code Annotated, as amended, and related sections. In the event the above-described funds are insufficient to pay principal and interest on the Bonds when due, the District will apply funds, to the extent available, from operations or other available funds of the District for the payment thereof when due.

In the event of any deficiency or default in payment of principal of or interest on the Bonds, the General Assembly of the State of Tennessee has the authority and power to increase the tax rate and provide other sources for the payment of said principal and interest but has not undertaken any obligation to do so.

The District may hereafter issue bonds or other obligations of the District on a parity of lien with the pledges provided herein without the consent of any holders of the Bonds.

The Bonds are not obligations of the State of Tennessee, Gibson County, the City of Trenton or any of their political subdivisions, and the purchasers shall have no recourse to the taxing power of any of the foregoing. The power of the District to levy and/or collect any taxes is authorized only by special legislation of the General Assembly of the State of Tennessee.

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included hereto this Official Statement.

Any information regarding AGM included herein under the caption "Appendix D-BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

OPTIONAL REDEMPTION OF THE BONDS

The Bonds maturing May 1, 2029 and thereafter are subject to optional redemption prior to maturity on or after May 1, 2028 in whole or in part at any time at a redemption price of par plus accrued interest.

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

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

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

MANDATORY REDEMPTION

Subject to the credit hereinafter provided, the District shall redeem Bonds maturing May 1, 2032, May 1, 2042 and May 1, 2045, on the redemption dates set forth below opposite the maturity date, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. The Bonds to be so redeemed shall be selected in the manner described above with respect to optional redemption.

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

Maturity	Redemption Date	Principal Amount of Bonds Redeemed
May 1, 2032	May 1, 2031	$900,000
	May 1, 2032*	$905,000
May 1, 2042	May 1, 2041	$800,000
	May 1, 2042*	$800,000
May 1, 2045	May 1, 2043	$750,000
	May 1, 2044	$745,000
	May 1, 2045*	$745,000

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45) day next preceding any such redemption date, the City may (i) deliver to the Registration Agent for cancellation Bonds of the maturity to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this section) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the City on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation shall be accordingly reduced.

NOTICE OF REDEMPTION

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the District 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 District 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 District pursuant to written instructions from an authorized representative of the District (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 District to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

PAYMENT OF BONDS

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

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BASIC DOCUMENTATION

REGISTRATION AGENT

The Registration Agent, Regions Bank, Nashville, Tennessee, its successor or the District 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 follows.

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 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.

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"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of Ownership Interests. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 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 District 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 District 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-only system has been obtained from sources that the District believes to be reliable, but the District, the Bond Counsel, the Registration Agent and the Municipal Advisor do not take any responsibility for the accuracy thereof. None of the District, the Bond Counsel, the Registration Agent or the Municipal Advisor 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 District as follows:

(a) an amount, which together with investment earnings thereon and legally available funds of the District, if any, will be sufficient to pay principal of, premium, if any, and interest on the Refunded Bonds, shall be held by the Paying Agent of the Refunded Bonds and applied to the payment of the Refunded Bonds; and

(b) the remainder of the proceeds of the sale of the Bonds shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar federal agency in a special fund known as the 2020 Project Fund, or such other designation as shall be determined by the Chairman (the "Project Fund") to be kept separate and apart from all other funds of the District. The District shall disburse funds in the Project Fund to pay costs of issuance of the Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds. The remaining funds in the Project Fund shall be disbursed solely to pay the costs of the Projects. Money in the Project Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in said Project Fund. Money in the Project Fund shall be expended only for the purposes authorized by this resolution. Moneys in the Project Fund shall be invested at the direction of the Chairman in such investments as shall be permitted by applicable law. Earnings from such investments shall be, at the discretion of the President, (i) deposited in the Project Fund to the extent needed for the Projects or (ii) transferred to the District's debt service fund. After completion of the Projects, any funds remaining in the Project Fund, including earnings from such investments, shall be deposited to the District's debt service fund, to the extent permitted by applicable law, subject to any modification by the District's Board.

DISCHARGE AND SATISFACTION OF BONDS

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

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

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

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

and if the District shall also pay or cause to be paid all other sums payable hereunder by the District with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such 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 District to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

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

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the District 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 District, as received by the Registration Agent. 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 obligations of any agency or instrumentally of the United States, which 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 District, including, but not limited to, the right to require the District to collect and apply its tax and other revenues as provided in the Resolution, and to require the District to carry out any other covenants and agreements in the Resolution, 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 suits threatened or pending challenging the legality or validity of the Bonds or the right of the District to sell or issue the Bonds.

TAX MATTERS

Federal

General. Bass, Berry & Sims PLC, Knoxville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the District and assuming compliance by the District 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 District 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 District 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 District 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 section "CHANGES IN FEDERAL AND STATE TAX LAW" in the Section.

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 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 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) 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 (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.

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 District 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 Chairman of the Board of the District 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 District 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 Chairman of the Board of the District acting in his official capacity, evidencing delivery of and payment for the Bonds; (iii) a signature identification and incumbency certificate, signed by the Chairman of the Board of the District and Secretary of the Board 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 District concerning the preparation and distribution of certain annual financial information and notification of certain enumerated 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 Bass, Berry & Sims PLC, Knoxville, 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") is expected to assign the Bonds the rating of "AA" based on the issuance of a Municipal Bond Insurance Policy for the Bonds by Assured Guaranty Municipal Corp. ("AGM") concurrently with the issuance of the Bonds. Additionally, the Bonds have an underlying rating of "A".

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 ratings should be obtained from S&P.

COMPETITIVE PUBLIC SALE

The Bonds were offered for sale at competitive public bidding on May 6, 2020. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that was dated April 17, 2020.

The successful bidder for the Bonds was an account led by Robert W. Baird & Co., Inc. Red Bank, New Jersey (the "Underwriters") who contracted with the District, subject to the conditions set forth in the Official Notice of Sale and Bid Form to purchase the Bonds at a purchase price of $20,904,163.81 (consisting of the par amount of the Bonds, plus a net reoffering premium of $1,231,595.60, less an underwriter's discount of $248,931.79 and less an insurance premium paid by the Underwriter of $73,500.00) or 104.547% of par.

MUNICIPAL ADVISOR; RELATED PARTIES; OTHER

Municipal Advisor. Cumberland Securities Company, Inc. has served as Municipal Advisor (the "Municipal Advisor") to the District 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 District to compile, create, or interpret any information in the PRELIMINARY OFFICIAL STATEMENT and OFFICIAL STATEMENT relating to the District, including without limitation any of the District's financial and operating data, whether historical or projected. Any information contained in the PRELIMINARY OFFICIAL STATEMENT and OFFICIAL STATEMENT concerning the District, 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 District 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 District in other normal commercial banking capacities, it will be compensated separately for such services.

Official Statement. 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 District and will be compensated and/or reimbursed for such distribution and other such services.

Bond Counsel. From time to time, Bass, Berry & Sims PLC has represented the Bank on legal matters unrelated to the District and may do so again in the future.

Other. Among other services, Cumberland Securities Company, Inc. and the Bank may also assist local jurisdictions in the investment of idle funds and may serve in various other capacities, including Cumberland Securities Company's role as serving as the District's Dissemination Agent. If the District chooses to use one or more of these other services provided by Cumberland Securities Company, Inc. including Dissemination Agent 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 District has not authorized any additional debt at this time. However, the District has ongoing captial needs that may or may not require the issuance of additional debt.

DEBT RECORD

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

CONTINUING DISCLOSURE

The District 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 and operating data relating to the District by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2020 (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 District. The Issuer will provide notice in a timely manner to the MSRB of a failure by the District to provide the annual financial information on or before the date specified in the Continuing Disclosure. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the District with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriters in complying with Securities Exchange Act Rule 15c2-12(b), as it may be amended from time to time (the "Rule 15c2-12").

Five-Year Filing History. While it is believed that all appropriate filings were made with respect to the ratings of the District's outstanding bond issues, some of which were insured by the various municipal bond insurance companies, no absolute assurance can be made that all such rating changes of such bonds due to rating changes relating to various insurance companies which insured some transactions were made or made in a timely manner as required by Rule 15c2-12. The District does not deem any of the forgoing omissions to be material, if any, and therefore, in the judgment of the District, for the past five years, the District has complied in all material respects with its existing continuing disclosure agreements in accordance with Rule 15c2-12.

Content of Annual Report. The District's Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the District for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the District'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 bond indebtedness as of the end of such fiscal year as shown on page B-9;

2. The indebtedness and debt ratios 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-Limited Tax as of the end of such fiscal year as shown on page B-12; and

4. Five Year Summary of Revenues, Expenditures and Changes in Fund Balances – General Purpose School Fund for the fiscal year as shown on page B-13.

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

Reporting of Significant Events. The District will file notice regarding significant 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 District 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 District 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 (which includes a debt obligation, a derivative instrument entered into connection with, or pledged as security or as a source of payment for, an existing or planned debt obligation, or a guarantee of debt obligation or derivative instrument) of the District, if material, or agreement as to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, 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 District, any of which reflect financial difficulties.

Termination of Reporting Obligation. The District'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 District 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 Rule 15c2-

12 at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

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

In the event of any amendment or waiver of a provision of the Coutinuing Disclosure Certificate, the District 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 District. 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 District to comply with any provision of the Coutinuing 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 District to comply with its obligations under the Coutinuing Disclosure Certificate. A default under the Coutinuing Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Coutinuing Disclosure Certificate in the event of any failure of the District to comply with the Coutinuing Disclosure Certificate shall be an action to compel performance.

BONDHOLDER RISK - COVID-19

The world-wide outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread to several counties and cities in the State of Tennessee, including the Issuer and is considered by the World Health Organization to be a Public Health Emergency of International Concern. The spread of COVID-19 has led to quarantine and other "social distancing" measures in affected regions. While effects of COVID-19 on the Issuer may be temporary, the virus has affected travel, commerce and financial markets across the world. Additionally, U.S. and global stock markets have recently experienced significant volatility and overall declines that have attributed to COVID-19 concerns.

The Issuer is unable to predict: (i) the extent or duration of the COVID-19 outbreak or any other epidemic or pandemic; (ii) the extent or duration of existing and additional quarantines, travel restrictions or other measures relating to COVID-19 or any other epidemic or pandemic; or (iii) whether and to what extent the COVID-19 outbreak or any other epidemic or pandemic may disrupt the local or global economy, manufacturing or the supply chain or whether any such disruption may adversely affect the operations of the Issuer. Given the evolving nature of the spread of the virus and the behavior of governments, businesses and individuals in response thereto, the Issuer cannot accurately predict the magnitude of the impact of COVID-19 on the

Issuer and its financial condition. The Issuer is proactively taking steps to mitigate the spread of COVID-19 and to preserve effective staffing for all essential Issuer operations.

The Issuer relies in part on the collection of tax revenues generated from commercial activity, such as sales and use taxes. As long as quarantine and other "social distancing" measures remain in place, the Issuer expects that these tax revenues will be adversely impacted.

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 District 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 District has deemed this OFFICIAL STATEMENT as “final” as of its date within the meaning of Rule 15c2-12.

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CERTIFICATION OF THE DISTRICT

On behalf of the District, 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/ Dr. Mark Harper
Chairman of the Board of Trustees

ATTEST:

/s/ Tim Haney
Director of Schools

APPENDIX A

PROPOSED FORM OF LEGAL OPINION

LAW OFFICES OF
BASS, BERRY & SIMS PLC
900 SOUTH GAY STREET, SUITE 1700
KNOXVILLE, TENNESSEE 37902

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Trenton Special School District (Gibson County, Tennessee) (the "Issuer") of the $19,995,000 Limited Tax School Bonds, Series 2020 (the "Bonds") dated June 1, 2020. We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

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

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

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding obligations of the Issuer.

2. The resolution of the Board of Trustees of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The principal of and interest on the Bonds are payable from and secured by a continuing annual tax, the rate of which is established by Chapter 144 of the 1975 Private Acts of Tennessee, as amended, as such rate may hereafter be adjusted from time to time by the General Assembly of the State of Tennessee, to be levied on all taxable property within the boundaries of the Issuer. In the event of a deficiency in said taxes and revenues, the Bonds shall be payable from and, to the extent permitted by law, secured by funds received by the Issuer under the Tennessee Basic Education Program available to be used for capital outlay expenditures, as set forth in Section 49-3-351, et seq., Tennessee Code Annotated (the “BEP Funds”) and related sections, and the Issuer’s share of the Local Option Sales and Use Tax revenues now or hereafter levied and collected in Gibson County, Tennessee pursuant to Section 67-6-712, Tennessee Code Annotated, as amended (the “Sales Tax Funds”). In the event the above-described funds are insufficient to pay principal and interest on the Bonds when due, the District will apply funds from operations or other available funds of the District for the payment thereof when due.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4, we express no opinion regarding the federal tax consequences arising with respect to the Bonds.

5. 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.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolutions authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

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.

Yours truly,

Bass, Berry & Sims PLC

APPENDIX B

TRENTON SPECIAL SCHOOL DISTRICT
(GIBSON COUNTY, TENNESSEE)

SUPPLEMENTAL INFORMATION STATEMENT

THE DISTRICT

CREATION AND BOUNDARIES

The Trenton Special School District (the "District") was created in 1975 pursuant to Chapter 144, Senate Bill No. 1297 of the 1975 Private Acts of the State of Tennessee with boundaries covering and including the 7th Civil District and parts of the 16th, 20th, 3rd, 21st, 11th, 12th and 18th Civil Districts of Gibson County, Tennessee. The boundaries of the District were changed in the 1977 Private Acts and have remained constant since that time. The entire City of Trenton, Tennessee is included in the District whose current boundaries are approximately defined by an area located within a five-mile radius of the center of Trenton. The District, as created, is a body politic and corporate with full power of perpetual succession, but without any power to levy or collect taxes, except as specifically authorized by legislation of the General Assembly of the State.

POWERS

Pursuant to the Act, the District is empowered, among other things, to control and operate schools within the boundaries of the District. To carry out such purposes, the District has the power and authority to sue and be sued, contract and be contracted with, to plead and be impleaded in all of the courts of the State, purchase, receive and hold real, personal and mixed property, and to release, grant and any way dispose of the same for public school purposes. The District does not have the power to levy and collect taxes or to issue and sell bonds except to the extent specifically authorized by legislation of the General Assembly of the State. The Bonds being sold pursuant hereto and the taxes levied as hereafter provided are specifically authorized by Chapter 144 of the 1975 Private Acts of the State of Tennessee, as amended and supplemented, including, but not limited to, Tennessee House Bill 3257 passed by the Tennessee General Assembly on April 24, 2002.

PROPERTY TAXES

The District has covenanted in the Resolution that it will take no action to rescind or reduce the said tax or seek to have it rescinded or reduced or the legislation authorizing such tax repealed or amended in such a way as to abolish the tax or reduce the annual tax to an amount less than that necessary to maintain funds sufficient to pay annual principal and interest requirements on the Bonds. The annual revenues received by the District from the taxes so levied shall be used solely and are expressly and exclusively pledged first for the purpose of paying principal of and interest on the Bonds during the current year and, thereafter, may be used for such District purposes as the Board of Trustees of the District shall deem necessary and proper. Notwithstanding the foregoing, pursuant to Section 49-3-1007, *Tennessee Code Annotated*, if, at any time the amount collected from said tax and maintained in a separate fund created for that purpose shall be equal to at least two hundred percent (200%) of the amount of principal and interest coming due on the Bonds in the next twelve months next succeeding, the District, by resolution, may, on or before September 1 of any year, certify to the County Trustee a tax rate, not to exceed the $2.1105 rate authorized by the General Assembly, necessary to produce taxes sufficient to maintain the fund during the succeeding year in an amount equal to at least two hundred percent of annual debt service requirements on the Bonds, and, upon such certification being made to the County Trustee, the County Trustee shall collect only the taxes based on the rate so certified.

In addition to the utilization of the collected tax revenues for debt service, the Act also authorizes the levy and collection of the tax to pay operational expenses of the District and those funds are included in the tax rate approved by the Private Act. The Act provides that the tax revenues due to the District from the property tax will be collected by the Trustee of the County as other County property taxes are collected and, when collected, paid by the Trustee to the District. Annual tax revenues received by the District for the payment of annual debt service must be kept in an account separate from all other funds of the District and used solely for the purpose of paying principal of and premium and interest on bonds of the District coming due in such year. The taxes constitute a lien upon the property so taxed and the basis of the assessment is the assessed value of the property as shown on the books of the County Trustee. Delinquent and unpaid taxes are subject to the same enforcement actions by the County as are general County taxes.

The District's tax structure differs from that of a municipality or county in the State in that the District does not have the power to raise or lower taxes, except as provided above. Only the General Assembly of the State may change the tax rate. (For a listing of the District's top ten taxpayers please see the section entitled "The District - Assessed Values".)

BOARD OF TRUSTEES

All corporate powers of the District are vested in and exercised by its Board of Trustees (the "Board"). The Board consists of five members, serving staggered four-year terms. The Board is elected at general elections of all qualified voters residing in the District pursuant to the general election laws of the State. The five-member Board is currently required by law to be composed of the following; two members shall reside within that portion of the District outside the city limits of Trenton, Tennessee, two members shall reside within that portion of the District lying within the city limits of Trenton, Tennessee and one member may be a real property owner or a resident within the city limits of Trenton, Tennessee. In the event of a vacancy on the Board, the vacancy is filled by appointment made by the remaining Board members, subject to the residence and property ownership requirements, until a general bi-annual August election occurs. All members of the Board, when appointed or elected, shall continue to serve until their successors are duly elected and qualified.

Pursuant to the Act, the Board acts by a majority of its members. The Board has all the powers and authority given it both under the Act and under the general laws of the State. The Board has the power and authority to control and manage the school buildings, grounds and property of the District, and otherwise govern, regulate and control the affairs of the District.

The current members of the Board of Trustees, the offices held by each and biographical information about each, are as follows:

Dr. Mark Harper - Trustee and Chairman- Dr. Harper has been a member of the Board since August 1996. His term of office expires in August 2020.

Justin Weaver – Trustee and Vice-Chairman – Mr. Weaver has been a member of the Board since August 2017. His term of office expires in August 2021.

Dee Ann McEwen – Trustee and Treasurer/Fiscal Agent – Ms. McEwen has been a member of the Board since August 2013. Her term of office expires in August of 2021.

Doug Smith - Trustee and Board Liaison Representative – Mr. Smith has been on the Board since September 2012. His term of office expires in August 2020.

Clint Hickerson - Trustee and Secretary - Mr. Hickerson has been a member of the Board since August 2017. His term of office expires in August 2021.

EMPLOYEES

The chief operating and administrative officer of the District is the Superintendent of Schools. The current Superintendent is Mr. Tim Haney. Mr. Haney graduated from Milan High School in 1978. He received an Associate of Science degree from Dyersburg State in 1980 and a Bachelor of Science degree from the University of TN at Martin in 1983. He also completed his Master's degree from UTM in 1987. Mr. Haney has served as teacher and coach at Trenton Rosenwald Middle School and Peabody High School. He has also served as Principal of Trenton Elementary and Peabody High School. Mr. Haney became Superintendent of Schools for Trenton Special School District in September 2017.

The District employs 111 licensed personnel and 67 non-certified employees. All employees are members of the Tennessee Consolidated Retirement System (the "TCRS") that is the pension and retirement system for State employees and school employees. Beginning July 1, 2014 new-certified staff were enrolled in TCRS and Great West retirement programs.

SCHOOL SYSTEM

The District operates a school system of pre-kindergarten through twelfth grade for children residing within the boundaries of the District and certain other children who attend District schools by contract with the County. The District owns and operates three schools; Trenton Elementary School (Pre-Kindergarten through Grade 4), Trenton Rosenwald Middle School (grades 5 through 8) and Peabody High School (Grades 9 through 12).

The District's total enrollment for the years indicated is and was as follows:

Fiscal Year (Ending June 30)	Net Enrollment
2010	1,401
2011	1,405
2012	1,357
2013	1,457
2014	1,411
2015	1,391
2016	1,376
2017	1,330
2018	1,365
2019	1,346

According to the 2019 graduate records of the District, eighty percent (80%) of the most recent high school graduating class at Peabody High School had definite post-secondary goals; twenty-seven percent (27%) went to a four-year college, nine percent (9%) went on to a two-year college, nine percent (9%) went to TCAT, four percent (4%) went into the military, twenty percent (20%) went to work force, and eleven percent (11%) went to a training program.

PREVIOUS CAPITALIZATION

Prior to the issuance of the Limited Tax School Bonds, Series 1995, the District did not have any bonded or long term indebtedness. Previous capitalization needs for the District were funded by the City of Trenton and were not obligations of the District. (Also see the Section entitled "The District - Operational Funding, City of Trenton Support")

OPERATIONAL FUNDING

The primary sources of funding for the operation of the District's schools are the State through its Tennessee Foundation Program, Tennessee Basic Education Program, revenues from the District's property tax, local option sales tax and miscellaneous other programs. (See "Financial Statements" for a full description of all revenue sources and expenditures for fiscal year ended June 30, 2019.)

The following table shows the amounts received from each of the major funding sources for fiscal years ending June 30, 2010 through 2019:

Fiscal Year (ending June 30)	Basic Education Program	District Property Tax	Local Option Sales Tax	Miscellaneous Other
2010*	$6,370,000	$2,094,541	$655,855	$630
2011**	6,612,000	2,384,854	654,729	597
2012	6,601,000	2,379,208	651,805	411
2013	6,619,398	2,417,271	784,497	604
2014	6,857,000	2,430,830	816,680	749
2015	6,901,000	2,416,921	856,213	709
2016	7,049,000	2,541,656	869,560	649
2017	7,329,000	2,607,730	857,732	629
2018	7,492,000	2,630,943	906,567	7,950
2019	7,925,900	2,655,634	942,507	8,501

Property tax includes current year, prior year, interest and penalties collected.

* 2010 BEP – received an additional $254,700 BEP in ARRA money (46512-BEP ARRA / 46511-BEP)
** 2011 BEP – includes $690,870 in ARRA money

City of Trenton Support - Prior to the issuance of the Series 1995 Bonds, the City of Trenton had historically provided to the District approximately $254,000 in annual economic support - an annual general appropriation of $160,000 from City general revenues, of which approximately $130,000 was for the payment of Series 1977 School Bond debt service and $30,000 was for operational purposes, and approximately $94,000 in combined liquor tax and other sales tax dollars. As the City was previously responsible for the bonded debt of the District, the $160,000 payment was not made to the District but instead was used directly by the City to fund the bonded indebtedness. On October 1, 1997, the final payment of principal and interest on the Series 1977 School Bonds was made by the City and the City's responsibility to continue the $160,000 in support was to be terminated. However, prior to that discontinuation, on May 9, 1995, the legislative body of the City adopted a resolution evidencing the intent of the City to continue the financial support previously provided to the District. Since that time, the District has received these funds annually and will use them to assist in the payment of operational expenses. In 2001, the City decreased its support to the District to $210,000 per year with roughly $52,000 of that amount being tax from liquor sales. In 2002, the City voted to decrease its support to the District to approximately $80,000 for year ended June 30, 2003 and to discontinue support to the District after June 30, 2003.

ASSESSED VALUES

According to the County Tax Assessor and the Tennessee Association of Business, the following assessed valuations existed for the District, the City of Trenton and Gibson County for the tax years 2010 through 2019.

Historical Assessed Valuations

Tax Year [1]	Trenton Special School District	City of Trenton	Gibson County
2010	$110,433,211	$57,359,033	$728,932,023
2011	110,699,600	58,806,657	733,210,021
2012	111,891,246	58,592,109	734,649,025
2013	112,211,918	58,759,916	745,792,946
2014	115,005,928	59,574,783	767,343,035
2015	117,366,360	60,698,987	777,364,461
2016	119,030,691	62,010,910	785,936,965
2017	120,675,310	62,742,241	790,807,245
2018	120,134,772	62,040,148	795,479,747
2019	125,521,731	63,579,478	867,109,709

[1] The tax year coincides with the calendar year; therefore, tax year 2019 is actually fiscal year 2019-2020.

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PROPERTY TAX

The principal and interest of the Bonds will be paid from the revenues received from a legislatively approved property tax levy described under the heading "SECURITIES OFFERED - Security." Below listed is a historical collection rate for property taxes levied on property owners within the Trenton Special School District.

Historical Property Tax Collections[1]

FY ending June 30	Taxes Levied[1]	Taxes Collected Current	Taxes Collected Prior	Taxes Collected Total	Pct Levy Collected Current	Pct Levy Collected Total
2011	$2,228,400	$2,188,665	$115,486	$2,362,899	98.7%	106.6%
2012	2,263,456	2,257,610	102,403	2,360,013	95.7%	99.8%
2013	2,393,315	2,282,450	112,343	2,394,793	95.4%	100.1%
2014	2,381,681	2,265,922	148,513	2,414,425	95.1%	101.4%
2015	2,306,184	2,298,752	105,267	2,404,019	99.7%	104.2%
2016	2,410,622	2,419,112	111,740	2,530,852	100.3%	104.9%
2017	2,443,942	2,467,000	124,998	2,591,998	100.9%	106.1%
2018	2,597,551	2,498,294	117,429	2,615,723	96.2%	100.7%
2019	2,604,474	2,516,818	123,799	2,640,617	96.6%	104.4%
2020*	2,618,344	2,401,470	104,629	2,506,099	91.7%	95.7%

* as of May 12, 2020

[1] Taxes are levied and assessed on a calendar year basis and are payable on October 1 of the year of assessment. Taxes become delinquent and begin accumulating interest and penalty the following March 1. The fiscal year of the District ends on June 30.

Top Taxpayers of Trenton Special School District
FY 2018-19

		Assessment	Taxes Paid
1.	Gibson Electric Membership Corp	$13,584,859	$109,489
2.	Maclean Power TN, LLC	3,132,807	67,669
3.	Silgan Containers	1,767,835	38,185
4.	Hobbs Bonded Fibers Co.	1,754,235	37,891
5.	Tn Pace Re LLC	1,204,520	26,018
6.	Gibson House Limited	625,680	13,515
7.	RHL Inc	671,560	13,339
8.	Trenton Property Investment LLC	610,920	13,196
9.	West TN Healthcare Inc	597,320	12,902
10.	Arnold W Paul Trust	567,880	12,266
	TOTAL	**$24,463,616**	**$344,470**

LOCAL OPTION SALES TAX

Pursuant to applicable provisions of Title 67, Chapter 6, Part 7 of *Tennessee Code Annotated* as amended, (the "Sales Tax Act"), the County levies a county-wide local option sales tax. Under the Act, counties and incorporated cities may levy a sales tax on the same privileges on which the State levies its sales tax. The rate of any sales tax levied by a county or city is limited under State law to two and three-fourths percent (2 3/4%).

Pursuant to the Sales Tax Act, the levy of a sales tax by a county precludes any city from within the county from levying a sales tax, but a city may levy a sales tax in addition to the county's sales tax a rate not exceeding the difference between the county sales tax rate and the maximum local option sales tax rate of two and three-fourths percent (2 3/4%). Until July 1, 2012, the City of Trenton imposes a sales tax of two and three-fourths percent (2 3/4%) while the county rate is at two and one-fourth percent (2 1/4%). As of July 1, 2012, the County rate was raised to two and three-fourths percent (2 3/4%). If a city is located in more than one county, each portion of the city that is located in a separate county is treated as a separate city for purposes of determining the maximum sales tax rate.

The revenues from the County-wide sales taxes are distributed pursuant to the provisions of the Sales Tax Act and other provisions of the *Tennessee Code Annotated*. Fifty percent (50 percent) of the revenues raised through the county-wide sales taxes are directed to educational purposes and are distributed to all organized school systems in the county in which the taxes are collected based upon the average daily attendance of each school system. The balance of the sales tax collections are divided between the general fund of the county in which the taxes are collected and all incorporated cities or towns in such county based upon the sites of collection unless a separate agreement has been ratified concerning the distribution of these funds.

PENSION PLANS

Employees of the Trenton Special School District are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the members high five-year average salary and years of service. Members become eligible to retire at the age of 60 with 5 years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system on or after July 1, 1979 become vested after 5 years of service and members joining prior to July 1, 1979 were vested after 4 years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the Trenton Special School District participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

New certified staff, effective Jul 1, 2014, were enrolled in both TCRS and Great West. TSSD contributes 4% and the employee contributes 5% of their salary. TSSD also contributes 5% to Great West and the employee may choose to contribute additional funds to the Great West 401K.

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

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TRENTON SPECIAL SCHOOL DISTRICT
(GIBSON COUNTY, TENNESSEE)
SUMMARY OF BONDED INDEBTEDNESS

AMOUNT ISSUED		PURPOSE	DUE DATE	INTEREST RATE(S)	As of 6-30-2019 (1) OUTSTANDING
$ 6,670,000		Limited Tax School Bonds, Series 2010A	May 2029	Fixed	$ 4,375,000
11,100,000	(1)	Limited Tax School Bonds, Series 2010B (Federally Taxable Build America Bonds)	May 2040	Fixed	11,100,000
1,265,000		Limited Tax School Bonds, Series 2012	May 2023	Fixed	1,065,000
3,389,493	(2)	School Energy Lease, Series 2018	2038	Fixed	3,310,763
$ 22,424,493		**TOTAL BONDED DEBT**			$ 19,850,763
$ 19,995,000	(2)	Limited Tax School Bonds, Series 2020	2045	Fixed	$ 19,995,000
(22,424,493)		Less: Refunded or Current Debt (All Outstanding)			(19,850,763)
$ 19,995,000		**TOTAL BONDED DEBT**			$ 19,995,000

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the FINANCIAL STATEMENTS included herein. The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the FINANCIAL STATEMENTS included herein. The original federal subsidy of 35.0% on the Limited Tax School Bonds, Series 2010B (Federally Taxable Build America Bonds) has been reduced by 5.9% for the federal fiscal year ending September 30, 2019 as a result of the sequestration by the Budget Control Act of 2011. The Series 2020 Bonds will refinance the Limited Tax School Bonds, Series 2010B (Federally Taxable Build America Bonds) in additiona to all teh District's outstanding debt.

(2) The District issued the $3,389,493 School Energy Lease, Series 2018, dated September 26, 2018, to fund energy efficient improvements to the District's schools. The Series 2020 Bonds will acquire the assets financed with the lease.

TRENTON SPECIAL SCHOOL DISTRICT
(GIBSON COUNTY, TENNESSEE)
Indebtedness and Debt Ratios

INTRODUCTION

The information set forth in the following table is based upon information derived in part from the GENERAL PURPOSE FINANCIAL STATEMENTS which are included herein and the table should be read in conjunction with those statements.

	For Fiscal Years Ended June 30					After Issuance
INDEBTEDNESS	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
TAX SUPPORTED						
Limited Tax Bonds & Notes	$ 18,159,304	$ 17,782,880	$ 17,386,456	$ 16,960,000	$ 19,850,763	$ 19,995,000
TOTAL DEBT	$ 18,159,304	$ 17,782,880	$ 17,386,456	$ 16,960,000	$ 19,850,763	$ 19,995,000
Less: Debt Service Fund	-	-	-	-	-	-
NET DIRECT DEBT	$ 18,159,304	$ 17,782,880	$ 17,386,456	$ 16,960,000	$ 19,850,763	$ 19,995,000
PROPERTY TAX BASE (2)						
Estimated Actual Value	$409,553,991	$416,078,290	$428,627,211	$434,183,390	$442,733,325	$444,644,873
Appraised Value	409,553,991	416,078,290	420,697,608	426,150,997	424,182,799	444,644,873
Assessed Value	115,005,928	117,366,360	119,030,691	120,675,310	120,134,772	125,521,731

DEBT RATIOS	For Fiscal Years Ended June 30 2015	2016	2017	2018	2019	After Issuance 2020
TOTAL DEBT to Estimated Actual Value	4.43%	4.27%	4.06%	3.91%	4.48%	4.50%
TOTAL DEBT to Appraised Value	2.49%	2.45%	2.43%	2.40%	2.41%	2.30%
TOTAL DEBT to Assessed Value	8.88%	8.70%	8.58%	8.46%	8.50%	8.13%
NET DIRECT DEBT to Estimated Actual Value	4.43%	4.27%	4.06%	3.91%	4.48%	4.50%
NET DIRECT DEBT to Appraised Value	4.43%	4.27%	4.13%	3.98%	4.68%	4.50%
NET DIRECT DEBT to Assessed Value	15.79%	15.15%	14.61%	14.05%	16.52%	15.93%
PER CAPITA RATIOS						
POPULATION (1)	4,157	4,140	4,073	4,073	4,073	4,073
PER CAPITA PERSONAL INCOME (2)	$35,971	$36,495	$37,464	$37,464	$37,464	$37,464
Estimated Actual Value to POPULATION	98,522	100,502	105,236	106,600	108,700	109,169
Assessed Value to POPULATION	27,666	28,349	29,224	29,628	29,495	30,818
Total Debt to POPULATION	4,368	4,295	4,269	4,164	4,874	4,909
Net Direct Debt to POPULATION	4,368	4,295	4,269	4,164	4,874	4,909
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOM	12.14%	11.77%	11.39%	11.11%	13.01%	13.10%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOM	12.14%	11.77%	11.39%	11.11%	13.01%	13.10%

(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.
Source: Audit Report and District Officials.

TRENTON SPECIAL SCHOOL DISTRICT
(GIBSON COUNTY, TENNESSEE)
BONDED DEBT SERVICE REQUIREMENTS - LIMITED TAX

F.Y. Ended	Existing Debt - Limited Tax (1) As of June 30, 2019				Limited Tax School Bonds, Series 2020			Less: Refunded Debt			Total Bonded Debt Service Requirements				% All Principal Repaid
6/30	Principal	Interest	Treasury Rebate	TOTAL	Principal	Interest (3)	TOTAL	Principal	Net Interest	TOTAL	Principal	Interest	Estimated Treasury Rebate	TOTAL	
2020	$ 507,038	$ 988,469	$ (237,257)	$ 1,258,250	$ -	$ -	$ -	$ -	$ -	$ -	$ 507,038	$ 988,469	$ (237,257)	$ 1,258,250	2.47%
2021	546,151	972,533	(237,257)	1,281,427	615,000	614,092	1,229,092	(546,151)	(735,276)	(1,281,427)	615,000	614,092	-	1,229,092	
2022	594,452	954,800	(237,257)	1,311,995	620,000	639,169	1,259,169	(594,452)	(717,543)	(1,311,995)	620,000	639,169	-	1,259,169	
2023	631,702	942,824	(237,257)	1,337,269	655,000	608,169	1,263,169	(631,702)	(705,567)	(1,337,269)	655,000	608,169	-	1,263,169	
2024	681,937	929,517	(237,257)	1,374,197	660,000	575,419	1,235,419	(681,937)	(692,260)	(1,374,197)	660,000	575,419	-	1,235,419	
2025	717,776	902,646	(237,257)	1,383,165	700,000	542,419	1,242,419	(717,776)	(665,389)	(1,383,165)	700,000	542,419	-	1,242,419	18.33%
2026	769,250	874,376	(237,257)	1,406,369	720,000	507,419	1,227,419	(769,250)	(637,119)	(1,406,369)	720,000	507,419	-	1,227,419	
2027	806,392	844,083	(237,257)	1,413,219	760,000	471,419	1,231,419	(806,392)	(606,827)	(1,413,219)	760,000	471,419	-	1,231,419	
2028	849,236	811,538	(237,257)	1,423,517	805,000	433,419	1,238,419	(849,236)	(574,281)	(1,423,517)	805,000	433,419	-	1,238,419	
2029	912,817	777,282	(237,257)	1,452,843	830,000	393,169	1,223,169	(912,817)	(540,025)	(1,452,843)	830,000	393,169	-	1,223,169	
2030	952,173	735,500	(231,549)	1,456,125	865,000	351,669	1,216,669	(952,173)	(503,951)	(1,456,125)	865,000	351,669	-	1,216,669	37.74%
2031	1,017,344	683,585	(215,983)	1,484,946	900,000	308,419	1,208,419	(1,017,344)	(467,603)	(1,484,946)	900,000	308,419	-	1,208,419	
2032	1,068,369	626,587	(198,833)	1,496,123	905,000	290,419	1,195,419	(1,068,369)	(427,754)	(1,496,123)	905,000	290,419	-	1,195,419	
2033	1,140,292	566,855	(180,933)	1,526,215	910,000	272,319	1,182,319	(1,140,292)	(385,923)	(1,526,215)	910,000	272,319	-	1,182,319	
2034	1,193,158	503,132	(161,853)	1,534,437	915,000	252,981	1,167,981	(1,193,158)	(341,279)	(1,534,437)	915,000	252,981	-	1,167,981	
2035	1,262,015	436,608	(142,023)	1,556,599	915,000	233,538	1,148,538	(1,262,015)	(294,584)	(1,556,599)	915,000	233,538	-	1,148,538	59.91%
2036	1,331,910	366,327	(121,122)	1,577,115	920,000	212,950	1,132,950	(1,331,910)	(245,205)	(1,577,115)	920,000	212,950	-	1,132,950	
2037	1,318,751	292,251	(99,148)	1,511,854	925,000	191,100	1,116,100	(1,318,751)	(193,103)	(1,511,854)	925,000	191,100	-	1,116,100	
2038	1,125,000	217,438	(76,103)	1,266,334	935,000	167,975	1,102,975	(1,125,000)	(141,334)	(1,266,334)	935,000	167,975	-	1,102,975	
2039	1,175,000	148,531	(51,986)	1,271,545	800,000	144,600	944,600	(1,175,000)	(96,545)	(1,271,545)	800,000	144,600	-	944,600	
2040	1,250,000	76,563	(26,797)	1,299,766	800,000	124,600	924,600	(1,250,000)	(49,766)	(1,299,766)	800,000	124,600	-	924,600	81.27%
2041	-	-		-	800,000	103,600	903,600	-	-	-	800,000	103,600		903,600	
2042	-	-		-	800,000	82,600	882,600	-	-	-	800,000	82,600		882,600	
2043	-	-		-	750,000	61,600	811,600	-	-	-	750,000	61,600		811,600	
2044	-	-		-	745,000	40,975	785,975	-	-	-	745,000	40,975		785,975	
2045	-	-		-	745,000	20,488	765,488	-	-	-	745,000	20,488		765,488	100.00%
	$ 19,850,763	$ 13,651,445	$ (3,878,897)	$ 29,623,311	$ 19,995,000	$ 7,644,524	$ 27,639,524	$ (19,343,725)	$ (9,021,336)	$ (28,365,061)	$ 20,502,038	$ 8,632,992	$ (237,257)	$ 28,897,773	

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the FINANCIAL STATEMENTS included herein. The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the FINANCIAL STATEMENTS included herein. The original federal subsidy of 35.0% on the Limited Tax School Bonds, Series 2010B (Federally Taxable Build America Bonds) has been reduced by 5.9% for the federal fiscal year ending September 30, 2019 as a result of the sequestration by the Budget Control Act of 2011. The Series 2020 Bonds will refinance the Limited Tax School Bonds, Series 2010B (Federally Taxable Build America Bonds) in additiona to all teh District's outstanding debt.

(2) The District issued the $3,389,493 School Energy Lease, Series 2018, dated September 26, 2018, to fund energy efficient improvements to the District's schools. The Series 2020 Bonds will acquire the assets financed with the lease.

(2) Average Coupon 2.8711%

TRENTON SPECIAL SCHOOL DISTRICT
(GIBSON COUNTY, TENNESSEE)
Five Year Summary of Revenues, Expenditures and
Changes In Fund Balances - General Purpose School Fund
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019
Revenues:					
Local Taxes	$ 3,276,589	$ 3,414,933	$ 3,466,091	$ 3,545,467	$ 3,606,649
Charges for Educational Services	188,176	182,755	194,519	165,371	130,602
Licenses and Permits	473	347	408	387	341
Other Local Revenues	248,533	119,140	101,044	51,408	82,270
Federal & State Funds	7,947,346	7,977,794	8,260,112	8,482,686	8,895,769
Interest	2,693	7,103	15,536	40,283	69,328
Total Revenues	$ 11,663,810	$ 11,702,072	$ 12,037,710	$ 12,285,602	$ 12,784,959
Expenditures:					
Instruction	$ 5,519,147	$ 5,432,287	$ 5,315,364	$ 5,559,127	$ 5,615,722
Support Services	3,650,452	3,717,594	3,949,808	4,012,249	4,266,178
Non-Instructional Services	604,332	463,703	461,088	415,676	441,713
Capital Outlay	237,565	318,896	315,670	442,203	2,861,942
Debt Service	1,268,269	1,279,969	1,293,169	1,315,201	1,462,602
Total Expenditures	$ 11,279,765	$ 11,212,449	$ 11,335,099	$ 11,744,456	$ 14,648,157
Excess of Revenues & Over (under) Expenditures	$ 384,045	$ 489,623	$ 702,611	$ 541,146	$ (1,863,198)
Other Sources (Uses):					
Debt Proceeds	$ -	$ -	$ -	$ -	$ 3,389,493
Interfund Transfers - In	-	-	-	-	-
Interfund Transfers - Out	-	-	-	-	-
Total Other Sources (Uses)	$ -	$ -	$ -	$ -	$ 3,389,493
Excess of Revenue and Other Sources over (Under) Expenditures and Other Sources	$ 384,045	$ 489,623	$ 702,611	$ 541,146	$ 1,526,295
Fund Balance July 1	$ 3,751,682	$ 4,135,727	$ 4,625,350	$ 5,327,961	$ 5,869,107
Prior Period Adjustment	-	-	-	-	-
Fund Balance June 30	**$ 4,135,727**	**$ 4,625,350**	**$ 5,327,961**	**$ 5,869,107**	**$ 7,395,402**

Source: Audit Report for the Trenton Special School District.

GIBSON COUNTY
GENERAL INFORMATION

LOCATION

Gibson County (the "County") is located in the northwest portion of the State of Tennessee surrounded by Obion and Weakley Counties to the north, Carroll County to the east, Crockett and Madison Counties to the south, and Dyer County to the west. The City of Trenton, the county seat of Gibson County is approximately 95 miles northeast of Memphis, Tennessee. The City of Humboldt is also in the County. According to the 2010 Census, the population of Gibson County is 49,683.

GENERAL

The County has 603 square miles. It is one of the leading agricultural counties of the state and in the nation.

Main Street Program. Humboldt was accredited with Tennessee Main Street Accreditation. Humboldt successfully participated in the 2016-18 round of the Tennessee Downtowns program, focusing on rebranding its downtown and celebrating its longstanding strawberry festival.

As of February 2020, there are 37 communities that are accredited through the state program Tennessee Main Street Accreditation and a program of the national Trust for Historic Preservation (called Main Street America). The Main Street Program provides training, support and grant opportunities to assist in downtown revitalization efforts to focus on historic preservation, community events and economic revitalization. In 2018, accredited Tennessee Main Street communities generated $145 million of public and private investment and nearly 1,200 new jobs. The Tennessee Main Street Program requires communities to illustrate a commitment from local government and other local organizations, an adequate organizational budget, a strong historic preservation ethic, a collection of historic commercial buildings and a walkable district.

TRANSPORTATION

The County is only 27 miles to Interstate 40 in Jackson, with US Highways 45, 70 and 79 and State Highways 54, 77, 104, 105 and 152 within the County lines. The County is serviced by CSX Transportation and the West Tennessee Railroad. The nearest port is in Hickman, KY on the Mississippi River over 45 miles away. Gibson County Airport has a runway that is 4,800 feet in length. The nearest commercial airport is the McKellar-Sipes Regional Airport, over 20 miles away at Jackson, Tennessee.

EDUCATION

Gibson County has a unique system of education within the State of Tennessee. While most counties within the State of Tennessee incorporate a county-wide school system, Gibson County is divided into five school districts. Each district consists of one or more towns and the surrounding geographical area. The schools are well equipped, and they rank high in the Tennessee system, as well as in the Southern Association of Secondary Schools and Colleges. Adult classes are offered in the public school system at Trenton.

Bradford Special School District is the smallest of the Districts. It has only two schools in the Town of Bradford with a fall 2018 enrollment of about 545 students with 38 teachers. *Gibson County Special School District* is the largest District with nine schools. This District had a fall 2018 enrollment of 3,920 students with 239 teachers. It serves the cities of Dyer, Gibson, Kenton, Medina, Rutherford, Yorkville and the unincorporated areas around the County. *Humboldt City School System* has three schools in the City with a fall 2018 enrollment of 1,076 students with 84 teachers. *Milan Special School District* has three schools in the City with a fall 2018 enrollment of 1,884 students with 126 teachers. *Trenton Special School District* has three schools in the City with a fall 2018 enrollment of 1,297 students and 79 teachers.

Source: Gibson County Chamber of Commerce and Tennessee Department of Education.

Dyersburg State Community College Trenton Campus. Dyersburg State Community College is an accredited public comprehensive community college that operates within the governance of the Tennessee Board of Regents. Founded in 1967, Dyersburg State is located on a 100-acre campus in Dyer County, Tennessee and serves the educational needs of a seven-county area of Northwest Tennessee: Lake, Obion, Dyer, Gibson, Lauderdale, Crockett and Tipton Counties. The fall of 2018 semester had an enrollment of 2,981 students. Dyersburg State also offers increased access to education via technology-assisted instruction, distance learning and course offerings at convenient locations in three other campuses in Obion, Gibson and Tipton Counties.

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

Jackson State Community College is located in Madison County and was founded in 1967. Jackson State offers associate degrees, certificates, and enrichment courses as preparation for further higher education and for career entry or advancement. The fall 2018 enrollment was 4,875 students. There are also three satellite campuses: Savannah (Hardin County), Lexington (Henderson County) and Humboldt (Gibson County).

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

The Tennessee College of Applied Technology at Jackson. The Tennessee College of Applied Technology at Jackson (the "TCAT-J") is part of a statewide system of 26 vocational-technical schools. The TCAT-J 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-J serves the southwest region of the state including Madison, Gibson, Henderson, Crocket and Chester Counties. The TCAT-J began operations in 1963, and the main campus is located in Madison County. Fall 2017 enrollment was 1,446 students. There are four satellite centers: the McWherter Instructional Service Center in Jackson, the Lexington Extension Campus, Humboldt High School and the Humboldt Instructional Service Center.

Source: Tennessee College of Applied Technology at Jackson and Tennessee Higher Education Commission.

HEALTHCARE

Gibson County has one hospital and two outpatient clinics owned by West Tennessee Healthcare (the "WTH"). Totally self-supporting, without need for local tax support, all revenues generated provide for overhead costs including employee expense, debt service, purchase of technology, renovation, expansion, creation of new services, and, most importantly, maintaining the low-cost structure. West Tennessee Healthcare operates seven hospitals. Approximately 7,000 employees make up West Tennessee Healthcare, the majority of whom staff Jackson-Madison

County General Hospital.

Milan General Hospital has been operating a 73-bed acute care facility since 1941 when the hospital became a wholly-owned affiliate of WTH in 1998. *Humboldt Medical Center* (formerly Humboldt General Hospital) and *Trenton Medical Center* (formerly Gibson General Hospital), located in Humboldt and Trenton, respectively, closed their inpatient facilities and remain open as outpatient clinics only.

Jackson-Madison County General Hospital, located about 27 miles away to the south, is the flagship of West Tennessee Healthcare. The facility is a 642-bed tertiary care center that is the only tertiary care hospital between Memphis and Nashville. The hospital serves a 17-county area of rural West Tennessee. Approximately 400,000 persons reside within the service area. General Hospital offers the West Tennessee Heart and Vascular Center, Kirkland Cancer Center, West Tennessee Women's Center, West Tennessee Rehabilitation Center, West Tennessee Neuroscience and Spine Center, and Emergency Services. General Hospital offers the only open-heart surgery program in rural West Tennessee. Jackson-Madison County General Hospital is fully accredited by The Joint Commission.

Source: West Tennessee Healthcare.

MANUFACTURING AND COMMERCE

Bradford Industrial Parks. Bradford has two industrial sites. Bradford Industrial Park has 78 acres sitting on TN 54 and US 45-E with water, sewage, electricity and gas on site. The second site is Wingo Property with 30 acres in town near Business 45-E. Rail service is on site.

Dyer Industrial Park. The City of Dyer has an industrial park (with one available building and 60 acres of green space). The park has electricity, gas, water and sewage on site; rail is adjacent to the site and the park sits on Business 45-W and is 1/2 mile from 45-W.

Milan Army Ammunition Plant or the Milan Arsenal. Milan Army Ammunition Plant (MLAAP) maintains a capability to Load, Assemble, and Pack reliable medium-to-large caliber ammunition. However, MLAAP is no longer actively producing ammunition and continues with its transition to a commercial distribution site. In 2012 the facility at Milan Arsenal eliminated 500 lost jobs which resulted in an estimated $30 million loss to the local economy in Milan. The Arsenal is located on over 22,350 acres with 1,450 building and 873 igloos. It was established in 1941. The Arsenal function is to serve the United Stated Army with conventional ammunition produced and stored.

Milan Industrial Park. The largest industrial site in the area is the Milan Army Ammunition Plant (the “MLAAP”), a 35 square mile acre facility owned by the U. S. Government but operated by the Lockheed Martin Ordinance System. It is located in mainly in Milan, Gibson County with some acreage also in Carroll County. The MLAAP mission is to load, assemble, pack, store, and ship/receive containerized conventional ammunition. MLAAP is housed on 22,357 acres with 1,450 buildings and 873 igloos and a storage capacity of 2,270,000 square feet. The site employs military, civilian and contractor personnel. Milan Ordnance Depot and Wolf Creek Ordnance Plant were established in 1941. In 1943, they merged, becoming Milan Ordnance Center and later Milan Arsenal in 1945. In the 1960s, it became MLAAP.

The Graball Site, owned by the U.S. Army, is available for long-term lease and is "inside the fence" of the Milan Industrial Complex. Over 100 acres in size, this Certified Site offers a buildable site of approximately 60 acres just a few hundred feet inside the facility's Graball Gate, which has direct access to U.S. Highway 45, a direct, four-lane divided truck route, accessible to Interstate 40.

Trenton Industrial Parks. There are two major industrial parks in Trenton; the largest being Industrial Park Drive, containing 115 acres and Manufacturer's Row, containing 15 acres. These two sites feature rail line support and ready access (.5 miles) to the local divided state highway (45) which joins the interstate highway system in Jackson 27 miles from the industrial parks. The city has a large industrial park that is home to Trenton's largest industries. The park features the still-available 63,000 square foot Trenton Spec Building. The building site features electricity, gas, water and sewage.

Source: Gibson County Chamber of Commerce.

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Major Employers in Gibson County, Tennessee

Company	Product	Location	Employees
Ceco Door Products	Metal Doors	Milan	514
Gibson Co. Special School District*	Education	Dyer	300
Wal-Mart	Retail	Humboldt	220
Humboldt Special School District	Education	Humboldt	212
Sav-A-Lot	Grocery Distribution	Humboldt	212
MacLean Power Systems	Products for Utilities	Trenton	200
Kongsberg Automotive	Automotive Parts	Milan	194
Dana Corporation	Automotive Parts	Humboldt	189
Milan Special School District*	Education	Milan	174
Bongard South, LLC		Humboldt	170
Schwarz Supply Source	Distribution	Milan	160
Reinhausen Manufacturing, Inc.	Load Tap Changer	Humboldt	131
Delta Contracting	Road Construction	Humboldt	125
Pratt Industries	Corrugated Containers	Humboldt	120
Trenton Special School District*	Education	Trenton	108
City of Humboldt	Government	Humboldt	100
Westrock Co. (Rock Tenn)	Corrugated Containers	Humboldt	100
American Woodmark	Cabinets	Humboldt	87
Gray Metal South	Manufacturing	Humboldt	76
Jones Manufacturing	Industrial Yarn	Humboldt	75
Parragon Inc.	Book Packaging	Milan	75
DURA Automotive System	Automotive Parts	Milan	74
American Ordnance, LLC	Ordnance & Accessories	Milan	72
Con-Agra Foods	Distribution	Humboldt	67
Chicago Metallic Products	Commercial Bakeware	Humboldt	66
Big Ben Galvanizing	Hot Dip Galvanizing	Trenton	62
Gibson County Farmers Co-Op	Retail	Trenton	60

*Employment is only for teachers, administrators and staff.
Source: The West Tennessee Industrial Association, the Comprehensive Annual Financial Report of the City of Humboldt, and Milan Chamber of Commerce - 2019.

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EMPLOYMENT INFORMATION

For the month of March 2020, the unemployment rate for the Gibson County stood at 4.4% with 21,291 persons employed out of a labor force of 22,261.

Unemployment

	Annual Average **2014**	Annual Average **2015**	Annual Average **2016**	Annual Average **2017**	Annual Average **2018**
National	6.2%	5.3%	4.9%	4.4%	3.6%
Tennessee	6.6%	5.6%	4.7%	3.8%	3.3%
Gibson County	**8.9%**	**7.4%**	**5.8%**	**4.6%**	**4.5%**
Index vs. National	144	140	118	105	125
Index vs. State	135	132	123	121	136

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

ECONOMIC DATA

Per Capita Personal Income

	2013	**2014**	**2015**	**2016**	**2017**
National	$44,826	$47,025	$48,940	$49,831	$51,640
Tennessee	$39,549	$40,977	$42,810	$43,932	$45,517
Gibson County	**$35,117**	**$34,885**	**$35,971**	**$36,495**	**$37,464**
Index vs. National	78	74	74	73	73
Index vs. State	89	85	84	83	82

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

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Social and Economic Characteristics

	National	Tennessee	Gibson County	Humboldt	Milan
Median Value Owner Occupied Housing	$204,900	$158,600	$94,900	$74,600	$107,100
% High School Graduates or Higher Persons 25 Years Old and Older	87.70%	87.00%	84.9%	81.9%	83.0%
% Persons with Income Below Poverty Level	11.80%	15.30%	16.5%	26.7%	19.9%
Median Household Income	$60,293	$50,972	$22,565	$19,290	$21,842

Source: U.S. Census Bureau State & County QuickFacts - 2018.

TOURISM

Trenton Historic District. The town itself was placed on the National Register of Historic Places in 1982 as the Trenton Historic District with 96 buildings and 520 acres - this collection of homes includes antebellum mansions, quaint cottages, and three tree lined streets. The three red and blond brick court house built in 1899 features a clock tower and a hanging bell. Most of the homes are privately owned, but the restored Freed House is owned and operated by the city. It is open for tours and special events.

West Tennessee Strawberry Festival. Humboldt is the home of the West Tennessee Strawberry Festival, held the first full week in May. The Festival was established in 1934 and attracts over 100,000 people every year. It is a nationally recognized event and has led to the establishment of the Strawberry Festival Historical Museum.
Source: Humboldt Chamber of Commerce.

RECENT DEVELOPMENTS

Adient. Adient closed its Futuris plant in Milan the end of 2017. This resulted in 148 employees being laid off. Adient bought the Futuris plant in September of 2017. The facility made automotive seating and interior systems.

Bongards' Creameries. Bongards' Creameries, located in Humboldt, started a $35 million expansion to the existing facility to add 80,000 square feet in order to increase production, packaging and processing. The expansion was completed in late 2018 and will add about 95 jobs. Bongards', based in Minnesota, is a farmer-owned cooperative that produces natural and processed cheese.

Global Track Manufacturing. Construction is expected to be completed in 2020 on a production facility in Milan for Global Track Manufacturing USA, Inc. This Milan plant will be Global Track's second facility and should create about 250 jobs. Global Track manufactures rubber tracks and undercarriage for industrial and agricultural equipment.

Love's Travel Stops. Announced in 2019, Love's Travel Stops will build a new $8.8 million tire retread and distribution facility in Milan. The 200,000-square-foot Milan facility will be largest of its kind for Love's and should create up to 80 jobs. Love's operates more than 490 locations and 330 Love's Truck Tire Care centers and Speedco locations across the U.S. Love's Travel Stops is a national travel stop network with more than 490 locations in 41 states and offers heavy-duty tire care, light mechanical services, commercial truck oil changes and roadside assistance for professional drivers.

Tyson Food, Inc. Tyson Food finished construction on a new facility in Gibson County Industrial Park North site in Humboldt. The new facility operates as a tray pack facility, which includes a hatchery, processing facility and feed mill. The facility was operational in 2019. Leading food processor, Tyson Foods, will create more than 1,500 jobs and invest over $300 million in Humboldt, which represents Tyson's biggest investment in Tennessee and the single largest investment in Gibson County's history.

Tyson Foods is one of the world's largest food processing companies. The company produces chicken, beef and pork, as well as prepared foods. The company offers food products under *Tyson, Jimmy Dean, Hillshire Farm, Sara Lee, Ball Park, Wright, Aidells and State Fair* brands. Tyson currently has four facilities in Tennessee and employs approximately 5,000 Tennesseans.

Source: The Jackson Sun and Tennessee Department of Economic & Community Development.

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APPENDIX C

GENERAL PURPOSE FINANCIAL STATEMENTS

OF

TRENTON SPECIAL SCHOOL DISTRICT
(GIBSON COUNTY, TENNESSEE)

FOR THE FISCAL YEAR ENDED

JUNE 30, 2019

The General Purpose Financial Statements are extracted from the Financial Statements with Report of Certified Public Accountants of the Trenton Special School District for the fiscal year ended June 30, 2019 which is available upon request from the District.

TRENTON SPECIAL SCHOOL DISTRICT

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

JUNE 30, 2019

TRENTON SPECIAL SCHOOL DISTRICT
TABLE OF CONTENTS

Internal Control and Compliance Section

TRENTON SPECIAL SCHOOL DISTRICT
DIRECTORY
June 30, 2019

ELECTED OFFICIALS
Dr. Mark Harper, Chairman
Justin Weaver, Vice Chairman
Dee Ann McEwen, Treasurer/Fiscal Agent
Doug Smith, Board Liaison
Clint Hickerson, Board Secretary

APPOINTED OFFICIALS
Tim Haney, Director of Schools
Tamela Smith, General Accounting Finance Director
Lisa Seiber, Bookkeeper - Public Law and Cafeteria

COUNSEL
J. Mark Johnson, Attorney

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
Alexander Thompson Arnold PLLC
Jackson, Tennessee

FINANCIAL SECTION

Alexander Thompson Arnold PLLC
227 Oil Well Road, Jackson, TN 38305
Ⓟ 731.427.8571 Ⓕ 731.424.5701
www.atacpa.net

Independent Auditor's Report

To the Board of Education
Trenton Special School District
Trenton, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Trenton Special School District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District'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 major fund, and the aggregate remaining fund information of the Trenton Special School District, as of June 30, 2019, and the respective changes in financial position thereof and the respective budgetary comparison for the general purpose school fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Trenton Special School District's basic financial statements. The introductory section and supplementary and other information section 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 presented for purposes of additional analysis as required by Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards *Title 2 U.S. Code of Federal Regulations Part 200*, and is also not a required part of the basic financial statements.

The supplementary and other information section including the schedule of expenditures of federal awards 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, supplementary and other information section including the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019, on our consideration of the Trenton Special School District'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 Trenton Special School District'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 Trenton Special School District's internal control over financial reporting and compliance.

Alexander Thompson Arnold PLLC

Jackson, Tennessee
December 12, 2019

Management’s Discussion and Analysis

As management of the Trenton Special School District (the District), we offer readers of the financial statements for the District this narrative overview and analysis of the financial activities for the year ended June 30, 2019. We encourage the readers to consider the information here in conjunction with the Independent Auditor’s Report and the District’s financial statements. Professional standards require the inclusion of certain comparative information in the Management’s Discussion and Analysis (MD&A).

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2019 by $18,894,292. Of this amount, $5,578,692 (unrestricted net position) may be used to meet the District’s ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the District reported combined ending fund balances of $7,831,836. Approximately 49.00% of this total amount, $3,837,353 is unassigned in the general purpose fund.
- At the end of the current fiscal year, unassigned fund balance for the general purpose fund was $3,837,353 or 26.20% of total general purpose fund expenditures.
- The District’s total debt increased by $2,911,489. This increase is due to the issuance of the School Energy Lease, Series 2018 in current year.
- The District’s total capital assets increased by $1,372,018. The increase was due to current year’s capital improvement projects, including the HVAC unit replacement and the LED lighting upgrade at the individual schools.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements comprise three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and supplementary and other information in addition to the basic financial statements themselves.

District-wide financial statements. The *district-wide financial statements* are designed to provide readers with a broad overview of the District’s finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the District’s assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs. The District’s governmental activities include general administration, finance and education. The District has no business-type activities to report.

Please refer to the Table of Contents to locate the district-wide financial statements.

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

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's Board.

At June 30, 2019, the District's governmental funds reported combined fund balances of $7,831,836, an increase of $1,592,263 in comparison with the prior year. Approximately 49.00% of this amount, $3,837,353 constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form $129,387, 2) legally required to be maintained intact $0, 3) restricted for particular purposes $1,165,536, 4) committed for particular purposes $0, or 5) assigned for particular purposes $2,699,560.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general purpose fund and the nonmajor funds. The general purpose fund is considered a major fund, while the public law, cafeteria, and bus garage are considered nonmajor funds.

The District adopts an annual appropriated budget for its general purpose, public law, cafeteria, and bus garage funds. The District adopts a public law program, and the budgets for the public law fund are determined by the grantor of each grant. A budgetary comparison statement has been provided as a basic financial statement for the general purpose fund to demonstrate compliance with this budget. In addition, budgetary comparisons are presented as supplementary and other information for the public law, cafeteria, and bus garage funds as nonmajor funds.

Please refer to the Table of Contents to locate the basic governmental fund financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. Please refer to the Table of Contents to locate the notes to the financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This required supplementary information has been presented in the required supplementary information section of this report. The nonmajor funds' statements of revenues, expenditures, and changes in fund balances are presented as supplementary and other information as well other additional information.

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $18,894,292 at the close of the fiscal year ended June 30, 2019.

A large portion of the District's net position reflects its net investment in capital assets (e.g., buildings, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's Net Position	Governmental Activities June 30, 2019	Governmental Activities June 30, 2018
Assets		
Current and other	$ 12,107,748	$ 9,800,096
Capital assets - net of accumulated depreciation	30,729,009	29,356,991
Total assets	42,836,757	39,157,087
Deferred outflows of resources	1,072,773	1,086,449
Liabilities		
Long-term liabilities	20,441,968	17,530,479
Other liabilities	793,666	793,496
Total liabilities	21,235,634	18,323,975
Deferred inflows of resources	3,779,604	3,896,623
Net position		
Net investment in capital assets	11,003,901	12,543,372
Restricted	2,311,699	806,976
Unrestricted	5,578,692	4,672,590
Total net position	$ 18,894,292	$ 18,022,938

The above provides a summary of the District's net position for 2019 and 2018.

During the current fiscal year, the District's total net position increased by $871,354.

The following summary shows the changes in net position for fiscal years 2019 and 2018.

The District's Changes in Net Position	Governmental Activities June 30, 2019	Governmental Activities June 30, 2018
Revenues		
Program revenues		
Charges for services	$ 272,522	$ 293,924
Operating grants and contributions	2,966,854	3,073,925
Capital grants and contributions	-	30,000
General revenues		
Property taxes	2,655,634	2,630,943
Sales taxes	942,514	906,574
Interstate telecommunications tax	8,501	7,950
Licenses and permits	341	387
Grants and contributions not restricted to specific programs:		
Basic Education Program	7,925,900	7,492,000
Other	86,601	88,213
Interest	69,812	40,561
Other miscellaneous revenues	249,030	256,565
Total revenues	15,177,709	14,821,042
Expenses		
Instruction	5,547,246	5,649,077
Support Services	4,859,220	4,770,973
Non-instructional services	3,899,889	3,776,350
Total expenses	14,306,355	14,196,400
Increase (decrease) in net position	871,354	624,642
Net position, beginning	18,022,938	17,746,461
Restatement of net position - implementation of GASB No. 75	-	(348,165)
Net position, beginning - restated	18,022,938	17,398,296
Net position, ending	$ 18,894,292	$ 18,022,938

Governmental activities. Governmental activities increased the District's net position by $871,354.

Total governmental activities' revenue for the fiscal year was $15,177,709. The largest single revenue source was state revenues in the form of Basic Education Program payments.

Expense and Program Revenues - Governmental Funds

Certain revenues are generated that are specific to governmental program activities. Among the major fund, the general purpose had $12,278,959 in revenues and $14,648,157 in expenditures. In the non-major funds, the public law fund had $959,271 in revenues and $960,951 in expenditures, the cafeteria fund had $1,027,213 in revenues and $985,320 in expenditures, and the bus garage fund had $387,875 in revenues and $386,307 in expenditures.

Revenue by Source - Governmental Funds

Total governmental revenues allocated by each revenue type.

	June 30, 2019		June 30, 2018	
	Amount	Percent	Amount	Percent
Program revenues				
Charges for services	$ 272,522	1.80%	$ 293,924	1.98%
Operating grants and contributions	2,966,854	19.55%	3,073,925	20.74%
Capital grants and contributions	-	0.00%	30,000	0.20%
General revenues				
Property taxes	2,655,634	17.50%	2,630,943	17.75%
Sales taxes	942,514	6.21%	906,574	6.12%
Interstate telecommunications tax	8,501	0.06%	7,950	0.05%
Licenses and permits	341	0.01%	387	0.01%
Grants and contributions not restricted to specific programs	8,012,501	52.78%	7,580,213	51.15%
Interest	69,812	0.46%	40,561	0.27%
Other local revenue	249,030	1.64%	256,565	1.73%
Total revenues	$ 15,177,709	100.01%	$ 14,821,042	100.00%

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirement.

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $7,831,836. Of this amount, $3,837,353 constitutes *unassigned fund balance*, which is available for spending at the District's discretion. The remainder is not available for new spending and has been classified as nonspendable, restricted, committed or assigned.

The general purpose fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance was $3,837,353.

As a measure of the general purpose fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26.20% of the total general purpose fund expenditures, while total fund balances represents 50.49% of that same amount.

General Purpose Fund Budgetary Highlights

Differences between the original budget and the final amended budget are briefly summarized as follows:

General Purpose Fund	June 30, 2019 Original	Final	Difference
Revenues			
Taxes	$ 3,436,330	$ 3,436,330	$ -
Intergovernmental	8,753,775	8,813,525	59,750
Miscellaneous	153,000	183,666	30,666
Total revenues	12,343,105	12,433,521	90,416
Expenses			
Instruction	6,145,944	6,076,799	(69,145)
Support Services	4,686,132	4,762,953	76,821
Non-instructional services	2,078,427	5,550,660	3,472,233
Total expenditures	12,910,503	16,390,412	3,479,909
Other financing sources (uses):			
Proceeds on issuance of debt	-	3,389,493	3,389,493
Total other financing sources (uses)	-	3,389,493	3,389,493
Net change in fund balance	$ (567,398)	$ (567,398)	$ -

In 2019, the major increase in revenues and expense were due to the issuance of the School Energy Lease, Series 2018.

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental funds as of June 30, 2019 and 2018, amounts to $30,729,009 and $29,356,991 (net of accumulated depreciation), respectively. This investment in capital assets includes land, construction in progress, buildings and improvements, and other capital assets (including equipment)

Long-term debt. As of June 30, 2019, the District had total bonded debt and a capital lease outstanding of $19,850,763. The outstanding balances of long-term debts at June 30, 2019 and 2018 are as follows:

	June 30, 2019	June 30, 2018
School Bonds, Series 2010A	$ 4,375,000	$ 4,770,000
School Bonds, Series 2010B	11,100,000	11,100,000
School Bonds, Series 2012	1,065,000	1,090,000
School Energy Lease, Series 2018	3,310,763	-
	$ 19,850,763	$ 16,960,000

The specifics on these bonds and the capital lease are located in the notes to the financial statements. Please refer to the Table of Contents to locate the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

The unemployment rate for Gibson County is currently 4.9%. This compares unfavorably to the

State's average unemployment rate of 3.4% and the national average unemployment rate of 3.7%. All of the rates are from labor statistics released for June 2019. All of these factors were considered in preparing the District's budget for the 2019-2020 fiscal year

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Trenton Special School District, 201 West Tenth Street, Trenton, TN 38382.

TRENTON SPECIAL SCHOOL DISTRICT
DISTRICT-WIDE STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities
Assets	
Cash	$ 6,769,548
Cash - restricted	754,618
Receivables	
Accounts	149,516
Grant	625,385
Property taxes	2,618,344
Due from other governments	28,037
Inventories	129,387
Stabilization reserve trust - restricted	16,137
Net pension asset	1,016,776
Capital assets, not being depreciated	
Land	266,057
Capital assets, net of accumulated depreciation	
Infrastructure	3,796
Buildings and improvements	29,797,357
Other capital assets	661,799
Total assets	**42,836,757**
Deferred Outflows of Resources	
Pension related deferred outflows	1,072,773
Total deferred outflows of resources	**1,072,773**
Liabilities	
Accounts payable	122,888
Salaries payable	327,809
Insurance payable	190,095
Accrued interest payable	152,874
Noncurrent liabilities:	
Portion due or payable within one year:	
Bonds payable	413,274
Capital lease payable	67,038
Portion due or payable after one year:	
OPEB liability	716,860
Bonds payable	16,001,071
Capital lease payable	3,243,725
Total liabilities	**21,235,634**
Deferred Inflows of Resources	
Pension related deferred inflows	1,161,260
Unavailable - property taxes	2,618,344
Total deferred inflows of resources	**3,779,604**
Net Position	
Net investment in capital assets	11,003,901
Restricted for:	
Other local education	394,781
Capital projects	754,618
Net pension asset	1,016,776
Stabilization reserve trust	16,137
Inventory	129,387
Unrestricted	5,578,692
Total net position	**$ 18,894,292**

The accompanying notes are an integral part of the financial statements.

TRENTON SPECIAL SCHOOL DISTRICT
DISTRICT-WIDE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:				
Instruction				
Regular education	$ 4,500,178	$ -	$ 425,863	$ (4,074,315)
Alternate education	222,507	-	2,635	(219,872)
Special education	613,609	-	239,630	(373,979)
Vocational education	213,095	-	16,331	(196,764)
Student body education	(2,143)	-	-	2,143
Support services				
Attendance	122,426	-	-	(122,426)
Health services	143,918	-	-	(143,918)
Other student support	389,798	-	16,844	(372,954)
Regular instruction	816,792	-	362,682	(454,110)
Special education	134,816	-	36,760	(98,056)
Vocational education	38,199	-	1,157	(37,042)
Instructional technology	245,135	-	-	(245,135)
Board of Education	147,207	-	70	(147,137)
Office of Superintendent	147,554	-	1,317	(146,237)
Office of Principal	619,423	-	2,766	(616,657)
Fiscal services	65,309	-	-	(65,309)
Human services	96,886	-	-	(96,886)
Operation and maintenance of plant	1,139,519	-	-	(1,139,519)
Student transportation	716,893	7,196	387,066	(322,631)
Central and other	35,345	-	-	(35,345)
Non-instructional services				
Food service	958,063	123,266	903,463	68,666
Community services	156,242	142,060	148,558	134,376
Early Childhood Education	385,008	-	421,712	36,704
Education capital outlay	1,415,979	-	-	(1,415,979)
Education debt service	984,597	-	-	(984,597)
	$ 14,306,355	$ 272,522	$ 2,966,854	(11,066,979)

The accompanying notes are an integral part of the financial statements.

TRENTON SPECIAL SCHOOL DISTRICT
DISTRICT-WIDE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
General revenues				
Property taxes				2,655,634
Sales taxes				942,514
Interstate telecommunications tax				8,501
Licenses and permits				341
Grants and contributions not restricted to certain programs				
Basic Education Program				7,925,900
Other				86,601
Interest				69,812
Other miscellaneous revenues				249,030
Total general revenues				11,938,333
Change in net position				**871,354**
Net position, beginning				18,022,938
Net position, ending				$ 18,894,292

The accompanying notes are an integral part of the financial statements.

TRENTON SPECIAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General Purpose School Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash	$ 6,526,239	$ 243,309	$ 6,769,548
Cash - restricted	754,618	-	754,618
Accounts receivable	148,301	1,215	149,516
Accounts receivable - grant	352,729	272,656	625,385
Property taxes receivable	2,618,344	-	2,618,344
Due from other funds	180,487	250	180,737
Due from other governments	-	28,037	28,037
Inventories	-	129,387	129,387
Stabilization reserve trust - restricted	16,137	-	16,137
Total assets	**$ 10,596,855**	**$ 674,854**	**$ 11,271,709**
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities			
Accounts payable	$ 64,955	$ 57,933	$ 122,888
Salaries payable	327,809	-	327,809
Insurance payable	190,095	-	190,095
Due to other funds	250	180,487	180,737
Total liabilities	583,109	238,420	821,529
Deferred Inflows of Resouces			
Unavailable property taxes	2,618,344	-	2,618,344
Fund balance			
Nonspendable			
Inventory	-	129,387	129,387
Restricted			
Education	182,956	-	182,956
Instruction	4,778	-	4,778
Capital projects	754,618	-	754,618
Stabilization reserve trust	16,137	-	16,137
Operation of non-instructional services	-	207,047	207,047
Assigned			
Instruction - textbooks	100,000	-	100,000
Capital outlay	1,697,682	-	1,697,682
Debt service	39,644	-	39,644
Other purposes	180,993	100,000	280,993
Fiscal year 2020 budget	581,241	-	581,241
Unassigned	3,837,353	-	3,837,353
Total fund balance	7,395,402	436,434	7,831,836
Total liabilities, deferred inflows of resources and fund balance	**$ 10,596,855**	**$ 674,854**	**$ 11,271,709**

The accompanying notes are an integral part of the financial statements.

TRENTON SPECIAL SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2019

Amounts reported for the governmental activities in the statement of net position (Page 12) are different because:

Fund balance - total governmental funds (Page 15)		**$ 7,831,836**
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in funds.		30,729,009
Some payables are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest		(152,874)
Deferred outflows of resources related to pensions in which the consumption of net position will occur in future periods, therefore, it is not reported in the funds		1,072,773
Deferred inflows of resources related to pensions in which the acquisition of net position will occur in future periods, therefore, it is not reported in the funds		(1,161,260)
Net pension asset (liability) is not a financial resource (use) in the current period and, therefore, are not reported as an asset (liability) in the funds		
Net pension asset		1,016,776
Long-term liabilities are not due in the the current period and, therefore, are not reported in the funds:		
Bond premium and discount	125,655	
OPEB	(716,860)	
Bonds and capital lease payable	(19,850,763)	
		(20,441,968)
Net position - governmental activities (Page 12)		**$ 18,894,292**

The accompanying notes are an integral part of the financial statements.

TRENTON SPECIAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	General Purpose School Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Local taxes	$ 3,606,649	$ -	$ 3,606,649
Current charges for education services	130,602	-	130,602
Licenses and permits	341	-	341
Charges for services	-	123,266	123,266
Other local revenues	82,270	386,496	468,766
Federal and state funds	8,895,769	1,784,579	10,680,348
Commodities	-	78,155	78,155
Interest	69,328	484	69,812
Other income	-	1,379	1,379
Total revenues	12,784,959	2,374,359	15,159,318
Expenditures			
Current			
Instruction	5,615,722	399,480	6,015,202
Support services	4,266,178	797,540	5,063,718
Non-instructional services	441,713	1,135,558	1,577,271
Education capital outlay	2,861,942	-	2,861,942
Education debt service			
Principal	498,730	-	498,730
Interest	963,872	-	963,872
Total expenditures	14,648,157	2,332,578	16,980,735
Excess revenues over expenditures	(1,863,198)	41,781	(1,821,417)
Other financing sources (uses)			
Proceeds on issuance of debt	3,389,493	-	3,389,493
Total other financing sources (uses)	3,389,493	-	3,389,493
Net change in fund balance	**1,526,295**	**41,781**	**1,568,076**
Fund balance - beginning	5,869,107	370,466	6,239,573
Increase (decrease) in inventory	-	24,187	24,187
Fund balance - ending	$ 7,395,402	$ 436,434	$ 7,831,836

The accompanying notes are an integral part of the financial statements.

TRENTON SPECIAL SCHOOL DISTRICT
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, 2019

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

Net change in fund balances - total governmental funds (Page 17)	**$ 1,568,076**
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:	
Capital outlays	2,682,005
Depreciation	(1,309,987)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds; however, these repayments have no effect on net position.	498,730
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. The amount is the net effect of these differences in the treatment.	(20,726)
The issuance of long-term debt provides current financial resources to governmental funds; however, the issuance increases the liability on the statement of activities.	(3,389,493)
The actuarially determined expense does not consume current financial resources and, therefore, is not reported in the governmental funds. It is reported as expenses in the statement of activities.	
(Pension expense)/negative pension expense	224,331
OPEB expense	(18,392)
The payment of pension contributions consumes current financial resources in the governmental funds. These transactions do not have any effect on the net position, but are considered deferred outflows of resources.	594,231
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:	
State's share of OPEB expense	18,392
The increase (decrease) in inventory is reported as a direct change to beginning fund balance. However, in the statement of activities this increase is reported as an expense based on the consumption method.	24,187
Change in net position of governmental activities (Page 14)	**$ 871,354**

The accompanying notes are an integral part of the financial statements.

TRENTON SPECIAL SCHOOL DISTRICT
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budget			Variance
	Original	Final	Actual	Over (Under)
Revenues				
Local taxes				
Property tax - current	$ 2,448,205	$ 2,448,205	$ 2,516,818	$ 68,613
Property tax - prior	100,000	100,000	123,799	23,799
Interest and penalty on delinquent tax	10,000	10,000	12,234	2,234
Payment in lieu of taxes	2,500	2,500	2,783	283
County sales tax	875,000	875,000	942,514	67,514
Interstate telecommunications tax	625	625	8,501	7,876
Total local taxes	3,436,330	3,436,330	3,606,649	170,319
Current charges for education services				
Receipts from individual schools	30,000	30,000	-	(30,000)
Community service fees	2,000	2,000	-	(2,000)
Transportation	6,000	6,000	7,196	1,196
Other charges for services	100,000	100,000	123,406	23,406
Total current charges for education services	138,000	138,000	130,602	(7,398)
Licenses and permits	300	300	341	41
Other local revenues				
Interest on temporary investments	15,000	15,000	69,328	54,328
Rent for use of school facilities	-	-	18,654	18,654
E-Rate funding	-	-	1,033	1,033
Sale of equipment	-	-	2,007	2,007
Insurance recovery	-	-	300	300
Contributions and gifts	-	30,666	30,701	35
Miscellaneous	-	-	29,575	29,575
Total other local revenues	15,000	45,666	151,598	105,932
State funds and federal passed through state				
Basic education program	7,850,000	7,850,000	7,925,900	75,900
Driver education funds	4,000	4,000	-	(4,000)
Early childhood education funds	417,861	421,711	421,712	1
Career ladder program	24,000	24,000	28,303	4,303
School food service	6,000	6,000	6,560	560
Child handicapped	-	-	2,700	2,700
Other state education funds	231,440	231,440	232,622	1,182
Other state grants	-	55,900	55,900	-
Total state funds and federal passed through state	8,533,301	8,593,051	8,673,697	80,646

The accompanying notes are an integral part of the financial statements.

TRENTON SPECIAL SCHOOL DISTRICT
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budget Original	Budget Final	Actual	Variance Over (Under)
Federal funds received directly				
Bond interest rebate	220,174	220,174	222,072	1,898
Total federal funds received directly	220,174	220,174	222,072	1,898
Total revenues	12,343,105	12,433,521	12,784,959	351,438
Expenditures				
Instruction				
Regular Education Program				
Teachers	3,443,524	3,354,384	3,256,300	(98,084)
Career ladder program	12,000	12,000	11,000	(1,000)
Homebound teachers	3,000	3,000	687	(2,313)
Educational assistants	92,445	92,445	78,633	(13,812)
Other salaries and wages	-	250	250	-
Certified substitute teachers	50,000	50,000	49,100	(900)
Non-certified substitute teachers	50,000	56,000	55,813	(187)
Social security taxes	226,050	218,550	186,446	(32,104)
State retirement	365,879	381,879	306,149	(75,730)
Medical insurance	596,260	551,205	460,252	(90,953)
Unemployment	8,000	8,000	4,753	(3,247)
Medicare taxes	52,867	52,867	46,109	(6,758)
Other fringe benefits	6,500	6,500	730	(5,770)
Instructional supplies	155,903	155,403	132,474	(22,929)
Electronic textbooks	50,000	50,000	45,496	(4,504)
Textbooks	50,000	50,000	50,843	843
Other supplies and materials	3,000	3,000	601	(2,399)
Fee waivers	6,000	6,000	1,584	(4,416)
Other charges	20,500	27,000	22,483	(4,517)
Capital outlay - equipment	17,629	26,629	26,334	(295)
Total regular education program	5,209,557	5,105,112	4,736,037	(369,075)
Alternate Instruction Program				
Teachers	148,475	148,675	148,619	(56)
Career Ladder Program	2,000	2,000	2,000	-
Educational assistants	36,768	36,788	36,783	(5)
Substitute teachers	-	200	195	(5)
Social security taxes	11,609	11,609	10,475	(1,134)
State retirement	17,586	17,586	17,601	15
Medical insurance	38,256	37,836	27,153	(10,683)
Medicare taxes	2,715	2,715	2,450	(265)
Instructional supplies	300	300	-	(300)
Other supplies and materials	500	500	-	(500)
Total alternate instruction program	258,209	258,209	245,276	(12,933)

The accompanying notes are an integral part of the financial statements.

TRENTON SPECIAL SCHOOL DISTRICT
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budget			Variance
	Original	Final	Actual	Over (Under)
Special Education Program				
Teachers	247,149	253,449	253,367	(82)
Career ladder program	-	185	185	-
Educational Assistants	54,962	63,762	63,720	(42)
Social security taxes	18,731	17,731	17,722	(9)
State retirement	28,611	28,611	29,173	562
Medical insurance	29,779	46,560	45,938	(622)
Medicare taxes	4,380	4,145	4,145	-
Other Fringe Benefits	1,179	48	48	-
Contracts with Other Schools	7,365	7,365	7,527	162
Instructional supplies	-	100	100	-
Total special education program	392,156	421,956	421,925	(31)
Vocational Education Program				
Teachers	174,212	174,212	151,028	(23,184)
Certified substitute teachers	2,000	2,000	150	(1,850)
Non-certified substitute teachers	2,000	2,400	2,340	(60)
Social security taxes	11,049	11,049	8,766	(2,283)
State retirement	18,641	17,007	15,786	(1,221)
Medical insurance	15,735	15,735	12,720	(3,015)
Medicare taxes	2,584	2,584	2,051	(533)
Contracts with other school systems	7,366	7,366	7,527	161
Maintenance and repair - equipment	500	500	272	(228)
Instructional supplies	6,500	12,000	6,362	(5,638)
Other supplies and materials	-	34	34	-
Other charges	6,000	6,000	4,277	(1,723)
Vocational instruction equipment	-	1,200	1,171	(29)
Total vocational education program	246,587	252,087	212,484	(39,603)
Student Body Education Program				
Other salaries and wages	35,000	35,000	-	(35,000)
Social security taxes	2,170	2,170	-	(2,170)
State retirement	1,757	1,757	-	(1,757)
Medicare taxes	508	508	-	(508)
Total student body education program	39,435	39,435	-	(39,435)
Total Instruction	6,145,944	6,076,799	5,615,722	(461,077)
Support Services				
Students				
Attendance				
Supervisor/director	38,940	41,340	41,298	(42)

The accompanying notes are an integral part of the financial statements.

TRENTON SPECIAL SCHOOL DISTRICT
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budget			Variance
	Original	Final	Actual	Over (Under)
Clerical personnel	62,653	62,653	62,027	(626)
Social security taxes	6,299	6,299	6,192	(107)
State retirement	7,218	7,218	7,349	131
Medical insurance	16,465	13,992	10,282	(3,710)
Medicare taxes	1,473	1,473	1,454	(19)
Travel	2,500	2,500	2,319	(181)
Other supplies and materials	600	673	672	(1)
In service/ staff development	500	500	340	(160)
Total attendance	136,648	136,648	131,933	(4,715)
Health Services				
Medical personnel	82,071	74,504	64,094	(10,410)
Other salaries and wages	14,180	12,423	11,843	(580)
Social security taxes	5,968	5,085	4,069	(1,016)
State retirement	6,340	5,437	3,727	(1,710)
Medical insurance	21,151	18,045	15,896	(2,149)
Medicare taxes	1,396	1,189	952	(237)
Communications	2,300	2,305	1,996	(309)
Postal charges	50	55	55	-
Travel	3,500	3,035	2,559	(476)
Other contracted services	9,500	12,669	8,815	(3,854)
Drugs and medical supplies	3,500	3,500	1,586	(1,914)
Other supplies and materials	17,159	33,734	32,877	(857)
In-service/staff development	900	900	270	(630)
Total health services	168,015	172,881	148,739	(24,142)
Other Student Support				
Career ladder program	500	500	500	-
Guidance personnel	141,292	142,392	142,365	(27)
Social workers	36,375	37,100	37,100	-
Clerical personnel	10,300	13,600	13,514	(86)
Other Salaries and Wages	41,099	41,099	41,016	(83)
Social security taxes	14,234	14,234	12,047	(2,187)
State retirement	22,935	22,935	23,115	180
Medical insurance	41,293	36,168	35,892	(276)
Medicare taxes	3,328	3,328	3,014	(314)
Communication	400	400	377	(23)
Contracts with government agencies	38,000	38,000	38,158	158
Evaluation and testing	32,500	32,500	28,853	(3,647)
Travel	3,500	3,500	2,352	(1,148)
Other supplies and materials	500	1,745	662	(1,083)
In-service/staff development	500	11,758	11,258	(500)
Other charges	6,000	6,000	5,945	(55)

The accompanying notes are an integral part of the financial statements.

TRENTON SPECIAL SCHOOL DISTRICT
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budget			Variance
	Original	**Final**	**Actual**	**Over (Under)**
Other equipment	4,000	11,239	7,346	(3,893)
Total other student support	396,756	416,498	403,514	(12,984)
Total students	701,419	726,027	684,186	(41,841)
Instructional Staff				
Regular Instruction Program				
Supervisor/director	80,439	83,039	83,018	(21)
Career ladder program	3,500	4,700	4,700	-
Librarians	155,028	155,028	105,866	(49,162)
Instructional computer personnel	41,099	41,099	41,016	(83)
Other salaries and wages	183,075	173,305	150,892	(22,413)
Social security taxes	28,715	28,715	22,760	(5,955)
State retirement	48,445	48,445	40,322	(8,123)
Medical insurance	40,288	40,288	32,777	(7,511)
Medicare taxes	6,715	6,715	5,323	(1,392)
Communications	6,000	6,000	5,422	(578)
Travel	31,500	31,500	9,935	(21,565)
Library books/media	17,434	17,434	17,375	(59)
In-service/staff development	48,500	48,500	18,774	(29,726)
Other charges	7,000	7,000	4,111	(2,889)
Other Equipment	-	5,970	5,970	-
Total regular instruction program	697,738	697,738	548,261	(149,477)
Special Education Program				
Supervisor/director	23,758	23,913	23,912	(1)
Social security taxes	1,473	1,473	1,461	(12)
State retirement	2,485	2,485	2,501	16
Medicare taxes	346	346	342	(4)
Other fringe benefits	93	93	-	(93)
Travel	1	1	-	(1)
Other contracted services	60,000	75,200	75,198	(2)
Total special education program	88,156	103,511	103,414	(97)
Vocational Education Program				
Supervisor/director	35,000	35,000	34,210	(790)
Medicare taxes	508	508	496	(12)
Travel	3,000	3,000	2,336	(664)
Total vocational education program	38,508	38,508	37,042	(1,466)
Instructional Technology Program				
Supervisor/director	58,500	58,800	58,767	(33)

TRENTON SPECIAL SCHOOL DISTRICT
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budget			Variance
	Original	Final	Actual	Over (Under)
Other salaries and wages	27,640	27,640	27,640	-
Social security taxes	5,341	5,341	4,934	(407)
State retirement	4,324	4,324	4,338	14
Medical insurance	14,583	14,583	14,188	(395)
Medicare taxes	1,249	1,249	1,154	(95)
Maintenance and repair services	30,000	30,000	15,624	(14,376)
Internet Connectivity	55,000	55,000	32,268	(22,732)
In-Service/Staff Development	6,000	6,000	3,213	(2,787)
Other charges	-	9,350	9,312	(38)
Travel	5,000	5,000	1,800	(3,200)
Cabling	10,000	10,000	1,970	(8,030)
Software	44,000	44,000	46,459	2,459
Other equipment	50,000	40,350	29,079	(11,271)
Total instructional technology program	311,637	311,637	250,746	(60,891)
Total Instructional staff	1,136,039	1,151,394	939,463	(211,931)
General Administration				
Board of Education				
Other fringe Benefits	500	500	-	(500)
Audit services	20,682	20,682	20,682	-
Dues and memberships	7,500	7,500	5,351	(2,149)
Legal services	7,500	7,500	5,296	(2,204)
Travel	7,000	7,000	6,117	(883)
Other contracted services	4,000	4,500	4,500	-
Other supplies and materials	10,000	9,500	3,119	(6,381)
Liability insurance	10,167	10,167	10,442	275
Corporate surety bonds	782	782	782	-
Trustee commissions	65,000	65,000	61,878	(3,122)
Workers' compensation insurance	34,320	34,320	21,876	(12,444)
In-service/staff development	6,500	6,500	10	(6,490)
Refund to applicant for criminal investigation	5,000	5,000	2,034	(2,966)
Other charges	10,000	10,000	5,050	(4,950)
Total board of education	188,951	188,951	147,137	(41,814)
Office of Superintendent				
Administrative officer	105,060	105,785	105,785	-
Career ladder program	1,000	1,000	1,000	-
Other salaries and wages	7,200	7,200	7,200	-
Social security taxes	7,022	7,022	6,495	(527)
State retirement	11,847	11,847	11,923	76
Medical insurance	14,339	14,339	12,062	(2,277)
Medicare taxes	1,642	1,642	1,519	(123)

The accompanying notes are an integral part of the financial statements.

TRENTON SPECIAL SCHOOL DISTRICT
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budget			Variance
	Original	Final	Actual	Over (Under)
Communication	3,000	3,000	2,729	(271)
Dues and memberships	5,500	5,500	4,499	(1,001)
Travel	6,000	3,217	3,185	(32)
Office supplies	2,000	2,000	406	(1,594)
In-service/staff development	900	900	-	(900)
Administrative Equipment	-	2,058	2,058	-
Total office of superintendent	165,510	165,510	158,861	(6,649)
Total general administration	354,461	354,461	305,998	(48,463)
School Administration				
Office of Principal				
Principal(s)	231,604	231,604	231,269	(335)
Career ladder program	2,000	2,100	2,100	-
Assistant principal(s)	192,617	192,517	188,833	(3,684)
Accountants/Bookkeepers	82,365	82,365	82,178	(187)
Social security taxes	31,532	31,532	29,159	(2,373)
State retirement	48,717	48,717	48,288	(429)
Medical insurance	63,378	63,378	48,124	(15,254)
Other Fringe Benefits	7,375	7,375	6,820	(555)
Communications	13,000	13,000	12,497	(503)
Dues and memberships	1,500	1,500	839	(661)
Operating lease payments	6,000	6,000	2,880	(3,120)
Postal charges	2,150	2,150	1,152	(998)
Travel	13,500	7,500	2,138	(5,362)
Other contracted services	5,067	5,067	3,867	(1,200)
Data processing supplies	800	800	-	(800)
Office supplies	7,000	7,000	6,289	(711)
In-service/staff development	-	6,000	937	(5,063)
Other charges	17,500	17,500	14,518	(2,982)
Total office of principal	726,105	726,105	681,888	(44,217)
Business Administration				
Fiscal Services				
Supervisor/director	32,333	32,333	32,333	-
Accountants/bookkeepers	2,882	2,887	2,887	-
Clerical Personnel	6,481	6,482	6,482	-
Social security taxes	2,585	2,585	2,209	(376)
State retirement	3,852	3,852	3,852	-
Medical insurance	8,409	8,403	8,114	(289)
Medicare taxes	605	605	517	(88)
Advertising	2,500	2,500	2,030	(470)
Data processing	700	700	452	(248)

The accompanying notes are an integral part of the financial statements.

TRENTON SPECIAL SCHOOL DISTRICT
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budget Original	Budget Final	Actual	Variance Over (Under)
Dues and memberships	200	200	80	(120)
Operating lease payments	850	850	784	(66)
Postal charges	2,000	2,000	1,808	(192)
Travel	650	650	676	26
Data processing supplies	500	500	96	(404)
Office supplies	3,500	3,500	3,262	(238)
In-service/staff development	500	500	345	(155)
Other charges	4,000	4,000	4,365	365
Total fiscal services	72,547	72,547	70,292	(2,255)
Human Services				
Supervisor/director	51,431	51,431	51,430	(1)
Clerical personnel	22,757	22,757	22,756	(1)
Social security taxes	4,600	4,600	3,840	(760)
State retirement	3,724	3,724	3,724	-
Medical insurance	18,333	18,333	13,249	(5,084)
Employer medicare	1,076	1,076	898	(178)
Dues and memberships	150	150	40	(110)
Travel	2,500	2,500	1,460	(1,040)
In-service/staff development	550	550	370	(180)
Other charges	3,600	3,600	3,937	337
Total human services	108,721	108,721	101,704	(7,017)
Total business administration	181,268	181,268	171,996	(9,272)
Operation and Maintenance of Plant				
Operation of Plant				
Maintenance and repair	500	500	-	(500)
Other contracted services	400,000	400,000	388,495	(11,505)
Electricity	355,000	355,000	314,163	(40,837)
Natural gas	66,000	66,000	65,549	(451)
Water and sewer	82,300	82,300	63,251	(19,049)
Other supplies and materials	2,000	2,000	687	(1,313)
Boiler insurance	2,503	2,503	2,503	-
Building and contents insurance	45,600	45,600	45,600	-
Other charges	3,750	3,750	2,472	(1,278)
Total operation of plant	957,653	957,653	882,720	(74,933)
Maintenance of Plant				
Maintenance personnel	82,738	82,738	82,574	(164)
Social security taxes	5,130	5,130	4,747	(383)
State retirement	4,153	4,153	4,145	(8)
Medical insurance	5,868	5,868	4,964	(904)

The accompanying notes are an integral part of the financial statements.

TRENTON SPECIAL SCHOOL DISTRICT
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budget Original	Budget Final	Actual	Variance Over (Under)
Medicare taxes	1,200	1,200	1,110	(90)
Communication	1,600	1,600	1,499	(101)
Laundry Service	1,500	1,500	1,475	(25)
Maintenance and repair - buildings	10,000	-	-	-
Maintenance and repair - equipment	3,000	1,500	47	(1,453)
Maintenance and repair - vehicles	3,000	3,000	-	(3,000)
Travel	1,000	1,000	-	(1,000)
Other contracted services	67,000	67,000	56,230	(10,770)
Equipment and machinery parts	5,500	5,500	1,055	(4,445)
Other supplies and materials	46,000	46,000	31,530	(14,470)
Vehicle and equipment insurance	1,200	1,200	1,200	-
In-service/staff development	400	400	200	(200)
Other charges	34,365	34,365	22,270	(12,095)
Administration equipment	-	48,358	48,215	(143)
Total maintenance of plant	273,654	310,512	261,261	(49,251)
Total operation and maintenance of plant	1,231,307	1,268,165	1,143,981	(124,184)
Student Transportation				
Transportation				
Supervisor/director	23,818	23,820	23,820	-
Mechanics	14,221	14,222	14,221	(1)
Bus drivers	82,131	87,131	83,991	(3,140)
Clerical personnel	1,779	1,779	1,778	(1)
Other salaries and wages	54,000	59,000	58,637	(363)
Social security taxes	10,909	10,909	8,857	(2,052)
State retirement	7,734	7,734	8,368	634
Medical insurance	1,061	1,061	988	(73)
Medicare taxes	2,551	2,551	2,652	101
Fringe benefits	4,311	4,311	4,346	35
Communication	2,591	2,591	2,692	101
Contracts with other school systems	-	390	390	-
Laundry service	292	292	299	7
Medical and dental	4,070	4,070	3,889	(181)
Postal	47	47	26	(21)
Travel	1,217	1,217	-	(1,217)
Other contracted services	1,037	1,037	612	(425)
Diesel fuel	39,000	39,000	38,300	(700)
Garage Supplies	2,818	818	457	(361)
Lubricants	2,754	2,754	1,814	(940)
Tires and tubes	8,144	10,644	10,582	(62)
Vehicle parts	25,275	18,775	18,611	(164)
Other supplies and materials	844	844	562	(282)

The accompanying notes are an integral part of the financial statements.

TRENTON SPECIAL SCHOOL DISTRICT
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budget			Variance
	Original	Final	Actual	Over (Under)
Vehicle and equipment insurance	9,830	9,830	9,830	-
In-service/staff development	1,000	1,450	1,442	(8)
Other charges	8,092	4,092	3,959	(133)
Administrative Equipment	3,507	2,664	2,198	(466)
Total transportation	313,033	313,033	303,321	(9,712)
Other				
Central and Other				
Operating lease payments	6,500	6,500	5,051	(1,449)
Other contracted services	30,000	30,000	27,038	(2,962)
Data processing supplies	2,000	1,700	677	(1,023)
Other supplies and materials	2,000	2,000	554	(1,446)
Other charges	1,000	1,000	731	(269)
Other equipment	1,000	1,300	1,294	(6)
Total central and other	42,500	42,500	35,345	(7,155)
Total support services	4,686,132	4,762,953	4,266,178	(496,775)
Community Services				
Supervisor/director	2,023	2,023	-	(2,023)
Social security taxes	126	126	-	(126)
Medicare taxes	31	31	-	(31)
Other supplies and materials	1,000	20,889	20,000	(889)
Total community services	3,180	23,069	20,000	(3,069)
Early Childhood Education				
Supervisor/director	49,235	49,056	49,056	-
Teachers	167,391	167,047	167,046	(1)
Clerical personnel	12,838	12,962	12,961	(1)
Educational assistants	54,046	53,184	53,183	(1)
Other salaries and wages	25,732	25,732	25,731	(1)
Non-certified substitute teachers	5,000	7,430	7,398	(32)
Social security taxes	19,173	18,832	18,909	77
State retirement	26,857	28,375	28,374	(1)
Medical insurance	32,452	15,959	15,959	-
Medicare taxes	4,484	4,413	4,432	19
Other fringe benefits	1,206	1,650	1,633	(17)
Maintenance and repair - equipment	1,650	1,650	1,558	(92)
Travel	1,000	4,047	4,099	52
Other Contracted Services	1	10,122	10,121	(1)
Instructional supplies	16,797	21,254	21,253	(1)
Total Early Childhood Education	417,862	421,713	421,713	-

The accompanying notes are an integral part of the financial statements.

TRENTON SPECIAL SCHOOL DISTRICT
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budget			Variance
	Original	**Final**	**Actual**	**Over (Under)**
Total operation of non-instructional services	421,042	444,782	441,713	(3,069)
Education Capital Outlay				
Regular capital outlay				
Contracted services	-	3,389,493	2,634,875	(754,618)
Building improvements	253,402	253,402	227,067	(26,335)
Total regular capital outlay	253,402	3,642,895	2,861,942	(780,953)
Education Debt Service				
Principal on bonds	420,000	420,000	420,000	-
Principal on other loans	105,000	164,000	78,730	(85,270)
Interest on bonds	878,983	878,983	963,872	84,889
Total education debt service	1,403,983	1,462,983	1,462,602	(381)
Total expenditures	12,910,503	16,390,412	14,648,157	(1,742,255)
Revenues over (under) expenditures	**(567,398)**	**(3,956,891)**	**(1,863,198)**	**2,093,693**
Other financing sources (uses)				
Proceeds on issuance of debt	-	3,389,493	3,389,493	-
Total other financing sources (uses)	-	3,389,493	3,389,493	-
Net change in fund balance	$ (567,398)	$ (567,398)	**1,526,295**	$ 2,093,693
Fund balance - beginning			5,869,107	
Fund balance - ending			$ 7,395,402	

The accompanying notes are an integral part of the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Reporting Entity - The Trenton Special School District is a public municipal corporation governed by a five- member board. It operates three schools: Trenton Elementary School, Trenton Rosenwald Middle School, and Trenton Peabody High School. The District's general purpose financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

Based on the aforementioned criteria, the Trenton Special School District has no component units.

The financial statements of the Trenton Special School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

B. District-wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are the only activities of the District. The District does not maintain any business-type activities.

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

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

The General Purpose School Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

Amounts reported as program revenues include: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements.

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

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

Deposits and Investments
The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and certificates of deposit with a term of less than three months. State statutes authorize the District to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations guaranteed by the U.S. government or its agencies, repurchase agreements and the state's investment pool.

Receivables and Payables
During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

A portion of the property taxes collected each year by Gibson County is specifically earmarked for the Trenton Special School District. The County collects the property taxes and sends the District its portion once a month. Property taxes attach as an enforceable lien on property as of January 1.

Taxes are levied and mailed on October 1. The payment due dates are October 1 through February 28 and become delinquent on March 1. The property taxes are collected by the Trustee of Gibson County and remitted to the District. District property tax revenues are recognized in the period for which they were levied.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered “available spendable resources”, since they do not represent net current assets. Recognition of governmental fund type revenues represented by non-current receivables is deferred in the governmental fund statements until they become current receivables.

Inventory
Inventory for the Gibson County School Bus Garage consists of repair parts and oil and is reported using the purchases method. An annual physical inventory count is performed at the end of each fiscal year and used to adjust inventory to actual. The Cafeteria Fund maintains an inventory consisting of food supplies using the purchases method and expenses inventory when purchased throughout the year. At year-end, the actual cost of the items in inventory is used to capitalize the inventory, with a corresponding entry to nonspendable fund balance in the Cafeteria Fund. For the government-wide statements, inventory is reported using the consumption approach.

Capital Assets
Capital assets, including property, plant, and equipment, are reported in the district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $15,000 for equipment, vehicles, building improvements and buildings and an estimated useful life in excess of three years. The remaining capital outlay expenditures will be expensed. All land, construction in progress, and works of art will be included. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Capital assets of the District are depreciated using the straight line method over their estimated useful lives, summarized as follows:

Infrastructure, buildings and improvements	20 - 40 years
Machinery and equipment	7 - 15 years
Furniture and fixtures	5 years
Vehicles	5 - 10 years

Compensated Absences
Certified employees of the Trenton Special School District are entitled to one day of sick leave for each month employed and two personal days a year. Sick leave days are accumulated from year to year, with no maximum total. Personal days are not accumulated, but the remaining amount at the end of each year is added to the sick leave accumulation. An accrual is not required since all sick and personal days that are not used are added to the length of service for each employee at retirement. Therefore, there are no monetary values associated with accumulated sick leave or personal leave.

Non-certified employees are entitled to one-half of one day of sick leave for each month employed. Sick leave days are accumulated from year to year, with no maximum total. Upon retirement non-certified employees' unused sick leave is added to length of service for each employee. Non-certified employees receive $20 per unused sick day upon discontinued employment. A reserve for unused sick days has been apportioned for this purpose. Noncertified employees receive two personal days per year.

Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is 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.

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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The items that qualify for reporting in this category as of June 30, 2019 are pension related deferred outflows as identified on page 12.

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 acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The items that qualify for reporting in this category as of June 30, 2019 are unavailable revenue as identified on pages 12 and 15 and pension related deferred inflows as listed on page 12.

Pensions and OPEB

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

Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Equity
As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

Nonspendable fund balance
This classification includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted fund balance
This classification includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted with the consent of resource providers.

Committed fund balance
This classification includes amounts that can only be used for the specific purposes determined by a formal action of the District's highest level of decision-making authority, the Board of Education of the Trenton Special School District. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally (for example: resolution).

Assigned fund balance
This classification includes amounts intended to be used by the District for specific purposes that are neither restricted nor committed. The Board and its designees (the Director of Schools) have the authority to assign amounts to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as nonspendable, restricted, or committed.

Unassigned fund balance
This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Fund balance flow assumptions
Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Impact of Recently Issued Accounting Pronouncements
In March 2018, the GASB issued Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective for financial statements for periods beginning after June 15, 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Management has implemented this statement in the current financial statements.

NOTE 2 - RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the District-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this ($20,441,968) difference are as follows:

School Bonds, Series 2012	$	(1,065,000)
School Bonds, Series 2010A		(4,375,000)
School Bonds, Series 2010B		(11,100,000)
School Energy Lease, Series 2018		(3,310,763)
		(19,850,763)
OPEB		(716,860)
Bond Premium (Discount)		125,655
	$	(20,441,968)

Another element of that reconciliation explains that “capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this $30,729,009 are as follows:

Land	$	266,057
Infrastructure		3,796
Buildings and improvements		29,797,357
Other capital assets		661,799
Total capital assets, net of accumulated depreciation	$	30,729,009

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the District-wide Statement of Activities

The reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the district-wide statement of activities. One element of that reconciliation states that, "the repayment of the principal of long-term debt consumes the current financial resources of governmental funds; however, these repayments have no effect on net position." The details of this $498,730 are as follows:

Principal repayments:		
School Bonds, Series 2012	$	25,000
School Bonds, Series 2010A		395,000
School Energy Lease, Series 2018		78,730
	$	498,730

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
2. Formal budgetary integration is employed as a management control device during the year for the general and special revenue funds.
3. Budgets are adopted on a basis consistent with generally accepted accounting principles.
4. The District's policy is to not allow expenditures to exceed budgetary amounts at the total function level. During the fiscal year 2019, the Other Student Support function in the Public Law Fund exceeded their budgetary amounts by $258.

NOTE 4 - DETAILED NOTES ON ACCOUNTS

A. Deposits and Investments

At June 30, 2019, the District's deposits with local banks were covered by federal depository insurance or collateralized by securities held by the District's agent in the District's name. The District has also invested $3,145,649 in the Tennessee Local Government Investment Pool (TLGIP). The TLGIP is collateralized by the State of Tennessee. Therefore, all funds deposited in the TLGIP are secured.

Custodial Credit Risk - The District's policies limit deposits and investments to those instruments allowed by applicable state laws as described in Note 1. State statute requires that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the Board's agent in the Board's name, or by the Federal Reserve Banks acting as third party agents. State statutes also authorize the District to invest in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2019, all deposits met the District's policy.

B. Receivables

Receivables at year end for the District's individual major fund and non-major funds in the aggregate, are shown on the statement of net position and the balance sheet for governmental funds. As of June 30, 2019, there were no allowances for uncollectible accounts.

Property tax receivable is unavailable (fund statements and statement of net position) due to the 2019 tax levy not being due and payable until October 2019. Therefore, the funds are not available to the District as of June 30, 2019.

C. Interfund Balances

Interfund balances consist of amounts owed to the General Purpose Fund from the Public Law Fund to be in compliance with the State to prevent negative cash balance, as well as to reimburse General Purpose Fund expenses paid on behalf of Public Law Fund. The Public Law Fund has repaid the General Purpose Fund $133,704 as of September 12, 2019.

The amounts owed to the General Purpose Fund from the Cafeteria Fund and the Bus Garage Fund were to reimburse the General Purpose Fund for the expenses paid on behalf of the Cafeteria Fund and the Bus Garage Fund. These amounts were repaid as of July 19, 2019.

The amount owed from the General Purpose Fund to the Public Law Fund was to reimburse the Public Law Fund for expenses that should have been paid out of the General Purpose Fund. This amount will be repaid during the fiscal year 2020.

At June 30, 2019, interfund balances consisted of the following:

	Due to:		
Due from:	General Purpose Fund	Public Law Fund	Total
Public Law Fund	$ 133,704	$ -	$ 133,704
Cafeteria Fund	41,783	-	41,783
Bus Garage Fund	5,000	-	5,000
General Purpose Fund	-	250	250
	$ 180,487	$ 250	$ 180,737

D. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 266,057	$ -	$ -	$ 266,057
Capital assets being depreciated:				
Infrastructure	26,575	-	-	26,575
Buildings and Improvements	41,393,380	2,583,523	-	43,976,903
Other capital assets	1,481,961	98,482	10,000	1,570,443
Total capital assets being depreciated	42,901,916	2,682,005	10,000	45,573,921
Less accumulated depreciation for:				
Infrastructure	(18,982)	(3,797)	-	(22,779)
Buildings and Improvements	(12,987,381)	(1,192,165)	-	(14,179,546)
Other capital assets	(804,619)	(114,025)	(10,000)	(908,644)
Total accumulated depreciation	(13,810,982)	(1,309,987)	(10,000)	(15,110,969)
Total capital assets being depreciated	29,090,934	1,372,018	-	30,462,952
Governmental activities capital assets, net	$ 29,356,991	$ 1,372,018	$ -	$ 30,729,009

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

Support services	$ 64,395
Non-instructional services	1,245,592
	$ 1,309,987

E. TCRS Stabilization Trust

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

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

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

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

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

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

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

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

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

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

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter’s NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2019, the District had the following investments held by the trust on its behalf.

Investment	Fair Value
Investments at Fair Value:	
U.S. Equity	$ 5,004
Developed Market International Equity	2,259
Emerging Market International Equity	645
U.S. Fixed Income	3,227
Real Estate	1,614
Short-term Securities	161
Investments at Amortized Cost using the NAV:	
Private Equity and Strategic Lending	3,227
Total	$ 16,137

TRENTON SPECIAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Investment by Fair Value Level	Fair Value 6/30/19	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value Measurements Using: Significant Other Observable Inputs (Level 2)	Fair Value Measurements Using: Significant Unobservable Inputs (Level 3)	Amortized Cost: NAV
U.S. Equity	$ 5,004	$ 5,004	$ -	$ -	$ -
Developed Market International Equity	2,259	2,259	-	-	-
Emerging Market International Equity	645	645	-	-	-
U.S. Fixed Income	3,227	-	3,227	-	-
Real Estate	1,614	-	-	1,614	-
Short-term Securities	161	-	161	-	-
Private Equity and Strategic Lending	3,227	-	-	-	3,227
Total	$ 16,137	$ 7,908	$ 3,388	$ 1,614	$ 3,227

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

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

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

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

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

For further information concerning the District's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at:
https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2019/ag18092.pdf

F. General Long-Term Debt

Bonds Payable

The 2012 Limited Tax School Refunding Bonds were issued in the amount of $1,265,000 with interest rates ranging from 1.00% to 2.00%. Interest payments are due semi-annually on November 1 and May 1, with principal payments due annually on May 1. Final maturity is May 1, 2023. There was no economic gain or loss resulting from the transaction.

The 2010A Limited Tax School Bonds were issued in the amount of $6,670,000 with interest rates ranging from 2.00% to 4.13%. Interest payments are due semi-annually on November 1 and May 1, with principal payments due annually on November 1 for the years 2012 thru 2021 and for the years 2024 thru 2029. Final maturity is May 1, 2029.

The 2010B Limited Tax School Bonds were issued in the amount of $11,100,000 with interest rates ranging from 5.93% to 6.13%. Interest payments are due semi-annually on November 1 and May 1, with principal payments due annually on November 1 for the years 2029 thru 2040. Final maturity is May 1, 2040. This is a Build America Bond. The District is responsible for the full amount of the interest payment; however, if the District completes and sends a form to the Internal Revenue Service timely, the Internal Revenue Service will pay 35% of the District's interest. Therefore, the District is recognizing revenue for the Internal Revenue Service's portion.

Capital Lease Payable

On September 26, 2018, Trenton Special School District entered into a master lease purchase agreement with Pinnacle Public Finance, Inc., a Delaware corporation (the Lessor), to finance the District's Energy Efficiency Project which includes capital improvements made to the buildings of the three schools of the District (the Improvements). The lease is collateralized by the Improvements. The amount of the master lease purchase agreement is $3,389,493, and payments are due annually, starting on June 1, 2019, at 3.68% interest rate, with the last payment due date of June 1, 2037. The District has the option to purchase the Lessor's interest in all of the improvements covered by the agreement upon giving a written notice to the Lessor at least 60 days before the date of the purchase, plus an amount equaling to a) 101% of the outstanding principal balance plus accrued interest to the prepayment date, if the prepayment date is on or prior to September 26, 2023, or b) 100% of the outstanding principal balance plus accrued interest to the prepayment date if the prepayment date is after September 26, 2023. The lease agreement contains an event of default that allows the Lessor to change the timing of repayment of outstanding amounts to become immediately due if the District is unable to make payment, and/or retake possession of any and all collateralized Improvements.

A summary of changes in general long-term debt for the year ended June 30, 2019, is as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
2010A Bonds	$ 4,770,000	$ -	$ 395,000	$ 4,375,000	$ 415,000
2010B Bonds	11,100,000	-	-	11,100,000	-
2012 Bonds	1,090,000	-	25,000	1,065,000	25,000
School Energy Lease, Series 2018	-	3,389,493	78,730	3,310,763	67,038
Bond discount	(148,049)	-	(21,097)	(126,952)	(27,097)
Bond premium	1,668	-	371	1,297	371
Total obligation debt	$ 16,813,619	$ 3,389,493	$ 478,004	$ 19,725,108	$ 480,312

A summary of estimated annual debt service requirements for the District is shown below.

	Bonds		Capital Lease		
June 30,	Principal	Interest	Principal	Interest	Total
2020	$ 440,000	$ 866,633	$ 67,038	$ 121,836	$ 1,495,507
2021	460,000	853,164	86,151	119,369	1,518,684
2022	500,000	838,602	94,452	116,199	1,549,253
2023	515,000	830,102	116,702	112,723	1,574,527
2024	555,000	821,089	126,937	108,428	1,611,454
2025-2029	3,245,000	3,746,186	810,471	463,736	8,265,393
2030-2034	4,200,000	2,826,145	1,171,336	289,517	8,486,998
2035-2039	5,375,000	1,401,096	837,676	60,060	7,673,832
2040	1,250,000	76,563	-	-	1,326,563
	$ 16,540,000	$ 12,259,580	$ 3,310,763	$ 1,391,868	$ 33,502,211

G. Designations of Fund Equity

The following funds had nonspendable, restricted, or assigned fund balances as of June 30, 2019:

	General Purpose	Public Law	Cafeteria	Bus Garage	Total
Nonspendable					
Inventory	$ -	$ -	$ 71,024	$ 58,363	$ 129,387
Restricted					
Education	182,956	-	-	-	182,956
Instruction	4,778	-	-	-	4,778
Capital projects	754,618	-	-	-	754,618
Stabilization reserve trust	16,137	-	-	-	16,137
Operation of non-instructional services	-	-	198,753	8,294	207,047
Assigned					
Instruction - textbooks	100,000	-	-	-	100,000
Capital outlay	1,697,682	-	-	-	1,697,682
Debt service	39,644	-	-	-	39,644
Fiscal year 2020 budget	581,241	-	-	-	581,241
Other purposes	180,993	100,000	-	-	280,993
	$ 3,558,049	$ 100,000	$ 269,777	$ 66,657	$ 3,994,483

The $180,993 fund balance assigned for other purposes in the General Purpose Fund were for the purposes of technology, chromebooks, a bus, unemployment, accrued leave, band, insurance, speech, STEM, and backpack program. The $100,000 fund balance assigned for other purposes in the Public Law Fund was for the purpose of preventing a negative cash balance in this fund.

NOTE 5 – OTHER INFORMATION

A. Insurance Coverage

The System is exposed to various risks related to workers' compensation, general liability, automobile liability, and property. The System felt it was more economically feasible to join public entity risk pools as opposed to purchasing commercial insurance for these areas. The System is a member of the Tennessee Risk Management Trust (TNRMT), which is a public entity risk pool. The System pays an annual premium to this pool for coverage under the above areas. The Pool provides the specified coverage and pays all claims from its member premiums charged or through its reinsurance policies. The System's premiums are calculated based on its claims history. The System continues to carry commercial insurance for all other risks of loss, including public officials' bond. Settled claims from these losses have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Pensions

I, Teacher Legacy Pension Plan of Tennessee Consolidated Retirement System

Plan description

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

Teachers employed by Trenton Special School District 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 Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

Benefits provided

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

Contributions

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy

Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Trenton Special School District for the year ended June 30, 2019 to the Teacher Legacy Pension Plan were $509,018 which is 10.46 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

At June 30, 2019, Trenton Special School District reported an asset of $488,177 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial value as of that date. Trenton Special School District's proportion of the net pension liability was based on Trenton Special School District's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018 Trenton Special School District's proportion was 0.138729 percent. The proportion measured as of June 30, 2017 was 0.142372 percent.

Pension expense

For the year ended June 30, 2019, Trenton Special School District recognized a negative pension expense of $(147,354).

Deferred outflows of resources and deferred inflows of resources

For the year ended June 30, 2019, Trenton Special School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 98,677	$ 658,590
Changes in assumptions	288,320	-
Net difference between projected and actual earnings on pension plan investments	-	106,248
Changes in proportion of Net Pension Liability (Asset)	23,275	32,727
Contributions subsequent to the measurement date of June 30, 2018	509,018	-
Total	$ 919,290	$ 797,565

Trenton Special School District employer contributions of $509,018, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	$ 93,024
2021	(163,512)
2022	(269,188)
2023	(47,617)
2023	-
Thereafter	-

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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

Discount rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the all 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 Trenton Special School District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what Trenton Special School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Trenton Special School District's proportionate share of the net pension liability (asset)	$ 3,763,178	$ (488,177)	$ (4,005,581)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Payable to the Pension Plan

At June 30, 2019, Trenton Special School District reported a payable of $0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2019.

II. Teacher Retirement Plan of Tennessee Consolidated Retirement System

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

Teachers employed by Trenton Special School District with memberships in 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 Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

Teacher Retirement Plan is also known as the Hybrid Retirement Plan for State Employees and Teachers, or the “Hybrid Plan”. There are two components to the Hybrid Plan, a defined benefit component and a defined contribution component. Details of each component are described below:

a. Defined Benefit Component of the Hybrid Plan

Benefits provided
Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member’s age and service credit total 90. Benefits are determined by a formula using the member’s highest five consecutive years average compensation and the member’s years of service credit. A reduced early retirement benefit is available at age 60 and vested 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 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including 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 or by automatic cost controls set out in law. Teachers contribute 5 percent of salary. The LEAs make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except in years when the maximum funded level, as established 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 by Trenton Special School District for the year ended June 30, 2019 to the Teacher Retirement Plan were $14,854 which is 1.94 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, 2019, Trenton Special School District reported an asset of $37,653 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018, and the total pension asset used to calculate the net pension asset was determined by an actuarial value as of that date. Trenton Special School District's proportion of the net pension asset was based on Trenton Special Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, Trenton Special School District's proportion was 0.083023 percent. The proportion measured as of June 30, 2017 was 0.070478 percent.

Pension Expense
For the year ended June 30, 2019, Trenton Special Schools recognized pension expense of $12,815.

Deferred outflows of resources and deferred inflows of resources
For the year ended June 30, 2019, Trenton Special School District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,133	$ 1,500
Net difference between projected and actual earnings on pension plan investments	-	2,127
Changes in assumptions	1,776	-
Changes in proportion of Net Pension Liability (Asset)	3,701	3,986
Contributions subsequent to the measurement date of June 30, 2018	14,854	-
Total	$ 22,464	$ 7,613

Trenton Special School District's employer contributions of $14,854 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as a reduction in net pension liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	$ (318)
2021	(386)
2022	(689)
2023	(133)
2024	150
Thereafter	1,373

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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

Discount rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the all 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 Trenton Special School District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what Trenton Special School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1- percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Trenton Special School District's proportionate share of the net pension liability (asset)	$ 5,821	$ (37,653)	$ (69,684)

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

Payable to the Pension Plan
At June 30, 2019, Trenton Special School District reported a payable of $0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2019.

b. <u>Defined Contribution Component of the Hybrid Plan</u>

Upon first becoming a public-school teacher in the Hybrid Plan, 2% of the employee's compensation will be deferred automatically into the defined contribution component of the Hybrid Plan unless the employee makes an affirmative election not to contribute. The System will make a contribution to the defined contribution component of the plan on behalf of each member which equals to 5% of the member's compensation, regardless of whether the member makes any employee contribution. The 5% employer contribution rate is established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees immediately vest in the employee and employer contributions to the defined contribution portion of the Hybrid Plan.

During the fiscal year 2019, the System contributed a total of $37,648 in the defined contribution portion of the Hybrid Plan. There were no forfeitures during the year ended June 30, 2019 and the District reported a payable of $0 for the outstanding amount of contributions to the pension plan required at June 30, 2019.

<u>III. Political Subdivision Pension Plan</u>

Plan description
Employees of Trenton Special School District are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of 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 publically available financial report that can be obtained at https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment- Policies.

Benefits provided
Tennessee Code Annotated, Title 8, Chapters 34-37, establishes 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 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation

and the member's service credit. Reduced benefits for early retirement are available at age 55 and vested. 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 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees covered by benefit terms

At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled to but not yet receiving benefits	94
Active employees	59
	206

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary Trenton Special School District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, the employer contributions for Trenton Special School District were $70,359 based on a rate of 5.02 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Trenton Special School District's state shared taxes if required employer contributions are not remitted. The employer's 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)

Trenton Special School District's net pension liability (asset) was measured as of June 30, 2018, and the total pension liability 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 June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Trenton Special School District 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 Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at 6/30/17	$ 4,836,772	$ 5,087,023	$ (250,251)
Changes for the year:			
Service cost	135,842	-	135,842
Interest	350,818	-	350,818
Differences between expected and actual experience	(182,282)	-	(182,282)
Changes in assumptions	-	-	-
Contributions- employer	-	67,179	(67,179)
Contributions- employees	-	66,913	(66,913)
Net investment income	-	416,488	(416,488)
Benefit payments, including refunds of employee contributions	(267,492)	(267,492)	-
Administrative expense	-	(5,507)	5,507
Net changes	36,886	277,581	(240,695)
Balance at 6/30/18	$ 4,873,658	$ 5,364,604	$ (490,946)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate
The following presents the net pension liability (asset) of Trenton Special School District 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 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's net pension liability (asset)	$ 115,572	$ (490,946)	$ (996,705)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense
For the year ended June 30, 2019, Trenton Special School District recognized a negative pension expense of $(89,795).

Deferred outflows of resources and deferred inflows of resources
For the year ended June 30, 2019, Trenton Special School District reported deferred outflows of

resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,281	$ 337,133
Net difference between projected and actual earnings on pension plan investments	-	18,949
Changes in assumptions	57,379	
Contributions subsequent to the measurement date of June 30, 2018	70,359	-
Total	$ 131,019	$ 356,082

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2018,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ended June 30:	
2020	$ (65,241)
2021	(86,693)
2022	(132,947)
2023	(10,541)
2024	-
Thereafter	-

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

Payable to the Pension Plan
At June 30, 2019, Trenton Special School District reported a payable of $0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2019.

C. Postemployment Healthcare Plans

i. Trenton Special School District OPEB Plan

Plan Description
The District contracted with CIGNA to provide a fully-insured, single-employer, defined benefit OPEB plan known as the Trenton Special School District OPEB Plan. The Plan provides medical, dental, and vision benefits to eligible retirees and their covered dependents. The obligation for payment of benefits has been effectively transferred from Trenton Special School District to CIGNA. The District has not guaranteed benefits in the event CIGNA becomes insolvent. Benefits are established and amended by the Trenton Special School District’s Board of Education.

Starting on January 1, 2019, the District terminated the Trenton Special School District's OPEB Plan and joined the state-administered Local Education Health Insurance Plan (TGOP). Due to the change in the OPEB plan, the measurement date of the District's Net OPEB Liability was also changed. In prior year, the measurement date of the District's Net OPEB Liability was the same as the District's fiscal year end date. However, with the change of OPEB Plan, the measurement date of the District's Net OPEB Liability is now 12-month earlier than the District's most recent fiscal year end date. For fiscal year ended June 30, 2019, the measurement date is June 30, 2018.

Funding Policy
The premium requirements of plan members are established and may be amended by CIGNA.

Annual OPEB Cost and Net OPEB Obligation
Changes in the District's Net OPEB Liability. Changes in the Utility's net OPEB liability measured at June 30, 2018 is detailed in the following table. The table below shows the net OPEB liability as of June 30, 2018, which is what is reported in the financial statements in accordance with GASB Statement No. 75. Total OPEB Liability was rolled forward to June 30, 2018 in order to be in compliance with GASB Statement No. 75.

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability (Asset) (a) - (b)**
July 1, 2017	$ 742,675	$ -	$ 742,675
Changes for the year:			
Service cost	31,907	-	31,907
Interest	28,383	-	28,383
Differences between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contributions- employer	-	-	-
Net investment income	-	-	-
Benefit payments,	(86,105)	-	(86,105)
Administrative expense	-	-	-
Net change in total OPEB liability	(25,815)	-	(25,815)
June 30, 2018	$ 716,860	$ -	$ 716,860

Actuarial Methods and Assumptions
The valuation was based on information provided by the District as of June 30, 2018.

Plan Demographic Information
The following table summarizes active and retiree demographic information for the medical plan.

Status	Employee Only	Employee & Dependents
Active (100)	40	60
Retired - receiving benefits (14)	12	2
Continuing Spouse (4)	4	-
	56	62

Benefits Provided
For medical benefits, all active employees who retire directly from the District and are age 60 with 5 years of service or have 30 years of service without regard to age can participate. Surviving spouses of eligible retirees may be eligible to continue coverage. Provided coverage continues to age 65. The retirees contribute a percentage of the monthly contribution based on years of service at retirement. These percentages are 75% for years of service less than 20; 65% for years of service 20-29; and 55% for years of service equal or greater than 30. The District pays the remaining percentage of the monthly contribution for each eligible retiree.

For dental and vision benefits, all active employees who retire directly from the District may participate with the retirees paying 100% of the contribution.

Actuarial assumptions
The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Methods and Assumptions Used to Determine Total OPEB Liability

Actuarial Method	Individual Entry Age Normal Cost Method - Level Percentage of Projected Salary
Service Cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.
Total OPEB Liability	The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.
Average Per Capita Claim Cost	

Age	Medical
50	7,189
51	7,405
52	7,627
53	7,856
54	8,092
55	8,334

	56	8,585
	57	8,842
	58	9,107
	59	9,381
	60	9,662
	64	10,875
Healthcare Cost Trend Rates		Level 5.50%
Effect of ACA		The excess coverage excise tax penalty of the Affordable Care Act has been postponed until the plan year beginning in 2022 and was not included in the projection of benefits. This plan has current medical costs well under the limits in current law. Current legislative discussions include both repeal of the excise tax and postponement beyond 2022.
Mortality		RPH-2014 Total Table with Projection MP-2017
Turnover		Rates varying based on unisex age and select and ultimate at 3 years. Rates based on the TCRS actuarial assumptions from the 2017 retirement plan valuation report.
Disability		None assumed
Retirement Age		The retirement rates were developed from the assumption used in the 2017 actuarial report for the TCRS retirement plans.
Coverage		100% of all retirees who currently have healthcare coverage will continue under the coverage at retirement. 65% of all actives who currently have healthcare coverage will continue with coverage upon retirement. 35% will continue with individual and spouse coverage and the remainder with individual coverage.

Discount rate

The discount rate used to measure the total OPEB liability was 3.88 percent. Since there were no plan assets held in a qualifying trust, the Bond Buyer GO Bond 20 Index was used for determining the discount rate.

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following represents the Net OPEB Liability calculated using the stated health care cost trend assumption, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1-percentage point higher than the assumed trend rate:

A.	Net OPEB liability at current trend rate (5.50%)	$716,860
B.	Net OPEB liability at with 1% decrease (4.50%)	$663,044
C.	Net OPEB liability at with 1% increase (6.50%)	$778,884

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following represents the Net OPEB Liability calculated using the stated discount rate, as well as what the Net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1-percentage point higher than the current rate:

A. Net OPEB liability at current discount rate (3.88%)	$716,860
B. Net OPEB liability at with 1% decrease (2.88%)	$761,368
C. Net OPEB liability at with 1% increase (4.88%)	$675,158

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources
For the year ended June 30, 2019, the District recognized OPEB expense of $0. At June 30, 2019, the District reported no deferred outflows or inflows of related to OPEB liability related to this plan.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to discount, trend rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Payment of Benefits. Benefits are recorded when the participant has met all of the Plan requirements to receive a benefit. At June 30, 2019 no benefits were payable and not paid.

Administrative *Expenses.* Qualified Plan administrative expenses are paid by the Plan. During the year ended June 30, 2019 administrative expenses paid were $0.

ii. ***The Tennessee Plan***

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

Benefits provided
The state offers the TNP to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TN plan does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNP are established and amended by cooperation of insurance committees created by TCA 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The District do not provide direct subsidy for post-65 retiree insurance coverage. The state, as a governmental nonemployer contributing entity contributes to the premiums of eligible retirees of local education agencies based on years of service. Therefore, retirees with 30 years of service receive $50 per month; 20 but less than 30 years, $37.50; and 15 but less than 20 years, $25. The TNP is funded on a pay-as-you-go basis

and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Employees covered by benefit terms
At July 1, 2018, the following employees of the District was covered by the benefit terms of the TNP:

Inactive employees or beneficiaries currently receiving benefits	49
Inactive employs entitled to but not yet receiving benefits	13
Active employees	51
	113

In accordance with TCA 8-27-209, the state insurance committees established by TCAs 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the District did not make any payments to the TNP for OPEB benefits as they came due.

Total OPEB Liability

Actuarial assumptions
The collective total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25 percent
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4.00 percent
Healthcare cost trend rate	The premium subsidies provided to retirees in the Tennessee Plan are assumed to remain unchanged for the entire projection, therefore trend rates are not applicable.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 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.

Discount rate
The discount rate used to measure the total OPEB liability was 3.62 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Fidelity 20-Year Municipal GO AA index.

Changes in Collective Total OPEB Liability

	Total OPEB liability
Balance at June 30, 2017	$ 475,701
Changes for the year	
Service cost	5,488
Interest	16,687
Changes of benefit terms	-
Differences between expected and actual experience	9,932
Changes of assumptions	(3,458)
Benefit payments	(24,884)
Net change	3,765
Balance at June 30, 2018	$ 479,466
Nonemployer contributing entities proportionate share of the collective total OPEB liability	$ 479,466
Employer's proportionate share of the collective total OPEB liability	$ -
Employer's proportion of the collective total OPEB liability	0.00%

The District has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TNP. The District's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefits paid through the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The District's proportion of 0% did not change from the prior measurement date. The District recognized $18,392 in revenue for support provided by nonemployer contributing entities for benefits paid to the TNP for the District's retired employees.

Changes in assumptions
The discount rate was changed from 3.56% as of the beginning of the measurement period to 3.62% as of June 30, 2018. This change in assumption decreased the total OPEB liability.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the fiscal year ended June 30, 2019, the District recognized OPEB expense of $18,392. At June 30, 2019, the District reported no deferred outflows or inflows of related to OPEB liability related to

this plan.

E. Leases

Operating Leases

The District has entered into three lease agreements as a lessee for copiers on two agreements and a postage machine on the third agreement. These lease agreements qualify as operating leases for accounting purposes. The first copier lease is for a forty-eight month period with monthly payments of $435. The second copier lease is for a sixty month period with monthly payments of $417. The postage machine lease is for a forty-eight month period with monthly payments of $65.

The future minimum lease payments as of June 30, 2019, were as follows:

Year Ended June 30,	
2020	$ 3,739
2021	653
	4,392

The lease expenses for the year ended June 30, 2019 was $10,484.

REQUIRED SUPPLEMENTARY INFORMATION

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET
TEACHER LEGACY PENSION PLAN OF TCRS
Last Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
District's proportion of the net pension liability (asset)	0.137686%	0.137853%	0.136653%	0.142372%	0.138729%
District's proportionate share of the net pension liability (asset)	$ (22,373)	$ 56,469	$ 854,005	$ (46,581)	$ (488,177)
District's covered payroll	$ 5,404,168	$ 5,160,524	$ 4,932,895	$ 5,032,794	$ 4,857,855
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.41%	1.09%	17.31%	-0.93%	-10.05%
Plan fiduciary net position as a percentage of the total pension liability	100.08%	99.81%	97.14%	100.14%	101.49%

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

See independent auditor's report.

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
TEACHER LEGACY PENSION PLAN OF TCRS
Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019
Contractually required contribution	$ 479,890	$ 466,511	$ 445,934	$ 454,964	$ 441,093	$ 509,018
Contributions in relation to the contractually required contribution	479,890	466,511	445,934	454,964	441,093	509,018
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 5,404,168	$ 5,160,524	$ 4,932,895	$ 5,032,794	$ 4,857,855	$ 4,866,314
Contributions as a percentage covered payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%

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

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

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET
TEACHER RETIREMENT PLAN OF TCRS
Fiscal Year Ended June 30*

	2016	2017	2018	2019
District's proportion of the net pension asset	0.066070%	0.106690%	0.070478%	0.083023%
District's proportionate share of the net pension asset	$ (2,714)	$ (11,107)	$ (18,595)	$ (37,653)
District's covered employee payroll	$ 140,166	$ 469,447	$ 462,577	$ 725,527
District's proportionate share of the net pension asset as a percentage of its covered-employee payroll	-1.94%	-2.37%	-4.02%	-5.19%
Plan fiduciary net position as a percentage of the total pension liability	127.46%	121.88%	126.81%	126.97%

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

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

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
TEACHER RETIREMENT PLAN OF TCRS
Fiscal Year Ending June 30

	2015	2016	2017	2018	2019
Actuarially determined contribution (ADC)	$ 3,504	$ 11,751	$ 18,503	$ 11,831	$ 14,854
Contributions in relation to the actuarially determined contributions	5,607	18,778	18,503	29,021	14,854
Contribution deficiency (excess)	$ (2,103)	$ (7,027)	$ -	$ (17,190)	$ -
Covered-employee payroll	$ 140,166	$ 469,447	$ 462,577	$ 725,527	$ 765,632
Contributions as a percentage covered-employee payroll	4.00%	4.00%	4.00%	4.00%	1.94%

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

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

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

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN TRENTON SPECIAL SCHOOL DISTRICT'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS

Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018
Total pension liability					
Service cost	$ 117,392	$ 121,946	$ 131,534	$ 134,593	$ 135,842
Interest	316,153	329,745	341,791	360,355	350,818
Changes in benefit terms	-	-	-	-	-
Difference between actual & expected experience	(70,100)	(93,634)	8,201	(302,826)	(182,282)
Change of assumptions	-	-	-	95,633	-
Benefit payments, including refunds of employee contributions	(191,347)	(182,189)	(231,882)	(242,249)	(267,492)
Net change in total pension liability	172,098	175,868	249,644	45,506	36,886
Total pension liability - beginning	4,193,656	4,365,754	4,541,622	4,791,266	4,836,772
Total pension liability - ending (a)	$ 4,365,754	$ 4,541,622	$ 4,791,266	$ 4,836,772	$ 4,873,658
Plan fiduciary net position					
Contributions - employer	$ 35,010	$ 55,553	$ 57,682	$ 70,088	$ 67,179
Contributions - employee	66,056	70,144	72,830	70,088	66,913
Net investment income	657,370	139,984	122,076	523,276	416,488
Benefit payments, including refunds of employee contributions	(191,347)	(182,189)	(231,882)	(242,249)	(267,492)
Administrative expense	(2,320)	(3,319)	(4,955)	(5,066)	(5,507)
Net change in plan fiduciary net position	564,769	80,173	15,751	416,137	277,581
Plan fiduciary net position - beginning	4,010,193	4,574,962	4,655,135	4,670,886	5,087,023
Plan fiduciary net position - ending (b)	$ 4,574,962	$ 4,655,135	$ 4,670,886	$ 5,087,023	$ 5,364,604
Net Pension Liability (Asset) - ending (a) - (b)	$ (209,208)	$ (113,513)	$ 120,380	$ (250,251)	$ (490,946)
Plan fiduciary net position as a percentage of total pension liability	104.79%	102.50%	97.49%	105.17%	110.07%
Covered - employee payroll	$ 1,321,093	$ 1,402,860	$ 1,456,593	$ 1,401,736	$ 1,338,227
Net pension liability (asset) as a percentage of covered-employee payroll	-15.84%	-8.09%	8.26%	-17.85%	-36.69%

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

Changes of assumptions. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

See independent auditor's report.

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF TRENTON SPECIAL SCHOOL DISTRICT'S CONTRIBUTIONS
BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	$ 35,010	$ 55,553	$ 57,682	$ 55,509	$ 67,179	$ 70,359
Contributions in relation to the actuarially determined contributions	35,010	55,553	57,682	70,088	67,179	70,359
Contribution deficiency (excess)	$ -	-	-	(14,579)	-	-
Covered-employee payroll	$ 1,321,093	$ 1,402,860	$ 1,456,593	$ 1,401,736	$ 1,338,227	$ 1,401,559
Contributions as a percentage covered-employee payroll	2.65%	3.96%	3.96%	5.00%	5.02%	5.02%

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

Notes to Schedule:
Valuation Date: Actuarially determined contribution rates for fiscal year 2019 were calculated based on the June 30, 2017 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.50 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of living adjustments	2.25 percent

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

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
For the Years Ended June 30,

Trenton Special School District OPEB Plan

Total OPEB Liability	**2019**
Service cost	$ 31,907
Interest	28,383
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Contribution - employer	-
Benefits Payments and Refunds	(86,105)
Net Change in Total OPEB Liability	(25,815)
Total OPEB Liability - beginning	**742,675**
Total OPEB Liability - ending	**$ 716,860**
Covered Employee Payroll	$ 6,609,359
Total OPEB Liability as a % of covered-employee payroll	10.85%

Notes to Schedule

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

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

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF NOTES TO OPEB REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ending June 30, 2019

Trenton Special School District OPEB Plan

Notes to OPEB Required Supplementary Information

Valuation date	June 30, 2018
Measurement date	June 30, 2018

Methods and Assumptions Used to Determine Total OPEB Liability

Actuarial Method	Individual Entry Age Normal Cost Method - Level Percentage of Projected Salary
Service Cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.
Total OPEB Liability	The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.
Discount Rate	3.88% (0.88% real rate of return plus 3.00% inflation)
Average Per Capita Claim Cost	

Age	Medical
50	7,189
51	7,405
52	7,627
53	7,856
54	8,092
55	8,334
56	8,585
57	8,842
58	9,107
59	9,381
60	9,662
64	10,875

Healthcare Cost Trend Rates	Level 5.50%
Effect of ACA	The excess coverage excise tax penalty of the Affordable Care Act has been postponed until the plan year beginning in 2022 and was not included in the projection of benefits. This plan has current medical costs well under the limits in current law. Current legislative discussions include both repeal of the excise tax and postponement beyond 2022.
Mortality	RPH-2014 Total Table with Projection MP-2017
Turnover	Rates varying based on unisex age and select and ultimate at 3 years. Rates based on the TCRS actuarial assumptions from the 2017 retirement plan valuation report.
Disability	None assumed
Retirement Age	The retirement rates were developed from the assumption used in the 2017 actuarial report for the TCRS retirement plans.
Coverage	100% of all retirees who currently have healthcare coverage will continue under the coverage at retirement. 65% of all actives who currently have healthcare coverage will continue with coverage upon retirement. 35% will continue with individual and spouse coverage and the remainder with individual coverage.

Other Information:

Notes	There were no benefit changes during the measurement period.

See independent auditor's report.

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
For the Years Ended June 30,

The Tennessee (Medicare Supplement) Plan

Total OPEB Liability	**2018**	**2019**
Service cost	$ 6,745	$ 5,488
Interest	14,963	16,687
Changes of benefit terms	-	-
Differences between expected and actual experience	-	9,932
Changes of assumptions	(39,407)	(3,458)
Contribution - employer	-	-
Benefits Payments and Refunds	(24,600)	(24,884)
Net Change in Total OPEB Liability	(42,299)	3,765
Total OPEB Liability - beginning	**518,000**	**475,701**
Total OPEB Liability - ending	**$ 475,701**	**$ 479,466**
Covered Employee Payroll	$ 6,511,048	$ 6,609,359
Total OPEB Liability as a % of covered-employee payroll	7.31%	7.25%

Notes to Schedule

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

The amounts reported for each fiscal year were determined as of the prior fiscal year-end.

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

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF NOTES TO OPEB REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ending June 30, 2019

The Tennessee (Medicare Supplement) Plan

Notes to OPEB Required Supplementary Information

Valuation date	June 30, 2018
Measurement date	June 30, 2018

Methods and Assumptions Used to Determine Total OPEB Liability

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	3.62%
Salary Increases	Salary increase rates used in the July 1, 2018 actuarial valuation of the Tennessee Consolidated Retirement System (TCRS); 3.44%-8.72%, including inflation
Retirement Age	Retirement rates used in the July 1, 2018 actuarial evaluation of the Tennessee Consolidated Retirement System (TCRS). They are based on the results of a statewideexperience study (undertaken on behalf of TCRS).
Mortality	Mortality tables used in the July 1, 2018 actuarial evaluation of the Tennessee Consolidated Retirement System (TCRS). They are based on the results of a statewide experience study (undertaken on behalf of TCRS).
Healthcare Cost Trend Rates	None, premium subsidies provided by the State and the Employer are assumed to remain unchanged for the entire projection.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Administrative expense are included in the per capita health costs

Other Information:

Notes	See the Actuarial Valuation Report as of July 1, 2018
	Changes in assumptions and other inputs include the change in the discount rate from 3.56% as of the beginning of the measurement period to 3.62% as of June 30, 2018. This change is reflected in the Schedule of Changes in Total OPEB Liability.
	There were no benefit changes during the measurement period.

SUPPLEMENTARY AND OTHER INFORMATION SECTION

TRENTON SPECIAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Special Revenue			
	Public Law Fund	**Cafeteria Fund**	**Bus Garage Fund**	**Total**
Assets				
Cash	$ 36,442	$ 189,468	$ 17,399	$ 243,309
Accounts receivable	-	1,215	-	1,215
Accounts receivable - grant	210,521	62,135	-	272,656
Due from other funds	250	-	-	250
Due from other governments	-	-	28,037	28,037
Inventories	-	71,024	58,363	129,387
Total assets	**$ 247,213**	**$ 323,842**	**$ 103,799**	**$ 674,854**
Liabilities and Fund Balance				
Liabilities				
Accounts payable	$ 13,509	$ 12,282	$ 32,142	$ 57,933
Due to other funds	133,704	41,783	5,000	180,487
Total liabilities	147,213	54,065	37,142	238,420
Fund Balance				
Nonspendable				
Inventory	-	71,024	58,363	129,387
Restricted				
Operation of non-instructional services	-	198,753	8,294	207,047
Assigned				
Assigned for other purposes	100,000	-	-	100,000
Total fund balance	100,000	269,777	66,657	436,434
Total liabilities fund balance	**$ 247,213**	**$ 323,842**	**$ 103,799**	**$ 674,854**

See independent auditor's report.

TRENTON SPECIAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	Special Revenue			
	Public Law Fund	Cafeteria Fund	Bus Garage Fund	Total
Revenues				
Local revenue	$ -	$ -	$ 386,496	$ 386,496
Charges for services	-	123,266	-	123,266
Federal and state funds	959,271	825,308	-	1,784,579
Commodities	-	78,155	-	78,155
Interest	-	484	-	484
Other income	-	-	1,379	1,379
Total revenues	959,271	1,027,213	387,875	2,374,359
Expenditures				
Current				
Instruction				
Regular instruction	146,463	-	-	146,463
Special education	236,686	-	-	236,686
Vocational education	16,331	-	-	16,331
Support services				
Other student support	16,185	-	-	16,185
Regular instruction	356,491	-	-	356,491
Special education	36,760	-	-	36,760
Vocational education	1,157	-	-	1,157
Board of education	70	-	-	70
Transportation	570	-	386,307	386,877
Non-instructional services				
Food service	-	985,320	-	985,320
Community Services	150,238	-	-	150,238
Total expenditures	960,951	985,320	386,307	2,332,578
Net change in fund balance	**(1,680)**	**41,893**	**1,568**	**41,781**
Fund balance - beginning	101,680	207,457	61,329	370,466
Increase (decrease) in reserves	-	20,427	3,760	24,187
Fund balance - ending	$ 100,000	$ 269,777	$ 66,657	$ 436,434

See independent auditor's report.

TRENTON SPECIAL SCHOOL DISTRICT
PUBLIC LAW FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budget Original	Budget Final	Actual	Variance Over (Under)
Revenues				
Federal and State funds	$ 1,044,175	$ 1,088,334	$ 959,271	$ (129,063)
Total Revenues	1,044,175	1,088,334	959,271	(129,063)
Expenditures				
Current				
Instruction				
Regular instruction	115,830	168,092	146,463	(21,629)
Special education	313,432	304,389	236,686	(67,703)
Vocational education	25,545	25,049	16,331	(8,718)
Support services				
Other student support	13,211	15,927	16,185	258
Regular instruction	377,200	381,512	356,491	(25,021)
Special education	40,591	43,120	36,760	(6,360)
Vocational education	1,157	1,157	1,157	-
Board of education	-	70	70	
Transportation	592	570	570	-
Food service	1,120	-	-	-
Community Services	153,712	150,238	150,238	-
Total expenditures	1,042,390	1,090,124	960,951	(129,173)
Net change in fund balance	**$ 1,785**	**$ (1,790)**	**(1,680)**	**$ 110**
Fund balance - beginning			101,680	
Fund balance - ending			$ 100,000	

TRENTON SPECIAL SCHOOL DISTRICT
CAFETERIA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	Budget			Variance
	Original	Final	Actual	Over (Under)
Revenues				
Student lunches	128,641	128,641	97,440	$ (31,201)
Adult lunches	30,000	30,000	24,982	(5,018)
Breakfast sales	748	748	844	96
State matching	32,271	32,271	7,289	(24,982)
USDA lunch funds	470,000	470,000	538,694	68,694
USDA breakfast funds	210,000	210,000	241,013	31,013
USDA other	65,000	65,000	78,155	13,155
Interest earned	100	100	484	384
Other state grants	30,000	35,000	34,633	(367)
Other revenues	5,707	5,707	3,679	(2,028)
Total revenues	972,467	977,467	1,027,213	49,746
Expenditures				
Supervisor/director	27,042	27,042	27,038	(4)
Clerical personnel	2,853	2,853	2,853	-
Cafeteria personnel	233,900	233,900	230,489	(3,411)
Other salaries	5,000	11,202	11,202	-
Employee benefits	79,222	80,382	74,817	(5,565)
Communication	450	450	44	(406)
Equipment maintenance	6,000	7,901	7,901	-
Travel and transportation	5,200	3,200	5,126	1,926
Other contracted services	13,500	6,315	6,318	3
Food services	436,000	431,000	428,647	(2,353)
Commodities	65,000	75,601	75,601	-
Uniforms	2,300	2,300	2,201	(99)
Utilities	25,000	25,097	25,097	-
In-service training	6,000	7,214	6,099	(1,115)
Supplies	45,000	43,009	38,476	(4,533)
Other charges	20,000	20,000	8,778	(11,222)
Capital outlay - equipment	65,000	65,000	34,633	(30,367)
Total expenditures	1,037,467	1,042,466	985,320	(57,146)
Net change in fund balance	**$ (65,000)**	**$ (64,999)**	**41,893**	**$ 106,892**
Fund Balance - beginning			207,457	
Increase (Decrease) in Reserve for Inventory			20,427	
Fund Balance - ending			$ 269,777	

See independent auditor's report.

TRENTON SPECIAL SCHOOL DISTRICT
GIBSON COUNTY SCHOOL BUS GARAGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

	Budget			Variance
	Original	Final	Actual	Over (Under)
Revenues				
Local revenues	$ 432,760	$ 432,760	$ 386,496	$ (46,264)
Other revenues	-	-	1,379	1,379
Total Revenues	432,760	432,760	387,875	(44,885)
Expenditures				
Salaries - mechanics	121,652	121,652	121,651	(1)
Salaries - other	22,216	22,216	22,214	(2)
Employee benefits	32,796	32,796	31,138	(1,658)
Travel	1,000	1,000	-	(1,000)
Communications	4,200	4,200	3,634	(566)
Laundry service	2,500	2,500	2,558	58
Medical and dental services	600	600	-	(600)
Other contracted services	4,596	4,596	4,597	1
Postal charges	400	400	220	(180)
Garage supplies	7,000	7,000	3,909	(3,091)
Fuel and lubricants	15,000	15,000	15,516	516
Other supplies and materials	3,800	3,800	2,197	(1,603)
Tires and tubes	44,000	44,000	43,285	(715)
Repair parts for vehicles	105,000	105,000	93,504	(11,496)
Insurance on vehicles	3,000	3,000	3,000	-
Other charges	35,000	35,000	20,079	(14,921)
Capital Outlay - Administrative Equipment	30,000	30,000	18,805	(11,195)
Total expenditures	432,760	432,760	386,307	(46,453)
Net change in fund balance	**$ -**	**$ -**	**1,568**	**$ 1,568**
Fund balance - beginning			61,329	
Increase (decrease) in reserve for inventory			3,760	
Fund balance - ending			$ 66,657	

See independent auditor's report.

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION DEBT
June 30, 2019

Year Ending	Refunded Bonds - Series 2012		2010A School Bonds		2010B School Bonds		School Energy Lease, Series 2018		Total Requirements		
June 30,	Principal	Interest	Principal	Interest	Principal	Interest*	Principal	Interest	Principal	Interest	Total
2020	$ 25,000	$ 18,438	$ 415,000	$ 170,319	$ -	$ 677,876	$ 67,038	$ 121,836	$ 507,038	$ 988,469	$ 1,495,507
2021	25,000	17,938	435,000	157,350	-	677,876	86,151	119,369	546,151	972,533	1,518,684
2022	500,000	17,513	-	143,213	-	677,876	94,452	116,199	594,452	954,801	1,549,253
2023	515,000	9,013	-	143,213	-	677,876	116,702	112,723	631,702	942,825	1,574,527
2024	-	-	555,000	143,213	-	677,876	126,937	108,428	681,937	929,517	1,611,454
2025	-	-	580,000	121,013	-	677,876	137,776	103,757	717,776	902,646	1,620,422
2026	-	-	620,000	97,813	-	677,876	149,250	98,687	769,250	874,376	1,643,626
2027	-	-	645,000	73,012	-	677,876	161,392	93,194	806,392	844,082	1,650,474
2028	-	-	675,000	46,406	-	677,876	174,236	87,255	849,236	811,537	1,660,773
2029	-	-	450,000	18,562	275,000	677,876	187,817	80,843	912,817	777,281	1,690,098
2030	-	-	-	-	750,000	661,569	202,173	73,932	952,173	735,501	1,687,674
2031	-	-	-	-	800,000	617,094	217,344	66,492	1,017,344	683,586	1,700,930
2032	-	-	-	-	835,000	568,094	233,369	58,493	1,068,369	626,587	1,694,956
2033	-	-	-	-	890,000	516,950	250,292	49,905	1,140,292	566,855	1,707,147
2034	-	-	-	-	925,000	462,438	268,158	40,695	1,193,158	503,133	1,696,291
2035	-	-	-	-	975,000	405,781	287,015	30,826	1,262,015	436,607	1,698,622
2036	-	-	-	-	1,025,000	346,063	306,910	20,264	1,331,910	366,327	1,698,237
2037	-	-	-	-	1,075,000	283,282	243,751	8,970	1,318,751	292,252	1,611,003
2038	-	-	-	-	1,125,000	217,438	-	-	1,125,000	217,438	1,342,438
2039	-	-	-	-	1,175,000	148,532	-	-	1,175,000	148,532	1,323,532
2040	-	-	-	-	1,250,000	76,563	-	-	1,250,000	76,563	1,326,563
	$ 1,065,000	**$ 62,902**	**$ 4,375,000**	**$ 1,114,114**	**$ 11,100,000**	**$ 11,082,564**	**$ 3,310,763**	**$ 1,391,868**	**$ 19,850,763**	**$ 13,651,448**	**$ 33,502,211**

*If the District follows the proper steps, the Internal Revenue Service will pay 35% of the noted interest for the District. See Note 4F for additional information

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
June 30, 2019

Description of Indebtness	Original amount of issue	Interest rate	Date of issue	Last maturity date	Outstanding 7/1/18	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding 6/30/19
Bonds payable									
Payable through general fund									
Refunded Bonds - Series 2012	$ 1,265,000	1.00% - 2.00%	October 30, 2012	May 1, 2023	$ 1,090,000	$ -	$ 25,000	$ -	$ 1,065,000
2010A School Bonds	6,670,000	2.00% - 4.13%	May 1, 2011	May 1, 2029	4,770,000	-	395,000	-	4,375,000
2010B School Bonds	11,100,000	5.93% - 6.13%	May 1, 2011	May 1, 2040	11,100,000	-	-	-	11,100,000
Total bonds payable through general fund					**$ 16,960,000**	**$ -**	**$ 420,000**	**$ -**	**$ 16,540,000**
Capital lease payable									
Payable through general fund									
School Energy Lease, Series 2018	3,389,493	3.68%	September 26, 2018	June 1, 2037	-	3,389,493	78,730	-	3,310,763
Total capital lease payable through general fund					**$ -**	**$ 3,389,493**	**$ 78,730**	**$ -**	**$ 3,310,763**

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF PROPERTY TAX RATES AND ASSESSMENTS - LAST TEN YEARS
For the Year Ended June 30, 2019

TEN YEAR SCHEDULE OF PROPERTY TAX RATES AND ASSESSMENTS

Year Ended June 30,	Assessed Valuation	Tax Rate Per $100	Levy
2019	$ 120,577,493	$2.1600	$ 2,604,474
2018	120,256,969	$2.1600	2,597,551
2017	118,699,578	$2.1600	2,563,911
2016	115,882,381	$2.1600	2,503,059
2015	114,499,949	$2.0874	2,390,072
2014	111,816,013	$2.1300	2,381,681
2013	112,362,220	$2.1300	2,393,315
2012	106,265,554	$2.1300	2,263,456
2011	104,619,721	$2.1300	2,228,400
2010	104,451,432	$1.8900	1,974,132
2009	92,550,884	$2.0400	1,888,038

The following tax was levied on January 1, 2019:

2020	$ 124,062,742	$2.1105	$ 2,618,344

TRENTON SPECIAL SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2019

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the SEFA) and schedule of state financial assistance (the SSFA) include the federal and state award activity of Trenton Special School District (the District) under programs of the federal and state governments for the year ended June 30, 2019. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because these schedules present only a selected portion of the operations of the District, they are not intended to and do not present the statement of net position, statement of activities, or cash flows of the District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the SEFA and SSFA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA and SSFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019

Grantor Agency/ Pass-through Agency/ Program Name and Number	CFDA Number	Contract Number	Expenditures
U.S. Department of Agriculture			
Tennessee Department of Agriculture			
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	$ 29,633
Child Nutrition Cluster:			
National School Lunch Program - Commodities	10.555*	N/A	75,601
School Breakfast Program	10.553*	N/A	241,013
National School Lunch Program	10.555*	N/A	538,694
Commodity rebate	10.555*	N/A	2,554
			857,862
Total Department of Agriculture			**887,495**
U.S. Department of Education			
Tennessee Department of Education			
Career and Technical Education - Basic Grants to States			
Carl Perkins	84.048	V048A180042	23,132
Carl Perkins IV Reserve Grant	84.048A	V048A180042	7,419
			30,551
Title I, Grants to Local Education Agencies			
Title I	84.010	S010A180042	336,543
Special Education Cluster (IDEA)			
Special Education - Grants to States			
IDEA	84.027	H027A180052	288,259
IDEA Discretionary	84.027A	H027A180052	1,453
			289,712
Special Education - Preschool Grants			
High Cost Grant	84.173	H027A180052	2,700
IDEA Preschool	84.173	H027A180052	2,697
Total Special Education Cluster (IDEA)			295,109
Twenty-First Century Community Learning Center	84.287C	S287C180043	157,500
Rural and Low-Income School Program			
Title VI, Rural Educatior	84.358	S358B180042	23,462

See independent auditor's report.

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019

Grantor Agency/ Pass-through Agency Program Name and Number	CFDA Number	Contract Number	Expenditures
English Language Acquisition Grants			
Title III, Part A	84.365	S365A180042	14,453
Supporting Effective Instruction State Gran			
Title II, Part A Training	84.367	S367A180040	41,634
Student Support and Academic Enrichment Program			
Title IV, Part A	84.424A	S424A180044	2,400
Total Department of Education			**901,652**
U.S. Department of Health and Human Services			
Tennessee Department of Health and Human Services			
Child Care and Development Fund Cluste			
Child Care and Development Block Grant	93.575	G1801TNCCDF	50,316
Total Federal Awards			**$ 1,839,463**

NOTE: Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and issued.

* Major federal program.

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2019

Grantor Agency/ Program Name	Contract Number	Expenditures
Tennessee Department of Education		
Child Nutrition State Match	577100	$ 7,289
Breakfast After the Bell	unknown	5,000
Early Childhood Grant - Pilot	911400	421,712
School Security	unknown	802
Safe Schools	5030000	55,098
Portfolio Review Stipend	unknown	1,181
Read to be Ready Literacy Coach	140104	10,000
Coordinated School Health	545300	105,000
Career Ladder	500700	28,303
Family Resource Center	911900	29,612
Total State Financial Assistance		**$ 663,997**

See independent auditor's report.

Alexander Thompson Arnold PLLC
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Education
Trenton Special School District
Trenton, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Trenton Special School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Trenton Special School District's basic financial statements as listed in the table of contents and have issued our report thereon dated December 12, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Alexander Thompson Arnold PLLC

Jackson, Tennessee
December 12, 2019

Alexander Thompson Arnold PLLC
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www.atacpa.net

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Education
Trenton Special School District
Trenton, Tennessee

Report on Compliance for Each Major Federal Program

We have audited Trenton Special School District compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Trenton Special School District's major federal programs for the year ended June 30, 2019. Trenton Special School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Trenton Special School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Alexander Thompson Arnold PLLC

Jackson, Tennessee
December 12, 2019

TRENTON SPECIAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

SECTION I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?		yes	X	no
Significant deficiency(ies) identified?		yes	X	none reported
Noncompliance material to financial statements noted?		yes	X	no

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?		yes	X	no
Significant deficiencies identified?		yes	X	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		yes	X	no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster:
10.553	School Breakfast Program
10.555	National School Lunch Program

Dollar threshold used to distinguish between Type A and Type B programs:		$ 750,000		
Auditee qualified as low-risk auditee?	X	yes		no

SECTION II – Financial Statement Findings

None reported.

SECTION III – Federal Award Findings and Questioned Costs

None reported.

TRENTON SPECIAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

FINANCIAL STATEMENTS FINDINGS

None reported.

FEDERAL AWARD FINDINGS AND QUESTION COSTS

None reported.

APPENDIX D

BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included hereto to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut, or Florida insurance law.

ASSURED GUARANTY MUNICIPAL CORP.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and, as of October 1, 2019, asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On December 19, 2019, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On November 7, 2019, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Capitalization of AGM

At March 31, 2020:

- The policyholders' surplus of AGM was approximately $2,573 million.

- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately $997 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $1,997 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty (Europe) plc ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (filed by AGL with the SEC on February 28, 2020); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 (filed by AGL with the SEC on May 8, 2020).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "APPENDIX D – BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded

Miscellaneous Matters

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "APPENDIX D – BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY"

ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

SPECIMEN

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100