OFFICIAL STATEMENT

New Issue
Book-Entry Only

Rating: S&P "A+"
(See "RATING" herein)

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the District, interest on the Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. 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 "Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes, and Tennessee franchise and excise taxes. (See "Tax Matters" herein).

$8,505,000
GIBSON COUNTY SPECIAL SCHOOL DISTRICT (TENNESSEE)
SCHOOL BONDS, SERIES 2020
(GENERAL OBLIGATION LIMITED TAX) (BANK QUALIFIED)

Dated: Date of Delivery

Due: April 1, as shown below

Gibson County Special School District (Tennessee) (the "District"), a governmental entity created by the Tennessee General Assembly and a local education agency under Title 49, Tennessee Code Annotated, relating to the administration of public school systems, will issue its $8,505,000 School Bonds, Series 2020 (the "Bonds") in fully registered form, without coupons, and, when issued, the Bonds will be 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. Individual purchases of beneficial ownership interest in the Bonds will be made in book-entry form only, in denominations of $5,000 or multiples thereof through DTC Participants. Interest on the Bonds will be payable semiannually on April 1 and October 1 of each year, commencing on April 1, 2021, calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of principal of and interest on the Bonds are to be made to purchasers by DTC through the Participants (as such term is herein defined). Purchasers will not receive physical delivery of Bonds purchased by them. See "The Bonds-Book-Entry-Only System." Principal of and interest on the Bonds are payable by the District to the corporate trust office of U.S. Bank National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent").

The Bonds are subject to optional redemption on or after April 1, 2030 at a price of par. See "The Bonds" – "Optional Redemption" herein. The Bonds are payable on April 1 of each year as follows:

Maturity (April 1)	Principal	Interest Rate	Price or Yield	CUSIP Number	Maturity (April 1)	Principal	Interest Rate	Price or Yield	CUSIP Number
2021	$110,000	3.000%	0.250%	374816FK7	2031	$400,000	1.250%	1.05%C	374816FV3
2022	425,000	3.000	0.300	374816FL5	2032	405,000	1.250	1.150 C	374816FW1
2023	435,000	3.000	0.330	374816FM3	2033	410,000	1.250	1.200 C	374816FX9
2024	445,000	3.000	0.350	374816FN1	2034	415,000	1.250	1.250	374816FY7
2025	460,000	3.000	0.450	374816FP6	2035	420,000	1.500	1.300 C	374816FZ4
2026	475,000	3.000	0.500	374816FQ4	2036	430,000	1.500	1.350 C	374816GA8
2027	485,000	3.000	0.600	374816FR2	2037	435,000	1.500	1.450 C	374816GB6
2028	500,000	3.000	0.750	374816FS0	2038	440,000	1.500	1.500	374816GC4
2029	520,000	3.000	0.850	374816FT8	2039	450,000	1.750	1.600 C	374816GD2
2030	390,000	3.000	0.900	374816FU5	2040	455,000	1.750	1.700 C	374816GE0

[C] *Yield to April 1, 2030 Call Date*

The Bonds are payable primarily from and secured by the pledge of a continuing annual tax levied on all taxable property within the boundaries of the District, the rate of which has been established by the General Assembly of the State of Tennessee pursuant to Chapter 62 of the 1981 Private Acts of the State of Tennessee, as most recently amended by House Bill 2626/Senate Bill 2647, which was signed into law by the Governor on April 19, 2016, as such rate may hereafter be adjusted from time to time by the General Assembly, subject to the prior pledge of such revenues in favor of the Prior Lien Bonds (as such term is defined herein.) In the event the revenues derived from said tax are insufficient to pay principal of and interest on the Bonds when due, any such deficiency shall be paid from all other legally-available funds of the District, subject to prior pledges in favor of the Prior Lien Bonds, and as more fully described herein.

The Bonds are not obligations of the State of Tennessee or any of its political subdivisions, and the purchasers shall have no recourse to the taxing power of any of the foregoing. 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 Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.

The Bonds are offered when, as and if issued, subject to the approval of the legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the District by Barron, Johnson & Lawler, Counsel to the District. Stephens Inc. is serving as Municipal Advisor to the District. The Bonds, in book-entry form, are expected to be available for delivery through Depository Trust Company in New York, New York, on or about December 18, 2020.

December 7, 2020

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the "Official Statement") by Gibson County Special School District (the "District") from time to time, is an Official Statement with respect to the Bonds described herein that is deemed final by the District as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, broker, salesman or other person has been authorized by the District or by Stephens Inc. (the "Municipal Advisor") to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the District or the Bonds must not be relied upon as having been authorized by the District or the Municipal Advisor. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date as of which information is given in this Official Statement.

In making an investment decision investors must rely on their own examination of the District and the terms of the offering, including the merits and risks involved. No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

All CUSIP numbers presented herein have been assigned by Standard & Poor's CUSIP Service Bureau, a Division of The McGraw-Hill Companies, Inc., and are included solely for convenience of the Bondholders. The District is not responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated herein.

The material contained herein has been obtained from sources believed to be current and reliable, but the accuracy thereof is not guaranteed. The Official Statement contains statements which are based upon estimates, forecasts, and matters of opinion, whether or not expressly so described, and such statements are intended solely as such and not as representations of fact. All summaries of statutes, resolutions, and reports contained herein are made subject to all the provisions of said documents. The Official Statement is not to be construed as a contract with the purchasers of any of Gibson County Special School District (Tennessee) School Bonds, Series 2020.

Table of Contents

Officials iv
Summary Statement v
Official Statement 1
Introduction 1
Introduction 1
The Bonds 1
Description 1
Optional Redemption 3
Notice of Redemption 3
Security and Sources of Payment 4
Pledged Revenues Compared to Debt Service Requirements 4
Rating 4
Discharge and Satisfaction of Bonds 5
Book-Entry-Only System 5
Sources and Uses of Funds 7
Application of Bond Proceeds 7
Continuing Disclosure 7
Annual Report 8
Reporting of Significant Events 9
Termination of Reporting Obligation 10
Amendment/Waiver 10
Default 10
Future Issues 11
Litigation 11
Approval of Legal Proceedings 11
Tax Matters 11
General 11
Bond Premium 12
Original Issue Discount 12
Information Reporting and Backup Withholding 12
State Taxes 13
Qualified Tax-Exempt Obligations 13
Changes in Federal and State Tax Law 13
Municipal Advisor 13
Underwriting 14
Miscellaneous 14
Certificate of Chairman 15

Form of Legal Opinion .... Appendix A

Demographics and Financial Information Related to the District .... Appendix B

Comprehensive Annual Financial Report for Gibson County Special School District
for the Year Ended June 30, 2019... Appendix C

OFFICIALS

GIBSON COUNTY SPECIAL SCHOOL DISTRICT, TENNESSEE

Director of Schools and Secretary to the Board of Trustees
Eddie Pruett

Counsel to the District
Barron Johnson & Lawler
Trenton, Tennessee

Bond Counsel to the District
Bass, Berry & Sims PLC
Nashville, Tennessee

Registration Agent and Paying Agent and Escrow Agent
U.S. Bank National Association
Nashville, Tennessee

Auditors
Cowart Reese Sargent, CPA's, P.C.
Martin, Tennessee

Municipal Advisor
Stephens Inc.
Nashville, Tennessee

Underwriter
FHN Financial Capital Markets
Memphis, Tennessee

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Summary Statement

This Summary is expressly qualified by the entire Official Statement, which should be viewed in its entirety by potential investors.

ISSUER	Gibson County Special School District (Tennessee) (the "District").
ISSUE	$8,505,000 School Bonds, Series 2020 (the "Bonds").
PURPOSE	The Bonds are being issued to provide funds for (i) the renovation and construction of costs of school buildings and facilities located in the District; (ii) the refunding the District's outstanding School Refunding and Improvement Bonds, Series 2009, dated December 9, 2009; and (iii) the payment of costs of issuance of the Bonds.
DATED DATE	December 18, 2020.
INTEREST DUE	Each April 1 and October 1, commencing April 1, 2021.
PRINCIPAL DUE	April 1, commencing April 1, 2021 through April 1, 2040.
SETTLEMENT DATE	December 18, 2020.
OPTIONAL REDEMPTION	Bonds maturing April 1, 2031 and thereafter shall be subject to redemption prior to maturity at the option of the District on April 1, 2030 and thereafter, as a whole or in part, at any time, at the redemption prices described herein.
SECURITY	The Bonds shall be payable primarily from and secured by a continuing annual tax levied on all taxable property within the boundaries of the District, the rates of which have been established by the General Assembly of the State of Tennessee pursuant to the Act, , subject to a prior pledge of such revenues in favor of the District's School Bonds, Series 2012, dated May 30, 2012; School Bonds, Series 2013, dated May 29, 2013; School Refunding Bonds, Series 2015, dated January 15, 2015; and School Bonds, Series 2016, dated May 27, 2016 (collectively, the "Prior Lien Bonds"). In the event the revenues derived from said tax are insufficient to pay principal of and interest on the Bonds when due, and subject to pledges in favor of the Prior Lien Bonds and bonds hereafter issued and similarly secured, any such deficiency shall be payable from funds received by the District 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, and related sections, and its share of the Local Option Sales and Use Tax now or hereafter levied and collected in Gibson County, Tennessee, pursuant to Section 67-6-712, Tennessee Code Annotated. In the event said property taxes and other funds hereinabove described shall not be sufficient to pay principal of 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.

The Bonds are not obligations of the State of Tennessee, Gibson County 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.

RATING .... "A+" by S&P Global Ratings ("S&P") based on documents and other information provided by the District. The rating reflects only the view of S&P and neither the District nor the Underwriter makes any representation as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by S&P if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from S&P. See "Rating" herein.

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 will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. 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 "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 "Tax Matters" herein).

BANK QUALIFICATION.............. The Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.

MUNICIPAL ADVISOR................. Stephens Inc., Nashville, Tennessee.

REGISTRATION AND PAYING AGENT AND ESCROW AGENT.. U.S. Bank National Association, Nashville, Tennessee.

UNDERWRITER............................. FHN Financial Capital Markets, Memphis, Tennessee.

Official Statement

Gibson County Special School District (Tennessee)

$8,505,000 School Bonds, Series 2020
(General Obligation Limited Tax) (Bank Qualified)

Introduction

The Official Statement, including the cover page and appendices hereto, is furnished in connection with the issuance by Gibson County Special School District (the "District") of $8,505,000 School Bonds, Series 2020 (the "Bonds").

The Bonds are issuable under and in full compliance with the constitution and statutes of the State of Tennessee, including Chapter 62 of the 1981 Private Acts of the State of Tennessee, as amended (the “Act”), and pursuant to and subject to the terms and conditions of a resolution adopted by the Board of Trustees of the District on November 10, 2020 (the "Resolution") authorizing the execution, terms, issuance and sale of the Bonds.

This Official Statement includes descriptions of, among other matters, the Bonds, the Resolution, and the District. Such descriptions and information do not purport to be comprehensive or definitive. All references to the Resolution are qualified in their entirety by reference to the definitive document, including the form of the Bonds included in the Resolution. During the period of the offering of the Bonds, copies of the Resolution and any other documents described herein or in the Resolution may be obtained from the District. After delivery of the Bonds, copies of such documents will be available for inspection at the Gibson County Special School District, 130 Trenton Highway, Dyer, Tennessee 38330 or Stephens Inc., One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, phone: (615) 279-4333 or fax: (615) 279-4351. After delivery of the Bonds, copies of such documents will be available for inspection at the District’s office. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Resolution.

The Issuer

The District was created in 1981 by private act of the Tennessee General Assembly (the “General Assembly”) as a local education agency to provide kindergarten through twelfth grade education to children within its boundaries. The District is located in Gibson County, Tennessee (the “County”) in the western division of the state approximately 15 miles north of Jackson, Tennessee. The District offers a program of public education for approximately 3,722 students as a local educational agency under the general education laws of the State codified in Title 49, Tennessee Code Annotated and the regulations of the State Board of Education. For additional information regarding the District and the County, see Appendix B – General and Financial Information Related to the District.

The Bonds

Description

The Bonds are being issued for the purpose of providing funds for (A) the renovation and construction of costs of school buildings and facilities located in the District, including all related improvements, furnishings, fixtures and equipment and including the purchase of all property, real and personal or interests therein, necessary in connection with said work and additions thereto (collectively, the “Projects”); (B) payment of interest on the bonds during the period of construction and for six (6) months thereafter; (C) payment of all legal, fiscal, administrative, architectural, engineering accounting and similar professional and other costs incident thereto; (D) reimbursement to the District for the prior payment of the above costs; (E) the refunding the District's outstanding School Refunding and Improvement Bonds, Series 2009, dated December 9, 2009 (the "Refunded Bonds"); (F) the payment of costs of issuance of said bonds; and (G) funding all accounts and funds, including a debt service reserve fund, necessary and proper in connection with the issuance and sale of the Bonds.

The Bonds will be issued as fully registered book-entry Bonds (except as set forth in the Detailed Notice of Sale), without coupons, in denominations of $5,000 or any integral multiple thereof. The Bonds will be dated the date of delivery. Interest on the Bonds, at the rates per annum set forth on the cover page and calculated on the basis of a 360-day year, consisting of twelve 30-day months, will be payable semiannually on April 1 and October 1 of each year (herein an "Interest Payment Date"), commencing April 1, 2021.

The Bonds will mature on the dates and in the amounts set forth on the cover page.

Except as otherwise provided in the Detailed Notice of Sale and in the Resolution, the Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds.

U.S. Bank National Association, Nashville, Tennessee (the "Registration Agent") will make all interest payments with respect to the Bonds on each Interest Payment Date directly to the registered owners 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 owners at their addresses shown on said 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 District in respect of such Bonds to the extent of the payments so made. 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. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Owner of at least $1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the District to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: The District shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the District shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall not be more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the District of such Special Record Date and, in the name and at the expense of the District, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the District to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

Optional Redemption

Bonds maturing on or before April 1, 2030 shall mature without option of prior redemption. Bonds maturing April 1, 2031 and thereafter shall be subject to redemption prior to maturity at the option of the District on or after April 1, 2030 and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of Trustees of the District, in its discretion. If less than all of the Bonds within a single 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 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

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

Notice of Redemption

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than thirty (30) 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 the 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 will not affect the validity of such redemption. From and after any 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 in the Resolutions. 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.

Security and Sources of Payment

The Bonds shall be payable primarily from and secured by a continuing annual tax levied on all taxable property within the boundaries of the District, the rates of which have been established by the General Assembly of the State of Tennessee pursuant to the Act, as such rates may hereafter be adjusted from time to time by the General Assembly, subject to a prior pledge of such revenues in favor of the District's School Bonds, Series 2012, dated May 30, 2012; School Bonds, Series 2013, dated May 29, 2013; School Refunding Bonds, Series 2015, dated January 15, 2015; and School Bonds, Series 2016, dated May 27, 2016 (collectively, the "Prior Lien Bonds"). See Appendix B – Major Taxes and Revenues Funding District Schools – Property Tax for more detailed information regarding the Debt Service Tax. The District has additionally covenanted to take no action to rescind or reduce the Debt Service Tax or seek to have it rescinded or reduced or the legislation authorizing such Debt Service Tax repealed or amended in such a way as to abolish or reduce the annual levy to an amount less than that necessary to maintain funds sufficient to pay annual principal and interest requirements on the Bonds.

If the District has a deficiency or possibly a default in payment of principal of or interest on the Bonds, the General Assembly has the authority and power to increase the rate of the Debt Service Tax and to provide other sources for the payment of said principal and interest but has not undertaken any obligation to do so.

In the event the revenues derived from the Debt Service Tax are insufficient to pay the principal of and interest on the Bonds when due, the Bonds are additionally payable from all other legally-available funds of the District, subject to prior pledges in favor of the Prior Lien Bonds, including without limitation the following:

1. Funds received by the District under the Tennessee Basic Education Program (the "BEP") available to be used for capital outlay expenditures as set forth in Sections 49-3-351 et seq., Tennessee Code Annotated and related sections.

2. The District's share of the Local Option Sales and Use Tax now or hereafter levied and collected in the County and distributed for school purposes pursuant to Section 67-6-701 et seq., Tennessee Code Annotated.

The Bonds are not obligations of the State of Tennessee, Gibson County 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.

Pledged Revenues Compared to Debt Service Requirements

For information regarding the historic debt service coverage for the District, see Appendix B – Security Description and Estimates According to State Authorization.

Rating

S&P Global Ratings ("S&P") has assigned the Bonds a rating of "A+". An explanation of the significance of such rating may be obtained from S&P. This rating is not a recommendation to buy, sell or hold the Bonds. Generally, rating agencies base their ratings on information and materials furnished to the agencies and on investigations, studies and assumptions by the agencies. There is no assurance that this rating will be maintained for any given period of time or that this rating will not be revised downward or withdrawn entirely by S&P if, in such agency's judgment, circumstances so warrant. Any such downward revision or withdrawal of this rating may have an adverse effect on the market price of the

Bonds. Neither the District nor the Underwriter has undertaken any responsibility to oppose any revision or withdrawal of the rating.

Discharge and Satisfaction of Bonds

The Bonds may be discharged and defeased in any one or more of the following ways:

(a) By depositing sufficient funds as and when required with the Registration Agent, to pay the principal of and interest on such Bonds as and when the same become due and payable;

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

(c) 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 under the Resolution, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then 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.

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

Defeasance Obligations are direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee). Only one fully-registered Bond certificate will be issued in the aggregate principal amount of each maturity of the Bonds, and will be deposited with DTC.

DTC 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 securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock

Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with Direct Participants, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

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 Bond ("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, but Beneficial Owners are expected to receive written confirmation 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 interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no 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 Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible 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).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with 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 Registration Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the District or 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.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registration Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

THE DISTRICT AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

Sources and Uses of Funds

The following table sets forth the sources and uses of funds in connection with the issuance of the Bonds.

Sources of Funds	
Par Amount	$8,505,000.00
Reoffering Premium	540,422.60
Transfer from Debt Service	8,273.96
Total Sources	$9,053,696.56
Uses of Funds	
Deposit to Project Fund	$7,663,152.21
Refunding of Refunded Bonds	1,228,376.23
Costs of Issuance (includes Underwriter's Discount and Expenses)	162,168.12
Total Uses	$9,053,696.56

Application of Bond Proceeds

The proceeds of the Bonds used to refund the Refunded Bonds will, together with the debt service fund contribution described above, be deposited directly with the paying agent for the Refunded Bonds and applied to the redemption of the Refunded Bonds on January 8, 2021. The balance of the proceeds of the Bonds will be deposited to a Project Fund held by the District and used to pay costs of issuance and costs of the Projects.

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 enumerated events and notice of failure to provide any required financial information of the District. 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.com and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the "Rule").

Except as described in the following sentence, the District has not failed to materially comply with its previous continuing disclosure undertakings in the past five years. For the fiscal year ended June 30, 2017, the District failed an unaudited internal fund statement rather than its audited financial statements. The 2017 audited financial statements were filed in November 2020.

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 to this Official Statement as follows.

1. "School District Summary of Outstanding Debt";

2. "School District Debt Statement";

3. "School District Debt Record";

4. "Population";

5. "School District Per Capita Debt Ratios";

6. "School District Debt Ratios";

7. "School District Debt Trend";

8. "School District Debt Service Requirements";

9. "School District Property Valuation and Property Tax";

10. "School District Top Taxpayers";

11. "School District Fund Balances"; and

12. "County-Wide Local Sales Tax."

Any or all of the items above may be incorporated by reference from other documents, including Official Statements in final form for debt issues of the District or related public entities, which have been submitted to each of the Repositories or the 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 certain significant events with the MSRB and 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. Notwithstanding the foregoing, notice of Listed Events described in subsection (3)(h) and (i) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Resolution.

2. For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the 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; and

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

o. Incurrence of a financial obligation (as defined by the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, 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 of the Issuer, 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 the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of the Holders, or (ii) does not, in the opinion of nationally recognized Bond Counsel, materially impair the interests of the Holders or beneficial owners of the Bonds.

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

Future Issues

The District anticipates seeking authorization from the Tennessee General Assembly during its 2021 legislative session to issue up to $5,000,000 of bonds to fund additional capital improvements to the District, but the District has not yet made any determination as to the timing or sizing of any such additional bond issue, should it be authorized.

Litigation

The District, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. Except as discussed below, after reviewing the current status of all pending and threatened litigation with its counsel, the District believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the District or its officials in such capacity are adequately covered by insurance or by sovereign immunity or will not have a material adverse effect upon the District's financial condition.

As of the date of this Official Statement, the District has no knowledge or information concerning any pending or threatened litigation contesting the authority of the District to issue, sell or deliver the Bonds or concerning the use of the proceeds of the Bonds or the source of payment of the Bonds.

Approval of Legal Proceedings

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Bass, Berry & Sims PLC, Bond Counsel. A copy of the opinion will be delivered with the Bonds. (See Appendix A). Certain legal matters will be passed upon for the District by Barron, Johnson & Lawler, Counsel to the District.

Tax Matters

Federal Taxes

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the Issuer and assuming compliance by the Issuer 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 (the “Code”), and
- is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code.

The Code imposes requirements on the Bonds that the Issuer 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 Issuer 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 Issuer has covenanted to do everything necessary to meet these requirements of the Code.

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

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

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

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also "Changes in Federal and State Tax Law" below in this heading.

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

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

Qualified Tax-Exempt Obligations

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

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal and Congressional 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. For example, various proposals have been made in Congress and by the President which, if enacted, would subject interest on bonds, such as the Bonds, that is otherwise excluded from gross income for federal income tax purposes, to a tax payable by certain bondholders with an adjusted gross income in excess of certain proposed thresholds. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to Bonds 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. 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.

Municipal Advisor

This Official Statement has been prepared under the direction of the District and with the assistance of Stephens Inc., Nashville, Tennessee, which has been contracted by the District to perform professional services in the capacity of municipal advisor.

Underwriting

FHN Financial Capital Markets, Memphis, Tennessee (the "Underwriter"), acting for and on behalf of itself and such other securities dealers as it may designate, will purchase the Bonds pursuant to an award at a competitive public sale on December 7, 2020 for an aggregate purchase price of $8,956,320.11, which is par, plus original issue premium of $540,422.60, less underwriter's discount of $89,102.49.

The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

Miscellaneous

The foregoing summaries do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. For details of all terms and conditions, purchasers are referred to the Resolution, copies of which may be obtained from the District.

Any statement made in this Official Statement involving matters of opinion and estimates, 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 will be realized.

The execution and delivery of this Official Statement was duly authorized by the District.

Certificate of Chairman

The execution and delivery of this Official Statement was duly authorized by the District, and we hereby certify that to our best knowledge and belief, the information contained herein as of this date is true and correct.

GIBSON COUNTY SPECIAL SCHOOL DISTRICT, TENNESSEE

By: /s/ *Tom Lannom*
Tom Lannom
Chairman, Board of Trustees

By: /s/ *Eddie Pruett*
Eddie Pruett
Director of Schools

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APPENDIX A

Form of Legal Opinion of Bass, Berry & Sims PLC, Attorneys, Nashville, Tennessee relating to the Bonds.

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(Form of Opinion of Bond Counsel)

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201

December 18, 2020

We have acted as bond counsel to Gibson County Special School District (the "Issuer") in connection with the issuance of $8,505,000 School Bonds, Series 2020, dated December 18, 2020 (the "Bonds"). 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 general obligations of the Issuer.

2. The resolution (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 primarily from and secured by a continuing annual tax levied on all taxable property within the corporate boundaries of the Issuer, the rate of which has been set by the General Assembly of the State of Tennessee pursuant to Chapter 62 of the 1981 Private Acts of the State of Tennessee, as most recently amended by Chapter 68 of the 2010 Private Acts of the State of Tennessee, as such rate may be adjusted from time to time in accordance with the laws of the State of Tennessee, subject to the prior pledge of such revenues in favor of the Issuer's School Bonds, Series 2012, dated May 30, 2012; School Bonds, Series 2013, dated May 29, 2013; School Refunding Bonds, Series 2015, dated January 15, 2015; and School Bonds, Series 2016, dated May 27, 2016. In the event the revenues derived from said tax are insufficient to pay principal of and interest on the Bonds when due, any such deficiency is payable from 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, and related sections, and the Issuer's share of the Local Option Sales and Use Tax now or hereafter levied and collected in Gibson County, Tennessee, pursuant to Section 67-6-712, Tennessee Code Annotated, subject to prior pledges in favor of the Prior Lien Bonds. In the event said property taxes and other funds hereinabove described shall not be sufficient to pay principal of and interest on the Bonds when due, the Issuer has covenanted to apply funds from operations or other available funds of the Issuer to 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 imposed on individuals. 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 and Paragraph 6 below, we express no opinion regarding other 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.

6. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265 of the Code.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolution 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

Demographic and General Financial Information
Related to the District

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THE DISTRICT

The Gibson County Special School District (the "District") was created in 1981 by the Tennessee General Assembly, state legislative body, with the approval of Chapter 62 of the 1981 Private Acts (the "Act") of the State of Tennessee as amended since 1981. It was created as a local education agency (LEA) to provide public education for the students residing within the boundaries of the District. The District has about 3,885 students and is one of the total 141 local education agencies created in the State to provide public education for over 1,000,000 students. The District is about 15 miles north of Jackson/Madison County, Tennessee and about 100 miles northeast of Memphis, Tennessee.

The District has been operational since 1981 and consists primarily of the communities of Dyer, Eaton, Gibson, Kenton, Medina, and Rutherford. The District, as created, is a body politic and corporate with full power of perpetual succession, but the power to levy or collect property taxes must be approved by the Tennessee General Assembly as specifically authorized by amending the Act. The other school systems in Gibson County are Humboldt City School System, Bradford Special School District, Trenton Special School District, and Milan Special School District. In addition to the special school districts in Gibson County, there are 10 other special districts.

Powers of the District

Pursuant to the Act as amended since 1981, the District is empowered, among other things, to control and operate schools within the boundaries of the District. The District has the authority to levy and collect taxes or to issue and sell bonds as specifically authorized by the Act as amended by the Tennessee General Assembly. The Refunding Bonds are being sold pursuant to the amended Act when the original bonds were issued and the taxes levied as hereafter provided are specifically authorized by the various Act amendments. 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 in any way dispose of the same for public school purposes.

Powers of the General Assembly of the State of Tennessee

Article XI, Section 12 of the Constitution of the State of Tennessee states that the General Assembly of the State of Tennessee "shall provide for the maintenance, support and eligibility standards of a system of free public schools". Under the Tennessee Constitution, the General Assembly has created 20 Special School Districts in the State but has retained the power to authorize the levy of property taxes by enacting a private act whenever additional property taxes are needed and recommended by the Special School District Board of Education. The General Assembly has not enacted any generally applicable statutes which confer upon a special school district the power to authorize the issuance of new money bonds except by the Act amendments. As a result, the power to establish the tax rate for the District and authorize the issuance of bonds by the District resides solely with the General Assembly. Since the creation of the District by the General Assembly, the General Assembly has amended the Act to set property tax rates sufficient to operate and pay the debts of the District, establish procedures for collecting property taxes, establish requirements for annual budgeting, accounting, and auditing, and authorize the issuance of bonds as needed and as requested by the Board of Trustees of the District. The Refunding Bonds being sold hereunder, the levy of taxes described herein and the security for the payment of the Bonds as described herein are authorized by the amended Act.

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 seven members, serving staggered four-year terms or until their successors are elected and qualified. The members are elected at general elections of all qualified voters residing in the District pursuant to the general election of the State. Six members are elected from six separate districts with the seventh member being elected at-large. In the event of a vacancy on the Board, the remaining members shall fill the vacancy until the next regular election.

Pursuant to the Act, the Board acts by a majority of its members. The Board has all the powers and authority given it both by the Act and under the general laws of the State to operate the schools of the District efficiently and economically and otherwise govern, regulate and control the affairs of the District.

Current Members of the Board

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

Member	Office	Term Expires
Scott Ball	Member	August 2024
Treva Maitland	Member	August 2023
John Campbell II	Member	August 2024
Charles Scott	Member	August 2023
Benny Boals	Member	August 2021
Eddie Watkins	Member	August 2021
Tom Lannom	Chairman	August 2022

Eddie Pruett is the Director of Schools and serves as Secretary to the Board of Trustees.

School System

The District operates a school system of kindergarten through twelfth grades for children residing within the boundaries of the District. The District owns and operates nine schools -- five elementary schools, one middle school, one junior high school, and two high schools for grades 9 - 12. The Southern Association of Colleges and Secondary Schools accredits the system.

In Tennessee, there are three types of school systems providing public education in grades kindergarten through 12. Ninety-three (93) counties are authorized by general law to provide public education. Twenty-eight (28) cities are authorized by city charter approved by the Tennessee General Assembly as a private act. Fourteen (14) Special School Districts have been created by the General Assembly in the form of a special act commonly referred to as a private act. As of June 30, 2019, the District was the largest of the fourteen special school districts operating at that time based on average daily membership.

The enrollment and schools in the District for 2000 through 2019 are as follows:

School Year	Average Daily Membership	School Year	Average Daily Membership
2000-2001	2,604	2010-2011	3,622
2001-2002	2,604	2011-2012	3,722
2002-2003	2,651	2012-2013	3,814
2003-2004	2,663	2013-2014	3,857
2004-2005	2,668	2014-2015	3,879
2005-2006	2,679	2015-2016	3,937
2006-2007	2,911	2016-2017	3,932
2007-2008	3,117	2017-2018	3,912
2008-2009	3,306	2018-2019	3,885
2009-2010	3,458		

Sources: State of Tennessee Annual Statistical Reports and Gibson County Special School District.

School	Grades
South Gibson Elementary	PK-4
South Gibson Middle School	5-8
Spring Hill Elementary	K-8
Dyer Elementary	PK-8
Kenton Elementary	PK-4
Rutherford	K-8
Yorkville Elementary	PK-8
Gibson County High School	9-12
South Gibson High School	9-12

Sources: State of Tennessee Annual Statistical Reports and Gibson County Special School District.

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 Gibson County 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 District may be temporary, the virus has affected travel, commerce and financial markets across the world.

As of November 11, 2020, Gibson County has approximately 270 known active cases of COVID-19. The District 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 District. Given the evolving nature of the spread of the virus and the behavior of governments, businesses and individuals in response thereto, the District cannot accurately predict the magnitude of the impact of COVID-19 on the District and its financial condition. The District is proactively taking steps to mitigate the spread of COVID-19 and to preserve effective staffing for all essential District operations.

Although the District cannot accurately predict the magnitude of the ultimate impact of COVID-19 outbreak on the District's finances, the District is carefully monitoring the immediate effect of the COVID-19 outbreak on the District's finances and is attempting to make projections as to the effect of the COVID-19 outbreak for the upcoming fiscal year. For the most recent fiscal year, the District's largest source of revenues is property tax revenues. Property tax revenues are due each year on October 1st and are delinquent on the last day of February of the following year, so all tax year 2019 taxes were required to be paid without any penalty by February 29, 2020. The COVID-19 outbreak did not have a material impact on fiscal year 2019-2020 property tax collections because taxes were due prior to the outbreak. The District is projecting property tax collections of approximately $6.9 million in fiscal year 2020-2021. The District cannot predict whether a continuation of the outbreak will have a material impact on collections in the 2020-2021 fiscal year.

The District's second largest source of revenues is sales and use tax revenues. For fiscal year 2020-2021, the District is forecasting local sales tax collections of approximately $3.0 million. All sales and use tax revenues are collected by the State, and the District does not typically receive notice from the State of the District's share of sales and use taxes collected for approximately 50 days after the close of each month.

The District estimates that fiscal year 2019-2020 sales tax collections were up 9.2% over fiscal year 2018-2019. The District estimates that sales tax collections in the months of April, May and June increased by 16% from the same period in the prior year.

The District also receives funding from the State of Tennessee and the federal government. The District has budgeted State funding of approximately $23.0 million in fiscal year 2020-2021. The State of Tennessee receives a substantial portion of the shared revenues from sales tax collections which may be adversely impacted by the Covid-19 outbreak. The District cannot predict how state and federal funding will be impacted by the Covid-19 outbreak.

The District expects to receive some federal and/or State assistance to offset costs to the District of addressing the COVID-19 outbreak. At this point, the District has received $418,000 (CARES ACT) in aid for qualifying expenses. The District has not been informed as to the timing or amount of any additional federal or State assistance that may be provided, nor does the District know the scope of expenses that will be payable from such assistance. Therefore, the District cannot provide any assurances to whether the potential decline in tax revenues will be mitigated, in whole or part, by such assistance. The District's proposed budget for the 2021 fiscal year does not include any such assistance as a source of revenue to provide for a balanced budget.

The District's current liquidity position is expected to be adequate to fund essential services and make timely debt service payments on debt of the District.

The District is currently providing both in-person and distance learning for K-12 students. Currently there are approximately 9.0% of students doing distance learning out of a total student population of 3,796. With the help of a contracted custodial services company performing disinfecting measures throughout the schools and the district implementing social distance measures, temperature checks, hand washing, etc., the number of positive COVID cases for both staff and students has been minimal. When positive cases do occur, the District implements contact tracing measures and has students and staff quarantine when needed.

Various types of information regarding employers and employment trends within the County are detailed below in this APPENDIX B. This information was assembled prior to the COVID-19 outbreak and may not be reflective of current financial conditions. For example, unemployment rates throughout the United States, including the County, have increased significantly since the COVID-19 outbreak. Furthermore, the largest employers in the County are listed in this Appendix B. The COVID-19 outbreak has affected businesses throughout the United States, including businesses in the County, and many of the employers listed in this APPENDIX B may have reduced their employment levels from the described levels. Given the fluidity of the current economic environment, the District is not able to provide sufficiently accurate updates to this information.

Property Taxes

Based on the most recent reappraisal of property values in Gibson County, the adjusted property tax of the District is $2.0103 per $100 of assessed value of real and personal property located in the District to be used for the purpose of paying principal of and interest on the Bonds, any other indebtedness of the District, and the operational expenses of the school system.

The District covenanted in the Resolution to take no action to rescind or reduce the Debt Service 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 Debt Service Tax shall be used solely and is expressly and exclusively pledged for the purpose of paying principal of and interest on the Bonds and any other indebtedness of the District. The pledge of the Debt Service Tax in favor of the Bonds is subject to prior pledges in favor of the Prior Lien Bonds. Any surplus revenues arising from the Debt Service Tax and not required for the payment of debt service on the Bonds or other indebtedness may be used, at the discretion of the Board of Trustees, for the purpose of construction, improvement, renovation, expansion, furnishings, fixtures and equipping of school buildings and facilities, and additions thereto, in and for the District including the purchase of all property, real and personal, or interest therein, necessary in connection with said work, and the purchase of school buses and school transportation equipment and all other operations and maintenance of schools in the District.

Notwithstanding the foregoing, pursuant to Section 49-3-1007, Tennessee Code Annotated, if at any time the amount collected from said Debt Service Tax and maintained in a separate fund created for that purpose shall be equal to at least two hundred percent of the amount of principal and interest coming due on the Bonds and any other outstanding indebtedness of the District in the next succeeding twelve months, 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 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 any other outstanding indebtedness of the District, and, upon such certification being made to the County Trustee, the County Trustee shall levy and collect only the taxes based on the rate so certified.

The Debt Service Tax is subject to adjustment from time to time in connection with county-wide reappraisal. Section 67-5-1601, Tennessee Code Annotated, mandates that every six (6) or four (4) years, as determined by the county assessor of property, each county of the State shall conduct a reappraisal of all real property in the county and an equalization of assessments in the county.

Section 67-5-1704, Tennessee Code Annotated, requires that upon such reappraisal, the rate of all District taxes will be adjusted to provide the same ad valorem tax revenue as was levied the year immediately prior to the reappraisal, with appropriate adjustments to take into account new construction and deletions from the tax roll. In addition, in the event the total assessed value of all property subject to the Debt Service Tax declines by more than ten percent (10%) from January 1 of any year to January 1 of the next succeeding year or declines by more than fifteen percent (15%) from January 1 of any year to January 1 of the second succeeding year thereafter, at the request of the Board of Trustees, the county assessor of property shall certify to the County Trustee and the Board of Trustees of the District the total assessed value of taxable property within the District and furnish the County Trustee and the Board of Trustees an estimate of the total assessed value of all new construction and improvements not included on the assessment roll of the base year and all deletions from the assessment roll of the base year. Upon receipt of said information and certifications, the County Trustee shall adjust the Debt Service Tax rate to an adjusted rate which is estimated to provide to the District the same tax revenue as was provided by said tax in the base year, exclusive of such new construction, improvements and deletions, in accordance with policies established by the State Board of Equalization pursuant to Section 67-5-1701(b), Tennessee Code Annotated, or any successor thereto.

The Act provides that both the levies for operational expenses and debt service 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. 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.

In the event additional funding of the District is needed to pay debt service and operational expenses, the General Assembly of the State of Tennessee has the authority but not the requirement to increase the property tax rate and provide other additional funding to the District.

Assessed Property Values

According to the County Assessor of Property and the State Public Service Commission as reported in the Annual Tax Aggregate Report prepared by the State Division of Property Assessments, the taxable property within the District for tax years 2015 through 2019 are as follows:

Fiscal Year Tax Year	2019-2020 2019	2018-2019 2018	2017-2018 2017	2016-2017 2016	2015-2016 2015
ASSESSED VALUES					
Residential & Farm (at 25%)	$285,514,870	$260,585,975	$257,530,550	$253,423,040	$248,374,875
Commercial & Industrial (at 40%)	27,072,030	27,284,300	26,072,575	25,386,135	25,409,455
Personal Tangible Property (at 30%)	8,594,580	7,692,806	9,052,564	7,461,215	7,382,030
Public Utilities (at 30%-55%)	21,018,637	18,680,165	19,483,736	21,692,040	21,042,936
Total Assessed Values	$342,200,117	$314,243,246	$312,139,425	$307,962,430	$302,209,296
Annual Percentage Change	8.90%	0.67%	1.36%	1.90%	0.92%
Estimated Per Capita Amount	$13,371	$12,269	$12,166	$12,004	$11,761

Sources: State Board of Equalization, 2015-2019 Tax Aggregate Reports of Tennessee as provided by the State Division of Property Assessments

Tennessee Basic Education Program

During the 1992 session of the Tennessee General Assembly, an Educational Improvement Act was enacted to reform the organization and operation of public education in Tennessee. Included in the Act was a funding initiative called the Tennessee Basic Education Program ("BEP"), which, among other things, mandated smaller classrooms and sought to equalize educational funding between affluent and poor counties. To fund the programs mandated by the BEP and to otherwise improve the funding of public education, the State sales tax was increased by one-half percent (½%). The amounts received from BEP funding for fiscal years ended June 30, 2015 through June 30, 2019 are as follows:

State of Tennessee Basic Education Program

	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15
Basic Education Program Funding	$21,990,084	$21,524,000	$20,886,000	$19,664,000	$18,978,000
Annual Percentage Change	2.17%	3.05%	6.21%	3.61%	0.72%

Sources: Financial Statements and Auditor's Reports for the for the fiscal years ended June 30, 2015-2019 as prepared by Cowart Reese Sargent, Certified Public Accountants.

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Local Option Sales and Use Tax

Pursuant to Sections 67-6-701 et seq., Tennessee Code Annotated, Gibson County is authorized to levy a county-wide local option sales and use tax not to exceed 2.75%. Currently, the County levies a local option sales tax of 2.75% that was increased from 2.25% following a March 2012 referendum. Pursuant to Sections 67-6-701 et seq., Tennessee Code Annotated, half the revenues from the local option sales tax must be used for education and are distributed to all school systems in the County based on weighted average daily attendance. The local option sales tax revenues received by the District for fiscal years ended June 30, 2015 through June 30, 2019, are presented below:

	FY2018-2019	FY2017-2018	FY2016-2017	FY2015-2016	FY2014-2015
Rate (Percent of retail sales)	2.75%	2.75%	2.75%	2.75%	2.75%
Distribution from County					
General Purpose School Fund	$2,966,860	$2,816,767	$2,731,597	$2,675,653	$2,568,503
Annual Percent Increase	5.33%	3.12%	2.09%	4.17%	4.78%

Sources: Financial Statements and Auditor's Reports for the fiscal years ended June 30, 2015-2019 as prepared by Cowart Reese Sargent, Certified Public Accountants.

Security Description and Estimates According to State Authorization

The table below presents the estimated funds available to the District to pay debt service on the District's bonded indebtedness. The property tax rate listed below includes tax levies used (together with certain other District revenues) to pay the District's operating costs, which are not reflected below. For a review of the total funds received by the District and how the proceeds are disbursed, and for details regarding the District's operating costs, see Appendix C – Financial Statements and Other Information.

Pledged Revenues Compared to Debt Service Requirements

		Pledged Revenues Sources According to Private Act							
Fiscal Year Ending June 30	Property Tax Rate Per $100	Local Option Sales Tax	Property Taxes Collected	Other Local Revenues [2]	State BEP Capital Outlay Funds	Total Funds Included In Pledge [1]	Debt Service Require-ments	Ratio of Available Funds To Debt Service Require-ments	General Purpose School Fund Fund Balance[1]
2019	$2.1415	$2,966,860	$6,783,521	$401,650	$3,161,440	$13,313,471	$4,198,031	3.17	$10,604,868
2018	2.1415	2,816,767	6,671,623	328,742	3,159,481	12,976,613	$4,161,546	3.12	10,327,581
2017	2.1415	2,731,597	6,606,891	382,276	3,129,212	12,849,976	$4,007,368	3.21	14,815,180
2016	1.7415	2,675,653	5,230,343	310,246	2,977,929	11,194,171	$2,870,859	3.90	23,669,678
2015	1.7415	2,568,503	5,159,285	318,116	2,909,062	10,954,966	2,904,809	3.77	6,205,794

(1) The estimated amount of funds pledged does not include the General Purpose School Fund Balance which is available for making annual payments.

(2) Other Local Revenues include interest income from cash flow investments and child care.

Sources: Financial Statements and Auditor's Reports for the fiscal years ended June 30, 2015-2019 as prepared by Cowart Reese Sargent, Certified Public Accountants, and District Officials.

GENERAL INFORMATION RELATING TO THE COUNTY

Gibson County was established in 1823 and is located in the northwestern part of the state of Tennessee approximately 100 miles northeast of Memphis and 140 miles west of Nashville. A rich agricultural section that is very productive and well diversified surrounds the County.

The economic base of the District largely consists of agricultural production and employment in various businesses and industries in Gibson County. Furthermore, the District lies only 15 minutes north of the Jackson/Madison County area that is known as the industrial hub of West Tennessee.

State Highways 5, 43, 54, 76, 77, 89, 104, 105, 106, 152, 186, 187, 188, and 367 and Federal Highways 45E, 45W, 70A, and 79 serve the County providing an excellent transportation hub. The West Tennessee Railroad Corporation also serves the County. Humboldt Municipal Airport and Gibson County Airport provide municipal airport services, with the nearest commercial service in Jackson, Tennessee approximately 20 miles away.

The County encompasses 603 square miles.

Top Employers in Gibson County

Company	Employees	Type of Company
Gibson County Special School District	550	Education
Wal-Mart	500	Retail
Ceco Door Products	400	Doors & Frames
Milan Special School District	300	Education
Gibson County	292	County Government
The Winfrey Center	250	Healthcare
MacLean Power Systems	222	Electrical Utility Components
Humboldt City Schools	213	Education
Save-A-Lot	212	Grocery Wholesale Distribution

Source: Tennessee Department of Economic and Community Development.

Employment and Unemployment Data

			Total Labor	Unemployment Percent		
Year	Employment	Unemployment	Force	County	State	U.S.
2010	20,894	2,849	23,743	12.0%	9.6%	9.6%
2011	21,133	2,719	23,852	11.4%	9.0%	8.9%
2012	20,531	2,357	22,888	10.3%	7.8%	8.1%
2013	19,636	2,427	22,063	11.0%	7.7%	7.4%
2014	19,254	1,881	21,135	8.9%	6.6%	6.2%
2015	19,406	1,551	20,957	7.4%	5.6%	5.3%
2016	19,933	1,227	21,160	5.8%	4.7%	4.9%
2017	20,243	976	21,219	4.6%	3.8%	4.3%
2018	20,882	961	21,843	4.4%	3.5%	3.9%
2019	21,327	935	22,262	4.2%	3.4%	3.7%
Sep-20	20,709	1,205	21,914	5.5%	6.3%	7.9%

Source: Bureau of Labor Statistics

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SUMMARY OF OUTSTANDING DEBT

Amount Issued	Issue	Date Issued	Maturity Date	Interest Rate	Principal Outstanding 06/30/19
	Bonds				
4,285,000	School Bonds, Series 2009	12/09/09	04/01/29	3.375% - 4.35%	110,000 (2)
3,200,000	School Bonds, Series 2012	05/30/12	04/01/32	2.00% - 3.375%	2,385,000
3,000,000	School Bonds, Series 2013	05/29/13	04/01/34	2.00% - 3.25%	2,285,000
20,625,000	School Bonds, Series 2015	01/15/15	04/01/33	2.00% - 5.00%	19,950,000
18,300,000	School Bonds, Series 2016	05/27/16	04/01/36	2.00% - 5.00%	16,355,000
8,505,000	School Bonds, Series 2020	12/18/20	04/01/40	1.25% - 3.00%	8,505,000
	Total Bonds				$49,590,000
	Notes				
$778,182	Energy Efficient Lighting Project	04/01/19	04/01/27	2.56%	778,182
	Total Notes				$778,182
	Total Current Outstanding Debt				$50,368,182

SCHOOL DISTRICT DEBT STATEMENT

(as of June 30, 2019)

Current Outstanding Debt	$50,368,182
Net Direct Debt	$50,368,182
Net Overlapping Debt (as of June 30, 2019)	
Gibson County, Tennessee (39.46% of $13,335,000 County G.O. Debt)	$5,262,585
City of Dyer	94,542
Town of Gibson	72,522
Town of Kenton	1,356,894
City of Medina	4,180,153
Town of Rutherford	0
Total Net Overlapping Debt	$10,966,696
Overall Net Debt	$61,334,878

DEBT RECORD OF GIBSON COUNTY SPECIAL SCHOOL DISTRICT

There is no record of a default on bond principal and interest from information available.

(1) - As of 6/30/2019 and adjusted for School Bonds, Series 2020.

(2) - Excludes Bonds being Refunded.

Sources: Financial Statements and Auditor's Reports for the fiscal year ended June 30, 2019 as prepared by Cowart Reese Sargent, Certified Public Accountants.

POPULATION

	School District[1]	County	Tennessee
1990 U.S. Census	18,468	46,402	4,890,626
2000 U.S. Census	25,083	48,136	5,703,719
2010 U.S. Census	25,905	49,731	6,355,311
2011 U.S. Census Estimate	25,992	49,898	6,399,291
2012 U.S. Census Estimate	25,871	49,666	6,453,898
2013 U.S. Census Estimate	25,722	49,380	6,494,340
2014 U.S. Census Estimate	25,751	49,436	6,541,223
2015 U.S. Census Estimate	25,695	49,329	6,591,170
2016 U.S. Census Estimate	25,654	49,250	6,646,010
2017 U.S. Census Estimate	25,657	49,255	6,708,799
2018 U.S. Census Estimate	25,613	49,171	6,771,631
2019 U.S. Census Estimate	25,593	49,133	6,829,174

Source: U.S. Bureau of Census

(1) According to the District, the District population in 2000 was 25,083. Population for subsequent years have been estimated by assuming the same ratio of District to County population.

SCHOOL DISTRICT PER CAPITA DEBT RATIOS

Current Outstanding Debt	$1,968.02
Net Direct Debt	1,968.02
Total Net Overlapping Debt	428.50
Overall Net Debt	2,396.51

SCHOOL DISTRICT DEBT RATIOS

	Assessed Value	Estimated Actual Value
District Property Values	$342,200,117	$1,286,604,229
Current Outstanding Debt to	14.72%	3.91%
Net Direct Debt to	14.72%	3.91%
Total Net Overlapping Debt to	3.20%	0.85%
Overall Net Debt to	17.92%	4.77%

SCHOOL DISTRICT DEBT TREND

	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15
Bonded Debt	$42,300,000	$44,825,000	$47,225,000	$49,485,000	$32,750,000
Notes	$778,182	$0	$0	$0	$0
Total Net Debt	$43,078,182	$44,825,000	$47,225,000	$49,485,000	$32,750,000

Sources: Financial Statements and Auditor's Reports for the fiscal years ended June 30, 2015-2019 as prepared by Cowart Reese Sargent, Certified Public Accountants.

SCHOOL DISTRICT DEBT SERVICE REQUIREMENTS

(as of June 30, 2019)[1]

		PRINCIPAL						INTEREST					
Year No.	Year Ended June 30	Bonds Outstanding as of 6/30/2019	Notes Outstanding as of 6/30/2019	Less: Bonds Being Refunded	Plus: School Bonds, Series 2020	Total Principal	Percent Principal Retired	Bonds Outstanding as of 6/30/2019	Notes Outstanding as of 6/30/2019	Less: Bonds Being Refunded	Plus: School Bonds, Series 2020	Total Interest	Total Debt Service
1	2020	2,480,000	86,050			2,566,050		1,580,663	25,289			1,605,952	4,172,002
2	2021	2,630,000	89,581	(115,000)	110,000	2,714,581		1,473,288	21,758	(24,822)	54,200	1,524,424	4,239,005
3	2022	2,680,000	92,513	(120,000)	425,000	3,077,513		1,358,550	18,825	(45,331)	186,138	1,518,181	4,595,694
4	2023	2,805,000	95,543	(125,000)	435,000	3,210,543		1,241,813	15,796	(40,681)	173,388	1,390,315	4,600,858
5	2024	2,935,000	98,671	(130,000)	445,000	3,348,671	29.62%	1,119,269	12,667	(35,838)	160,338	1,256,436	4,605,107
6	2025	3,055,000	101,902	(135,000)	460,000	3,481,902		990,519	9,435	(30,638)	146,988	1,116,304	4,598,206
7	2026	3,155,000	105,238	(140,000)	475,000	3,595,238		855,825	6,100	(25,238)	133,188	969,875	4,565,113
8	2027	3,270,000	108,684	(145,000)	485,000	3,718,684		707,233	2,655	(19,358)	118,938	809,468	4,528,152
9	2028	3,305,000		(150,000)	500,000	3,655,000		580,805		(13,268)	104,388	671,925	4,326,925
10	2029	3,310,000		(155,000)	520,000	3,675,000	65.60%	489,718		(6,743)	89,388	572,363	4,247,363
11	2030	2,360,000			390,000	2,750,000		396,988			73,788	470,775	3,220,775
12	2031	2,380,000			400,000	2,780,000		333,500			62,088	395,588	3,175,588
13	2032	2,410,000			405,000	2,815,000		251,200			57,088	308,288	3,123,288
14	2033	1,785,000			410,000	2,195,000		167,288			52,025	219,313	2,414,313
15	2034	1,340,000			415,000	1,755,000	90.01%	112,675			46,900	159,575	1,914,575
16	2035	1,185,000			420,000	1,605,000		72,000			41,713	113,713	1,718,713
17	2036	1,215,000			430,000	1,645,000		36,450			35,413	71,863	1,716,863
18	2037				435,000	435,000					28,963	28,963	463,963
19	2038				440,000	440,000					22,438	22,438	462,438
20	2039				450,000	450,000	99.10%				15,838	15,838	465,838
21	2040				455,000	455,000	100.00%				7,963	7,963	462,963
		$42,300,000	$778,182	($1,215,000)	$8,505,000	$50,368,182		$11,767,780	$112,525	($241,914)	$1,611,163	$13,249,553	$63,617,735

(1) - As of 6/30/2019 and adjusted for School Bonds, Series 2020.

Sources: Financial Statements and Auditor's Reports for the fiscal year ended June 30, 2019 as prepared by Cowart Reese Sargent, Certified Public Accountants.

SCHOOL DISTRICT PROPERTY VALUATION AND PROPERTY TAX

Fiscal Year Tax Year	2019-2020 2019	2018-2019 2018	2017-2018 2017	2016-2017 2016	2015-2016 2015
ESTIMATED ACTUAL VALUES					
Residential & Farm	$1,142,019,400	$1,087,928,054	$1,049,523,350	$1,030,999,357	$993,605,500
Commercial & Industrial	67,783,500	71,305,411	66,446,662	64,698,214	63,559,600
Personal Tangible Property	28,648,667	26,635,042	30,671,375	25,260,419	24,606,671
Public Utilities	48,152,662	42,795,338	44,636,279	49,695,395	48,208,330
Total Estimated Actual Values	$1,286,604,229	$1,228,663,845	$1,191,277,666	$1,170,653,385	$1,129,980,101
Annual Percentage Change	4.72%	3.14%	1.76%	3.60%	1.15%
Estimated Per Capita Amount	$50,271	$47,970	$46,431	$45,632	$43,976
ASSESSED VALUES					
Residential & Farm (at 25%)	$285,514,870	$260,585,975	$257,530,550	$253,423,040	$248,374,875
Commercial & Industrial (at 40%)	27,072,030	27,284,300	26,072,575	25,386,135	25,409,455
Personal Tangible Property (at 30%)	8,594,580	7,692,806	9,052,564	7,461,215	7,382,030
Public Utilities (at 30%-55%)	21,018,637	18,680,165	19,483,736	21,692,040	21,042,936
Total Assessed Values	$342,200,117	$314,243,246	$312,139,425	$307,962,430	$302,209,296
Annual Percentage Change	8.90%	0.67%	1.36%	1.90%	0.92%
Estimated Per Capita Amount	$13,371	$12,269	$12,166	$12,004	$11,761
Appraisal Ratio	100.00%	95.81%	98.15%	98.15%	100.00%
Assessed Values to Actual Values	26.60%	25.58%	26.20%	26.31%	26.74%
Property Tax Rate					
General Purpose School	$2.0103	$2.1415	$2.1415	$2.1415	$1.7415
Total Property Tax Rate	$2.0103	$2.1415	$2.1415	$2.1415	$1.7415
Taxes Levied	$6,879,249	$6,729,519	$6,684,466	$6,595,015	$5,262,975

Sources: State Board of Equalization, 2015-2019 Tax Aggregate Reports of Tennessee as provided by the State Division of Property Assessments

SCHOOL DISTRICT TOP TAXPAYERS

Taxpayer	Type of Taxpayer	Tax Year 2019 Assessed Value	As a % of Total Assessment
Gibson Electric Membership	Electric Utility	16,467,351	4.81%
Norfolk Southern-IC BR	Railroad Transportation	3,605,519	1.05%
CSX Transportation, Inc	Railroad Transportation	2,930,538	0.86%
Bellsouth Telecommunications, LLC	Telecommunication	2,327,762	0.68%
Trinity Industries Leasing Company	Rail Industry Company	2,315,424	0.68%
AT&T Mobility, LLC	Telecommunication	2,213,105	0.65%
Verizon Wireless Tennessee Partnership	Telecommunication	1,909,634	0.56%
Dyer Nursing Home Inc	Nursing Home	1,749,600	0.51%
CIT Group/Capital Finance, Inc	Transportation	1,637,610	0.48%
Texas Gas Transmission	Utility	1,219,720	0.36%

Source: Gibson County Trustee's Office

SCHOOL DISTRICT FUND BALANCES

	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15
EDUCATION FUNDS					
General Purpose School	$10,604,868	$10,327,581	$14,815,180	$23,669,678	$6,205,794
Food Service	818,956	875,203	823,876	649,084	608,042
Total Education Funds	$11,423,824	$11,202,784	$15,639,056	$24,318,762	$6,813,836

Sources: Financial Statements and Auditor's Reports for the fiscal years ended June 30, 2015-2019 as prepared by Cowart Reese Sargent, Certified Public Accountants.

COUNTY-WIDE LOCAL SALES TAX

	FY2018-2019	FY2017-2018	FY2016-2017	FY2015-2016	FY2014-2015
Rate (Percent of retail sales)	2.75%	2.75%	2.75%	2.75%	2.75%
Distribution from County					
General Purpose School Fund	$2,966,860	$2,816,767	$2,731,597	$2,675,653	$2,568,503
Annual Percent Increase	5.33%	3.12%	2.09%	4.17%	4.78%

Sources: Financial Statements and Auditor's Reports for the fiscal years ended June 30, 2015-2019 as prepared by Cowart Reese Sargent, Certified Public Accountants.

APPENDIX C

Comprehensive Annual Financial Report of Gibson County Special School District, Tennessee
for the Year Ended June 30, 2019

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GIBSON COUNTY SPECIAL SCHOOL DISTRICT DYER, TENNESSEE

FINANCIAL STATEMENTS JUNE 30, 2019

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
TABLE OF CONTENTS
June 30, 2019

INTRODUCTORY SECTION	Page
Directory – Unaudited	1
FINANCIAL SECTION	
Independent Auditors' Report	2
Management's Discussion and Analysis	5
BASIC FINANCIAL STATEMENTS	
District-Wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of Total Governmental Fund Balances to Statement of Net Position of Governmental Activities	12
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	15
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Federal Projects Fund	23
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Cafeteria Fund	26
Notes to the Financial Statements	27
REQUIRED SUPPLEMENTARY INFORMATION SECTION	
Schedule of Proportionate Share of the Net Pension Liability (Asset) – Teacher Retirement Plan	56
Schedule of Contributions- Teacher Retirement Plan	57
Schedule of Proportionate Share of Net Pension Liability (Asset) – Teacher Legacy Pension Plan	58
Schedule of Contributions- Teacher Legacy Pension Plan	59
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS- Political Subdivision Retirement Plan	60
Schedule of Contributions- Political Subdivision Retirement Plan	61
Schedule of Changes in Gibson County Special School District's Proportionate Share Of Collective OPEB Liability and Related Ratios – TGOP Plan	62
Schedule of Changes in Gibson County Special School District's Proportionate Share Of Collective OPEB Liability and Related Ratios – TN Plan	63
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Principal and Interest Requirements	64
Schedule of Changes in Long-Term Debt by Individual Issue	70
Schedule of Salaries of Principal Officials	71
Schedule of Expenditures of Federal Awards and State Financial Assistance	72

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
TABLE OF CONTENTS
June 30, 2019

INTERNAL CONTROL AND COMPLIANCE SECTION

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	73
Independent Auditors' for Each Major Federal Program; Report on Internal Control over Compliance in Required by the Uniform Guidance	75
Schedule of Findings and Questioned Costs	77
Schedule of Prior Audit Findings and Questioned Costs	78

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
DIRECTORY - UNAUDITED
June 30, 2019

ELECTED OFFICIALS
Tom Lannom, Chairman
Treva Maitland, Member
Benny Boals, Member
Steven Tate, Member
Eddie Watkins, Member
Dana Welch, Member
Charles Scott, Member

APPOINTED OFFICIALS
Eddie Pruett, Director of Schools

COWART REESE SARGENT
Certified Public Accountants, P.C.
Members: American Institute of Certified Public Accountants | Tennessee Society of Certified Public Accountants
Governmental Audit Quality Center | Private Companies Practice Section
www.crscpa.com

INDEPENDENT AUDITORS' REPORT

To The Board of Education
Gibson County Special School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Gibson County Special School District (the District), Dyer, Tennessee, 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.

Auditors' 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 opinion.

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Fax (731)587-9474

11 N. Court Square
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(731)772-2273
Fax (731)772-2275

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparisons for the general, federal projects and cafeteria funds for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United State of America require that the management's discussion and analysis, schedules of contributions, schedule of proportionate share of net pension liability (asset), and schedule of net changes in net pension liability (asset) and related ratios based on the participation in the public employee pension plan of TCRS, Schedule of Changes in Gibson County Special School District's Proportionate Share of Collective OPEB Liability and Related Ratios – TGOP Plan and Schedule of Changes in Gibson County Special School District's Proportionate Share of Collective OPEB Liability and Related Ratios – TN Plan be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to an essential part of financial reporting for placing the basic financial statements in an appropriate, operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards and the introductory section are presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The schedules of principal and interest requirements, schedule of salaries of principal officials, and 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, the supplementary information 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 3, 2019, on our consideration of the 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 the 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 District's internal control over financial reporting and compliance.

Cowart Reese Sargent

Cowart Reese Sargent, CPAs, P.C.
Martin, TN

December 3, 2019

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019

This section of the Gibson County Special School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2019, and a comparison of financial information between the 2018 and 2019 fiscal years. The analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the Gibson County Special School District.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. Please consider the information presented here in conjunction with the District's financial statements, which immediately follow this section.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Gibson County Special School District financially as a whole. The district-wide financial statements provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a long-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the District's operations in more detail than the district-wide financial statements by providing information about the District's funds which include the General Fund, Federal Projects Fund, and the Cafeteria Fund.

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities, which appear first in the District's financial statements, report information on the District as a whole and its activities in a way that provides readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements include all assets, deferred outflows, liabilities, and deferred inflows, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position - the difference between assets, deferred outflows, liabilities, and deferred inflows as reported in the statement of net position - as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position - as reported in the statement of activities - are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the District.

The statement of net position and statement of activities report the governmental activities for the District, which encompass all of the District's services, including instruction, support services, community services, athletics, child care, and food services. Property taxes and state and federal grants finance most of these activities.

FUND FINANCIAL STATEMENTS

The School District's fund financial statements provide detailed information about the funds that are maintained by the District. Some funds are required to be established by State law and by bond covenants. However, the District may establish other funds to help it control and manage money for particular purposes or to show that it's meeting legal responsibilities for using certain taxes, grants, and other money.

All of the District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the District and the services it provides, Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Recall that the statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position as of June 30, 2019 and June 30, 2018:

STATEMENT OF NET POSITION

	Governmental Activities	
	6/30/2019	6/30/2018
Assets		
Current And Other Assets	$ 24,596,283	$ 22,270,534
Capital Assets, Net Of Depreciation	59,243,928	59,844,109
Total Assets	83,840,211	82,114,643
Deferred Outflows of Resources		
Deferred Outflows Related To Pension	2,773,889	3,055,825
Deferred Outflows Related To OPEB	129,303	83,766
Total Deferred Outflows of Resources	2,903,192	3,139,591
Total Assets And Deferred Outflows Of Resources	$ 86,743,403	$ 85,254,234
Liabilities		
Current Liabilities	4,087,410	3,557,818
Long-Term Liabilities	46,190,159	48,211,688
Total Liabilties	50,277,569	51,769,506
Deferred Inflows of Resources		
Deferred Inflows Related To Pensions	2,344,262	2,747,923
Deferred Inflows Related To OPEB	448,807	108,682
Deferred Revenues	7,062,154	7,201,942
Total Deferred Inflows Of Resources	9,855,223	10,058,547
Net Position		
Net Investment In Capital Assets	14,910,247	15,019,109
Restricted	2,902,076	1,480,463
Unrestricted	8,798,288	6,926,609
Total Net Position	26,610,611	23,426,181
Total Liabilities, Deferred Inflows Of Resources And Net Position	$ 86,743,403	$ 85,254,234

The above analysis focuses on the net position. The change in net position of the District's governmental activities is discussed below. The District's net position was $26,610,611 and $23,426,181 as of June 30, 2019 and June 30, 2018 respectively.

Net investment in capital assets totaling $14,910,247 compares the original cost, less depreciation of the District's capital assets, to long-term debt, including accrued interest on capital appreciation bonds, used to finance the acquisition of those assets. Most of the debt will be repaid from property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use that net position for day-to-day operations. The remaining amount of net position, $8,798,288 was unrestricted.

The $8,798,288 in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. The operating results of the general fund will have a significant impact on the change in unrestricted net position from year to year.

The results of this year's operations for the District as a whole are reported in the statement of activities, which shows the changes in net position for fiscal year 2019. The following schedule also provides the changes in net position for fiscal year 2018 so that comparisons can be made between the two years presented.

GOVERNMENTAL ACTIVITIES

	6/30/2019	6/30/2018
Revenues		
Program Revenues		
Charges For Services	$ 1,033,605	$ 965,055
Operating Grants and Contributions	3,262,691	3,130,978
Total Program Revenues	4,296,296	4,096,033
General Revenues		
Property Taxes	6,940,123	6,629,550
Local Option Sales Taxes	2,966,860	2,816,767
Other Taxes	51,326	108,443
Intergovernmental	22,464,378	22,414,393
Interest	23,303	32,746
Other Sources	1,747,261	585,288
Total General Revenues	34,193,251	32,587,187
Total Revenues	38,489,547	36,683,220
Function / Program Expenses		
Instruction	19,833,615	18,552,306
Support Services	11,111,248	10,339,541
Food Service	2,070,102	1,949,522
Other Non-Instructional Services	660,967	898,169
Interest on Debt	1,629,183	1,761,546
Total Expenses	35,305,115	33,501,084
Change in Net Position	3,184,432	3,182,136
Net Position, Beginning	23,426,179	23,239,389
Prior Period Adjustment	-	(2,995,344)
Net Position, Beginning - Restated	23,426,179	20,244,045
Net Position, Ending	$ 26,610,611	$ 23,426,181

As reported in the statement of activities, the cost of all of our governmental activities this year was $35,305,115 with an increase of $1,804,031 between the 2019 and 2018 fiscal years. Certain activities were partially funded from those who benefited from the programs ($2,334,672) or by other governments and organizations that subsidized certain programs with grants ($1,961,624). We paid for the remaining "public benefit" portion of our governmental activities with $9,984,607 in taxes, and with our other revenues, such as interest and general entitlements.

As discussed above, the net cost shows the financial burden that was placed on the State and the District's taxpayers by each of these functions. Since property taxes for operations and unrestricted State aid constitute the vast majority of the District's operating revenue sources, the Board of Education must annually evaluate the needs of the School District and balance those needs with State-prescribed available unrestricted resources.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the District's overall financial health.

As the District completed this year, the governmental funds reported a combined fund balance of $11,423,824, which is an increase of $221,040 from last year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget as it attempts to deal with changes in revenues and expenditures. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in the basic financial statements section of these financial statements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. At June 30, 2019, the District had $59,243,928 invested in a broad range of capital assets, including buildings, furniture, and equipment. Additional information on the District's capital assets, including depreciation expense, can be found in Note 4 of the Notes to Financial Statements.

Debt. At the end of the current fiscal year, the District had general long-term debt outstanding of $44,333,681 versus $44,825,000 at June 30, 2018, a change of 1%. We present more detailed information about our long-term liabilities in Note 4 of the Notes to Financial Statements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those interested parties and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Gibson County Special School District
130 Trenton Highway
P.O. Box 60
Dyer, Tennessee 38330

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
For the Year Ended June 30, 2019

ASSETS		
Cash		$ 13,436,992
Investments		503,753
Accounts Receivable		628,865
Taxes Receivable		7,293,944
Due from other Governments		579,757
Inventory		69,852
Net Pension Asset		2,083,120
Capital Assets:		
Land	312,722	
Construction in Progress	-	
Buildings and Improvements	84,571,087	
Vehicles	3,070,496	
Furniture and Equipment	2,178,396	
Less: Accumulated Depreciation	(30,888,773)	
		59,243,928
Total Assets		83,840,211
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pension		2,773,889
Deferred Outflows Related to OPEB		129,303
Total Deferred Outflows of Resources		2,903,192
Total Assets and Deferred Outflows of Resources		$ 86,743,403
LIABILITIES		
Accounts Payable		$ 139,669
Accrued Liabilities		1,387,649
Accrued Payroll		1,736,380
Retirement Contributions Withheld and Payable		570,290
Accrued Interest Payable		253,422
Long-term Liabilities:		
OPEB Liability		1,856,478
Portion due or payable within one year:		
Bonds and notes payable		2,566,050
Portion due or payable after one year		
Bonds and notes payable		40,512,132
Unamortized Bond Premium		1,255,499
Total Liabilities		50,277,569
DEFERRED INFLOWS OF RESOURCES		
Deferred Revenue- Property Taxes		7,062,154
Deferred Inflows Related to Pension		2,344,262
Deferred Inflows Related to OPEB		448,807
Total Inflows of Resources		9,855,223
NET POSITION		
Net investment in capital assets		14,910,247
Restricted for:		
Net Pension Asset		2,083,120
Cafeteria		818,956
Unrestricted		8,798,288
Total Net Position		26,610,611
Total Liabilities, Deferred Inflows of Resources, and Net Position		$ 86,743,403

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

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction:					
Regular Education	$ 16,099,760	$ -	$ -	$ 1,961,624	$ (14,138,136)
Special Education	2,663,192	-	-	-	(2,663,192)
Vocational Education	1,070,663	-	-	-	(1,070,663)
Support Services:					
Attendance Services	72,710	-	-	-	(72,710)
Health Services	467,825	-	-	-	(467,825)
Other Student Support	840,017	-	-	-	(840,017)
Regular Instruction	1,527,723	-	-	-	(1,527,723)
Vocational Education	32,496	-	-	-	(32,496)
Special Education	222,092	-	-	-	(222,092)
Community Service	291,863	-	-	-	(291,863)
Education Technology	583,934				(583,934)
Board of Education	375,193	-	-	-	(375,193)
Office of Superintendent	249,180	-	-	-	(249,180)
Office of the Principal	1,804,295	-	-	-	(1,804,295)
Fiscal Services	202,590	-	-	-	(202,590)
School Age Childcare	208,726	227,564	-	-	18,838
Operation of Plant	2,100,534	-	-	-	(2,100,534)
Maintenance of Plant	733,456	-	-	-	(733,456)
Transportation	1,398,614	-	-	-	(1,398,614)
Non-Instructional Services:					
Food Service	2,070,102	806,041	-	1,301,067	37,006
Early Childhood Education	412,319	-	-	-	(412,319)
Capital Projects	248,648	-	-	-	(248,648)
Interest on Debt	1,629,183	-	-	-	(1,629,183)
Total District	$ 35,305,115	$ 1,033,605	$ -	$ 3,262,691	$ (31,008,819)

General Revenues:	
Local Option Sales Tax	2,966,860
Property Taxes	6,940,123
Interstate Telecommunications Taxes	26,298
Other Taxes	51,326
Intergovernmental:	
Basic Education Program	22,464,378
Interest	23,303
Other Miscellaneous Revenues	1,720,963
Total General Revenues	34,193,251
Change in Net Position	3,184,432
Net Position, Beginning	23,426,179
Net Position, Ending	$ 26,610,611

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

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2019

	General	Federal Projects	Cafeteria	Total Governmental Funds
ASSETS				
Cash	$ 12,183,682	$ 509,394	$ 743,916	$ 13,436,992
Investments	503,753	-	-	503,753
Accounts Receivable	625,829	-	3,036	628,865
Property Taxes Receivable	7,293,944	-	-	7,293,944
Due from Other Governments	168,716	405,930	5,111	579,757
Due from Other Funds	957,665	42,966	-	1,000,631
Inventory	-	-	69,852	69,852
Total Assets	$ 21,733,589	$ 958,290	$ 821,915	$ 23,513,794
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 139,044	$ 625	$ -	$ 139,669
Accrued Liabilities	1,384,690	-	2,959	1,387,649
Accrued Payroll	1,736,380	-	-	1,736,380
Retirement Contributions Payable	570,290	-	-	570,290
Due To Other Funds	42,966	957,665	-	1,000,631
Total Liabilities	3,873,370	958,290	2,959	4,834,619
Deferred Inflows of Resources:				
Unavailable Revenue- taxes	7,255,351	-	-	7,255,351
Fund Balances:				
Nonspendable:				
Inventory	-	-	69,852	69,852
Restricted for:				
Cafeteria	-	-	749,104	749,104
Committed	401,124	-	-	401,124
Unassigned	10,203,744	-	-	10,203,744
Total Fund Balances	10,604,868	-	818,956	11,423,824
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 21,733,589	$ 958,290	$ 821,915	$ 23,513,794

THe accompanying notes are an integral part of these financial statements.

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO STATEMENT OF NET POSITION OF GOVERNMENTAL ACTIVITIES
For the Year Ended June 30, 2019

Amounts reported for governmental activities on the statement of net position are different because of the following:		
Fund balances - total governmental funds		$ 11,423,824
Capital assets used in governmental funds are not current financial resources and therefore are not reported as assets in governmental funds		59,243,928
Net Pension Asset is considered a long-term asset, not current financial resources and, therefore, not reported in the funds		2,083,120
Some payables are not due and payable in the current period and, therefore are not reported in the funds:		
Accrued interest		(253,422)
OPEB Liability is considered a long-term liability and not due in the current period, therefore, is not reported in the funds		(1,856,478)
Amounts reported as deferred inflows and deferred outflows of resources related to pensions will be amortized and recognized as components of pension expense in future years		
Deferred Outflows	$ 2,773,889	
Deferred Inflows	(2,344,262)	429,627
Amounts reported as deferred inflows and deferred outflows of resources related to OPEB will be amortized and recognized as components of OPEB expense in future years		
Deferred Outflows	$ 129,303	
Deferred Inflows	(448,807)	(319,504)
Certain receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the fund.		193,197
Long-term liabilities, including pensions, bonds, notes, and lease payables, are not due in the current period and , therefore, are not reported in the funds		(44,333,681)
Net position of governmental activities		$ 26,610,611

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

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

	General Fund	Federal Projects	Cafeteria	Total Governmental Funds
Revenues				
Taxes	$ 9,816,988	$ -	$ -	$ 9,816,988
Intergovernmental	23,704,510	1,971,513	1,301,067	26,977,090
Miscellaneous	488,348	-	814,038	1,302,386
Total Revenues	34,009,846	1,971,513	2,115,105	38,096,464
Expenditures				
Current:				
Instruction	17,634,203	1,256,395	-	18,890,598
Student Support	10,647,991	686,736	-	11,334,727
Food Services	-	-	2,171,348	2,171,348
Operation of Non-Instructional Services	412,319	-	-	412,319
Capital Projects	1,618,199	28,382	-	1,646,581
Debt Service:				
Principal	2,525,000	-	-	2,525,000
Interest	1,673,031	-	-	1,673,031
Total Expenditures	34,510,743	1,971,513	2,171,348	38,653,604
Excess Revenues Over (Under) Expenditures	(500,897)	-	(56,243)	(557,140)
Other Financing Sources (Uses)				
Loan proceeds	778,182	-	-	778,182
Total Other Financing Sources (Uses)	778,182	-	-	778,182
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	277,285	-	(56,243)	221,042
Fund Balance, Beginning	10,327,583	-	875,199	11,202,782
Fund Balance, Ending	$ 10,604,868	$ -	$ 818,956	$ 11,423,824

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

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL ACTIVITIES TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

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

Net change in fund balances - total governmental funds		$ 221,042
Governmental funds report capital outlay as expenditures. However, in the the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay.		
Add: capital assets purchased in the current period	1,799,215	
Less: current year depreciation expense	(2,399,396)	(600,181)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal and interest of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net affect of these differences in the treatment of long-term debt and related items.		
Less: loan proceeds	(778,182)	
Add: principal payments on bonds	2,525,000	
Add: Amortization of refunding bonds	74,220	1,821,038
Some expenses and revenues reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures nor receipts in the governmental funds.		
Revenues related to deliquent property taxes	193,197	
Interest expense accrued on long term debt obligations	43,848	
Expenses related to pension	1,599,585	
Expenses related to OPEB	(248,701)	
Revenues related to OPEB	154,604	1,742,533
Change in net position of governmental activities		$ 3,184,432

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

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

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Revenues				
Taxes				
Real Estate Taxes	$ 6,591,000	$ 6,591,000	$ 6,746,926	$ 155,926
In Lieu of Taxes	-	-	12,194	12,194
Penalties and Interest	20,000	20,000	24,401	4,401
Local Sales Tax	2,808,000	2,808,000	2,966,860	158,860
Interstate Telecommunications	-	-	26,298	26,298
Pick-Up Taxes	50,000	50,000	39,132	(10,868)
Marriage License	1,100	1,100	1,177	77
Total Taxes	9,470,100	9,470,100	9,816,988	346,888
Intergovernmental Revenues				
State of Tennessee - Basic Education Program	21,997,000	21,997,000	21,990,084	(6,916)
State of Tennessee - Early Childhood Education	416,912	416,912	410,633	(6,279)
State of Tennessee - Career Ladder	52,500	52,500	63,661	11,161
Federal Emergency Management Agency	625,000	625,000	658,698	33,698
State of Tennessee - Other	542,546	542,546	581,434	38,888
Total Intergovernmental Revenues	23,633,958	23,633,958	23,704,510	70,552
Miscellaneous Revenues				
Receipts From Individual Schools	43,000	43,000	130,557	87,557
Interest Earnings	20,000	20,000	22,250	2,250
Charges for Services	-	-	21,279	21,279
School Age Childcare	239,836	239,836	227,564	(12,272)
OPEB Grant Revenues	-	-	86,698	86,698
Total Miscellaneous Revenues	302,836	302,836	488,348	185,512
Total Revenues	33,406,894	33,406,894	34,009,846	602,952
Expenditures				
Instruction				
Regular Instruction Program				
Salaries - Teachers	9,948,218	9,948,218	9,593,449	354,769
Salaries - Career Ladder	42,500	45,500	44,055	1,445
Salaries - Educational Assistants	444,536	444,536	435,404	9,132
Salaries - Substitute Teachers	140,000	278,360	278,360	-
Salaries - Homebound ISS	5,000	5,000	2,440	2,560
Social Security	655,976	662,062	578,928	83,134
State Retirement	1,077,114	1,048,724	959,515	89,209
Retirement - Hybrid Stabilization	-	42,134	42,134	-
Life Insurance	12,000	12,000	11,784	216
OPEB Benefit Expense	-	-	49,031	(49,031)
Medical Insurance	1,041,140	1,081,940	1,047,850	34,090
Medicare	153,414	154,838	136,761	18,077
Other Contracted Services	125,381	125,381	130,716	(5,335)
Instructional Supplies	147,860	156,206	124,391	31,815
Other Supplies and Materials	295,706	403,550	408,599	(5,049)
Equipment	405,014	405,014	401,014	4,000

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

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

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Software	38,261	38,261	38,261	-
Textbooks	536,305	536,305	502,377	33,928
Total Regular Instructional Program	15,068,425	15,388,029	14,785,069	602,960
Special Education Program				
Salaries - Teachers	961,811	946,692	946,692	-
Salaries - Career Ladder	4,000	4,000	2,000	2,000
Salaries - Homebound ISS	2,000	2,000	-	2,000
Salaries - Speech Pathologist	54,179	46,962	40,357	6,605
Salaries - Educational Assistants	294,679	312,448	312,448	-
Salaries - Substitute Teachers	12,000	14,417	14,100	317
Salaries - Others	-	17,530	17,530	-
Social Security	83,331	83,331	71,549	11,782
State Retirement	128,914	128,914	122,764	6,150
OPEB Benefit Expense	-	-	8,418	(8,418)
Medicare	19,489	19,489	16,838	2,651
Medical Insurance	178,159	178,159	169,107	9,052
Contracted Services	-	-	10,150	(10,150)
Evaluation and Testing	-	46,178	60,025	(13,847)
Instructional Supplies	7,950	10,950	10,131	819
Equipment	-	10,000	8,628	1,372
Maintenance and Repair	1,500	1,500	1,486	14
Other Supplies and Materials	595	3,595	2,204	1,391
Total Special Education Program	1,748,607	1,826,165	1,814,427	11,738
Vocational Education Program				
Salaries - Teachers	757,293	796,924	792,900	4,024
Salaries - Career Ladder	2,000	2,000	2,000	-
Salaries - Substitute Teachers	16,500	16,500	12,380	4,120
Other Charges	5,000	5,000	4,180	820
Social Security	48,099	50,556	45,306	5,250
State Retirement	81,148	85,293	76,113	9,180
Medical Insurance	61,625	61,625	69,132	(7,507)
OPEB Benefit Expense	-	-	3,577	(3,577)
Medicare	11,249	11,824	10,645	1,179
Instructional Supplies	16,000	16,000	18,042	(2,042)
Other Supplies	1,000	1,000	432	568
Vocational Instruction Equipment	3,000	3,000	-	3,000
Total Vocational Education Program	1,002,914	1,049,722	1,034,707	15,015
Total Instruction	17,819,946	18,263,916	17,634,203	629,713
Student Support				
Student Support Attendance Services				
Salaries - Supervisor/Director	53,212	53,212	53,211	1
Salaries - Career Ladder	1,000	1,000	1,000	-
Social Security	3,361	3,361	3,064	297
State Retirement	5,671	5,671	5,670	1
OPEB Benefit Expense	-	-	210	(210)

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

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

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Medical Insurance	4,744	4,744	4,755	(11)
Medicare	786	786	717	69
Travel	3,600	3,600	4,083	(483)
Total Student Support Attendance Services	72,374	72,374	72,710	(336)
Health Services				
Supervisor	53,667	53,809	53,809	-
Medical Personnel	278,446	278,446	269,431	9,015
Other Salaries and Wages	27,910	28,080	28,080	-
Communicatioins	720	575	575	-
Travel	9,207	10,165	5,507	4,658
Drugs and Medical Supplies	5,500	5,500	4,093	1,407
Other Supplies and Materials	(24,804)	(24,826)	1,728	(26,554)
Social Security	22,322	21,899	19,127	2,772
State Retirement	36,721	36,748	27,029	9,719
OPEB Benefit Expense	-	-	2,525	(2,525)
Medical Insurance	46,794	46,698	48,145	(1,447)
Medicare	5,220	5,122	4,473	649
Other Charges	6,250	5,738	3,303	2,435
Equipment	3,000	3,000	-	3,000
Total Student Support Health Services	470,953	470,954	467,825	3,129
Other Student Support				
Salaries - Social Workers	24,830	27,970	27,970	-
Salaries - Guidance Personnel	474,550	471,410	469,987	1,423
Career Ladder	1,000	1,000	1,000	-
Social Security	31,024	31,024	28,654	2,370
Travel	1,500	1,500	941	559
Medical Insurance	49,524	49,524	45,357	4,167
State Retirement	52,340	52,340	50,752	1,588
OPEB Benefit Expense	-	-	1,894	(1,894)
Medicare	7,256	7,256	6,701	555
Evaluation and Testing	118,700	118,700	118,740	(40)
Instructional Supplies and Materials	2,700	2,700	2,700	-
Contracts with Government Agencies	-	52,000	52,801	(801)
Contracted Services	78,330	26,330	20,915	5,415
Total Student Support Other Services	841,754	841,754	828,412	13,342
Regular Instruction Program				
Salaries - Supervisor/Director	338,085	338,085	336,372	1,713
Salaries - Career Ladder	3,050	4,129	4,129	-
Salaries - Librarians	365,234	363,576	362,195	1,381
Salaries - Other	60,467	72,721	72,721	-
Medicare	13,497	11,119	10,098	1,021
Social Security	57,710	47,631	43,176	4,455
State Retirement	94,243	78,326	77,703	623
Medical Insurance	91,462	75,999	78,825	(2,826)
Consultants	5,000	5,000	-	5,000
Maintenance and Repair	2,000	1,000	-	1,000
In-service Training	72,000	54,725	54,725	-
Equipment	-	-	-	-
Travel	28,000	24,000	28,340	(4,340)
Contracted Services	72,000	37,000	36,377	623

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

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

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Other Supplies and Materials	61,946	60,446	36,741	23,705
OPEB Benefit Expense	-	-	3,577	(3,577)
Library Books/Media	24,500	24,500	21,500	3,000
Total Regular Instruction Program	1,289,194	1,198,257	1,166,479	31,778
Special Education Program				
Salaries - Supervisor/Director	84,475	84,646	84,646	-
Salaries - Career Ladder	950	950	871	79
Salaries - Clerical Personnel	32,363	32,539	32,539	-
Travel	-	4,955	6,751	(1,796)
Medical Insurance	-	15,484	7,583	7,901
Social Security	-	9,819	6,858	2,961
State Retirement	-	16,063	11,255	4,808
OPEB Benefit Expense	-	-	421	(421)
Other Supplies and Materials	-	2,500	2,411	89
Medicare	-	2,378	1,604	774
Maintenance and Repair- Equipment	-	1,000	836	164
In-service Training	-	7,000	8,635	(1,635)
Contracted Services	-	35,000	57,682	(22,682)
Repairs	-	-	-	-
Total Special Education Program	117,788	212,334	222,092	(9,758)
Vocational Education Program				
Salaries - Supervisor/Director	31,212	31,212	31,211	1
Medicare	453	453	453	-
Travel	5,000	5,000	832	4,168
Total Vocational Education Program	36,665	36,665	32,496	4,169
Education Technology				
Supervisor / Director	76,346	76,346	76,232	114
Data Processing Personnel	175,702	175,702	174,403	1,299
Social Security	15,627	15,627	14,230	1,397
State Retirement	20,461	20,461	20,357	104
Medical Insurance	22,311	22,311	22,246	65
Medicare	3,655	3,655	3,328	327
Internet Connectivity	95,000	95,000	94,235	765
Other Contracted Services	6,000	6,000	6,500	(500)
Software	127,075	127,075	116,162	10,913
Maintenance and Repairs	16,000	16,000	5,147	10,853
Other Equipment	72,540	72,540	51,094	21,446
Total Education Technology	630,717	630,717	583,934	46,783
Adult Education				
Other Contracted Services	4,000	4,000	-	4,000
Total Adult Education	4,000	4,000	-	4,000
Office of the Superintendent				
Salaries - Administrative Officer	122,159	122,338	122,338	-
Salaries - Other	34,137	34,525	34,525	-
Career Ladder	1,000	1,000	1,000	-
Social Security	9,752	9,752	8,769	983
State Retirement	21,474	21,474	21,878	(404)
OPEB Benefit Expense	-	-	421	(421)

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

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

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Medical Insurance	15,386	15,386	15,341	45
Medicare	2,281	2,281	2,051	230
Communication	33,575	33,008	25,459	7,549
Travel	4,000	4,000	2,348	1,652
Office Supplies	13,000	13,000	11,563	1,437
Postal Charges	4,500	4,500	3,487	1,013
Total Office of the Superintendent	261,264	261,264	249,180	12,084
School Age Childcare				
Supervisor/Director	16,716	20,549	20,549	-
Educational Assistants	78,117	82,453	82,453	-
Other Salaries and Wages	4,233	4,233	3,904	329
Social Security	5,880	5,880	6,628	(748)
State Retirement	1,050	1,050	1,421	(371)
Medicare	1,375	1,375	1,550	(175)
Travel	500	500	-	500
Instructional Supplies	15,000	6,831	-	6,831
Other Supplies and Materials	70,465	70,465	92,221	(21,756)
Other Charges	10,000	10,000	-	10,000
Regular Instruction Equipment	36,500	36,500	-	36,500
Total School Age Childcare	239,836	239,836	208,726	31,110
Office of the Principal				
Salaries - Principals	675,268	687,544	687,544	-
Salaries - Assistant Principals	518,268	503,748	499,580	4,168
Salaries - Career Ladder	7,000	7,000	4,333	2,667
Salaries - Secretaries	239,013	241,257	241,257	-
Social Security	89,252	89,252	82,003	7,249
Medicare	20,873	20,873	19,178	1,695
State Retirement	142,546	142,546	140,184	2,362
OPEB Benefit Expense	-	-	5,892	(5,892)
Medical Insurance	125,850	125,850	124,324	1,526
Total Office of the Principal	1,818,070	1,818,070	1,804,295	13,775
Fiscal Services				
Salaries - Supervisor/Director	99,357	99,357	99,356	1
Salaries - Accountants/Bookkeepers	57,015	57,015	45,072	11,943
Salaries - Internal Audit Personnel	-	-	-	-
Internal Audit Personnel	1,000	1,000	-	1,000
State Retirement	14,512	14,512	13,593	919
OPEB Benefit Expense	-	-	631	(631)
Social Security	9,757	9,757	8,032	1,725
Medicare	2,282	2,282	1,979	303
Medical Insurance	11,293	11,293	9,037	2,256
In-service Training	3,000	3,000	457	2,543
Travel	1,400	1,400	878	522
Other Contracted Services	21,292	21,292	22,056	(764)
Data Processing Supplies	1,500	1,500	1,499	1
Other Equipment	3,000	3,000	-	3,000
Total Fiscal Services	225,408	225,408	202,590	22,818
Maintenance of Plant				
Salaries - Maintenance Personnel	272,173	272,173	262,805	9,368

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

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

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Social Security	16,875	16,875	14,742	2,133
State Retirement	19,324	19,324	18,735	589
Medical Insurance	29,959	29,959	29,876	83
Medicare	3,947	3,947	3,448	499
OPEB Benefit Expense	-	-	1,262	(1,262)
Other Supplies and Materials	114,738	114,738	90,270	24,468
Equipment	-	133,000	132,961	39
Maintenance and Repairs	98,554	98,554	90,090	8,464
Other Contracted Services	94,000	94,000	78,951	15,049
Other Charges	3,850	3,850	10,316	(6,466)
Total Maintenance of Plant	653,420	786,420	733,456	52,964
Board of Education				
Board Fees	22,000	22,000	17,153	4,847
Social Security	1,364	1,364	320	1,044
Medicare	319	319	75	244
Audit Service	34,500	34,500	34,500	-
Dues and Memberships	25,059	25,059	23,956	1,103
Legal Services	20,000	20,000	4,750	15,250
Travel	8,000	8,000	4,302	3,698
Other Contracted Services	15,000	15,000	4,766	10,234
Insurance	54,556	54,556	54,509	47
Workers Compensation	58,205	58,205	58,061	144
Trustee Commission	160,611	160,611	164,539	(3,928)
Premium on Bonds	2,708	2,708	2,708	-
Unemployment Compensation	50,000	50,000	5,343	44,657
Total Board of Education	452,322	452,322	374,982	77,340
Operation of Plant				
Contracted Services	900,000	900,000	876,201	23,799
Disposal Fee	28,000	28,000	23,367	4,633
Electricity	775,000	775,000	771,420	3,580
Natural Gas	155,000	155,000	139,590	15,410
Water and Sewer	95,000	95,000	106,825	(11,825)
Other Supplies	27,023	27,023	15,720	11,303
Insurance	166,542	166,542	167,411	(869)
Total Operation of Plant	2,146,565	2,146,565	2,100,534	46,031
Transportation				
Salaries - Supervisor/Director	22,805	22,805	22,805	-
Salaries - Bus Drivers	411,804	426,814	426,814	-
Other Salaries & Wages	13,230	23,128	23,128	-
State Retirement	32,563	32,563	27,560	5,003
Social Security	27,766	27,766	23,686	4,080
Medicare	6,494	6,494	6,542	(48)
OPEB Benefit Expense	-	-	7,155	(7,155)
Medical Insurance	26,232	26,232	22,883	3,349
Gasoline	200,000	175,092	159,159	15,933
Travel	2,000	2,000	1,897	103
Contracts with Public Agencies	165,000	165,000	178,519	(13,519)
Contracts with Parents	3,300	4,300	6,265	(1,965)
Other Contracted Services	9,656	22,656	20,514	2,142
Vehicle and Equipment Insurance	48,744	48,744	48,744	-

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

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

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Equipment	581,446	581,446	602,117	(20,671)
Other Charges	23,000	23,000	22,492	508
Total Transportation	1,574,040	1,588,040	1,600,280	(12,240)
Total Student Support	10,834,370	10,984,980	10,647,991	336,989
Operation of Non-instructional Services				
Early Chidhood Education				
Salaries - Teachers	174,470	176,830	176,824	6
Salaries - Career Ladder	1,000	-	-	-
Salaries - Educational Assistants	76,584	82,084	82,027	57
Salaries- Non-Ceritfied Substitute Teachers	3,000	1,640	1,470	170
Social Security	11,228	14,328	14,319	9
State Retirement	25,043	23,643	23,563	80
OPEB Benefit Expense	-	-	1,684	(1,684)
Medical Insurance	32,589	29,489	29,336	153
Medicare	3,872	3,622	3,351	271
Travel	2,500	1,100	1,074	26
Other Contracted Services	30,000	34,000	33,231	769
Instructional Supplies and Materials	12,000	18,486	14,706	3,780
Food Supplies	8,000	1,300	1,054	246
Other Supplies and Materials	10,000	12,000	11,375	625
In-service Training	2,000	4,774	4,725	49
Equipment	13,616	13,616	13,580	36
Capital Outlay	-	-	-	-
Total Early Childhood Education	405,902	416,912	412,319	4,593
Debt Services				
Principal	2,525,000	2,525,000	2,525,000	-
Interest	1,673,033	1,673,033	1,673,031	2
Total Debt Services	4,198,033	4,198,033	4,198,031	2
Capital Projects				
Other Salaries & Wages	2,242	2,242	-	2,242
Social Security	139	139	-	139
State Retirement	159	159	-	159
Medical Insurance	534	534	-	534
Employer Medicare	33	33	-	33
Other Equipment	25,420	25,420	53,893	(28,473)
Capital Outlay	585,809	1,620,281	1,564,306	55,975
Total Capital Projects	614,336	1,648,808	1,618,199	27,502
Total Expenditures	33,872,587	35,512,649	34,510,743	998,799
Excess of Revenues Over (Under) Expenditures	$ (465,693)	$ (2,105,755)	(500,897)	$ 1,601,751

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

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

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Other Financing Sources (Uses)				
Loan Proceeds	778,182	778,182	778,182	-
Total Other Financing Sources (Uses)	778,182	778,182	778,182	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	312,489	(1,327,573)	277,285	1,601,751
Fund Balance - Beginning			10,327,583	
Fund Balance - Ending			$ 10,604,868	

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

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET AND ACTUAL - FEDERAL PROJECTS FUND
For the Year Ended June 30, 2019

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Revenues				
State of Tennessee	$ 2,123,999	$ 2,123,999	$ 1,961,624	$ (162,375)
OPEB Grant Revenues	-	-	9,889	9,889
Total Revenues	2,123,999	2,123,999	1,971,513	(152,486)
Expenditures				
Instruction				
Vocational Instruction				
Other Supplies	-	5,913	5,079	834
Other Charges	400	300	300	-
Equipment	26,011	28,383	28,382	1
In-Service/Staff Development	1,500	2,195	2,195	-
Total Vocational Instruction	27,911	36,791	35,956	835
Regular Instruction				
Salaries - Teachers	-	49,600	27,370	22,230
Salaries - Educational Assistants	212,462	223,999	222,587	1,412
Salaries - Certified Substitutes	-	2,380	1,440	940
Social Security	13,172	16,242	13,621	2,621
State Retirement	15,085	21,119	18,301	2,818
Medical Insurance	100	38,788	35,073	3,715
OPEB Benefit Expense	-	-	2,736	(2,736)
Medicare	3,080	3,799	3,192	607
Instructional Supplies	100	33,673	19,981	13,692
Equipment	100	59,282	55,755	3,527
Total Regular Instruction	244,099	448,882	400,056	48,826
Special Education				
Salaries - Teachers	81,816	83,489	83,489	-
Salaries - Speech Pathologist	145,050	133,846	133,846	-
Salaries - Educational Assistants	286,437	286,437	286,437	-
Salaries - Other	-	88,554	82,299	6,255
Social Security	31,825	32,223	31,782	441
State Retirement	44,067	51,361	50,693	668
Medical Insurance	76,853	102,811	102,784	27
Medicare	7,443	7,537	7,434	103
OPEB Benefit Expense	-	-	4,629	(4,629)
Evaluation and Testing	5	-	-	-
Contracted Services	24,300	22,186	21,029	1,157
Instructional Supplies	281	13,910	13,465	445
Equipment	5	24,070	21,918	2,152
Other Supplies	-	500	374	126
In Service / Staff Development	-	6,000	6,000	-
Other Supplies and Materials	-	2,586	2,586	-
Total Special Education	698,082	855,510	848,765	6,745
Total Instruction	970,092	1,341,183	1,284,777	56,406
Other Student Support				
Regular Instruction				
Salaries - Supervisors	28,268	38,425	37,972	453
Salaries - Clerical Personnel	21,155	22,207	22,207	-
Salaries - Other	226,912	211,420	210,129	1,291
Social Security	17,493	16,467	15,105	1,362

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

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET AND ACTUAL - FEDERAL PROJECTS FUND
For the Year Ended June 30, 2019

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
State Retirement	28,801	27,514	27,467	47
Medical Insurance	22,157	19,758	18,834	924
Medicare	4,049	3,852	3,634	218
OPEB Benefit Expense	-	-	1,683	(1,683)
Travel	300	4,705	-	4,705
Equipment	100	3,929	1,578	2,351
In-Service Training	200	77,769	22,470	55,299
Other Charges	100	633	165	468
Total Regular Instruction	349,535	426,679	361,244	65,435
Community Service				
Salaries- Supervisor/Director	-	162,926	141,834	21,092
Salaries- Teachers	-	72,835	72,973	(138)
Salaries- Assistants	-	8,038	8,036	2
Other Salaries and Wages	-	345	303	42
OPEB Benefit Expense	-	-	631	(631)
Social Security	-	14,580	12,661	1,919
State Retirement	-	14,903	15,893	(990)
Medical Insurance	-	19,563	18,105	1,458
Medicare	-	3,414	2,961	453
Maintenance and Repair- Equipment	-	150	140	10
Travel	-	4,195	3,716	479
Instructional Supplies and Materials	-	4,125	4,140	(15)
Other Supplies and Materials	-	5,254	4,994	260
In Service/Staff Development	-	3,729	3,931	(202)
Other Charges	-	1,575	1,545	30
Total Community Service	-	315,632	291,863	23,769
Other Student Support				
Travel	8,415	8,415	8,415	-
Other Supplies and Materials	750	2,399	407	1,992
Other Charges	1,000	1,000	-	1,000
In-Service Training	5,001	2,783	2,783	-
Total Other Student Support	15,166	14,597	11,605	2,992
Transportation				
Salaries - Bus Drivers	16,978	21,743	19,051	2,692
Social Security	1,053	1,249	1,082	167
State Retirement	1,205	1,415	1,194	221
Medicare	246	315	276	39
OPEB Benefit Expense	-	-	210	(210)
Other Contracted Services	10	-	-	-
Gasoline	5	600	-	600
Total Transportation	19,497	25,322	21,813	3,509
Board of Education				
Criminal Investigation of Applicants	-	261	211	50
Total Board of Education	-	261	211	50
Total Other Student Support	384,198	261	686,736	95,755

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

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET AND ACTUAL - FEDERAL PROJECTS FUND
For the Year Ended June 30, 2019

	Budgeted Amounts			Variance
	Original	**Final**	**Actual**	**Favorable (Unfavorable)**
Total Expenditures	1,354,290	1,341,444	1,971,513	152,161
Excess Revenues Over (Under) Expenditures	$ 769,709	$ 782,555	-	$ (325)
Fund Balance - Beginning			-	
Fund Balance - Ending			$ -	

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

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET AND ACTUAL- CAFETERIA FUND
For the Year Ended June 30, 2019

	Budgeted Amounts			Variance
	Original	**Final**	**Actual**	**Favorable (Unfavorable)**
Revenues				
Lunch Payment - Children	$ 682,841	$ 682,841	$ 710,403	$ 27,562
Lunch Payment - Adults	42,755	42,755	42,147	(608)
U.S.D.A. Reimbursments	1,269,809.00	1,269,809.00	1,281,319.00	11,510
State School Matching	20,410	20,410	19,748	(662)
Interest	952	952	1,053	101
OPEB Grant Revenues	-	-	6,944	6,944
A La Carte Sales	45,404	45,404	53,491	8,087
Total Revenues	2,062,171	2,062,171	2,115,105	52,934
Expenditures				
Food	831,130	831,130	921,367	(90,237)
USDA Commodities	160,734	160,734	128,534	32,200
Labor	551,597	568,660	568,660	-
Supervisor	52,691	52,691	52,602	89
Accountants	22,610	22,665	22,665	-
Other Contracted Services	24,550	24,550	24,247	303
Social Security	37,958	37,958	33,870	4,088
State Retirement	45,237	45,237	45,126	111
Medical Insurance	123,632	123,632	122,548	1,084
OPEB Benefit Expense	-	-	6,944	(6,944)
Unemployment	500	500	-	500
Employer Medicare	8,877	8,877	7,921	956
Communication	915	915	777	138
In-Service Training	8,070	8,070	5,326	2,744
Staff Development	5,500	5,500	4,124	1,376
Equipment	77,001	77,001	130,871	(53,870)
Non-Food Supplies	72,000	54,882	78,513	(23,631)
Maintenance and Repair	8,500	8,500	11,845	(3,345)
Travel	1,500	1,500	1,485	15
Uniforms	5,400	5,400	3,923	1,477
Total Expenditures	2,038,402	2,038,402	2,171,348	(132,946)
Excess Revenues Over (Under) Expenditures	$ 23,769	$ 23,769	(56,243)	$ (80,012)
Fund Balance - Beginning			875,199	
Fund Balance - Ending			$ 818,956	

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Gibson County School District's Board of Education (the District) is an on-going board which has governance responsibilities over all activities related to the public elementary and secondary education within the jurisdiction of Gibson County exclusive of Special School Districts within the County. The Board is elected by the public and receives funding from local, state and federal government sources. It must therefore comply with the requirements of these funding entities.

As required by generally accepted accounting principles, these financial statements present all funds, which comprise the District. These financial statements present the District as "The Primary Government" and there are no other component units, entities for which the District is considered financially accountable, which should be included.

B. District-wide and Fund Financial Statements

The district-wide financial statements (i.e., the statements 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 inter-fund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

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 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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government 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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Gross receipt 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 government.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District reports the following major governmental funds:

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

The federal projects fund is used to account for the federal funding received and disbursed for educational purposes.

The cafeteria fund is established to account for all funds received and disbursed relating to the operations of the cafeteria for each school in the district.

As a general rule, the effect of inter-fund activity has been eliminated from the district-wide financial statements.

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

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, and Net Position or Equity

Deposits and Investments
The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition. 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.

Investments for the District are reported at fair value.

Receivables and Payables
Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds" (i.e., the current portion of inter-fund loans) or "advances to / from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to / from other funds".

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1, 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 when levied to the extent the resources can be spent, otherwise the revenue is deferred to subsequent periods.

The District has a period public sales of delinquent tax properties. Accordingly, there is no allowance for uncollectible accounts recorded in the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

For the purpose of operating and maintaining the District, the private act creating the District authorized an annual property tax on every one hundred ($100) assessment of real and personal property located within, the District. The current property tax is $2.1415 on every $100 of real and personal property located within the District.

Inventories and Prepaid Items
Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements.

Capital Assets
Capital assets, which include buildings and improvements, vehicles, and furniture and equipment, are reported in the applicable district-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $5,000 (amount not rounded) or more and an estimated useful life in excess of two years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the District is depreciated using the straight line method over the following useful lives:

Buildings and improvements	20 - 40 years
Machinery and equipment	5 - 20 years

Deferred Inflows and Outflows of Resources
Deferred inflows of resources represents amounts that were receivable and measurable at June 30, 2019 but were not available to finance expenditures for the year ended June 30, 2019. Deferred inflows of resources primarily include unearned or unavailable revenues. Deferred outflows of resources represents amounts that were payable and measurable at June 30, 2019 but were not required for the year ended June 30, 2019. Deferred outflows of resources primarily include future pension costs.

Compensated Absences
The School District provides one day of vacation for each month of service for district administration employees. Full-time employees receive one day of sick leave for each month of service. Any sick leave unused is not paid, but is used to increase retirement benefits.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Long-term Liabilities
In the district-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

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.

Fund Equity
The School District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance—amounts that are (a) in non-spendable form (such as inventory) or (b) legally or contractually required to be maintained intact.

- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. Restrictions may effectively be changed or lifted with the consent of resource providers.

- Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority, the School Board. To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint.

  Committed fund balance of $401,124 is committed for instruction and student support.

- Assigned fund balance—amounts the District intends to use for a specific purpose. The School Board and its designees 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 non-spendable, restricted or committed.

- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by School Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

The details of the fund balances are included in the Governmental Funds Balance Sheet as listed in the table of contents. Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the School Board or the Assignment has been changed by the Superintendent. Decreases to fund balance first reduce restricted funds; then committed funds; then assigned funds and finally unassigned funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Pensions

Teacher Retirement Plan

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

Teacher Legacy Pension Plan

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

Political Subdivision Retirement Plan

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The School District is required by State statute to adopt annual budgets. The annual budgets are prepared on the basis where current available funds must be sufficient to meet current expenditures. Expenditures may not legally exceed appropriations authorized by the School Board and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year unless the Board authorizes retention. The School District's policy is not to allow expenditures to exceed budgetary amounts at the total fund expenditure level.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The School District has implemented GASB Statement No. 40, "Deposits and Investment Risk Disclosures" for financial reporting of deposit and investment risks.

Investments were made up of a certificate of deposit with a local bank.

Investments that have maturities of three months or less as the date of purchase are classified as cash equivalents. Cash represents money on deposit in various banks. Cash and investments are stated at cost, which approximates market value. Unrestricted cash balances as of June 30, 2019 were $13,940,745.

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Custodial Credit Risk

The School District's policies limit deposits and investments to those instruments allowed by applicable state laws and 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 of the Tennessee Bank Collateral Pool, by collateral held by the School District's agent in the School District's name, or by the Federal Reserve Banks acting as third party agents. State statutes also authorize the School 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, the state pooled investment fund, and mutual funds. 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 bank deposits were fully collateralized or insured.

B. Receivables

	General Purpose	Federal Projects	Cafeteria	Total
Receivables:				
Property Taxes	$7,293,944	$ -	$ -	$7,293,944
Accounts	625,829	-	3,036	628,865
Intergovernmental	168,716	405,930	5,111	579,757
Total Receivables	$8,088,489	$405,930	$ 8,147	$8,502,566

Amounts called due from other governments represent the normal amounts due from state and county governments for shared revenues and tax allocations.

C. Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets				
Nondepreciable Assets				
Land	$ 312,722	$ -	$ -	$ 312,722
Construction in Progress	16,705,645	-	16,705,645	-
Depreciable Assets				
Buildings and Improvements	66,633,075	17,938,012	-	84,571,087
Vehicles	2,762,378	308,118	-	3,070,496
Furniture and Equipment	1,919,666	258,730	-	2,178,396
Total Capital Assets	88,333,486	18,504,860	16,705,645	90,132,701
Less: Accumulated Depreciation				
Buildings and Improvements	24,810,477	2,113,939	-	26,924,416
Vehicles	2,359,560	97,917	-	2,457,477
Furniture and Equipment	1,319,340	187,540	-	1,506,880
Total Accumulated Depreciation	28,489,377	2,399,396	-	30,888,773
Net Capital Assets	$ 59,844,109	$ 16,105,464	$ 16,705,645	$ 59,243,928

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Depreciation Expense was charged to function/programs of the primary government as follows:

Governmental Activities:		
Regular Instruction	$	2,294,457
Transportation		84,639
Food Service		20,300
	$	2,399,396

D. Inter-fund Receivables and Payables

The composition of inter-fund balances as of June 30, 2019, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Federal Projects Fund	$ 957,665
Federal Projects Fund	General Fund	42,966
Total inter-fund receivables/payables:		$1,000,631

The outstanding balances between funds are due to timing differences between the dates that reimbursable expenditures occur and the payments between funds are made. The School District expects that all of the balances noted will be repaid within the next fiscal year.

E. Long-Term Debt

During the year ended June 30, 2010, the School system issued $4,285,000 in School Bonds, Series 2009, which bears interest at an average rate of 4.01%. The bonds are callable on April 1, 2018, at par for bonds maturing April 1, 2019, and thereafter. The current debt service schedule provides for the bonds to mature as of April 1, 2029. The proceeds of the bonds were used for building construction of a new high school within the School system and the refinance of Series 1993 & 1999 Bonds. Principal payments of $320,000 were made on the Series 2009 bonds during the year which resulted in a June 30, 2019 balance of $1,325,000.

During the year ended June 30, 2012, the School system issued $3,200,000 in School Bonds, Series 2012, which bears interest at an average rate of 2.53%. The bonds are callable on April 1, 2022 at par for bonds maturing April 1, 2022, and thereafter. The current debt service schedule provides for the bonds to mature as of April 1, 2032. The proceeds of the bonds were used for building construction of an addition to Medina Middle School. Principle payments of $135,000 were made on the Series 2012 bonds during the year which resulted in a June 30, 2019 balance of $2,385,000.

During the year ended June 30, 2013, the School system issued $3,000,000 in School Bonds, Series 2013, which bears interest at an average rate of 2.707%. The bonds are callable on April 1, 2023, at par for bonds maturing April 1, 2023, and thereafter. The current debt service schedule provides for the bonds to mature as of April 1, 2033. The proceeds of the bonds were used for capital improvements to South Gibson High School. Principal payments of $120,000 were made on the Series 2013 bonds during the year which resulted in a June 30, 2019 balance of $2,285,000.

During the year ended June 30, 2015, the School system issued $20,625,000 in School Refunding Bonds, Series 2014, that bears interest varying from 4.0% to 5.25% to advance refund $1,070,000 of outstanding 2005 Series bonds bearing interest at 4.75%, $13,675,000 of outstanding 2007 Series bonds bearing interest at 4.73%, and $6,200,000 of outstanding 2008 Series bonds bearing interest at an average rate of 4.83%,. The net proceeds of $23,036,961 (after payment of $109,412 in underwriting

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Debt (Continued)

fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2005, 2007, and 2008 Series bonds. As a result, the 2005 Series bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. Additionally, a portion of the 2007 and 2008 Series bonds are considered to be defeased and the liability for those bonds have been removed from the books. This advance refunding was undertaken to reduce total debt service payments over the next 19 years by $2,541,189. The bonds are callable on April 1, 2025 at par for bonds maturing April 1, 2025, and thereafter. The current debt service schedule provides for the bonds to mature as of April 1, 2033. Principal payments of $100,000 were made on the Series 2014 bonds during the year which resulted in a June 30, 2019 balance of $19,950,000.

During the year ended June 30, 2016, the School system issued $18,300,000 in School Bonds, Series 2016, which bears interest at an average rate of 2.56%. The bonds are callable on April 1, 2022, at par for bonds maturing April 1, 2026, and thereafter. The current debt service schedule provides for the bonds to mature as of April 1, 2036. The proceeds of the bonds were used for building construction of the new South Gibson Elementary School. Principal payments of $600,000 were made on the Series 2016 bonds during the year which resulted in a June 30, 2019 balance of $16,355,000.

During the year ended June 30, 2019, the School system borrowed $778,182 to finance an Energy Efficient Lighting Project districtwide. The note has an interest rate of 3.25% and matures on April 1, 2027. The note requires semi-annual principal and interest payments due on October 1, and April 1 of each year ending on April 1, 2027. The balance of this loan as of June 30, 2019, was $778,182.

The annual requirements to amortize all long-term debt obligations outstanding as of June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 2,566,104	$ 1,605,896	$ 4,172,000
2021	2,719,568	1,495,058	4,214,626
2022	2,772,502	1,377,384	4,149,886
2023	2,900,533	1,257,619	4,158,152
2024	3,033,663	1,131,945	4,165,608
2025-2029	16,410,812	3,642,304	20,053,116
2030-2034	10,275,000	1,261,649	11,536,649
2035-2039	2,400,000	108,450	2,508,450
	$ 43,078,182	$ 11,880,305	$ 54,958,487

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Debt (Continued)

The following is a summary of long-term debt transactions for the year ended June 30, 2019:

Governmental Activities	Beginning Balance	Additions	Retirements	Ending Balance
Bonds Payable:				
School Bonds, Series 2001, 4.50% interest interest, payable serially through 2019	$ 920,000	$ -	$ 920,000	$ -
School Bonds, Series 2009, 4.01% interest payable serially through 2029	1,690,000	-	365,000	1,325,000
School Bonds, Series 2012, 2.53% interest payable serially through 2032	2,530,000	-	145,000	2,385,000
School Bonds, Series 2013, 2.71% interest payable serially through 2033	2,405,000	-	120,000	2,285,000
School Bonds, Series 2015, 4.35% interest payable serially through 2033	20,230,000	-	280,000	19,950,000
School Bonds, Series 2016, 3.18% average interest payable serially through 2033	17,050,000	-	695,000	16,355,000
Total Bonds Payable	44,825,000	-	2,525,000	42,300,000
Loans Payable:				
EELP	-	778,182	-	778,182
Total Loans Payable	-	778,182	-	778,182
Total long term debt	$ 44,825,000	$ 778,182	$ 2,525,000	$ 43,078,182

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NOTE 4 - OTHER INFORMATION

A. Pensions

Hybrid Teacher Retirement Plan

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 publicly available financial report that can be obtained at https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Teachers employed by the 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.

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 services 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. 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 for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the District for the year ended June 30, 2019, to the Teacher Retirement Plan were $44,083 which is 4.00 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.

NOTE 4 - OTHER INFORMATION (CONTINUED)

A. Pensions (Continued)

Hybrid Teacher Retirement Plan

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, the District reported a liability (asset) of ($111,060) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension asset used to calculate the net pension liability (asset) was determined by an actuarial value as of that date. The District's proportion of the net pension liability (asset) was based on the 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, the District's proportion was 0.244881 percent. The proportion measured as of June 30, 2017 was 0.231984 percent.

Pension Expense (negative pension expense). For the year ended June 30, 2019, the District recognized pension expense (negative pension expense) of $37,604.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2019, the 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	$ 6,290	$ 4,424
Net difference between projected and actual earnings on pension plan investments	-	6,273
Changes in assumptions	5,239	-
Changes in proportion of Net Pension Liability (Asset)	89	3,743
Contributions subsequent to the measurement date of June 30, 2018	85,599	(not applicable)
Total	$ 97,217	$ 14,440

The District's employer contributions of $85,599 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (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	$ (1,137)
2021	(1,336)
2022	(2,230)
2023	(591)
2024	245
Thereafter	2,228
Total	$ (2,821)

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

NOTE 4 - OTHER INFORMATION (CONTINUED)

A. Pensions (Continued)

Hybrid Teacher Retirement Plan

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 internation 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.

NOTE 4 - OTHER INFORMATION (CONTINUED)

A. Pensions (Continued)

Hybrid Teacher Retirement Plan

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 the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the 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%)
The District's share of the Net Pension Liability (Asset)	$ 17,170	$ (111,060)	$ (205,536)

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

Payable to the Pension Plan

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

Teacher Legacy Pension Plan of TCRS

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 publicly available financial report that can be obtained at https://treasury.tn.gove/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Teachers employed by the 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.

NOTE 4 - OTHER INFORMATION (CONTINUED)

A. Pensions (Continued)

Teacher Legacy Pension Plan of TCRS

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the District for the year ended June 30, 2019, to the Teacher Legacy Pension Plan were $1,124,967 which is 9.08 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension liability. At June 30, 2019, the District reported a liability (asset) of ($1,271,851) for its proportionate share of net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability (asset) was based on the 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, the District's proportion was 0.361433 percent. The proportion measured as of June 30, 2017, was 0.358935 percent.

Pension expense (negative pension expense). For the year ended June 30, 2019, the District recognized pension expense (negative pension expense) of $(293,228).

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

NOTE 4 - OTHER INFORMATION (CONTINUED)

A. Pensions (Continued)

Teacher Legacy Pension Plan of TCRS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 257,084	$ 1,715,828
Change in assumptions	751,162	-
Net difference between projected and actual earnings on pension plan investments	-	276,808
Changes in proportion of Net Pension Liability (Asset)	186,671	-
Contributions subsequent to the measurement date of June 30, 2018	1,124,967	(not applicable)
Total	$ 2,319,884	$ 1,992,636

The District employer contributions of $1,124,967, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as a reduction (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	$ 333,030
2021	(335,323)
2022	(679,544)
2023	(115,882)
2024	-
Thereafter	-
Total	$ (797,719)

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.

NOTE 4 - OTHER INFORMATION (CONTINUED)

A. Pensions (Continued)

Teacher Legacy Pension Plan of TCRS

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 internation 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 the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the 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:

NOTE 4 - OTHER INFORMATION (CONTINUED)

A. Pensions (Continued)

Teacher Legacy Pension Plan of TCRS

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
The District's share of the Net Pension Liability (Asset)	$ 9,804,231	$ (1,271,851)	$ (10,435,767)

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

Political Subdivision Retirement Plan

General Information about the Pension Plan

Plan description. Employees of the 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 publicly 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 years of 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:

NOTE 4 - OTHER INFORMATION (CONTINUED)

A. Pensions (Continued)
Political Subdivision Retirement Plan

Inactive employees or beneficiaries currently receiving benefits	72
Inactive employees entitled to but not yet receiving benefits	162
Active employees	156
	390

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. The 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, employer contributions for the District were $219,568 based on a rate of 7.10 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the District's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (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)

The 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:

NOTE 4 - OTHER INFORMATION (CONTINUED)

A. Pensions (Continued)

<u>Political Subdivision Retirement Plan</u>

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

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

Discount rate. The discount rate used to measure the total 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 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.

NOTE 4 - OTHER INFORMATION (CONTINUED)

A. Pensions (Continued)

Political Subdivision Retirement Plan

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at 6/30/2017	$ 7,819,782	$ 8,246,398	$ (426,616)
Changes for the year:			
Service Cost	312,338	-	312,338
Interest	578,195	-	578,195
Differences between expected and actual experience	(88,226)	-	(88,226)
Change in Assumptions	-	-	-
Contributions - Employer	-	237,167	(237,167)
Contributions - Employees	-	167,021	(167,021)
Net investment income	-	687,581	(687,581)
Benefit payments, including refunds of employee contributions	(314,046)	(314,046)	-
Administrative expense	-	(15,869)	15,869
Net changes	488,261	761,854	(273,593)
Balance at 6/30/2018	$ 8,308,043	$ 9,008,252	$ (700,209)

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the 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%)
The District's share of the Net Pension Liability (Asset)	$ 396,054	$ (700,209)	$ (1,606,667)

Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense (negative pension expense). For the year ended June 30, 2019, the District recognized pension expense of $44,354.

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

NOTE 4 - OTHER INFORMATION (CONTINUED)

A. Pensions (Continued)

Political Subdivision Retirement Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 69,259	$ 297,904
Net difference between projected and actual earnings on pension plan investments	-	39,282
Change in Assumptions	109,777	-
Contributions subsequent to the measurement date of June 30, 2018	219,568	*(not applicable)*
Total	$ 398,604	$ 337,186

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	$ 11,611
2021	(67,813)
2022	(95,340)
2023	8,104
2024	(14,704)
Thereafter	-
Total	$ (158,142)

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, the 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. Contingent Liabilities and Losses

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

NOTE 4 - OTHER INFORMATION (CONTINUED)

C. Risk Management

The School Board has obtained insurance from the Tennessee Risk Management Trust (TRMT), which is a public entity risk pool established to provide insurance coverage to local school boards in Tennessee. The Board pays an annual premium to TRMT for insurance. The creation of TRMT provides for it to be self-sustaining through member premiums. The TRMT reinsures through commercial insurance companies for claims in excess of $100,000 for each insured event.

It is the policy of the School to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, worker's compensation, employee health, public officials liability, accident and environmental. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

D. Other Postemployment Benefits

1. Closed Teacher Group OPEB Plan

General information about the OPEB plan

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

Benefits provided - The District offers the TGOP to provide health insurance coverage to eligible pre-65 retired teachers, support staff and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the TGOP. All members have the option of choosing between the partnership promise preferred provider organization (PPO), no partnership promise PPO, standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the TGOP, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The District contributes up to 18% toward a single plan provided the person has 25 years of service with the District. If an employee has worked for the District between 10 and 24 years, the 18% is prorated. If an employee has been employed less than 10 years, no subsidy is provided. The School Board approves this percentage on an annual basis and is not guaranteed. The state, as a governmental nonemployer contributing entity, provides a direct subsidy for eligible retirees premiums, based on years of service. Therefore, retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP. The TGOP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Employees covered by benefit terms - At July 1, 2018, the following employees of the District were covered by the benefit terms of the TGOP:

NOTE 4 - OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefits (Continued)

1. Closed Teacher Group OPEB Plan

Inactive employees currently receiving benefit payments	14
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	346
Total	360

An insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the TGOP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the District paid $65,366 to the TGOP 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%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent
Healthcare cost trend rates	6.75% for 2019, decreasing annually to an ultimate rate of 3.85% for 2050 and later years.
Retiree's share of benefit-related costs	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this Valuation a weighted average has been used with weights derived from the current distribution of members among plans offered.

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

NOTE 4 - OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefits (Continued)

1. Closed Teacher Group OPEB Plan

Changes in the Total OPEB Liability

TGOP - (Expressed in thousands)

	Total OPEB Liability (a)
Total OPEB liability - beginning balance	$ 3,290
Changes for the year:	
Service cost	188
Interest	121
Changes of benefit terms	-
Differences between expected and actual experience	(602)
Change in assumptions	71
Benefit payments	(134)
Net changes	(356)
Total OPEB liability - ending balance	$ 2,934
Nonemployer contributing entities proportionate share of the collective total OPEB liability	$ 1,078
Employer's proportionate share of the collective total OPEB liability	$ 1,856
Employer's proportion of the collective total OPEB liability	63.27%

The District has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TGOP. The District's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The proportion changed 0.75% from the prior measurement date. The District recognized $89,237 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TGOP for the District’s retirees.

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.

Sensitivity of proportionate share of the collective total OPEB liability to changes in the discount rate - The following presents the proportionate share of the collective total OPEB liability related to the TGOP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56%) or 1-percentage-point higher (4.56%) than the current discount rate. (expressed in thousands)

	1% Decrease (2.62%)	Discount Rate (3.62%)	1% Increase (4.62%)
Proportionate share of collective total OPEB liability	$ 2,017	$ 1,856	$ 1,706

NOTE 4 - OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefits (Continued)

1. Closed Teacher Group OPEB Plan

Sensitivity of proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rate - The following presents the proportionate share of the collective total OPEB liability related to the TGOP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate. (expressed in thousands)

	1% Decrease (5.75% decreasing to 2.85%)	Healthcare Cost Trend Rates (6.75% decreasing to 3.85%)	1% Increase decreasing to 4.85%)
Proportionate share of collective total OPEB liability	$ 1,618	$ 1,856	$ 2,142

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB expense - For the fiscal year ended June, 30, 2018,the District recognized OPEB expense of $248,701.

Deferred outflows of resources and deferred inflows of resources - For the fiscal year ended June, 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the TGOP from the following sources:

TGOP - (Expressed in Thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ -	$ 349
Changes of assumptions	41	100
Changes in proportion and differences between amounts paid as benefits came due and proportionate share certain amounts paid by the employer and nonemployer contributors as the benefits came due.	23	-
Employer payments subsequent to the measurement date	65	-
Total	$ 129	$ 449

The amounts shown above for "Employer payments subsequent to the measurement date" will be recognized as a reduction to total OPEB liability in the following measurement period.

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

NOTE 4 - OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefits (Continued)

1. Closed Teacher Group OPEB Plan

TGOP - (Expressed in Thousands)

For the year ended June 30:	
2019	$ (36.3)
2020	(36.3)
2021	(36.3)
2022	(36.3)
2023	(36.3)
Thereafter	(203.2)
Total	$ (384.7)

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

2. Closed Tennessee Plan

General information about the OPEB 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 does not subsidize. 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.

NOTE 4 - OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefits (Continued)

2. Closed Tennessee Plan

Employees covered by benefit terms - At July 1, 2017, the following employees of the District were covered by the benefit terms of the TNP:

Inactive employees currently receiving benefit payments	128
Inactive employees entitled to but not yet receiving benefit payments	22
Active employees	253
Total	403

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, 2017 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%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent
Healthcare cost trend rates	The premium subsidies provided to retirees in the Tennessee Plan are assumed to remain unchanged for the entire projection, therefore trend rates are not applicable.

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

NOTE 4 - OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefits (Continued)

2. Closed Tennessee Plan

Changes in Collective Total OPEB Liability

TNP - (Expressed in Thousands)

	Total OPEB Liability (a)
Total OPEB liability - beginning balance	$ 1,099
Changes for the year:	
Service cost	14
Interest	39
Changes of benefit terms	-
Differences between expected and actual experience	(42)
Change in assumptions	(8)
Benefit payments	(62)
Net changes	(59)
Total OPEB liability - ending balance	$ 1,040
Nonemployer contributing entities proportionate share of the collective total OPEB liability	$ 1,040
Employer's proportionate share of the collective total OPEB liability	$ -
Employer's proportion of the collective total OPEB liability	0%

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 employers 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 proportion of 0% did not change from the prior measurement date. The District recognized $36,428 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

OPEB expense - For the fiscal year ended June, 30, 2018, the District recognized OPEB expense of $36,428.

NOTE 5 – SUBSEQUENT EVENTS

Management of the District has evaluated events and transactions through December 3, 2019, which is the earliest date the financials were available.

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF GIBSON COUNTY SCHOOLS' PROPORTIONATE SHARE OF THE NET PENSION LIABILTY (ASSET)
TEACHER RETIREMENT PLAN
Fiscal Year Ending June 30*

	2015	2016	2017	2018
Gibson County Schools' proportion of the net pension liability (asset)	0.210631%	0.232851%	0.231984%	0.244881%
Gibson County Schools' proportion of the net pension liabilty (asset)	$ 8,474	$ (24,241)	$ (61,206)	$ (111,060)
Gibson County Schools' covered payroll	$ 437,630	$ 1,024,549	$ 1,559,472	$ 2,139,961
Gibson County Schools' proportionate share of the net pension liabilty (asset) as a percentage of its covered payroll	1.94%	-2.37%	-3.92%	5.19%
Plan fiduciary net position as a percentage of the total pension liability (asset)	127.46%	121.88%	126.81%	126.97%

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

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

See Independent Auditors' Report.

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF GIBSON COUNTY SCHOOLS' CONTRIBUTIONS
TEACHER RETIREMENT PLAN OF TCRS
Fiscal Year Ending June 30*

	2015	2016	2017	2018	2019
Contractually required	$ 17,504	$ 25,647	$ 60,904	$ 34,897	$ 44,083
Contributions in relation to the contractually required contribution	17,504	40,982	60,904	85,599	44,083
Contribution deficiency (excess)	$ -	$ (15,335)	$ -	$ (50,702)	$ -
Gibson County Schools' covered - employee payroll	$ 437,604	$ 1,024,549	$ 1,559,472	$ 2,139,966	$ 1,102,063
Contributions as a percentage of Gibson County Schools' covered - employee payroll	4.00%	4.00%	3.91%	4.00%	4.00%

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

Changes of assumptions: In 2017, the following assumptions were changed.
- Decreased inflation rate from 3.00 percent to 2.5 percent
- Decreased the investment rate of return from 7.5 percent to 7.25 percent
- Decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent
- Decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent
- Modified mortailty assumptions

See Independent Auditors' Report.

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF GIBSON COUNTY SCHOOLS' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
TEACHER LEGACY PENSION PLAN OF TCRS
Fiscal Year Ending June 30*

	2014	2015	2016	2017	2018
Gibson County Schools' proportionate of the net pension liabilty (asset)	0.327103%	0.338733%	0.348059%	0.358935%	0.361433%
Gibson County Schools' proportion share of the net pension liabilty (asset)	$ (53,153)	$ 138,757	$ 2,175,177	$ (117,438)	$ (1,271,851)
Gibson County Schools' covered - employee payroll	$ 12,838,782	$ 12,680,634	$ 12,564,245	$ 12,651,327	$ 12,656,175
Gibson County Schools' proportionate share of the net pension liabilty (asset) as a percentage of its covered - employee payroll	-0.414%	1.094%	17.310%	-0.930%	-10.050%
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.

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF GIBSON COUNTY SCHOOLS' CONTRIBUTIONS
TEACHER LEGACY PENSION PLAN OF TCRS
Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019
Contractually required	$ 1,140,084	$ 1,193,493	$ 1,135,807	$ 1,147,012	$ 1,149,183	$ 1,124,967
Contributions in relation to the contractually required contribution	1,140,084	1,193,493	1,135,807	1,147,012	1,149,183	1,124,967
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Gibson County Schools' covered payroll	12,838,775	13,202,353	12,564,245	12,651,327	12,656,175	12,389,502
Contributions as a percentage of Gibson County Schools' covered payroll	8.88%	9.04%	9.04%	9.07%	9.08%	9.08%

*GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from 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 2.5 percent
- Decreased the investment rate of return from 7.5 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
- Modified mortailty assumptions

See Independent Auditors' Report.

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN GIBSON COUNTY SCHOOLS' NET PENSION LIABILITY (ASSET) AND RELATED RATIOS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS - POLITICAL SUBDIVISION PLAN

Last Fiscal Year ending June 30

	2014	2015	2016	2017	2018
Total pension liability					
Service cost	$ 264,015	$ 291,055	$ 300,545	$ 301,332	$ 312,338
Interest	463,307	507,182	523,347	538,846	578,195
Changes in benefit terms	-	-	-	-	-
Differences between actual & expected experience	109,143	(250,816)	(281,556)	76,607	(88,226)
Change of assumptions	-	-	-	164,667	-
Benefit payments, including refunds of employee contributions	(257,283)	(299,719)	(383,044)	(289,895)	(314,046)
Net Change in total pension liability	579,182	247,702	159,292	791,557	488,261
Total pension liability - beginning	6,042,049	6,621,231	6,868,933	7,028,225	7,819,782
Total pension liability - ending (a)	$ 6,621,231	$ 6,868,933	$ 7,028,225	$ 7,819,782	$ 8,308,043
Plan fiduciary net position					
Contributions - employer	$ 220,630	$ 208,686	$ 217,869	$ 226,196	$ 237,167
Contributions - employee	145,152	146,963	153,430	159,294	167,021
Net investment income	971,411	213,336	189,739	835,360	687,581
Benefit payments, including refunds of employee contributions	(257,283)	(299,719)	(383,044)	(289,895)	(314,046)
Administrative expense	(5,571)	(8,150)	(12,364)	(14,083)	(15,869)
Net change in plan fiduciary net position	1,074,339	261,116	165,630	916,872	761,854
Plan fiduciary net position - beginning	5,828,441	6,902,780	7,163,896	7,329,526	8,246,398
Plan fiduciary net position - ending (b)	$ 6,902,780	$ 7,163,896	$ 7,329,526	$ 8,246,398	$ 9,008,252
Net Pension Liability (asset) - ending (a) - (b)	$ (281,549)	$ (294,963)	$ (301,301)	$ (426,616)	$ (700,209)
Plan fiduciary net position as a percentage of total pension liability	104.25%	104.29%	104.29%	105.46%	108.43%
Covered-employee payroll	$ 2,903,025	$ 2,939,253	$ 3,068,580	$ 3,185,858	$ 3,340,366
Net pension liaiblity (asset) as a percentage of covered-employee payroll	9.70%	10.04%	-9.82%	-13.39%	-20.96%

Notes to Schedule

Changes in 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.

*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.

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF GIBSON COUNTY SCHOOLS' CONTRIBUTIONS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS - POLITICAL SUBDIVISION RETIREMENT PLAN

Last Fiscal Year ending June 30

	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	$ 220,630	$ 208,686	$ 217,869	$ 153,877	$ 179,712	$ 219,568
Contributions in relation to the actuarially determined contribution	220,630	208,686	217,869	226,196	237,167	219,568
Contribution in deficiency (excess)	$ -	$ -	$ -	$ (72,319)	$ (57,455)	$ -
Covered - employee payroll	$ 2,903,025	$ 2,939,253	$ 3,068,580	$ 3,185,858	$ 3,340,366	$ 3,088,275
Contributions as a percentage of covered - employee	7.60%	7.10%	7.10%	7.10%	7.10%	7.10%

This is a 10-year schedule; however, the information in this schedule is not required to be

Notes to Schedule

Valuation date: Actuarially determined contribution rates for fiscal year 2018 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	2.5 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 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 2.5 percent
Decreased the investment rate of return from 7.5 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
Modified mortailty assumptions

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN GIBSON COUNTY SPECIAL SCHOOL DISTRICT'S PROPORTIONATE SHARE OF COLLECTIVE OPEB LIABILITY AND RELATED RATIOS - TGOP PLAN

TGOP

	2018	2019
Total OPEB liability		
Service cost	$ 203,794	$ 188,017
Interest	100,655	121,436
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(602,181)
Changes of assumptions	(189,935)	70,775
Benefit payments	(135,271)	(134,122)
Net change in total OPEB liability	(20,757)	(356,075)
Total OPEB liability - beginning	3,310,917	3,290,160
Total OPEB liability - ending (a)	$ 3,290,160	$ 2,934,085
Nonemployer contributing entities proportionate share of the collective total OPEB liability	$ 1,233,191	$ 1,077,607
Employer's proportionate share of the collective total OPEB liability	$ 2,056,969	$ 1,856,478
Total payroll	$ 19,663,891	$ 19,884,570
Employer's proportionate share of collective total OPEB liability as a percentage of covered-employee payroll	10.46%	9.34%

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.

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN GIBSON COUNTY SPECIAL SCHOOL DISTRICT'S PROPORTIONATE SHARE OF COLLECTIVE OPEB LIABILITY AND RELATED RATIOS - TN PLAN

TNP

	2018	2019
Total OPEB liability		
Service cost	$ 17,897	$ 14,494
Interest	34,700	38,538
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(42,148)
Changes of assumptions	(92,688)	(7,635)
Benefit payments	(62,250)	(62,406)
Net change in total OPEB liability	(102,341)	(59,157)
Total OPEB liability - beginning	1,201,592	1,099,251
Total OPEB liability - ending (a)	$ 1,099,251	$ 1,040,094
Nonemployer contributing entities proportionate share of the collective total OPEB liability	$ 1,099,251	$ 1,040,094
Employer's proportionate share of the collective total OPEB liability	$ -	$ -
Total payroll	$ 19,663,891	$ 19,884,570
Employer's proportionate share of collective total OPEB liability as a percentage of covered-employee payroll	0.00%	0.00%

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.

See Independent Auditors' Report.

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
ENERGY EFFICIENT LIGHTING PROJECT
For the Year Ended June 30, 2019

Due Date	Principal Payment	Rate (%)	Interest Payment	Total Payment
10/01/19	$ 42,330		$ 13,339	$ 55,669
04/01/20	43,720	3.25	11,950	55,670
10/01/20	44,430		11,240	55,670
04/01/21	45,151	3.25	10,518	55,669
10/01/21	45,884		9,785	55,669
04/01/22	46,629	3.25	9,040	55,669
10/01/22	47,387		8,283	55,670
04/01/23	48,156	3.25	7,513	55,669
10/01/23	48,938		6,731	55,669
04/01/24	49,733	3.25	5,936	55,669
10/01/24	50,541		5,127	55,668
04/01/25	51,361	3.25	4,308	55,669
10/01/25	52,195		3,474	55,669
04/01/26	53,043	3.25	2,626	55,669
10/01/26	53,904		1,765	55,669
04/01/27	54,780	3.25	890	55,670
	$ 778,182		$ 112,525	$ 890,707

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
SCHOOL BONDS- SERIES 2009
For the Year Ended June 30, 2018

Due Date	Principal Payment	Rate (%)	Interest Payment	Total Payment
10/01/19	$ -		$ 26,885	$ 26,885
04/01/20	110,000	3.75	26,884	136,884
10/01/20	-		24,822	24,822
04/01/21	115,000	3.75	24,822	139,822
10/01/21	-		22,666	22,666
04/01/22	120,000	3.88	22,665	142,665
10/01/22	-		20,341	20,341
04/01/23	125,000	3.88	20,340	145,340
10/01/23	-		17,919	17,919
04/01/24	130,000	4.00	17,919	147,919
10/01/24	-		15,319	15,319
04/01/25	135,000	4.00	15,318	150,318
10/01/25	-		12,619	12,619
04/01/26	140,000	4.20	12,619	152,619
10/01/26	-		9,679	9,679
04/01/27	145,000	4.20	9,678	154,678
10/01/27	-		6,634	6,634
04/01/28	150,000	4.35	6,633	156,633
10/01/28	-		3,371	3,371
04/01/29	155,000	4.35	3,371	158,371
	$ 1,325,000		$ 320,504	$ 1,645,504

See independent auditors' report

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
SCHOOL BONDS- SERIES 2012
For the Year Ended June 30, 2019

Due Date	Principal Payment	Rate (%)	Interest Payment	Total Payment
10/01/19	$ -		$ 33,147	$ 33,147
04/01/20	145,000	2.00	33,147	178,147
10/01/20	-		31,696	31,696
04/01/21	150,000	2.25	31,697	181,697
10/01/21	-		30,009	30,009
04/01/22	155,000	2.25	30,008	185,008
10/01/22	-		28,266	28,266
04/01/23	160,000	2.38	28,266	188,266
10/01/23	-		26,366	26,366
04/01/24	170,000	2.50	26,366	196,366
10/01/24	-		24,241	24,241
04/01/25	175,000	2.63	24,241	199,241
10/01/25	-		21,944	21,944
04/01/26	180,000	2.75	21,944	201,944
10/01/26	-		19,469	19,469
04/01/27	190,000	2.88	19,469	209,469
10/01/27	-		16,738	16,738
04/01/28	195,000	3.00	16,738	211,738
10/01/28	-		13,812	13,812
04/01/29	205,000	3.00	13,812	218,812
10/01/29	-		10,738	10,738
04/01/30	210,000	3.13	10,737	220,737
10/01/30	-		7,456	7,456
04/01/31	220,000	3.25	7,456	227,456
10/01/31	-		3,881	3,881
04/01/32	230,000	3.38	3,881	233,881
	$ 2,385,000		$ 535,525	$ 2,920,525

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
SCHOOL BONDS- SERIES 2013
For the Year Ended June 30, 2019

Due Date	Principal Payment	Rate (%)	Interest Payment	Total Payment
10/01/19	$ -		$ 30,044	$ 30,044
04/01/20	125,000	2.00	30,043	155,043
10/01/20	-		28,794	28,794
04/01/21	125,000	2.00	28,794	153,794
10/01/21	-		27,544	27,544
04/01/22	130,000	2.00	27,543	157,543
10/01/22	-		26,244	26,244
04/01/23	135,000	2.00	26,244	161,244
10/01/23	-		24,894	24,894
04/01/24	135,000	2.00	24,893	159,893
10/01/24	-		23,544	23,544
04/01/25	140,000	2.25	23,544	163,544
10/01/25	-		21,969	21,969
04/01/26	145,000	2.25	21,968	166,968
10/01/26	-		20,338	20,338
04/01/27	150,000	2.75	20,337	170,337
10/01/27	-		18,275	18,275
04/01/28	155,000	2.75	18,275	173,275
10/01/28	-		16,144	16,144
04/01/29	160,000	3.00	16,144	176,144
10/01/29	-		13,744	13,744
04/01/30	165,000	3.00	13,743	178,743
10/01/30	-		11,269	11,269
04/01/31	170,000	3.00	11,269	181,269
10/01/31	-		8,719	8,719
04/01/32	175,000	3.00	8,719	183,719
10/01/32	-		6,094	6,094
04/01/33	185,000	3.25	6,093	191,093
10/01/33	-		3,088	3,088
04/01/34	190,000	3.25	3,087	193,087
	$ 2,285,000		$ 561,400	$ 2,846,400

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
SCHOOL BONDS- SERIES 2015
For the Year Ended June 30, 2019

Due Date	Principal Payment	Rate (%)	Interest Payment	Total Payment
10/01/19	$ -		$ 429,300	$ 429,300
04/01/20	1,385,000	5.00	429,300	1,814,300
10/01/20	-		394,675	394,675
04/01/21	1,495,000	5.00	394,675	1,889,675
10/01/21	-		357,300	357,300
04/01/22	1,500,000	5.00	357,300	1,857,300
10/01/22	-		319,800	319,800
04/01/23	1,580,000	5.00	319,800	1,899,800
10/01/23	-		280,300	280,300
04/01/24	1,660,000	5.00	280,300	1,940,300
10/01/24	-		238,800	238,800
04/01/25	1,735,000	5.00	238,800	1,973,800
10/01/25	-		195,425	195,425
04/01/26	1,785,000	5.00	195,425	1,980,425
10/01/26	-		150,800	150,800
04/01/27	1,835,000	5.00	150,800	1,985,800
10/01/27	-		104,925	104,925
04/01/28	1,835,000	3.00	104,925	1,939,925
10/01/28	-		77,400	77,400
04/01/29	1,800,000	3.00	77,400	1,877,400
10/01/29	-		50,400	50,400
04/01/30	975,000	3.00	50,400	1,025,400
10/01/30	-		35,775	35,775
04/01/31	955,000	3.00	35,775	990,775
10/01/31	-		21,450	21,450
04/01/32	930,000	3.00	21,450	951,450
10/01/32	-		7,500	7,500
04/01/33	480,000	3.13	7,500	487,500
	$ 19,950,000		$ 5,327,700	$ 25,277,700

See independent auditors' report

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
SCHOOL BONDS- SERIES 2016
For the Year Ended June 30, 2019

Due Date	Principal Payment	Rate (%)	Interest Payment	Total Payment
10/01/19	$ -		$ 270,956	$ 270,956
04/01/20	715,000	4.00	270,956	985,956
10/01/20	-		256,656	256,656
04/01/21	745,000	4.00	256,656	1,001,656
10/01/21	-		241,756	241,756
04/01/22	775,000	4.00	241,756	1,016,756
10/01/22	-		226,256	226,256
04/01/23	805,000	4.00	226,256	1,031,256
10/01/23	-		210,156	210,156
04/01/24	840,000	4.00	210,156	1,050,156
10/01/24	-		193,356	193,356
04/01/25	870,000	4.00	193,356	1,063,356
10/01/25	-		175,956	175,956
04/01/26	905,000	5.00	175,956	1,080,956
10/01/26	-		153,331	153,331
04/01/27	950,000	2.00	153,331	1,103,331
10/01/27	-		143,831	143,831
04/01/28	970,000	2.00	143,831	1,113,831
10/01/28	-		134,131	134,131
04/01/29	990,000	2.13	134,131	1,124,131
10/01/29	-		123,613	123,613
04/01/30	1,010,000	2.25	123,613	1,133,613
10/01/30	-		112,250	112,250
04/01/31	1,035,000	4.00	112,250	1,147,250
10/01/31	-		91,550	91,550
04/01/32	1,075,000	4.00	91,550	1,166,550
10/01/32	-		70,050	70,050
04/01/33	1,120,000	3.00	70,050	1,190,050
10/01/33	-		53,250	53,250
04/01/34	1,150,000	3.00	53,250	1,203,250
10/01/34	-		36,000	36,000
04/01/35	1,185,000	3.00	36,000	1,221,000
10/01/35	-		18,225	18,225
04/01/36	1,215,000	3.00	18,225	1,233,225
	$ 16,355,000		$ 5,022,646	$ 21,377,646

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
FOR THE YEAR ENDED JUNE 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of July 1, 2018	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of June 30, 2019
Governmental Activities:									
NOTES PAYABLE									
Payable through General Fund									
Energy Efficient Lighting Project	$ 778,182	2.56%	4/1/2019	4/1/2027	$ -	$ 778,182	$ -	$ -	$ 778,182
Total Notes Payable through General Fund					-	778,182	-	-	778,182
BONDS PAYABLE									
Payable through General Fund									
School Bonds, Series 2001	$ 6,350,000	2.00% to 5.00%	4/1/2002	4/1/2019	920,000	-	920,000	-	-
School Bonds, Series 2009	$ 4,285,000	4.01% Average	4/1/2009	4/1/2029	1,690,000	-	365,000	-	1,325,000
School Bonds, Series 2012	$ 3,200,000	2.53% Average	4/1/2012	4/1/2032	2,530,000	-	145,000	-	2,385,000
School Bonds, Series 2013	$ 3,000,000	2.71% Average	4/1/2013	4/1/2033	2,405,000	-	120,000	-	2,285,000
School Bonds, Series 2015	$ 20,625,000	4.00% to 5.25%	4/1/2015	4/1/2033	20,230,000	-	280,000	-	19,950,000
School Bonds, Series 2016	$ 18,300,000	2.56% Average	4/1/2016	4/1/2036	17,050,000	-	695,000	-	16,355,000
Total Bonds Payable through General Fund					44,825,000	-	2,525,000	-	42,300,000
Total Governmental Activities Long-Term Debt					$ 44,825,000	$ 778,182	$ 2,525,000	$ -	$ 43,078,182

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF SALARIES OF PRINICPAL OFFICIALS
For the Year Ended June 30, 2019

Title	Name	Salary
Superintendent	Eddie Pruett	$ 112,453

See independent auditors' report

GIBSON COUNTY SPECIAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2019

Assistance Programs as Identified in the Catalog of Federal Domestic Assistance Program Name	CFDA Number	Unearned (Due From) 06/30/18	Receipts	Expenditures	Unearned (Due From) 06/30/19
U.S. Department of Agriculture:					
Passed-through State Department of Education					
National School Lunch Program	10.555	$ (5,392)	$ 848,543	$ 846,929	$ (3,778)
National School Breakfast Program	10.553	-	304,522	305,855	(1,333)
National School Lunch Program (Commodities-Noncash Assistance)	10.555	-	128,534	128,534	-
		(5,392)	1,281,599	1,281,318	(104,616)
Total U.S. Department of Agriculture		(5,392)	1,281,599	1,281,318	(5,111)
U.S. Department of Education:					
Passed-through State Department of Education					
Title I Grants to Local Education Agencies	84.010	$ (130,995)	$ 621,412	$ 597,605	(107,188)
CTE Vocational Education- Perkins	84.048	(15,716)	65,411	49,695	-
21st Century Community Learning	84.287	(49,951)	192,312	164,500	(22,139)
Special Education Cluster:					
Special Education - Grants to States	84.027*	(178,792)	762,684	738,190	(154,298)
Special Education - Preschool Grants	84.173*	(1,505)	19,245	20,831	(3,091)
Total Special Education Cluster		(180,297)	781,929	759,021	(157,389)
Title IIA - Teacher Quality	84.367	(16,993)	89,946	86,949	(13,996)
Total U.S. Department of Education		(393,952)	1,751,010	1,657,770	(300,712)
U.S. Department of Homeland Security:					
Passed-through State Department of Military, Tennessee Emergency Management Agency					
Hazard Mitigation Grant	97.039	-	564,598	564,598	-
U.S. Department of Health and Human Services:					
Passed-through State Department of Education					
Child Care Development Block Grant	93.575	(46,254)	46,254	57,834	(57,834)
Total Federal Awards		$ (445,598)	$ 3,643,461	$ 3,561,520	$ (363,657)

Basis of Presentation:

This schedule of expenditures of federal awards includes the federal grant activity of Gibson County Special School District and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of Uniform Guidance; therefore, some amounts presented in this schedule may differ from

Summary of Significant Accounting Policies:

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform

* considered as major program

See Independent Auditors' Report.

COWART REESE SARGENT
Certified Public Accountants, P.C.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Gibson County Special School District
Dyer, 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 and each major fund of the Gibson County 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 and have issued our report thereon dated December 3, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 to 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 deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

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304 Broadway St
Martin, TN 38237
(731)587-4221
Fax (731)587-9474

11 N. Court Square
Brownsville, TN 38012
(731)772-2273
Fax (731)772-2275

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gibson County 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 are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Cowart Reese Sargent

Cowart Reese Sargent, CPAs, PC
Martin, TN

December 3, 2019

COWART REESE SARGENT
Certified Public Accountants, P.C.

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

Board of Education
Gibson County Special School District
Dyer, Tennessee

Report on Compliance for Each Major Federal Program

We have audited the Gibson County Special School District (the District)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The District's major federal programs for the year ended June 30, 2019. The 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 the 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 the 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 the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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.

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Report on Internal Control Over Compliance

Management of the 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 the 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 the 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.

Cowart Reese Sargent

Cowart Reese Sargent, CPAs, PC
Martin, TN

December 3, 2019

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

Section I – Summary of Auditors' Results:

Financial Statements

Type of report issued on the financial statements:	**Unmodified**
Internal control over financial reporting:	
Material weakness(es) identified?	**No**
Significant deficiencies identified not considered to be material weaknesses?	**None Reported**
Noncompliance material to the financial statements noted?	**No**

Federal Awards

Internal Control Over Major Federal Programs:	
Material weakness(es) identified ?	**No**
Significant deficiencies identified not considered to be material weaknesses?	**None Reported**
Type of report auditor 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)?	**No**

Identification of Major Federal Programs:

CFDA Numbers	Names of Federal Program or Cluster.
84.027 and 84.173	Special Education Cluster

Dollar threshold for distinguishing Types A and B programs:	**$750,000**
Did auditee qualified as low-risk auditee?	**Yes**

Section II – Financial Statement Findings

None Reported

Section III – Federal Award Findings and Questioned Costs

FINDINGS, RECOMMENDATIONS, AND REPLIES

There were no findings relating to this area for the current period ended.

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

Financial Statement Findings

Finding Number	Finding Title	Status
None Reported		

Federal Award Findings and Questioned Costs

Finding Number	Finding Title	Status
None Reported		