

**TRENTON SPECIAL SCHOOL DISTRICT**  
**Board of Education Regular Meeting**  
**Central Office - 6:00 PM**  
**March 1, 2022**

1. **INVOCATION:**
2. **CALL TO ORDER:**
3. **APPROVE AGENDA:**
  - 3.1. Approval of March 1st Agenda:
4. **APPROVE MINUTES:**
  - 4.1. Approval of February 1st Minutes:
5. **CONSENT AGENDA:**
  - 5.1. Approval of Central Office Financial Report:
  - 5.2. Approval of Three Schools Financial Report:
  - 5.3. Approval of Technology Surplus:
6. **REGULAR AGENDA:**
  - 6.1. Approval of 2020-2021 Three Schools Activity Funds Audit:
  - 6.2. Approval of 2020-2021 District Audit:
  - 6.3. Approval of New General Purpose Budget Items:
  - 6.4. Approval of New School Nutrition Budget Item:
  - 6.5. Approval of ARP Preschool Budget Items:
  - 6.6. Approval of First Reading of Policy 1.501 Visitors to the Schools:
  - 6.7. Approval of First Reading of Policy 4.211 Career Technical Education:
7. **DIRECTORS REPORT:**
  - 7.1. Board Work Session, Wednesday, April 13th - Dinner 5:45 pm with Meeting Beginning at 6 pm:

7.2. TSBA Day at the Capitol - May 16 to May 17, 2022:

8. **ADJOURNMENT:**

**TRENTON SPECIAL SCHOOL DISTRICT**  
**Board of Education Regular Meeting**  
**PHS Technology Lab - 6 pm**  
**March 1, 2022**

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**7. DIRECTORS REPORT**

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**8. ADJOURNMENT**

**TRENTON SPECIAL SCHOOL DISTRICT**  
**Board of Trustees' Regular Meeting**  
**PHS Technology Lab – 6 p.m.**  
**February 1, 2022**

**ROLL CALL:** The Trenton Special School District Board of Trustees met in regular meeting on Tuesday, February 1, 2022, at 6 p.m. In attendance were the following:

Mark Harper, Board Chairman  
Katie Dinwiddie  
Dee Ann McEwen  
Shannon Parra

Tim Haney, Director of Schools  
Clint Hickerson  
Justin Weaver

**CALL TO ORDER:** Chairman Mark Harper called the meeting to order.

**APPROVAL OF AGENDA:** Chairman Harper requested the addition of 7.16. Approval of Resolution 2022-01 Gibson County All Hazards Mitigation Resolution to be added to the Regular Agenda. Justin Weaver made a motion to approve with a second by Clint Hickerson. The motion carried unanimously. Chairman Harper presented the amended agenda for the February 1, 2022 Regular Meeting for approval. Clint Hickerson made a motion to approve with a second by Katie Dinwiddie. The motion carried unanimously.

**APPROVAL OF MINUTES:** Chairman Harper presented the minutes of the December 7, 2021, Regular Meeting for approval. With no additions or corrections, Justin Weaver made a motion to approve with a second by Clint Hickerson. The motion carried unanimously.

**RECOGNITIONS:** Director Haney recognized Principal Paul Pillow and TRMS Staff for being selected RTI2-B Model of Demonstration School – Silver Level for 2021-2022.

Director Haney recognized Principal Cortnee Wilkes and TES Staff for being selected RTI2-B School of Recognition 2021-2022.

**CONSENT AGENDA:** The following items appeared on the “Consent Agenda”:

1. Approval of Central Office Financial Report – November and December
2. Approval of Three Schools Financial Report – November and December
3. Approval of Transportation Surplus
4. Approval of PHS Library Surplus
5. Approval of Technology Surplus

Clint Hickerson made the motion to approve with a second by Katie Dinwiddie. The motion carried unanimously.

**REGULAR AGENDA:** The following items appeared on the “Regular Agenda”:

**APPROVAL OF 12-16 FFA STUDENTS TO ATTEND STATE CONVENTION IN GATLINBURG, TN MARCH 26 THROUGH 30 WITH FFA SPONSORS MICHAEL ALLEN AND JESSICA COULSTON:**

Michael Allen requested approval for 16 FFA students to attend State Convention in Gatlinburg, TN beginning March 26<sup>th</sup> through March 30<sup>th</sup> with FFA sponsors Jessica Coulston and himself. Five of the students will receive their state degree. Clint Hickerson made a motion to approve with a second by Justin Weaver. The motion carried unanimously.

**APPROVAL OF SECOND READING OF POLICY 2.601 FUNDRAISING ACTIVITIES:**

Shane Jacobs requested approval of second reading of policy 2.601 Fundraising Activities with no changes from the first reading. Dee Ann McEwen made a motion to approve with a second by Katie Dinwiddie. The motion carried unanimously.

**APPROVAL OF SECOND READING OF POLICY 3.405 COMMERCIAL ADVERTISING ON SCHOOL BUSES:**

Shane Jacobs requested approval of second reading of policy 3.405 Commercial Advertising on School Buses with no changes from the first reading. Clint Hickerson made a motion to approve with a second by Justin Weaver. The motion carried unanimously.

**APPROVAL OF SECOND READING OF POLICY 5.701 SUBSTITUTE TEACHERS:**

Shane Jacobs requested approval of second reading of policy 5.701 Substitute Teachers with no changes from the first reading. Clint Hickerson made a motion to approve with a second by Dee Ann McEwen. The motion carried unanimously.

**APPROVAL OF PHS AND TRMS BAND STUDENTS TO ATTEND ALL WEST HONOR BAND IN MEMPHIS, TN FEBRUARY 10 THROUGH 12 WITH BAND DIRECTORS EMMA LANG AND JAMES YOUNG:**

Paul Pillow requested approval for TRMS and PHS band students to attend All West Honor Band in Memphis, TN on February 10<sup>th</sup> to 12<sup>th</sup> with the band directors. There will be a tribute to Leigh Boyce during the program. Dee Ann McEwen made a motion to approve with a second by Katie Dinwiddie. The motion carried unanimously.

**APPROVAL OF ESSER 3.0 PUBLIC PLAN-FEDERAL RELIEF SPENDING ADDENDUM:**

Amy Allen requested approval of ESSER 3.0 Public Plan-Federal Relief Spending Addendum. TSSD will have a sensory room in each building to help students. Clint Hickerson made a motion to table with a second by Dee Ann McEwen. The motion carried unanimously.

**APPROVAL OF SAFE RETURN TO IN-PERSON INSTRUCTION ADDENDUM:**

Michele Elliott requested approval of Safe Return to In-person Instruction Addendum. Katie Dinwiddie made a motion to approve with a second by Justin Weaver. The motion carried unanimously.

**APPROVAL OF NEW GENERAL PURPOSE BUDGET ITEMS:**

Tammy Smith requested approval to add \$398.95 to the General Purpose budget as Sale of Materials & Supplies and Instructional Supplies for the STEM program from the sale of surplus iPads. Clint Hickerson made a motion to approve with a second by Justin Weaver. The motion carried unanimously.

Tammy Smith requested approval to add \$3,816.43 to the General Purpose budget as Insurance Recovery and Bus Reserve from the insurance claim on Bus #16. Justin Weaver made a motion to approve with a second by Dee Ann McEwen. The motion carried unanimously.

**APPROVAL OF 21<sup>ST</sup> CENTURY TUTORING BUDGET ITEMS:** Lisa Garland requested approval of \$303,428.43 for the 2021-2022 21<sup>st</sup> Century Tutoring Grant for afterschool tutoring at all three schools. Justin Weaver made a motion to approve with a second by Dee Ann McEwen. The motion carried unanimously.

**APPROVAL OF TITLE I BUDGET ITEMS:** Lisa Garland requested approval to add \$75,814.36 to the Title I Budget from carryover funds. The funds will be used for salaries, fringe benefits, instructional supplies and equipment. Clint Hickerson made a motion to approve with a second by Justin Weaver. The motion carried unanimously.

**APPROVAL OF TITLE II BUDGET ITEM:** Lisa Garland requested approval to add \$51,537.01 to the Title II budget from carryover funds. The funds will be used for salaries and fringes. Katie Dinwiddie made a motion to approve with a second by Dee Ann McEwen. The motion carried unanimously.

**APPROVAL OF IDEA BUDGET ITEMS:** Lisa Garland requested approval to add \$44,997.51 to the IDEA budget from carryover funds. The funds will be used for medical insurance, contracted services, supplies, equipment, and professional development. Dee Ann McEwen made a motion to approve with a second by Justin Weaver. The motion carried unanimously.

**APPROVAL OF TITLE V BUDGET ITEMS:** Lisa Garland requested approval to add \$109.08 to the Title V budget from carryover funds. The funds will be used for other supplies and materials. Clint Hickerson made a motion to approve with a second by Katie Dinwiddie. The motion carried unanimously.

**APPROVAL OF IDEA PRESCHOOL BUDGET ITEMS:** Lisa Garland requested approval to add \$1,243.65 to the IDEA Preschool budget from carryover funds. The funds will be used for supplies and materials. Katie Dinwiddie made a motion to approve with a second by Dee Ann McEwen. The motion carried unanimously.

**APPROVAL OF EARLY LITERACY GRANT BUDGET ITEMS:** Lisa Garland requested approval the Early Literacy Networks budget for \$80,000 to be expended as other contracted services. Justin Weaver made a motion to approve with a second by Katie Dinwiddie. The motion carried unanimously.

**APPROVAL OF RESOLUTION 2022-01 GIBSON COUNTY ALL HAZARDS**

**MITIGATION RESOLUTION:** Director Haney requested approval of the Resolution 2022-01 Gibson County All Hazards Mitigation Resolution. Gibson County EMA will submit the plan for the county to FEMA and TEMA. Justin Weaver made a motion to approve with a second by Clint Hickerson. The motion carried unanimously.

**DIRECTORS REPORT:** The following items were shared by Director Haney:

Board Work Session, Wednesday, April 13<sup>th</sup> - Dinner 5:45 pm with Meeting Beginning at 6 pm  
Update on Landscaping at Indoor Practice Facility

TES New Hires - Ashley Comstock, 2<sup>nd</sup> Grade Teacher, Melanie Poe, Cafeteria, and Jennifer Roberts, Teacher Assistant

PHS New Hire - Al Smith, Custodian

TES Resignation - Katie Jones, Cafeteria

TSBA Day at the Capitol - May 16 to May 17, 2022

**ADJOURNMENT:** With no further business, Clint Hickerson made the motion to adjourn. Justin Weaver seconded the motion. The motion carried unanimously.

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Chairman of the Board

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Secretary to the Board

141 General Purpose School		Year-To-Date			Month-To-Date		
Account	Description	Budget Estimate	Actual	% of Budget	Estimate Avg/Mth	Actual	% of Avg
<b>Revenues</b>							
40210	Local Option Sales Tax	900,000.00	(651,767.81)	72.42 %	75,000.00	(110,223.35)	146.96 %
40350	Interstate Telecommunications Tax	5,000.00	(4,757.34)	95.15 %	416.67	(810.60)	194.54 %
40610	Current Property Tax	2,591,348.00	(1,203,473.44)	46.44 %	215,945.67	(869,236.64)	402.53 %
40620	Prior Year's Property Tax	100,000.00	(59,627.93)	59.63 %	8,333.33	(7,765.25)	93.18 %
40630	Interest And Penalty	10,000.00	(3,143.97)	31.44 %	833.33	(843.20)	101.18 %
40650	Payments In Lieu Of Taxes	2,500.00	(1,609.05)	64.36 %	208.33	(208.31)	99.99 %
41110	Marriage Licenses	300.00	(211.95)	70.65 %	25.00	(31.05)	124.20 %
43531	Transportation - Other State Systems	3,000.00	(554.84)	18.49 %	250.00	0.00	0.00 %
43570	Receipts From Individual Schools	25,000.00	(604.04)	2.42 %	2,083.33	0.00	0.00 %
43990	Other Charges For Services	25,000.00	(16,161.17)	64.64 %	2,083.33	(6,702.63)	321.73 %
44110	Investment Income	6,000.00	(587.21)	9.79 %	500.00	(116.57)	23.31 %
44120	Lease/Rentals	13,000.00	(11,000.00)	84.62 %	1,083.33	(1,700.00)	156.92 %
44130	Sale Of Materials And Supplies	780.00	(1,178.95)	151.15 %	65.00	0.00	0.00 %
44170	Miscellaneous Refunds	0.00	(347.51)	0.00 %	0.00	0.00	0.00 %
44530	Sale Of Equipment	0.00	(800.00)	0.00 %	0.00	0.00	0.00 %
44570	Contributions & Gifts	4,900.00	(4,900.00)	100.00 %	408.33	0.00	0.00 %
46511	Basic Education Program	8,187,000.00	(4,918,200.00)	60.07 %	682,250.00	(824,700.00)	120.88 %
46512	Basic Education Program - IEA	0.00	0.00	0.00 %	0.00	0.00	0.00 %
46515	Early Childhood Education	412,186.00	(176,264.34)	42.76 %	34,348.83	(33,300.11)	96.95 %
46590	Other State Education Funds	96,829.00	(60,046.93)	62.01 %	8,069.08	93,409.97	-1,157.63 %
46591	Coordinated School Health ARRA	105,000.00	(39,324.40)	37.45 %	8,750.00	(20,935.99)	239.27 %
46594	Family Resource Centers ARRA	29,611.00	(22,957.00)	77.53 %	2,467.58	(13,985.14)	566.75 %
46610	Career Ladder Program	17,000.00	(7,516.60)	44.22 %	1,416.67	0.00	0.00 %
46980	Other State Grants	31,130.00	(31,022.75)	99.66 %	2,594.17	(16,782.75)	646.94 %
47143	Special Education - Grants To States	2,700.00	(2,700.00)	100.00 %	225.00	0.00	0.00 %
49700	Insurance Recovery	0.00	(4,316.43)	0.00 %	0.00	(3,816.43)	0.00 %
49800	Transfers In	5,000.00	0.00	0.00 %	416.67	0.00	0.00 %
	<b>Total Revenues</b>	<b>12,573,284.00</b>	<b>(7,223,073.66)</b>	<b>57.45 %</b>	<b>1,047,773.67</b>	<b>(1,817,748.05)</b>	<b>173.49 %</b>
<b>Expenditures</b>							
71100	Regular Instruction Program	(5,384,647.00)	2,704,567.15	50.23 %	(448,720.58)	424,294.95	94.56 %
71150	Alternative Instruction Program	(263,473.00)	131,453.11	49.89 %	(21,956.08)	21,245.56	96.76 %
71200	Special Education Program	(474,679.00)	230,767.19	48.62 %	(39,556.58)	39,557.07	100.00 %
71300	Career and Technical Education	(309,397.00)	147,041.18	47.53 %	(25,783.08)	24,045.94	93.26 %
71400	Student Body Education Program	(39,435.00)	13,961.35	35.40 %	(3,286.25)	201.67	6.14 %
72110	Attendance	(137,709.00)	61,676.95	44.79 %	(11,475.75)	9,183.19	80.02 %
72120	Health Services	(121,938.00)	58,235.97	47.76 %	(10,161.50)	9,567.54	94.15 %
72130	Other Student Support	(277,733.39)	149,757.13	53.92 %	(23,144.45)	17,673.15	76.36 %

141 General Purpose School		Year-To-Date			Month-To-Date		
Account	Description	Budget Estimate	Actual	% of Budget	Estimate Avg/Mth	Actual	% of Avg
72210	Regular Instruction Program	(570,681.00)	279,644.50	49.00 %	(47,556.75)	45,303.24	95.26 %
72220	Special Education Program	(52,673.00)	29,434.17	55.88 %	(4,389.42)	3,186.63	72.60 %
72230	Career and Technical Education	(42,697.00)	19,031.13	44.57 %	(3,558.08)	3,411.46	95.88 %
72250	Instructional Technology	(334,530.00)	207,199.74	61.94 %	(27,877.50)	9,717.47	34.86 %
72310	Board Of Education	(235,506.60)	169,317.74	71.90 %	(19,625.55)	21,907.40	111.63 %
72320	Director Of Schools	(166,745.00)	93,109.35	55.84 %	(13,895.42)	12,843.22	92.43 %
72410	Office Of The Principal	(744,102.00)	397,321.83	53.40 %	(62,008.50)	59,909.24	96.61 %
72510	Fiscal Services	(78,975.00)	46,764.75	59.21 %	(6,581.25)	5,791.65	88.00 %
72520	Human Services/Personnel	(104,639.00)	59,809.73	57.16 %	(8,719.92)	8,057.00	92.40 %
72610	Operation Of Plant	(963,389.00)	514,609.51	53.42 %	(80,282.42)	71,109.89	88.57 %
72620	Maintenance Of Plant	(388,018.61)	261,536.43	67.40 %	(32,334.88)	21,920.77	67.79 %
72710	Transportation	(335,901.00)	156,275.61	46.52 %	(27,991.75)	17,971.40	64.20 %
72810	Central And Other	(32,500.00)	25,910.19	79.72 %	(2,708.33)	880.15	32.50 %
73300	Community Services	(1,100.00)	1,095.00	99.55 %	(91.67)	0.00	0.00 %
73400	Early Childhood Education	(412,187.00)	208,959.21	50.70 %	(34,348.92)	32,861.75	95.67 %
76100	Regular Capital Outlay	(718,580.00)	218,766.96	30.44 %	(59,881.67)	(412,759.95)	-689.29 %
82130	Education	(620,000.00)	0.00	0.00 %	(51,666.67)	0.00	0.00 %
82230	Education	(639,169.00)	319,584.38	50.00 %	(53,264.08)	0.00	0.00 %
	<b>Total Expenditures</b>	<b>(13,450,404.60)</b>	<b>6,505,830.26</b>	<b>48.37 %</b>	<b>(1,120,867.05)</b>	<b>447,880.39</b>	<b>39.96 %</b>
<b>Total</b>	<b>141</b> General Purpose School	<b>(877,120.60)</b>	<b>(717,243.40)</b>	<b>-81.77 %</b>	<b>(73,093.38)</b>	<b>(1,369,867.66)</b>	<b>-1,874.13</b>

142 School Federal Projects		Year-To-Date			Month-To-Date		
Account	Description	Budget Estimate	Actual	% of Budget	Estimate Avg/Mth	Actual	% of Avg
<b>Revenues</b>							
44110	Investment Income	0.00	(124.72)	0.00 %	0.00	(6.30)	0.00 %
46980	Other State Grants	303,428.43	(57,827.75)	19.06 %	25,285.70	0.00	0.00 %
47131	Vocational Educ - Basic Grants To	24,987.21	(11,452.12)	45.83 %	2,082.27	(519.04)	24.93 %
47141	Title 1 Grants To Local Educ Agencies	495,318.22	(171,203.19)	34.56 %	41,276.52	(28,565.47)	69.21 %
47143	Special Education - Grants To States	332,385.51	(126,419.75)	38.03 %	27,698.79	(23,607.98)	85.23 %
47145	Special Education Preschool Grants	11,364.65	(3,987.46)	35.09 %	947.05	(848.39)	89.58 %
47146	English Language Acquisition Grants	2,920.07	0.00	0.00 %	243.34	0.00	0.00 %
47148	Rural Education	26,075.76	(9,417.10)	36.11 %	2,172.98	(1,826.41)	84.05 %
47189	Eisenhower Prof Development State	101,148.33	(4,496.60)	4.45 %	8,429.03	(681.59)	8.09 %
47307	COVID-19 Grant B	214,497.91	(214,497.91)	100.00 %	17,874.83	0.00	0.00 %
47309	COVID-19 Grant D	163,000.00	(13,832.00)	8.49 %	13,583.33	0.00	0.00 %
47310	COVID-19 Grant E	238,316.43	(104,763.59)	43.96 %	19,859.70	0.00	0.00 %
47401	American Rescue Plan Act Grant #1	0.00	(495,214.12)	0.00 %	0.00	(495,214.12)	0.00 %
47402	American Rescue Plan Act Grant #2	144,270.06	(6,043.20)	4.19 %	12,022.51	(4,734.20)	39.38 %
47404	American Rescue Plan Act Grant #4	13,941.04	0.00	0.00 %	1,161.75	0.00	0.00 %
47407	American Rescue Plan Act Grant B	2,882,182.33	0.00	0.00 %	240,181.86	0.00	0.00 %
47590	Other Federal Through State	345,841.53	(108,005.00)	31.23 %	28,820.13	(42,309.83)	146.81 %
	<b>Total Revenues</b>	<b>5,299,677.48</b>	<b>(1,327,284.51)</b>	<b>25.04 %</b>	<b>441,639.79</b>	<b>(598,313.33)</b>	<b>135.48 %</b>
<b>Expenditures</b>							
71100	Regular Instruction Program	(567,088.32)	183,053.38	32.28 %	(47,257.36)	68,686.35	145.35 %
71200	Special Education Program	(698,110.22)	187,855.31	26.91 %	(58,175.85)	67,165.54	115.45 %
71300	Career and Technical Education	(230,473.64)	126,057.02	54.69 %	(19,206.14)	8,758.02	45.60 %
72120	Health Services	(314,516.00)	53,357.85	16.97 %	(26,209.67)	9,102.02	34.73 %
72130	Other Student Support	(275,408.66)	110,032.84	39.95 %	(22,950.72)	14,657.74	63.87 %
72210	Regular Instruction Program	(504,961.33)	229,385.53	45.43 %	(42,080.11)	130,006.08	308.95 %
72220	Special Education Program	(47,573.93)	25,734.69	54.09 %	(3,964.49)	9,204.15	232.16 %
72230	Career and Technical Education	(1,200.00)	650.41	54.20 %	(100.00)	0.00	0.00 %
72610	Operation Of Plant	(1,056,820.57)	168,665.62	15.96 %	(88,068.38)	168,665.62	191.52 %
72710	Transportation	(183,984.53)	193,181.00	105.00 %	(15,332.04)	128,887.00	840.64 %
73100	Food Service	(225,376.00)	200,000.00	88.74 %	(18,781.33)	0.00	0.00 %
73300	Community Services	(302,890.00)	93,400.21	30.84 %	(25,240.83)	14,538.49	57.60 %
76100	Regular Capital Outlay	(872,262.54)	439,256.25	50.36 %	(72,688.55)	439,256.25	604.30 %
99100	Transfers Out	(19,011.74)	0.00	0.00 %	(1,584.31)	0.00	0.00 %
	<b>Total Expenditures</b>	<b>(5,299,677.48)</b>	<b>2,010,630.11</b>	<b>37.94 %</b>	<b>(441,639.79)</b>	<b>1,058,927.26</b>	<b>239.77 %</b>
<b>Total</b>	<b>142 School Federal Projects</b>	<b>0.00</b>	<b>683,345.60</b>	<b>100.00 %</b>	<b>0.00</b>	<b>460,613.93</b>	<b>0.00 %</b>

143 Central Cafeteria		Year-To-Date			Month-To-Date		
Account	Description	Budget Estimate	Actual	% of Budget	Estimate Avg/Mth	Actual	% of Avg
<b>Revenues</b>							
43521	Lunch Payments - Children	5,000.00	(239.75)	4.80 %	416.67	55.25	-13.26 %
43522	Lunch Payments - Adults	10,000.00	(4,280.55)	42.81 %	833.33	(350.65)	42.08 %
43523	Income From Breakfast	200.00	0.00	0.00 %	16.67	0.00	0.00 %
44110	Investment Income	100.00	(3.83)	3.83 %	8.33	(0.77)	9.24 %
46520	School Food Service	8,000.00	0.00	0.00 %	666.67	0.00	0.00 %
46980	Other State Grants	25,864.00	(614.00)	2.37 %	2,155.33	0.00	0.00 %
47111	USDA School Lunch Program	700,000.00	(390,811.45)	55.83 %	58,333.33	(87,705.69)	150.35 %
47112	USDA Commodities	67,173.00	0.00	0.00 %	5,597.75	0.00	0.00 %
47113	Breakfast	700,000.00	(161,645.87)	23.09 %	58,333.33	(37,405.37)	64.12 %
47114	USDA - Other	300,600.00	(252,429.38)	83.98 %	25,050.00	(13,929.04)	55.60 %
	<b>Total Revenues</b>	<b>1,816,937.00</b>	<b>(810,024.83)</b>	<b>44.58 %</b>	<b>151,411.42</b>	<b>(139,336.27)</b>	<b>92.02 %</b>
<b>Expenditures</b>							
73100	Food Service	(1,881,937.00)	1,110,151.92	58.99 %	(156,828.08)	152,125.71	97.00 %
	<b>Total Expenditures</b>	<b>(1,881,937.00)</b>	<b>1,110,151.92</b>	<b>58.99 %</b>	<b>(156,828.08)</b>	<b>152,125.71</b>	<b>97.00 %</b>
<b>Total</b>	<b>143 Central Cafeteria</b>	<b>(65,000.00)</b>	<b>300,127.09</b>	<b>461.73 %</b>	<b>(5,416.67)</b>	<b>12,789.44</b>	<b>236.11 %</b>

144 School Transportation		Year-To-Date			Month-To-Date		
Account	Description	Budget Estimate	Actual	% of Budget	Estimate Avg/Mth	Actual	% of Avg
<b>Revenues</b>							
43531	Transportation - Other State Systems	348,748.00	(183,914.06)	52.74 %	29,062.33	(14,166.68)	48.75 %
44990	Other Local Revenues	0.00	(387.90)	0.00 %	0.00	0.00	0.00 %
	<b>Total Revenues</b>	<b>348,748.00</b>	<b>(184,301.96)</b>	<b>52.85 %</b>	<b>29,062.33</b>	<b>(14,166.68)</b>	<b>48.75 %</b>
<b>Expenditures</b>							
72710	Transportation	(348,748.00)	183,899.06	52.73 %	(29,062.33)	14,166.68	48.75 %
	<b>Total Expenditures</b>	<b>(348,748.00)</b>	<b>183,899.06</b>	<b>52.73 %</b>	<b>(29,062.33)</b>	<b>14,166.68</b>	<b>48.75 %</b>
<b>Total</b>	<b>144</b> School Transportation	<b>0.00</b>	<b>(402.90)</b>	<b>100.00 %</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00 %</b>

## Peabody High School

Balance Sheet Report  
Through 01/31/2022

		General	Restricted	Food Service	Total
<b>Assets</b>					
11	Cash on hand	0.00	0.00	0.00	0.00
12	Cash in banks - checking	27,287.80	208,128.08	0.00	235,415.88
49	Inventory Book Store	0.00	0.00	0.00	0.00
	<b>Total Assets</b>	<b>\$27,287.80</b>	<b>\$208,128.08</b>	<b>\$0.00</b>	<b>\$235,415.88</b>
<b>Liabilities</b>					
91	General fund balance	-34,633.84	0.00	0.00	-34,633.84
	<b>Total Liabilities</b>	<b>-\$34,633.84</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>-\$34,633.84</b>
<b>Revenues</b>					
300	Start-up Change	-5,280.00	0.00	0.00	-5,280.00
304.3	Pepsi Machine	-2,520.00	0.00	0.00	-2,520.00
304.4	Graham Snack Foods	-1,842.65	0.00	0.00	-1,842.65
307	Donations	-93.03	0.00	0.00	-93.03
321	Board Allocations	-18,108.91	0.00	0.00	-18,108.91
333	Safety & Security	-895.00	0.00	0.00	-895.00
355	Student Incentive	-2,900.22	0.00	0.00	-2,900.22
	<b>Total Revenues</b>	<b>-\$31,639.81</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>-\$31,639.81</b>
<b>Expenditures</b>					
400	Start-up Change	5,330.00	0.00	0.00	5,330.00
411	Admin Supplies & Materials	636.84	0.00	0.00	636.84
420	Other Admin Expenditures	19,816.82	0.00	0.00	19,816.82
421	Instructional Supplies & Materials	1,111.78	0.00	0.00	1,111.78
426	Copy Machine	4,123.00	0.00	0.00	4,123.00
433	Safety & Security	230.15	0.00	0.00	230.15
455	Student Incentive	1,347.48	0.00	0.00	1,347.48
459	Other Expenditures	6,389.78	0.00	0.00	6,389.78
	<b>Total Expenditures</b>	<b>\$38,985.85</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$38,985.85</b>
<b>Restricted Accounts</b>					
601	All Athletics	0.00	-55,897.53	0.00	-55,897.53
701	Class of 2022	0.00	-532.00	0.00	-532.00
704	Class of 2025	0.00	-36.83	0.00	-36.83
801	Beta Club	0.00	-2,438.94	0.00	-2,438.94
802	FFA Club	0.00	-15,120.74	0.00	-15,120.74
803	Speech & Debate Club	0.00	-267.81	0.00	-267.81
811	Math Club	0.00	-9.65	0.00	-9.65
813	History Club	0.00	-1.60	0.00	-1.60
814	Pep Club	0.00	-1,002.81	0.00	-1,002.81
821	Junior Rotary	0.00	-744.27	0.00	-744.27
822	HOSA	0.00	-565.91	0.00	-565.91
824	Future Teachers of America	0.00	-891.12	0.00	-891.12
825	Girls & Boys State	0.00	-36,248.74	0.00	-36,248.74
827	Peabody Pals	0.00	-705.18	0.00	-705.18
828	STEM Club	0.00	-4,656.24	0.00	-4,656.24
829	21 Plus Club	0.00	-3,154.59	0.00	-3,154.59
831	Peabody Rock Ensemble	0.00	-310.79	0.00	-310.79
832	AP - Advance Placement	0.00	-1,236.00	0.00	-1,236.00
833	SAT Exam	0.00	-15.00	0.00	-15.00
840	Prom	0.00	-6,094.61	0.00	-6,094.61

**Peabody High School**

Balance Sheet Report  
Through 01/31/2022

	General	Restricted	Food Service	Total	
901	Library	0.00	-79.28	0.00	-79.28
902	Cheerleaders	0.00	-7,169.89	0.00	-7,169.89
903	School Annuals	0.00	-9,487.12	0.00	-9,487.12
904	Band	0.00	-8,758.97	0.00	-8,758.97
906	Student Council	0.00	-1,071.23	0.00	-1,071.23
907	Art	0.00	-1,001.97	0.00	-1,001.97
908	Special Olympics	0.00	-1,350.18	0.00	-1,350.18
911	St. Jude	0.00	-835.05	0.00	-835.05
915	Project Inspire	0.00	-164.75	0.00	-164.75
916	Chromebook	0.00	-1,605.78	0.00	-1,605.78
931	Operating Account Donations	0.00	-11,572.21	0.00	-11,572.21
932	Football Donations	0.00	-10,459.08	0.00	-10,459.08
933	Girls Basketball Donations	0.00	-3,668.81	0.00	-3,668.81
934	Boys Basketball Donations	0.00	-2,543.30	0.00	-2,543.30
935	Baseball Donations	0.00	-5,342.37	0.00	-5,342.37
936	Golf Donatlons	0.00	-774.25	0.00	-774.25
938	Soccer Donations	0.00	-1,539.58	0.00	-1,539.58
939	Softball Donations	0.00	-3,855.96	0.00	-3,855.96
940	Tennis Donations	0.00	-1,620.48	0.00	-1,620.48
941	Volleyball Donations	0.00	-2,634.57	0.00	-2,634.57
942	Track & Field	0.00	-1,734.01	0.00	-1,734.01
950	Football Donation / Quarterback	0.00	-928.88	0.00	-928.88
	<b>Total Restricted Accounts</b>	<b>\$0.00</b>	<b>\$-208,128.08</b>	<b>\$0.00</b>	<b>\$-208,128.08</b>
	<b>Grand Totals :</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

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## Trenton Rosenwald Middle School

Report Name: aaBalanceSheet.rpt

Balance Sheet Report  
Through 01/31/2022

		General	Restricted	Food Service	Total
<b>Assets</b>					
11	Cash on hand	0.00	0.00	0.00	0.00
12	Cash in banks - checking	23,709.53	106,212.11	0.00	129,921.64
21	CD#403819 - Security Bank	0.00	10,000.45	0.00	10,000.45
22	CD April-#400702 - Bank of Commerce	0.00	0.00	0.00	0.00
23	CD June-#201173 - Bank of Commerce	0.00	0.00	0.00	0.00
43	Inventory Book Store	0.00	0.00	0.00	0.00
	<b>Total Assets</b>	<b>\$23,709.53</b>	<b>\$116,212.56</b>	<b>\$0.00</b>	<b>\$139,922.09</b>
<b>Liabilities</b>					
91	General fund balance	-12,792.07	0.00	0.00	-12,792.07
	<b>Total Liabilities</b>	<b>\$-12,792.07</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$-12,792.07</b>
<b>Revenues</b>					
306	Cookie Dough Fundraiser	-21,438.00	0.00	0.00	-21,438.00
307	Start Up Money	-12,550.00	0.00	0.00	-12,550.00
308	Vending Machines	-266.94	0.00	0.00	-266.94
316	Locker Fees	-45.00	0.00	0.00	-45.00
318	Student Snacks	-11,742.00	0.00	0.00	-11,742.00
320	Interest	-52.66	0.00	0.00	-52.66
323	Student Incentive	-35.00	0.00	0.00	-35.00
325	Board Allocations	-6,066.52	0.00	0.00	-6,066.52
326	Pictures	-876.67	0.00	0.00	-876.67
	<b>Total Revenues</b>	<b>\$-53,072.79</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$-53,072.79</b>
<b>Expenditures</b>					
299	Cookie Dough Fundraiser	13,198.20	0.00	0.00	13,198.20
411	Start Up Money	12,550.00	0.00	0.00	12,550.00
412	Office Supplies	3,032.67	0.00	0.00	3,032.67
413	PBIS -ROAR STORE	2,171.85	0.00	0.00	2,171.85
414	Equipment & Repairs	3,296.89	0.00	0.00	3,296.89
419	Instructional Supplies	1,837.36	0.00	0.00	1,837.36
498	Student Snacks	4,112.31	0.00	0.00	4,112.31
500	Miscellaneous	420.74	0.00	0.00	420.74
556	Student Incentive	1,535.31	0.00	0.00	1,535.31
	<b>Total Expenditures</b>	<b>\$42,155.33</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$42,155.33</b>
<b>Restricted Accounts</b>					
510	Student Council	0.00	-2,894.80	0.00	-2,894.80
511	Athletic Concessions	0.00	-2.23	0.00	-2.23
512	Book Damage Fees	0.00	-948.96	0.00	-948.96
514	Chromebook fees	0.00	-2,389.55	0.00	-2,389.55
555	FCA	0.00	-46.00	0.00	-46.00
557	Art	0.00	-153.28	0.00	-153.28
558	Scholastic Reading Club	0.00	-8.25	0.00	-8.25
602	Cheerleader	0.00	-2,984.03	0.00	-2,984.03
610	Library	0.00	-801.45	0.00	-801.45
611	Accelerated Reader	0.00	-913.68	0.00	-913.68
613	All Athletics Interest	0.00	-156.17	0.00	-156.17
614	Baseball	0.00	-3,352.59	0.00	-3,352.59
615	Basketball	0.00	-679.00	0.00	-679.00
616	Football	0.00	-43,308.31	0.00	-43,308.31

Trenton Rosenwald Middle School

Run Date: 2/2/2022 7:36:10PM

Balance Sheet Report  
Through 01/31/2022

Report Name: aaBalanceSheet.rpt

		General	Restricted	Food Service	Total
617	Soccer	0.00	-6,940.14	0.00	-6,940.14
618	Softball	0.00	-2,924.55	0.00	-2,924.55
619	Volleyball	0.00	-4,724.47	0.00	-4,724.47
800	Coding Grant	0.00	-1,500.00	0.00	-1,500.00
801	Beta Club	0.00	-1,991.92	0.00	-1,991.92
802	STEM	0.00	-252.55	0.00	-252.55
803	Special Olympics	0.00	-79.05	0.00	-79.05
904	Band	0.00	-16,929.24	0.00	-16,929.24
905	Leigh Boyce Memorial Fund	0.00	-18,560.00	0.00	-18,560.00
906	Annual	0.00	-3,672.34	0.00	-3,672.34
909	Leigh Boyce Scholarship Fund	0.00	0.00	0.00	0.00
	<b>Total Restricted Accounts</b>	<b>\$0.00</b>	<b>\$-116,212.56</b>	<b>\$0.00</b>	<b>\$-116,212.56</b>
	<b>Grand Totals :</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

## Trenton Elementary School

Run Date: 2/2/2022 7:27:27PM

Report Name: aaBalanceSheet.rpt

Balance Sheet Report  
Through 01/31/2022

		General	Restricted	Food Service	Total
<b>Assets</b>					
11	Cash on hand	0.00	0.00	0.00	0.00
12	Cash in banks - checking	34,277.13	21,706.84	0.00	55,983.97
15	Savings #44093565 (Bancorp South)	0.00	0.00	0.00	0.00
16	CD #756070 (Bancorp South)	0.00	0.00	0.00	0.00
17	CD #756088 (Bancorp South)	0.00	0.00	0.00	0.00
43	Bookstore Inventory	0.00	0.00	0.00	0.00
	<b>Total Assets</b>	<b>\$34,277.13</b>	<b>\$21,706.84</b>	<b>\$0.00</b>	<b>\$55,983.97</b>
<b>Liabilities</b>					
91	General fund balance	-38,551.86	0.00	0.00	-38,551.86
	<b>Total Liabilities</b>	<b>\$-38,551.86</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$-38,551.86</b>
<b>Revenues</b>					
304	Pictures	-7,598.00	0.00	0.00	-7,598.00
304.5	PreK Graduation Pictures	0.00	0.00	0.00	0.00
306	Fundraising	-1,550.00	0.00	0.00	-1,550.00
310	Miscellaneous	-75.00	0.00	0.00	-75.00
311	Folders	-1.00	0.00	0.00	-1.00
313	Instructional Supplies	-1,101.97	0.00	0.00	-1,101.97
320	Interest	-24.07	0.00	0.00	-24.07
323	Book Orders	-226.25	0.00	0.00	-226.25
	<b>Total Revenues</b>	<b>\$-10,576.29</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$-10,576.29</b>
<b>Expenditures</b>					
411	Folders	1,282.50	0.00	0.00	1,282.50
412	Office Supplies	1,370.66	0.00	0.00	1,370.66
418	General Supplies	203.00	0.00	0.00	203.00
421	Instructional Supplies	665.23	0.00	0.00	665.23
423	Book Orders	238.98	0.00	0.00	238.98
429	Copy Machines	4,156.70	0.00	0.00	4,156.70
492	Pictures	5,318.60	0.00	0.00	5,318.60
499	Miscellaneous	1,615.35	0.00	0.00	1,615.35
	<b>Total Expenditures</b>	<b>\$14,851.02</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$14,851.02</b>
<b>Restricted Accounts</b>					
804	Library	0.00	-4,062.77	0.00	-4,062.77
805	Accelerated Reader - AR	0.00	0.00	0.00	0.00
811	Fine Arts	0.00	-103.40	0.00	-103.40
814	Computer Lab	0.00	-2,102.54	0.00	-2,102.54
815	PATT	0.00	0.00	0.00	0.00
816	Physical Education	0.00	-1,162.59	0.00	-1,162.59
817	Guidance	0.00	-18.36	0.00	-18.36
818	K - 4 Families	0.00	-14.10	0.00	-14.10
819	Yearbook	0.00	-4,173.25	0.00	-4,173.25
825	Destination Imagination (DI)	0.00	-404.03	0.00	-404.03
826	Student Rewards	0.00	-3,907.79	0.00	-3,907.79
827	Basketball	0.00	-915.13	0.00	-915.13
828	Read to Be Ready	0.00	0.00	0.00	0.00
829	Do Right	0.00	-4,719.86	0.00	-4,719.86
830	PreK SPED	0.00	-94.02	0.00	-94.02
831	Chrome Book Fees	0.00	-29.00	0.00	-29.00

**Trenton Elementary School**

Run Date: 2/2/2022 7:27:27PM

Balance Sheet Report  
Through 01/31/2022

Report Name: aaBalanceSheet.rpt

	<u>General</u>	<u>Restricted</u>	<u>Food Service</u>	<u>Total</u>
<b>Total Restricted Accounts</b>	<u>\$0.00</u>	<u>\$-21,706.84</u>	<u>\$0.00</u>	<u>\$-21,706.84</u>
<b>Grand Totals :</b>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>

Surplus Item Description	Asset Tag/Serial Number
Dell E5450 Laptop	A26010
Dell E5450 Laptop	A25851
Dell E5450 Laptop	A26005
Dell E5440 Laptop	A25807
Lenovo L512 Laptop	LR18X79
Lenovo T430 Laptop	A25376
Dell 5470 Laptop	A26914

**TRENTON SPECIAL SCHOOL DISTRICT  
INTERNAL SCHOOL FUNDS**

**TRENTON, TENNESSEE**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**TRENTON SPECIAL SCHOOL DISTRICT – INTERNAL SCHOOL FUNDS  
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**TRENTON SPECIAL SCHOOL DISTRICT  
INTERNAL SCHOOL FUNDS  
ROSTER OF PUBLICLY ELECTED OFFICIALS**  
For the Fiscal Year Ended June 30, 2021

Tim Haney, Director of Schools and Management

Mark Harper, Chairman  
Justin Weaver, Vice Chairman  
Dee Ann McEwen  
Clint Hickerson  
Katie Dinwiddie



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## Independent Auditor's Report

Board of Education and Management  
Trenton Special School District, Internal School Funds  
Trenton, Tennessee

### ***Report on the Financial Statements***

We have audited the accompanying combined balance sheets – regulatory basis of the Trenton Special School District Internal School Funds (the Schools) (special revenue fund of Trenton Special School District) as of June 30, 2021, and the related combined statement of revenues expenditures and changes in fund balances – regulatory basis for the year then ended, and the related notes to the financial statements, which collectively comprise the Schools Internal School Funds' basic financial statements, as listed in the table of contents. We have also audited the individual school balance sheets – regulatory basis, and the individual school statements of revenues, expenditures and changes in fund balances – regulatory basis presented as supplementary information, in the accompanying individual school financial statements as of and for the year ended June 30, 2021, 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 the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the Schools on the basis of the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Tennessee.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Schools as of June 30, 2021, or changes in financial position for the year then ended.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances of the Schools, and special revenue funds of Trenton Special School District, as of June 30, 2021, and the related revenues, expenditures and changes in fund balances for the year then ended in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note 1. In addition, in our opinion, the individual school financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances of the Schools’ Internal School Funds as of June 30, 2021, and the related revenues, expenditures and changes in fund balances for the year then ended, in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note 1.

***Emphasis of Matters – Reporting Entity***

As discussed in Note 1, the financial statements present only the Schools Internal School Funds and do not purport to, and do not, present fairly the financial position of the Trenton Special School District as of June 30, 2021, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Other Matters***

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the combined financial statements – regulatory basis that collectively comprise the Schools Internal School Funds’ basic financial statements. In addition, our audit was conducted for the purpose of forming an opinion on the individual school financial statements – regulatory basis, presented as supplementary information. The schedule of interfund transfers, schedule of salary supplements, schedule of insurance coverage, introductory section, as listed in the table of contents are presented for purposes of additional analysis and are not a

required part of the basic financial statements – regulatory basis of the schools. As described in Note 1 of the financial statements, the supplementary schedules, as listed in the table of contents, are prepared by the Schools on the basis of the financial reporting provision of the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The supplementary schedules, as listed in the table of contents, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements – regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements – regulatory basis 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 – regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements – regulatory basis as a whole.

The roster of publicly elected officials and management have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2021 , on our consideration of the Schools’ 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 Schools’ internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Schools’ internal control over financial reporting and compliance.

*Alexander Thompson Arnold PLLC*

Jackson, Tennessee  
October 19, 2021

**TRENTON SPECIAL SCHOOL DISTRICT  
INTERNAL SCHOOL FUNDS  
COMBINED BALANCE SHEET - REGULATORY BASIS  
June 30, 2021**

	<u>Peabody High School</u>	<u>Trenton Rosenwald Middle School</u>	<u>Trenton Elementary School</u>	<u>Total</u>
<b>Assets</b>				
Cash and certificates of deposit	\$ 182,937	\$ 108,936	\$ 53,435	\$ 345,308
<b>Total assets</b>	<b><u>182,937</u></b>	<b><u>108,936</u></b>	<b><u>53,435</u></b>	<b><u>345,308</u></b>
<b>Fund Balances</b>				
General Fund				
Unassigned	34,633	13,578	38,552	86,763
Total general fund	<u>34,633</u>	<u>13,578</u>	<u>38,552</u>	<u>86,763</u>
Restricted Fund				
Restricted	43,003	20,060	233	63,296
Assigned	105,301	75,298	14,650	195,249
Total restricted fund	<u>148,304</u>	<u>95,358</u>	<u>14,883</u>	<u>258,545</u>
<b>Total fund balances</b>	<b><u>\$ 182,937</u></b>	<b><u>\$ 108,936</u></b>	<b><u>\$ 53,435</u></b>	<b><u>\$ 345,308</u></b>

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

**TRENTON SPECIAL SCHOOL DISTRICT  
INTERNAL SCHOOL FUNDS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - REGULATORY BASIS**

For the Year Ended June 30, 2021

	<u>Peabody High School</u>	<u>Trenton Rosenwald Middle School</u>	<u>Trenton Elementary School</u>	<u>Total</u>
Fund balance, July 1, 2020	\$ 189,284	\$ 63,759	\$ 59,137	\$ 312,180
Revenues	457,504	168,704	72,449	698,657
Expenditures	<u>463,851</u>	<u>123,527</u>	<u>78,151</u>	<u>665,529</u>
Excess of revenues over (under) expenditures	<u>(6,347)</u>	<u>45,177</u>	<u>(5,702)</u>	<u>33,127</u>
Other financing sources (uses)				
Operating transfers in	800	9,164	-	9,964
Operating transfers out	<u>(800)</u>	<u>(9,164)</u>	<u>-</u>	<u>(9,964)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other uses</b>	<b><u>(6,347)</u></b>	<b><u>45,177</u></b>	<b><u>(5,702)</u></b>	<b><u>33,128</u></b>
 Fund balance, June 30, 2021	 <u>\$ 182,937</u>	 <u>\$ 108,936</u>	 <u>\$ 53,435</u>	 <u>\$ 345,308</u>

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

**TRENTON SPECIAL SCHOOL DISTRICT**  
**INTERNAL SCHOOL FUNDS**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2021

**BACKGROUND**

Section 49-2-110, Tennessee Code Annotated, provides for student activity funds, establishes responsibility for those funds, and requires schools to adopt and follow a uniform accounting manual. This section excludes parent-teacher and parent-student support organizations from the accounting, record keeping, and other requirements of this section.

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

This report includes only the individual school activity funds of the Trenton Special School District (the Schools) which is also considered a special revenue fund of the Trenton Special School District. Internal school funds consist of financial resources accounted for at the individual schools.

**Internal School Funds**

Internal school funds reported in the accompanying financial statements include donations and grants made to the individual schools; fees collected by schools; funds received from the local board of education; funds raised through cooperative agreements; rental fees; and student activity funds.

**Student Activity Funds**

Student activity funds include all money received from any source for school sponsored student activities or school-sponsored events held at or in connection with a school, and specifically include, but are not limited to funds:

- Derived from a school-sponsored academic, art, athletic, or social event involving students;
- Raised by school-sponsored clubs involving students;
- Raised by school-sponsored fundraisers involving students who are under the supervision of a school employee;
- Received from a commission for the direct sale of items to students pursuant to a cooperative agreement between the school and an outside organization;
- Received for the direct sale of items to students from a school-run bookstore located on school grounds;
- Raised from fees charged to students;
- Obtained from interest from any account that contains student activity funds;
- Obtained from any related school-sponsored activity that involves the use of school personnel, students, and property during the school day.

**TRENTON SPECIAL SCHOOL DISTRICT**  
**INTERNAL SCHOOL FUNDS**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2021

**B. Other Comprehensive Basis of Accounting (OCBOA)**

The accounting and financial reporting requirements for school activity funds are set forth in the *Tennessee Internal School Uniform Accounting Policy Manual* (the Manual), issued by the Tennessee Department of Education. The requirements established in the Manual differ from generally accepted accounting principles primarily in the presentation of the financial statements and restricted fund revenue and expenditure accounting and reporting. The following is a summary of the basic requirements of this other comprehensive basis of accounting.

The financial statements consist of balance sheets and statements of revenues, expenditures and changes in fund balances.

The combined financial statements present all of the individual schools in a columnar format and are required to be presented before the notes to the financial statements. These statements focus on each of the individual schools rather than the funds within the schools. In keeping with that focus, the columnar headings identify the individual schools rather than the funds.

The individual school financial statements present the detailed fund activity in each school and are included after the notes to the financial statements.

Revenues are classified by source and expenditures are classified by either function or object for the general fund but not the restricted fund. Revenues and expenditures of the restricted fund are recorded based on the specific group or activity which will benefit or expend the funds. The activity in the restricted "accounts" is presented as total revenues and transfers in and total expenditures and transfers out for each account. A corresponding "fund balance" is presented for each account. Although the restricted fund is a single fund, each account within the fund must present its portion of the restricted fund balance. Transfers reported on the financial statements represent authorized movement of funds between restricted accounts as well as between the general fund and restricted fund.

**C. Measurement Focus and Basis of Accounting**

The accompanying financial statements are reported using the current financial resources measurement focus. Accordingly, only current assets and current liabilities are included on the balance sheets and the fund balances report only spendable resources. Internal school funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Management policies define available as collectible within 30 days after the fiscal year end. Expenditures are generally recognized when the related fund liability is incurred, if measurable.

**D. Fund Structure**

The accounts of the individual schools are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of the fund's assets, liabilities, fund equity, revenues, and expenditures. The funds are grouped in the accompanying financial statements as follows:

**TRENTON SPECIAL SCHOOL DISTRICT**  
**INTERNAL SCHOOL FUNDS**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2021

**General Fund**

The general fund is used to account for all money to be used for the general operation of the school or for the welfare of the student body. Revenues and expenditures in this fund are not restricted to any specific group or activity.

**Restricted Fund**

The restricted fund is used to account for money that is restricted for the use of a specific segment of the school population or legally restricted for a specific purpose and not intended to benefit the general school population.

**E. Inventory**

Inventories are stated at lower of cost (first-in, first-out) or market (net realizable value). The consumption method is used to account for inventories. Under the consumption method, a physical count of inventories is made at year-end and the financials are adjusted to the year end value. However, significant amounts of inventory, if any, on hand at year-end are reported as an asset in the financial statements. In accordance with generally accepted accounting principles, the fair value of donated goods and supplies are recognized as revenues and expenditures in the financial statements. For the current year no significant amounts of such donations were received.

**F. Fund Balances**

**Nonspendable Fund Balance**

Fund balances reported as nonspendable in the accompanying financial statements represent amounts for inventory in the general fund.

**Restricted Fund Balance**

Fund balances reported as restricted are the result of externally imposed restrictions placed upon certain resources accounted for in the restricted funds. This includes BEP (Basic Education Program) funds and grant funds.

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

**Assigned Fund Balance**

Amounts that are constrained by each school's intent to be used for specific purposes are reflected as assigned in the accompanying financial statements. This includes accounts reported in the restricted fund at each school, except for those that account for externally restricted resources as described above. Inventory amounts for restricted accounts are reflected as assigned because the use of the proceeds from the sale of those inventories is assigned. Board of Education allocation amounts not spent by the end of the fiscal year are reflected as assigned in the general fund because the Board's intent is for those resources to be expended for instruction, administration, and/or operations and maintenance.

**TRENTON SPECIAL SCHOOL DISTRICT  
INTERNAL SCHOOL FUNDS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021**

The Board of Education is authorized to assign amounts for specific purposes with respect to the amounts they allocate to the individual schools. The principal is the official authorized to assign all other amounts to a specific purpose. Authorization is established by the *Tennessee Internal School Uniform Accounting Policy Manual*.

**Unassigned Fund Balance**

In accordance with generally accepted accounting principles, the general fund is the only fund at each school that reports amounts for unassigned fund balance. This classification represents fund balance that is not restricted and has not been assigned to specific purposes within the general fund.

When both assigned and unassigned resources are available for use, it is the school system's policy to use assigned resources first, then unassigned resources as they are needed.

The fund balance detail for the Schools are reflected below. Additional detail is provided on the individual school financial statements.

	<u>Peabody High School</u>		<u>Trenton Rosenwald Middle School</u>		<u>Trenton Elementary School</u>	
	<u>General Fund</u>	<u>Restricted Fund</u>	<u>General Fund</u>	<u>Restricted Fund</u>	<u>General Fund</u>	<u>Restricted Fund</u>
<b>Fund Balances:</b>						
<b>Restricted for:</b>						
Restricted donations- athletics	\$ -	\$ 5,825	\$ -	\$ -	\$ -	\$ -
Football donation - Quarterback	-	929	-	-	-	-
Girls & Boys State	-	36,249	-	-	-	-
Read to Be Ready	-	-	-	-	-	61
Student of the Month	-	-	-	-	-	78
PreK SPED	-	-	-	-	-	94
Coding Grant	-	-	-	1,500	-	-
Leigh Boyce Memorial Fund	-	-	-	18,560	-	-
<b>Assigned to:</b>						
Restricted Funds	-	105,301	-	75,298	-	14,650
<b>Unassigned:</b>	<u>34,633</u>	<u>-</u>	<u>13,578</u>	<u>-</u>	<u>38,552</u>	<u>-</u>
<b>Total fund balances</b>	<u>\$ 34,633</u>	<u>\$ 148,304</u>	<u>\$ 13,578</u>	<u>\$ 95,358</u>	<u>\$ 38,552</u>	<u>\$ 14,883</u>

**G. Impact of Recently Issued Pronouncements**

Effective July 1, 2020, the Schools adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities of all state and local governments. Considering that Trenton Special School District (the District) controls the assets of the Schools and has administrative involvement, the Schools are considered special revenue funds of the District and will be reported as such on the District's financial statements.

**TRENTON SPECIAL SCHOOL DISTRICT**  
**INTERNAL SCHOOL FUNDS**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2021

**NOTE 2 – DEPOSITS**

**A. Legal Provisions**

All deposits with financial institutions in excess of FDIC limits are required to be secured by one of two methods. Excess funds can be deposited with a financial institution(s) that participates in the State of Tennessee Bank Collateral Pool administered by the state treasurer. For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits.

**B. Cash Deposits**

Cash in bank represents funds on deposit in various depositories.

**C. Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the school's deposits may not be returned to it. None of the school's deposits were exposed to custodial credit risk because all balances were entirely insured by the FDIC or through the Bank Collateral Pool with the State of Tennessee.

**NOTE 3 – CAPITAL ASSETS**

**A. Capital Assets**

Capital assets acquired by the individual schools are recorded as expenditures at the time of purchase. Title and accountability for capital assets purchased pass automatically to the board of education.

**B. Copier Leases**

Trenton Special School District – Internal School Funds has entered into certain noncancelable copier leases. The various schools are obligated to make the monthly payments on these leases as follows:

**TRENTON SPECIAL SCHOOL DISTRICT  
INTERNAL SCHOOL FUNDS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021**

School	Monthly Payment	Minimum Lease Payment / Balance		Company
Trenton Elementary School	\$ 347	2022	\$ 4,164	Konica Minolta Premier Finance
		2023	<u>1,041</u>	
		Total	<u>\$ 5,205</u>	
Trenton Rosenwald Middle School	\$ 287	2022	<u>\$ 2,009</u>	Konica Minolta Premier Finance
		Total	<u>\$ 2,009</u>	
Peabody High School	\$ 589	2022	\$ 7,068	RJ Young Company
		2023	<u>4,712</u>	
		Total	<u>\$ 11,780</u>	

**NOTE 4 – OTHER MATTER**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the Schools and the duration cannot be estimated at this time.

**TRENTON SPECIAL SCHOOL DISTRICT  
PEABODY HIGH SCHOOL  
BALANCE SHEET - REGULATORY BASIS  
June 30, 2021**

	<u>Assets</u>	<u>Fund Balances</u>			<u>Total Fund Balances</u>
	<u>Cash</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	
<b>General Fund</b>	<b>\$ 34,633</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 34,633</b>	<b>\$ 34,633</b>
<b>Restricted Funds</b>					
21 plus club	1,743	-	1,743	-	1,743
AP Advance placement	11	-	11	-	11
Art	471	-	471	-	471
Athletic	39,722	-	39,722	-	39,722
Band	10,342	-	10,342	-	10,342
Beta club	1,957	-	1,957	-	1,957
Cheerleaders	3,152	-	3,152	-	3,152
Chromebook	56	-	56	-	56
FFA club	21,506	-	21,506	-	21,506
Future teachers of America	718	-	718	-	718
Girls & Boys State	36,249	36,249	-	-	36,249
History club	2	-	2	-	2
HOSA	716	-	716	-	716
Junior rotary	744	-	744	-	744
Library	76	-	76	-	76
Math club	10	-	10	-	10
Peabody Pals	705	-	705	-	705
Pep club	(18)	-	(18)	-	(18)
Project Inspire	189	-	189	-	189
Restricted donation - athletics	5,825	5,825	-	-	5,825
Football donation - Quarterback	929	929	-	-	929
School annuals club	15,330	-	15,330	-	15,330
Special olympics	638	-	638	-	638
STEM club	5,330	-	5,330	-	5,330
Student council	1,208	-	1,208	-	1,208
SAT Exam	15	-	15	-	15
Prom	669	-	669	-	669
School of Rock	9	-	9	-	9
Total restricted funds	<u>148,304</u>	<u>43,003</u>	<u>105,301</u>	<u>-</u>	<u>148,304</u>
Total general and restricted funds	<u>\$ 182,937</u>	<u>\$ 43,003</u>	<u>\$ 105,301</u>	<u>\$ 34,633</u>	<u>\$ 182,937</u>

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

**TRENTON SPECIAL SCHOOL DISTRICT  
PEABODY HIGH SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - REGULATORY BASIS  
For the Year Ended June 30, 2021**

	Fund Balance		Transfers		Fund Balance	
	6/30/2020	Revenues	Expenditures	In		Out
<b>General Fund</b>	\$ 40,107	\$ 16,832	\$ 22,306	\$ -	\$ -	\$ 34,633
<b>Restricted Funds</b>						
21 plus club	786	3,482	2,525	-	-	1,743
AP Advance placement	14	1,198	1,201	-	-	11
Art	503	16	48	-	-	471
Athletic	46,934	289,325	296,737	500	300	39,722
Band	5,154	52,297	47,109	-	-	10,342
Beta club	1,759	1,285	1,087	-	-	1,957
Cheerleaders	44	38,556	35,748	300	-	3,152
Chromebook	43	1,509	1,496	-	-	56
FCCLA	740	950	1,690	-	-	-
FFA club	19,157	14,036	11,687	-	-	21,506
Football donation - Quarterback	4,294	3,070	6,435	-	-	929
Future teachers of America	703	77	62	-	-	718
Girls & Boys State	40,249	-	4,000	-	-	36,249
History club	2	-	-	-	-	2
HOSA	716	-	-	-	-	716
Junior rotary	744	-	-	-	-	744
Library	224	99	247	-	-	76
Math club	10	-	-	-	-	10
Peabody Pals	670	35	-	-	-	705
Pep club	528	-	546	-	-	(18)
Project Inspire	597	-	408	-	-	189
Restricted donation - athletics	3,585	5,919	3,679	-	-	5,825
SAT exam	-	15	-	-	-	15
School annuals club	15,589	12,409	12,668	-	-	15,330
School of Rock	53	150	194	-	-	9
Special olympics	345	293	-	-	-	638
STEM club	3,978	10,036	8,184	-	500	5,330
Prom	-	4,766	4,097	-	-	669
Student council	1,756	1,149	1,697	-	-	1,208
<b>Total restricted funds</b>	<b>149,177</b>	<b>440,672</b>	<b>441,545</b>	<b>800</b>	<b>800</b>	<b>148,304</b>
<b>Total general and restricted funds</b>	<b>\$ 189,284</b>	<b>\$ 457,504</b>	<b>\$ 463,851</b>	<b>\$ 800</b>	<b>\$ 800</b>	<b>\$ 182,937</b>

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

**TRENTON SPECIAL SCHOOL DISTRICT  
PEABODY HIGH SCHOOL  
STATEMENT OF REVENUES AND EXPENDITURES GENERAL FUND -  
REGULATORY BASIS  
For the Year Ended June 30, 2021**

**Revenues**

Donations	\$	216
Administrative supplies and materials		1,372
Postage		1,100
Safety and security		630
Pepsi machine		4,320
Tom's machine		1,576
Board allocations		7,618
Total revenues	<u>\$</u>	<u>16,832</u>

**Expenditures**

Administrative supplies and materials	\$	3,016
Administrative expenditures - other		2,453
Copy machine expense		7,068
Instructional supplies and materials		7,286
Safety and security		283
Postage		2,200
Total expenditures	<u>\$</u>	<u>22,306</u>

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

**TRENTON SPECIAL SCHOOL DISTRICT  
TRENTON ROSENWALD MIDDLE SCHOOL  
BALANCE SHEET - REGULATORY BASIS**

June 30, 2021

	<u>Assets</u>	<u>Fund Balances</u>			
	<u>Cash &amp; Certificates of Deposit</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total Fund Balance</u>
<b>General Fund</b>	<b>\$ 13,578</b>	\$ -	\$ -	\$ 13,578	<b>\$ 13,578</b>
<b>Restricted Funds</b>					
Accelerated reader	983	-	983	-	983
Annual	1,755	-	1,755	-	1,755
Art	153	-	153	-	153
Athletic	43,841	-	43,841	-	43,841
Coding Grant	1,500	1,500	-	-	1,500
Band	17,318	-	17,318	-	17,318
Beta club	5,226	-	5,226	-	5,226
Book damage fees	949	-	949	-	949
Cheerleaders	1,762	-	1,762	-	1,762
FCA	46	-	46	-	46
Chromebook fees	-	-	-	-	-
Library	1,166	-	1,166	-	1,166
Scholastic Reading Club	8	-	8	-	8
Student council	1,917	-	1,917	-	1,917
STEM	174	-	174	-	174
Leigh Boyce Memorial	18,560	18,560	-	-	18,560
Total restricted funds	<b>95,358</b>	20,060	75,298	-	<b>95,358</b>
Total general and restricted funds	<b>\$ 108,936</b>	\$ 20,060	\$ 75,298	\$ 13,578	<b>\$ 108,936</b>

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

**TRENTON SPECIAL SCHOOL DISTRICT  
TRENTON ROSENWALD MIDDLE SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - REGULATORY BASIS**

For the Year Ended June 30, 2021

	Fund Balance 6/30/2020	Revenues	Expenditures	Transfers In	Transfers Out	Fund Balance 6/30/2021
<b>General Fund</b>	\$ 8,296	\$ 27,882	\$ 23,383	\$ 783	\$ -	\$ 13,578
<b>Restricted Funds</b>						
Accelerated reader	983	200	200	-	-	983
Annual	1,360	6,421	6,026	-	-	1,755
Art	153	-	-	-	-	153
Athletic	36,652	68,627	61,438	-	-	43,841
Coding Grant	-	1,500	-	-	-	1,500
Band	7,469	22,424	6,075	-	6,500	17,318
Beta club	2,798	9,696	7,268	-	-	5,226
Book damage fees	909	40	-	-	-	949
Cheerleaders	1,896	10,899	11,033	-	-	1,762
FCA	46	-	-	-	-	46
Chromebook fees	-	1,784	1,784	-	-	-
Library	1,281	1,629	1,744	-	-	1,166
Scholastic Reading Club	8	-	-	-	-	8
Student council	1,125	3,368	2,576	-	-	1,917
STEM	-	174	-	-	-	174
Leigh Boyce Memorial	-	13,941	-	6,500	1,881	18,560
Leigh Boyce Scholarship*	-	119	2,000	1,881	-	-
Team leader 5	81	-	-	-	81	-
Team leader 6	254	-	-	-	254	-
Team leader 7	411	-	-	-	411	-
Team leader 8	37	-	-	-	37	-
<b>Total restricted funds</b>	<u>55,463</u>	<u>140,822</u>	<u>100,144</u>	<u>8,381</u>	<u>9,164</u>	<u>95,358</u>
<b>Total general and restricted funds</b>	<u>\$ 63,759</u>	<u>\$ 168,704</u>	<u>\$ 123,527</u>	<u>\$ 9,164</u>	<u>\$ 9,164</u>	<u>\$ 108,936</u>

\*Transfer to the scholarship fund from the memorial fund was for money raised to fund the scholarship.

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

**TRENTON SPECIAL SCHOOL DISTRICT  
TRENTON ROSENWALD MIDDLE SCHOOL  
STATEMENT OF REVENUES AND EXPENDITURES GENERAL FUND  
REGULATORY BASIS**

For the Year Ended June 30, 2021

**Revenues**

Vending machines	\$	11,909
Student incentives		2,650
Board allocations		13,215
Interest		108
Total revenues	\$	<u>27,882</u>

**Expenditures**

Equipment and repairs	\$	5,799
Miscellaneous		531
Vending		3,221
Instructional supplies		5,108
Office supplies		2,739
Student incentives		5,985
Total expenditures	\$	<u>23,383</u>

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

**TRENTON SPECIAL SCHOOL DISTRICT  
TRENTON ELEMENTARY SCHOOL  
BALANCE SHEET - REGULATORY BASIS  
June 30, 2021**

	<u>Assets</u>	<u>Fund Balances</u>			<u>Total Fund Balance</u>
	<u>Cash</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	
<b>General Fund</b>	<b>\$ 38,552</b>	\$ -	\$ -	\$ 38,552	<b>\$ 38,552</b>
<b>Restricted Funds</b>					
Library	4,223	-	4,223	-	4,223
Chrome Book fees	24	-	24	-	24
Accelerated reader	18	-	18	-	18
Fine arts	103	-	103	-	103
Computer lab	2,103	-	2,103	-	2,103
PATT	398	-	398	-	398
Physical education	1,163	-	1,163	-	1,163
Guidance	18	-	18	-	18
K - 4 families	14	-	14	-	14
Yearbook	1,971	-	1,971	-	1,971
Destination imagination	404	-	404	-	404
Student of the Month	78	78	-	-	78
Ready to be ready	61	61	-	-	61
Do Right	2,531	-	2,531	-	2,531
Basketball	1,680	-	1,680	-	1,680
PreK SPED	94	94	-	-	94
<b>Total restricted funds</b>	<b>14,883</b>	233	14,650	-	<b>14,883</b>
<b>Total general and restricted funds</b>	<b>\$ 53,435</b>	\$ 233	\$ 14,650	\$ 38,552	<b>\$ 53,435</b>

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

**TRENTON SPECIAL SCHOOL DISTRICT  
TRENTON ELEMENTARY SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - REGULATORY BASIS  
For the Year Ended June 30, 2021**

	Fund Balance <u>6/30/2020</u>	Revenues	Expenditures	Fund Balance <u>6/30/2021</u>
<b>General Fund</b>	\$ 41,230	\$ 24,516	\$ 27,194	\$ 38,552
<b>Restricted Funds</b>				
Vending Teacher Fund	-	536	536	-
Library	3,363	9,231	8,371	4,223
Accelerated reader	18	-	-	18
Chrome Book Fees	-	24	-	24
Fine arts	26	77	-	103
Computer lab	2,103	-	-	2,103
PATT	281	128	11	398
Physical education	1,233	-	70	1,163
Guidance	18	-	-	18
K - 4 families	14	-	-	14
Yearbook	1,116	7,277	6,422	1,971
Mini Grant	-	250	250	-
Destination imagination	404	-	-	404
Student of the month	78	-	-	78
Basketball	2,662	-	982	1,680
Do Right	6,111	30,410	33,990	2,531
PreK SPED	419	-	325	94
Ready to be ready	61	-	-	61
	<u>17,907</u>	<u>47,933</u>	<u>50,957</u>	<u>14,883</u>
 Total general and restricted funds	 <u>\$ 59,137</u>	 <u>\$ 72,449</u>	 <u>\$ 78,151</u>	 <u>\$ 53,435</u>

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

**TRENTON SPECIAL SCHOOL DISTRICT  
TRENTON ELEMENTARY SCHOOL  
STATEMENT OF REVENUES AND EXPENDITURES GENERAL FUND -  
REGULATORY BASIS**

For the Year Ended June 30, 2021

**Revenues**

Board allocations	\$ 4,720
Graduation	1,117
Fundraising	306
Instructional Supplies	5,380
Other	623
Pictures	12,054
Special activities	234
Interest	82
Total revenues	<u>\$ 24,516</u>

**Expenditures**

Copy machine	\$ 8,943
Instructional supplies	3,054
Books	405
Planners and Folders	2,065
Miscellaneous	1,095
Office and general supplies	1,334
Pictures	10,298
Total expenditures	<u>\$ 27,194</u>

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

**TRENTON SPECIAL SCHOOL DISTRICT  
PEABODY HIGH SCHOOL  
SCHEDULE OF INTERFUND TRANSFERS**  
For the Year Ended June 30, 2021

Transfer from	Transfer to		
	Athletic/ Football	Cheer	Totals
STEM	\$ 500	\$ -	\$ 500
Football	-	300	300
Total interfund transfers	<u>\$ 500</u>	<u>\$ 300</u>	<u>\$ 800</u>

*See independent auditor's report.*

**TRENTON SPECIAL SCHOOL DISTRICT  
TRENTON ROSENWALD MIDDLE SCHOOL  
SCHEDULE OF INTERFUND TRANSFERS**  
For the Year Ended June 30, 2021

Transfer from	Transfer to			
	Leigh Boyce Memorial	Leigh Boyce Scholarship Fund	General Fund	Totals
Band	\$ 6,500	\$ -	\$ -	\$ 6,500
Leigh Boyce Memorial	-	1,881	-	1,881
Team leader 5	-	-	81	81
Team leader 6	-	-	254	254
Team leader 7	-	-	411	411
Team leader 8	-	-	37	37
Total interfund transfers	<u>\$ 6,500</u>	<u>\$ 1,881</u>	<u>\$ 783</u>	<u>\$ 9,164</u>

*See independent auditor's report.*

**TRENTON SPECIAL SCHOOL DISTRICT  
INTERNAL SCHOOL FUNDS  
SCHEDULE OF SALARY SUPPLEMENTS  
For the Year Ended June 30, 2021**

School	Amount	Source of Funds	Board Approved	Proper Withholding
<b>Peabody High School</b>				
Brown, Terry	\$ 444	Athletics	Yes	Yes
DeHaan, Dan	725	Basketball	Yes	Yes
Easley, Marshall	966	Various	Yes	Yes
Fairless, Darelene	105	Soccer	Yes	Yes
Harrell, Curtis	1,200	Cheerleading	Yes	Yes
Hickerson, Ann	140	Football	Yes	Yes
Lindsay, Tracell	408	Various	Yes	Yes
Mayberry, Cedric	1,974	Various	Yes	Yes
McElrath, William	344	Various	Yes	Yes
Minton, Veronica	200	Football	Yes	Yes
Peevyhouse, Tim	336	Football	Yes	Yes
Sisco, Clint	1,439	Various	Yes	Yes
Shelton, Anna	24	Volleyball	Yes	Yes
Webber, Robert	858	Baseball	Yes	Yes
<b>Trenton Rosenwald Middle School</b>				
Easley, Marshall	1,143	Athletics	Yes	Yes
Mayberry, Cedric	105	Football	Yes	Yes
McElrath, William	735	Athletics	Yes	Yes
Reynolds, Randy	259	Baseball	Yes	Yes
Webber, Robert	326	Baseball	Yes	Yes
<b>Trenton Elementary School</b>				
There were no salary supplements this year.				
<b>Total salary supplements</b>	<b>\$ <u>11,731</u></b>			

*See independent auditor's report.*

**TRENTON SPECIAL SCHOOL DISTRICT  
INTERNAL SCHOOL FUNDS  
SCHEDULE OF INSURANCE COVERAGE**  
June 30, 2021

Company	Tennessee Risk Management Trust
Type of Coverage	Employee Fidelity Money and Securities Forgery or Alteration
Amount	Each employee is covered up to \$400,000 on each loss occurrence with a deductible of \$500.
Period Covered	July 1, 2020 - July 1, 2021
Positions Covered	All employees

*See independent auditor's report.*



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

Board of Education and Management  
Trenton Special School District, Internal School Funds  
Trenton, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined balance sheet – regulatory basis and the related combined statement of revenues, expenditures, and changes in fund balances–regulatory basis of Trenton Special School District Internal School Funds (the Schools), special revenue fund of Trenton Special School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Schools’ basic financial statements – regulatory basis, and have issued our report thereon dated October 19, 2021. We also have audited the individual school balance sheets – regulatory basis, and the individual school statements of revenues, expenditures, and changes in fund balances – regulatory basis presented as supplementary information in the accompanying individual school financial statements as of and for the year ended June 30, 2021, as listed in the table of contents. The report on the Schools was adverse in relation to the conformity with accounting principles generally accepted in the United States of America and was unmodified in relation to the financial statements prepared in conformity with the accounting practices prescribed by the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements combined and individual schools – regulatory basis, we considered the Schools’ internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements – regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Schools’ internal control. Accordingly, we do not express an opinion on the effectiveness of the Schools’ internal control.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations as items 2021-001 and 2021-002 that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Schools' financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 2021-001 and 2021-002.

In addition, we noted other matters involving the internal control and its operation that we reported to management of the Schools in a separate letter dated October 19, 2021.

### **Schools' Response to Findings**

The Schools' response to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. The Schools' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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 result 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 Schools' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Alexander Thompson Arnold PLLC*

Jackson, Tennessee

October 19, 2021

**TRENTON SPECIAL SCHOOL DISTRICT  
INTERNAL SCHOOL FUNDS  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
June 30, 2021**

**Current Year Findings**

**2021-001 Accountability Related to Fundraisers (Significant Deficiency and Noncompliance)**

Condition

During our audit at Trenton Elementary School, we noted that the profit and loss analysis was not properly completed for the snack cart fundraiser. In addition, there was no fundraiser summary prepared for the snack cart. At Trenton Rosenwald Middle School, we noted that the profit/loss analysis forms were not properly filled out for the candy bar fundraiser and the strawberry fundraiser. At Peabody High School, we noted that the profit/loss analysis was improperly filled out for 18 fundraisers. There was no sales tax paid on the Cinnamon Roll Fundraiser. We also noted in our testing that there was no yearbook analysis being performed.

Criteria

Section 4, Title 8 of the *Tennessee Internal School Uniform Policy Manual* states, "Accountability is necessary regardless of whether or not the intention is to raise funds and generate a profit or to break even from the resale activity...."

For ongoing resale activities such as bookstores, concessions, vending, etc., monthly profit analysis reports must be completed to document collections, expenses, and any profit or losses of money or product. These reports must be filed with the other school records. The school must maintain detailed records to support all amounts recorded on these forms. If the profit analysis report indicates a shortage, an explanation must be given for the shortage. If no reasonable explanation can be given, each subsequent day's activities must be recorded and evaluated until the reason for the shortage has been identified and corrected. For annuals, magazine sales, candy sales, and other similar activities that are not perpetual in nature, profit analysis reports may be completed at the conclusion of the activity....

The principal must obtain written approval from the director of schools or designee for all fundraising activities that involve the participation of the general student population in the marketing process of the fundraising effort."

Cause

The condition noted above was a result of lack of management's oversight.

Effect

The condition noted above creates an opportunity for misuse of funds, and misstatement of cash.

Recommendation

We recommend that the school obtain proper written authorization prior to the fundraising activities. In addition, the school should perform profit and loss analysis for all resale activities to ensure revenues and expenses related to the resale activities are properly accounted for. Detailed records should be maintained to support the amount recorded on the profit and loss analysis forms.

Response:

**Trenton Elementary School**

A profit/loss analysis and fundraiser summary will be completed for the snack cart fundraiser.

**TRENTON SPECIAL SCHOOL DISTRICT  
INTERNAL SCHOOL FUNDS  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
June 30, 2021**

**Trenton Rosenwald Middle School**

TRMS Principal will ensure that prior written approval has been obtained from the Director of Schools for all fundraising activities that involve the general student population.

TRMS Bookkeeper and Principal will review the process for completing profit analysis form and take immediate corrective action when/if shortages are notices.

**Peabody High School**

PHS Bookkeeper and principal will review all completed fundraiser forms for accuracy. The bookkeeper will provide guidance to coaches and club sponsors regarding proper documentation for the profit analysis form. Immediate corrective action will be taken when/if shortages are noticed.

**2021-002 Receipting Funds (Significant Deficiency and Noncompliance)**

Condition

At Trenton Elementary School, we noted that there was an instance where the teacher log document was missing signatures, dates, and cash/check ratio. In addition, we noted on 5 occasions that there was money that was not receipted the same day that it was collected.

Criteria

Section 5 of the *Tennessee Internal School Uniform Policy Manual* states “Teachers/others who collect money should prepare a collection record (prenumbered receipt, collection log, ticket reconciliation, signed recorded count, etc.) for each separate activity. All collections by teachers/others should be remitted to the cashier daily or more frequently, if necessary.

A collection log may be prepared as an alternative to prenumbered receipts. School pictures, yearbooks, field trips, beta club dues, etc., are collections that are often recorded on collection logs. The log documents the name of the school, the purpose of the collection, the name of the teacher/other or club/class, the payers, amounts remitted, methods of payment, the date(s) of collection, and the daily total. When daily collections are completed, the collections should be counted by the teacher/other and reconciled with the daily total on the collection log. Noted errors should be corrected and unexplained differences should be documented.

All collections should be turned in to the cashier daily or more frequently if the teacher/other feels it necessary for the safeguarding of money.”

Cause

The condition noted above was a result of lack of management’s oversight.

Effect

The condition noted above creates an opportunity for misuse of funds, and misstatement of cash.

Recommendation

We recommend that the school keep detailed records of the collection of funds. In addition, we recommend that all teachers use the same form a document the appropriate information required by the school manual.

**TRENTON SPECIAL SCHOOL DISTRICT  
INTERNAL SCHOOL FUNDS  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
June 30, 2021**

Response:

**Trenton Elementary School**

Teacher collection logs will have all necessary documentation: signatures, dates, cash/check ratio. Receipts will be written and recorded the same day money is collected.

**TRENTON SPECIAL SCHOOL DISTRICT  
INTERNAL SCHOOL FUNDS  
SCHEDULE OF PRIOR YEAR FINDINGS**  
For the Year Ended June 30, 2021

<b>Prior Year Finding Number</b>	<b>Finding Title</b>	<b>Status/Current Year Finding Number</b>
2020-001	Accountability Related to Fundraisers (Significant Deficiency and Noncompliance) (Original Finding #2019-002)	Trenton Elementary School - Repeated as 2021-001
2020-002	Fundraisers- Unexplained Differences (Material Weakness and Noncompliance)	Corrected



Tim Haney  
Director of Schools

# Trenton Special School District

201 West Tenth Street  
Trenton, Tennessee 38382

Phone 731-855-1191  
Fax 731-855-1414

[www.trentonssd.org](http://www.trentonssd.org)

## MANAGEMENT'S CORRECTIVE ACTION PLAN June 30, 2021

Trenton Special School District's Internal School Funds respectfully submits the following corrective action plan for the year ended June 30, 2021.

Name and address of independent public accounting firm:

Alexander Thompson Arnold PLLC  
227 Oil Well Road  
Jackson, TN 38305

Audit period:

June 30, 2021

Trenton Special School District Internal School Funds Contact and Responsible Persons:

Tim Haney, Director of Schools 731-855-1191

Rick Hooker, Principal of Peabody High School 731-855-2601

Paul Pillow, Principal of Trenton Rosenwald Middle School 731-855-2422

Cortnee Wilkes, Principal of Trenton Elementary School 731-855-0971

The findings from the June 30, 2021, schedule of findings and recommendations are discussed below. The findings are numbered consistently with the number assigned in the schedule. Findings are required to be reported in accordance with governmental auditing standards.

### **2021-001 Accountability Related to Fundraisers (Significant Deficiency and Noncompliance)**

#### ***Trenton Elementary School***

Response and Corrective Action Plan prepared by:

Cortnee Wilkes

Person Responsible for Implementing the Corrective Action:

Cortnee Wilkes

Anticipated Completion Date of Corrective Action:

08/31/2021

Planned Corrective Action:

A profit/loss analysis and fundraiser summary will be completed for the snack cart fundraiser.

#### ***Trenton Rosenwald Middle School***

Response and Corrective Action Plan prepared by:

Paul Pillow

Person Responsible for Implementing the Corrective Action:

Paul Pillow

Anticipated Completion Date of Corrective Action:

08/31/2021

Planned Corrective Action:

TRMS Principal will ensure that prior written approval has been obtained from the Director of Schools for all fundraising activities that involve the general student population.

TRMS Bookkeeper and Principal will review the process for completing profit analysis form and take immediate corrective action when/if shortages are notices.

***Peabody High School***

Response and Corrective Action Plan prepared by: Shane Jacobs  
Person Responsible for Implementing the Corrective Action: Shane Jacobs  
Anticipated Completion Date of Corrective Action: 08/31/2021

Planned Corrective Action:

PHS Bookkeeper and principal will review all completed fundraiser forms for accuracy. The bookkeeper will provide guidance to coaches and club sponsors regarding proper documentation for the profit analysis form. Immediate corrective action will be taken when/if shortages are noticed.

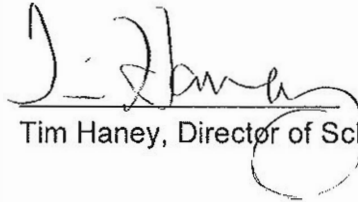
**2021-002 Fundraisers- Receipting Funds (Significant Deficiency and Noncompliance)**

***Trenton Elementary School***

Response and Corrective Action Plan prepared by: Cortnee Wilkes  
Person Responsible for Implementing the Corrective Action: Cortnee Wilkes  
Anticipated Completion Date of Corrective Action: 08/31/2021

Planned Corrective Action:

Teacher collection logs will have all necessary documentation: signatures, dates, cash/check ratio. Receipts will be written and recorded the same day money is collected.

  
Tim Haney, Director of Schools

**TRENTON SPECIAL SCHOOL DISTRICT**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2021**

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## **INTRODUCTORY SECTION**

**TRENTON SPECIAL SCHOOL DISTRICT  
DIRECTORY**  
June 30, 2021

**ELECTED OFFICIALS**

Dr. Mark Harper, Chairman  
Justin Weaver, Vice Chairman  
Dee Ann McEwen, Treasurer/Fiscal Agent  
Katie Dinwiddie, Board Liaison  
Clint Hickerson, Board Secretary

**APPOINTED OFFICIALS**

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

**COUNSEL**

J. Mark Johnson, Attorney

**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Alexander Thompson Arnold PLLC  
Jackson, Tennessee

## **FINANCIAL SECTION**



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## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Trenton Special School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Trenton Special School District, as of June 30, 2021, and the respective changes in financial position thereof and the respective budgetary comparison for the general purpose school fund and the public law fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in Note 1E to the financial statements, effective July 1, 2020, the District adopted GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying fiduciary activities of all state and local governments. The implementation of GASB Statement No. 84 created a restatement of beginning fund balance in the amount of \$312,180. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

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

The supplementary and other information section including the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, supplementary and other information section including the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2022, on our consideration of the Trenton Special School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Trenton Special School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Trenton Special School District's internal control over financial reporting and compliance.

*Alexander Thompson Arnold PLLC*

Jackson, Tennessee  
January 30, 2022

## Management's Discussion and Analysis

As management of the Trenton Special School District (the District), we offer readers of the financial statements for the District this narrative overview and analysis of the financial activities for the year ended June 30, 2021. We encourage the readers to consider the information here in conjunction with the Independent Auditor's Report and the District's financial statements. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A).

### Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2021 by \$19,858,871. Of this amount, \$5,115,347 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the District reported combined ending fund balances of \$8,546,334. Approximately 21.98% of this total amount, \$1,878,889 is unassigned in the general purpose fund.
- At the end of the current fiscal year, unassigned fund balance for the general purpose fund was \$1,878,889 or 13.15% of total general purpose fund expenditures.
- At the end of the current fiscal year, the total amount of the outstanding bond is \$19,380,000.
- The District's total capital assets increased by \$683,302. The increase was due to current year's depreciation being less than current year's capital asset additions.

### Overview of the Financial Statements

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

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

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

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

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

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

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

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

At June 30, 2021, the District's governmental funds reported combined fund balances of \$8,546,334, a decrease of \$328,734 in comparison with the prior year. Approximately 23.00% of this amount, \$1,965,652 constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form \$96,522, 2) legally required to be maintained intact \$0, 3) restricted for particular purposes \$2,203,295, 4) committed for particular purposes \$0, or 5) assigned for particular purposes \$4,280,865.

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

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

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

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

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

## **District-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$19,858,871 at the close of the fiscal year ended June 30,

2021.

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

**The District's Net Position**

	Governmental Activities June 30, 2021	Governmental Activities June 30, 2020
Assets		
Current and other	\$ 14,248,111	\$ 14,368,122
Capital assets - net of accumulated depreciation	<u>31,159,654</u>	<u>30,476,352</u>
Total assets	<u>45,407,765</u>	<u>44,844,474</u>
Deferred outflows of resources	<u>1,482,737</u>	<u>1,242,020</u>
Liabilities		
Long-term liabilities	22,109,450	22,592,776
Other liabilities	<u>1,425,186</u>	<u>783,009</u>
Total liabilities	<u>23,534,636</u>	<u>23,375,785</u>
Deferred inflows of resources	<u>3,496,995</u>	<u>4,351,357</u>
Net position		
Net investment in capital assets	10,817,344	9,478,946
Restricted	3,926,180	4,030,420
Unrestricted	<u>5,115,347</u>	<u>4,849,986</u>
Total net position	<u>\$ 19,858,871</u>	<u>\$ 18,359,352</u>

The above provides a summary of the District's net position for 2021 and 2020.

During the current fiscal year, the District's total net position increased by \$1,499,519 or (8.17%).

The following summary shows the changes in net position for fiscal years 2021 and 2020.

<b>The District's Changes in Net Position</b>	Governmental Activities <u>June 30, 2021</u>	Governmental Activities <u>June 30, 2020</u>
Revenues		
Program revenues		
Charges for services	\$ 268,706	\$ 144,963
Operating grants and contributions	5,368,313	2,995,023
General revenues		
Property taxes	2,784,927	2,653,691
Sales taxes	1,243,778	1,052,044
Interstate telecommunications tax	8,116	8,438
Licenses and permits	582	460
Grants and contributions not restricted to specific programs:		
Basic Education Program	8,042,011	8,130,000
Other	156,770	623,875
Interest	18,132	51,564
Other miscellaneous revenues	28,929	357,244
Total revenues	<u>17,920,264</u>	<u>16,017,302</u>
Expenses		
Instruction	7,261,957	7,017,413
Support Services	5,454,573	4,914,239
Non-instructional services	4,016,395	4,620,590
Total expenses	<u>16,732,925</u>	<u>16,552,242</u>
Increase (decrease) in net position	<u>1,187,339</u>	<u>(534,940)</u>
Net position, beginning	18,359,352	18,894,292
Restatement of net position - implementation of GASB No. 84	312,180	-
Net position, beginning - restated	<u>18,671,532</u>	<u>18,894,292</u>
Net position, ending	<u>\$ 19,858,871</u>	<u>\$ 18,359,352</u>

**Governmental activities.** Governmental activities increased the District's net position by \$1,499,519.

Total governmental activities' revenue for the fiscal year was \$17,920,264. The largest single revenue source was state revenues in the form of Basic Education Program payments.

### Expense and Program Revenues - Governmental Funds

Certain revenues are generated that are specific to governmental program activities. Among the major fund, the general purpose had \$13,486,926 in revenues and other financing sources and \$14,293,001 in expenditures and other financing uses, the public law fund had \$2,358,039 in revenues and \$2,358,039 in expenditures. In the non-major funds, the cafeteria fund had \$1,045,793 in revenues and \$888,124 in expenditures, the bus garage fund had \$290,369 in revenues and \$290,147 in expenditures, and the internal school funds had \$698,657 in revenues and \$655,529.

## Revenue by Source - Governmental Funds

Total governmental revenues allocated by each revenue type.

	June 30, 2021		June 30, 2020	
	Amount	Percent	Amount	Percent
Program revenues				
Charges for services	\$ 268,706	1.50%	\$ 144,963	0.91%
Operating grants and contributions	5,368,313	29.96%	2,995,023	18.70%
General revenues				
Property taxes	2,784,927	15.54%	2,653,691	16.57%
Sales taxes	1,243,778	6.94%	1,052,044	6.57%
Interstate telecommunications tax	8,116	0.05%	8,438	0.05%
Licenses and permits	582	0.01%	460	0.01%
Grants and contributions not restricted to specific programs	8,198,781	45.74%	8,753,875	54.64%
Interest	18,132	0.10%	51,564	0.32%
Other local revenue	28,929	0.16%	357,244	2.23%
Total revenues	<u>\$ 17,920,264</u>	<u>100.00%</u>	<u>\$ 16,017,302</u>	<u>100.00%</u>

## Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$8,546,334. Of this amount, \$1,965,652 constitutes *unassigned fund balance*, which is available for spending at the District's discretion. The remainder is not available for new spending and has been classified as nonspendable, restricted, committed or assigned.

The general purpose fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance was \$1,878,889.

As a measure of the general purpose fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 13.15% of the total general purpose fund expenditures, while total fund balances represents 52.84% of that same amount.

## General Purpose Fund Budgetary Highlights

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

General Purpose Fund	June 30, 2021		
	Original	Final	Difference
Revenues			
Taxes	\$ 3,552,254	\$ 3,552,254	\$ -
Intergovernmental	8,507,225	9,043,496	536,271
Miscellaneous	89,000	92,062	3,062
Total revenues	<u>12,148,479</u>	<u>12,687,812</u>	<u>539,333</u>
Expenses			
Instruction	6,357,749	6,744,845	387,096
Support Services	4,672,504	4,744,148	71,644
Non-instructional services	4,001,184	4,001,184	-
Total expenditures	<u>15,031,437</u>	<u>15,490,177</u>	<u>458,740</u>
Net change in fund balance	<u>\$ (2,882,958)</u>	<u>\$ (2,802,365)</u>	<u>\$ 80,593</u>

In 2021, the major increase in revenue is intergovernmental revenues being more than originally budgeted due to an increase in local option sales tax and grant funding. The changes in instruction and support services expenditures were due to reclassification.

## Final Budgeted and Actual Amounts

Actual Revenues and other financing sources exceeded budget amounts by \$752 thousand. Expenditures and other financing uses were under budget by \$1.24 million. Significant variances are as follows:

- County sales tax revenue exceeded the budgeted amount \$344 thousand.
- Rent for school facilities income exceeded the budgeted amount by \$172 thousand
- The instruction- regular education program- teachers account was under the budgeted amount by \$218 thousand.
- The instruction- regular education program- state retirement account was under the budgeted amount by \$83 thousand.
- The instruction- regular education program- medical insurance account was under the budgeted amount by \$81 thousand.

## Capital Asset and Debt Administration

**Capital Assets.** The District's investment in capital assets for its governmental funds as of June 30, 2021 and 2020, amounts to \$31,159,654 and \$30,476,352 (net of accumulated depreciation), respectively. This investment in capital assets includes land, construction in progress, buildings and improvements, and other capital assets (including equipment)

**Long-term debt.** As of June 30, 2021, the District had total bonded debt outstanding of \$19,380,000. The outstanding balances of long-term debts at June 30, 2021 and 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Limited Tax School Bonds, Series 2020	\$ 19,380,000	\$ 19,995,000
	<u>\$ 19,380,000</u>	<u>\$ 19,995,000</u>

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

### **Economic Factors and Next Year's Budget and Rates**

The unemployment rate for Gibson County is currently 5.7%. The State has an average unemployment rate of 4.9% and the national average unemployment rate of 5.9%. All of the rates are from labor statistics released for June 2021. All of these factors were considered in preparing the District's budget for the 2021-2022 fiscal year.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the District and the duration cannot be estimated at this time.

### **Request for Information**

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

**TRENTON SPECIAL SCHOOL DISTRICT**  
**DISTRICT-WIDE STATEMENT OF NET POSITION**  
June 30, 2021

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash	\$ 6,455,574
Cash - restricted	1,287,405
Receivables	4,707,618
Inventories	96,522
Stabilization reserve trust - restricted	74,629
Net pension asset	1,626,363
Capital assets, not being depreciated	
Construction in progress	2,092,314
Land	266,057
Capital assets, net of accumulated depreciation	
Buildings and improvements	28,208,460
Other capital assets	592,823
<b>Total assets</b>	<b>45,407,765</b>
<b>Deferred Outflows of Resources</b>	
Pension related deferred outflows	1,074,316
OPEB related deferred outflows	188,399
Deferred charge on refunding	220,022
<b>Total deferred outflows of resources</b>	<b>1,482,737</b>
<b>Liabilities</b>	
Accounts payable	687,550
Salaries payable	409,851
Insurance payable	216,655
Accrued interest payable	106,526
Noncurrent liabilities:	
Portion due or payable within one year:	
Bonds payable	718,528
Portion due or payable after one year:	
OPEB liability	1,547,118
Bonds payable	19,843,804
<b>Total liabilities</b>	<b>23,534,636</b>
<b>Deferred Inflows of Resources</b>	
OPEB related deferred inflows	26,999
Pension related deferred inflows	713,242
Unavailable - property taxes	2,756,754
<b>Total deferred inflows of resources</b>	<b>3,496,995</b>
<b>Net Position</b>	
Net investment in capital assets	10,817,344
Restricted for:	
Other local education	782,791
Capital projects	1,282,579
Internal School Funds	345,308
Net pension asset	1,626,363
Stabilization reserve trust	74,629
Inventory	96,522
Unrestricted	4,833,335
<b>Total net position</b>	<b>\$ 19,858,871</b>

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

**TRENTON SPECIAL SCHOOL DISTRICT**  
**DISTRICT-WIDE STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
<b>Governmental activities:</b>				
<b>Instruction</b>				
Regular education	\$ 5,933,495	\$ 22,779	\$ 2,288,359	\$ (3,622,357)
Alternate education	251,870	-	15,373	(236,497)
Special education	741,374	-	295,854	(445,520)
Vocational education	329,035	-	35,752	(293,283)
Student body education	6,183	-	10,219	4,036
<b>Support services</b>				
Attendance	128,196	-	-	(128,196)
Health services	196,474	-	157,070	(39,404)
Other student support	1,065,584	-	34,061	(1,031,523)
Regular instruction	629,826	-	185,517	(444,309)
Special education	83,902	-	34,448	(49,454)
Vocational education	43,200	-	2,333	(40,867)
Instructional technology	302,678	-	4,845	(297,833)
Board of Education	141,837	-	2,712	(139,125)
Office of Superintendent	151,729	-	1,196	(150,533)
Office of Principal	688,360	-	27,329	(661,031)
Fiscal services	76,657	-	9,629	(67,028)
Human services	95,465	-	-	(95,465)
Operation and maintenance of plant	1,204,684	-	4,845	(1,199,839)
Student transportation	619,780	4,838	415,755	(199,187)
Central and other	26,201	-	-	(26,201)
<b>Non-instructional services</b>				
Food service	957,329	4,058	1,080,408	127,137
Community services	238,876	237,031	284,848	283,003
Early Childhood Education	386,707	-	410,131	23,424
Education capital outlay	1,797,930	-	67,629	(1,730,301)
Education debt service	635,553	-	-	(635,553)
	<u>\$ 16,732,925</u>	<u>\$ 268,706</u>	<u>\$ 5,368,313</u>	<u>(11,095,906)</u>

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

**TRENTON SPECIAL SCHOOL DISTRICT**  
**DISTRICT-WIDE STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2021

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>
		Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>General revenues</b>				
	Property taxes			2,784,927
	Sales taxes			1,243,778
	Interstate telecommunications tax			8,116
	Licenses and permits			582
	Grants and contributions not restricted to certain programs			
	Basic Education Program			8,042,011
	Other			68,741
	Interest			18,132
	State's share of OPEB expense			88,029
	Other miscellaneous revenues			28,929
	Total general revenues			12,283,245
	<b>Change in net position</b>			<b>1,187,339</b>
	Net position, beginning			18,359,352
	Restatement - GASB Statement No. 84 implementation			312,180
	Net position, beginning - restated			18,671,532
	Net position, ending			\$ 19,858,871

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

**TRENTON SPECIAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2021**

	<u>General Purpose School Fund</u>	<u>Public Law Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash	\$ 5,766,847	\$ 100,384	\$ 588,343	\$ 6,455,574
Cash - restricted	1,287,405	-	-	1,287,405
Accounts receivable	181,027	-	-	181,027
Accounts receivable - grant	268,029	1,252,403	245,176	1,765,608
Property taxes receivable	2,756,754	-	-	2,756,754
Due from other funds	928,772	-	3,309	932,081
Due from other governments	-	-	4,229	4,229
Inventories	-	-	96,522	96,522
Stabilization reserve trust - restricted	74,629	-	-	74,629
<b>Total assets</b>	<b>\$ 11,263,463</b>	<b>\$ 1,352,787</b>	<b>\$ 937,579</b>	<b>\$ 13,553,829</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>				
<b>Liabilities</b>				
Accounts payable	\$ 323,757	\$ 350,975	\$ 12,818	\$ 687,550
Salaries payable	409,851	-	-	409,851
Other payroll deductions	4,604	-	-	4,604
Insurance payable	216,655	-	-	216,655
Due to other funds	-	901,812	30,269	932,081
Total liabilities	954,867	1,252,787	43,087	2,250,741
<b>Deferred Inflows of Resources</b>				
Unavailable property taxes	2,756,754	-	-	2,756,754
<b>Fund balance</b>				
<b>Nonspendable</b>				
Inventory	-	-	96,522	96,522
<b>Restricted</b>				
<b>Internal school funds</b>				
Education	228,295	-	-	228,295
Instruction	101,834	-	-	101,834
Capital projects	1,282,579	-	-	1,282,579
Stabilization reserve trust	74,629	-	-	74,629
Operation of non-instructional services	-	-	452,662	452,662
<b>Assigned</b>				
Instruction - textbooks	100,000	-	-	100,000
Capital outlay	2,596,225	-	-	2,596,225
Other purposes	616,788	100,000	-	716,788
Fiscal year 2022 budget	672,603	-	-	672,603
Unassigned	1,878,889	-	-	1,878,889
Total fund balance	7,551,842	100,000	894,492	8,546,334
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 11,263,463</b>	<b>\$ 1,352,787</b>	<b>\$ 937,579</b>	<b>\$ 13,553,829</b>

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

**TRENTON SPECIAL SCHOOL DISTRICT**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
June 30, 2021

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

<b>Fund balance - total governmental funds (Page 15)</b>	<b>\$</b>	<b>8,546,334</b>
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in funds.		31,159,654
Some payables are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest		(106,526)
Deferred outflows of resources related to pensions and OPEB in which the consumption of net position will occur in future periods, therefore, it is not reported in the funds		1,262,715
Deferred inflows of resources related to pensions and OPEB in which the acquisition of net position will occur in future periods, therefore, it is not reported in the funds		(740,241)
Net pension asset (liability) is not a financial resource (use) in the current period and, therefore, are not reported as an asset (liability) in the funds		
Net pension asset		1,626,363
Long-term liabilities are not due in the the current period and, therefore, are not reported in the funds:		
OPEB	(1,547,118)	
Bonds and capital lease payable	(19,380,000)	
Bond premium and discount	(1,182,332)	
Deferred charge on refunding	<u>220,022</u>	
		<u>(21,889,428)</u>
<b>Net position - governmental activities (Page 12)</b>	<b>\$</b>	<b><u>19,858,871</u></b>

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

**TRENTON SPECIAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2021

	<u>General Purpose School Fund</u>	<u>Public Law Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Local taxes	\$ 4,036,821	\$ -	\$ -	\$ 4,036,821
Current charges for education services	83,702	-	-	83,702
Licenses and permits	399	-	-	399
Charges for services	-	-	4,058	4,058
Other local revenues	283,535	-	290,118	573,653
Federal and state funds	9,059,270	2,358,039	975,164	12,392,473
Commodities	-	-	66,542	66,542
Internal School Funds revenue	-	-	698,657	698,657
Interest	18,286	-	29	18,315
Other income	-	-	251	251
<b>Total revenues</b>	<u>13,482,013</u>	<u>2,358,039</u>	<u>2,034,819</u>	<u>17,874,871</u>
<b>Expenditures</b>				
Current				
Instruction	6,094,143	1,520,221	-	7,614,364
Support services	4,201,115	476,251	955,676	5,633,042
Non-instructional services	411,232	361,567	888,124	1,660,923
Education capital outlay	2,357,419	-	-	2,357,419
Education debt service				
Principal	615,000	-	-	615,000
Interest	614,092	-	-	614,092
<b>Total expenditures</b>	<u>14,293,001</u>	<u>2,358,039</u>	<u>1,843,800</u>	<u>18,494,840</u>
Excess revenues over expenditures	(810,988)	-	191,019	(619,969)
Other financing sources (uses)				
Insurance recovery	4,913	-	-	4,913
Total other financing sources (uses)	<u>4,913</u>	<u>-</u>	<u>-</u>	<u>4,913</u>
<b>Net change in fund balance</b>	<b>(806,075)</b>	<b>-</b>	<b>191,019</b>	<b>(615,056)</b>
Fund balance - beginning	8,357,917	100,000	417,151	8,875,068
restatement for implementation of GASB 84	-	-	312,180	312,180
Fund Balance - July 1, 2020 - as restated	8,357,917	100,000	729,331	9,187,248
Increase (decrease) in inventory	<u>-</u>	<u>-</u>	<u>(25,858)</u>	<u>(25,858)</u>
Fund balance - ending	<u>\$ 7,551,842</u>	<u>\$ 100,000</u>	<u>\$ 894,492</u>	<u>\$ 8,546,334</u>

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

**TRENTON SPECIAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2021**

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

<b>Net change in fund balances - total governmental funds (Page 17)</b>	<b>\$ (615,056)</b>
<p>Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:</p>	
Capital outlays	183,964
Construction work in process	2,012,810
Depreciation	(1,513,472)
<p>The repayment of the principal of long-term debt consumes the current financial resources of governmental funds; however, these repayments have no effect on net position.</p>	
	615,000
<p>Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities.</p>	
	(61,555)
<p>Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. The amount is the net effect of these differences in the treatment.</p>	
	40,097
<p>The actuarially determined expense does not consume current financial resources and, therefore, is not reported in the governmental funds. It is reported as expenses in the statement of activities.</p>	
(Pension expense)/negative pension expense	(39,209)
OPEB expense	(226,581)
<p>The payment of pension and OPEB contributions consumes current financial resources in the governmental funds. These transactions do not have any effect on the net position, but are considered deferred outflows of resources.</p>	
Pension contribution	683,037
OPEB contribution	46,133
<p>Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:</p>	
State's share of OPEB expense	88,029
<p>The increase (decrease) in inventory is reported as a direct change to beginning fund balance. However, in the statement of activities this increase is reported as an expense based on the consumption method.</p>	
	<u>(25,858)</u>
<b>Change in net position of governmental activities (Page 14)</b>	<b><u>\$ 1,187,339</u></b>

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

**TRENTON SPECIAL SCHOOL DISTRICT  
GENERAL PURPOSE SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
<b>Revenues</b>				
Local taxes				
Property tax - current	\$ 2,534,754	\$ 2,534,754	\$ 2,631,652	\$ 96,898
Property tax - prior	100,000	100,000	135,675	35,675
Interest and penalty on delinquent tax	10,000	10,000	14,669	4,669
Payment in lieu of taxes	2,500	2,500	2,931	431
County sales tax	900,000	900,000	1,243,778	343,778
Interstate telecommunications tax	5,000	5,000	8,116	3,116
Total local taxes	<u>3,552,254</u>	<u>3,552,254</u>	<u>4,036,821</u>	<u>484,567</u>
Current charges for education services				
Receipts from individual schools	25,000	25,000	22,779	(2,221)
Community service fees	2,000	2,000	-	(2,000)
Transportation	6,000	6,000	4,838	(1,162)
Other charges for services	22,000	22,000	56,085	34,085
Total current charges for education services	<u>55,000</u>	<u>55,000</u>	<u>83,702</u>	<u>28,702</u>
Licenses and permits	<u>300</u>	<u>300</u>	<u>399</u>	<u>99</u>
Other local revenues				
Interest on temporary investments	25,000	25,000	18,286	(6,714)
Rent for use of school facilities	9,000	9,000	180,946	171,946
Sale of equipment	-	562	1,021	459
Contributions and gifts	-	2,500	2,535	35
Miscellaneous	-	-	51,485	51,485
Total other local revenues	<u>34,000</u>	<u>37,062</u>	<u>254,273</u>	<u>217,211</u>
State funds and federal passed through state				
Basic education program	7,981,000	8,037,000	8,042,011	5,011
Early childhood education funds	410,131	410,131	410,131	-
Career ladder program	17,000	17,000	16,437	(563)
Child handicapped	1,965	1,965	1,965	-
Other state education funds	96,829	274,425	267,243	(7,182)
Other state grants	-	200,817	200,818	1
Total state funds and federal passed through state	<u>8,506,925</u>	<u>8,941,338</u>	<u>8,938,605</u>	<u>(2,733)</u>
Federal funds received directly				
COVID Grant Revenue	-	101,858	101,858	-
Bond interest rebate	-	-	18,807	18,807
Total federal funds received directly	<u>-</u>	<u>101,858</u>	<u>120,665</u>	<u>18,807</u>

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

**TRENTON SPECIAL SCHOOL DISTRICT  
GENERAL PURPOSE SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>Budget</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Over (Under)</b>
Total revenues	12,148,479	12,687,812	13,434,465	746,653
<b>Expenditures</b>				
Instruction				
Regular Education Program				
Teachers	3,506,814	3,593,324	3,374,908	(218,416)
Career ladder program	6,000	6,000	4,745	(1,255)
Homebound teachers	3,000	3,000	218	(2,782)
Educational assistants	84,330	84,330	82,790	(1,540)
Other salaries and wages	-	67,948	43,314	(24,634)
Certified substitute teachers	50,000	50,000	34,470	(15,530)
Non-certified substitute teachers	50,000	50,000	27,530	(22,470)
Social security taxes	229,099	239,040	195,650	(43,390)
State retirement	380,794	396,977	313,856	(83,121)
Medical insurance	510,528	510,528	429,624	(80,904)
Unemployment	8,000	8,000	3,056	(4,944)
Medicare taxes	53,580	55,905	46,150	(9,755)
Other fringe benefits	6,500	6,500	641	(5,859)
Other Contracted Services	-	2,800	2,800	-
Instructional supplies	171,812	217,039	146,851	(70,188)
Electronic textbooks	50,000	53,374	33,365	(20,009)
Textbooks	100,000	110,122	108,455	(1,667)
Other supplies and materials	3,000	3,000	(916)	(3,916)
Fee waivers	6,000	6,000	150	(5,850)
Other charges	27,000	46,017	44,173	(1,844)
Capital outlay - equipment	72,900	121,261	122,650	1,389
Total regular education program	<u>5,319,357</u>	<u>5,631,165</u>	<u>5,014,480</u>	<u>(616,685)</u>
Alternate Instruction Program				
Teachers	153,225	154,155	154,149	(6)
Career Ladder Program	2,000	2,000	2,000	-
Educational assistants	38,130	38,181	38,180	(1)
Social security taxes	11,988	11,007	10,849	(158)
State retirement	17,856	17,856	17,953	97
Medical insurance	28,363	28,363	25,377	(2,986)
Medicare taxes	2,804	2,804	2,537	(267)
Instructional supplies	300	300	-	(300)
Other supplies and materials	500	500	-	(500)
Total alternate instruction program	<u>255,166</u>	<u>255,166</u>	<u>251,045</u>	<u>(4,121)</u>
Special Education Program				
Teachers	251,465	242,265	242,092	(173)
Educational Assistants	74,652	88,252	88,221	(31)
Social security taxes	20,219	18,719	18,703	(16)

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

**TRENTON SPECIAL SCHOOL DISTRICT  
GENERAL PURPOSE SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>Budget</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Over (Under)</b>
State retirement	29,587	27,487	25,040	(2,447)
Medical insurance	42,162	34,162	34,128	(34)
Medicare taxes	4,730	4,590	4,430	(160)
Other Fringe Benefits	1,400	1,400	1,387	(13)
Contracts with Other Schools	7,527	2,727	2,700	(27)
Contracts with Private Agencies	-	53,200	53,104	(96)
Instructional supplies	1	5	5	-
Other chargers	600	36	-	(36)
Total special education program	<u>432,343</u>	<u>472,843</u>	<u>469,810</u>	<u>(3,033)</u>
<b>Vocational Education Program</b>				
Teachers	201,475	201,475	193,536	(7,939)
Certified substitute teachers	2,000	2,000	413	(1,587)
Non-certified substitute teachers	2,000	2,000	780	(1,220)
Social security taxes	12,739	12,739	11,021	(1,718)
State retirement	20,691	20,691	19,876	(815)
Medical insurance	19,059	19,059	14,749	(4,310)
Medicare taxes	2,979	2,979	2,583	(396)
Contracts with other school systems	10,000	10,000	-	(10,000)
Maintenance and repair - equipment	500	500	-	(500)
Other contracted services	-	7,600	7,525	(75)
Instructional supplies	34,005	61,193	49,267	(11,926)
Other charges	6,000	6,000	5,100	(900)
Total vocational education program	<u>311,448</u>	<u>346,236</u>	<u>304,850</u>	<u>(41,386)</u>
<b>Student Body Education Program</b>				
Other salaries and wages	35,000	35,000	5,735	(29,265)
Social security taxes	2,170	2,170	302	(1,868)
State retirement	1,757	1,757	290	(1,467)
Medicare taxes	508	508	83	(425)
Total student body education program	<u>39,435</u>	<u>39,435</u>	<u>6,410</u>	<u>(33,025)</u>
Total Instruction	<u>6,357,749</u>	<u>6,744,845</u>	<u>6,046,595</u>	<u>(698,250)</u>
<b>Support Services</b>				
<b>Students</b>				
<b>Attendance</b>				
Supervisor/director	38,940	38,940	38,740	(200)
Clerical personnel	63,303	63,303	63,234	(69)
Social security taxes	6,339	6,339	6,150	(189)
State retirement	7,177	7,177	7,153	(24)
Medical insurance	9,927	9,927	6,660	(3,267)
Medicare taxes	1,483	1,483	1,438	(45)

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

**TRENTON SPECIAL SCHOOL DISTRICT  
GENERAL PURPOSE SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>Budget</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Over (Under)</b>
Travel	2,500	2,500	450	(2,050)
Other supplies and materials	750	750	-	(750)
In service/ staff development	500	500	-	(500)
Total attendance	<u>130,919</u>	<u>130,919</u>	<u>123,825</u>	<u>(7,094)</u>
Health Services				
Medical personnel	82,674	82,976	71,765	(11,211)
Other salaries and wages	14,575	14,575	14,069	(506)
Social security taxes	6,030	5,656	4,785	(871)
State retirement	5,814	6,846	4,240	(2,606)
Medical insurance	11,874	11,594	10,771	(823)
Medicare taxes	1,411	1,343	1,119	(224)
Communications	2,500	2,340	2,040	(300)
Postal charges	200	220	220	-
Travel	4,000	998	498	(500)
Other contracted services	9,500	9,500	8,436	(1,064)
Drugs and medical supplies	3,500	3,500	1,393	(2,107)
Other supplies and materials	69,740	74,270	26,867	(47,403)
In-service/staff development	900	900	50	(850)
Total health services	<u>212,718</u>	<u>214,718</u>	<u>146,253</u>	<u>(68,465)</u>
Other Student Support				
Career ladder program	500	500	500	-
Guidance personnel	147,700	147,800	147,800	-
Social workers	38,300	38,380	38,380	-
Clerical personnel	15,656	15,656	13,848	(1,808)
Other Salaries and Wages	41,063	41,072	41,072	-
Social security taxes	15,080	15,080	12,353	(2,727)
State retirement	23,370	23,370	23,390	20
Medical insurance	34,757	34,568	31,943	(2,625)
Medicare taxes	3,526	3,526	3,090	(436)
Communication	400	400	394	(6)
Contracts with government agencies	55,000	55,000	36,860	(18,140)
Evaluation and testing	47,000	47,000	21,483	(25,517)
Travel	3,500	3,500	725	(2,775)
Other supplies and materials	500	500	500	-
In-service/staff development	500	500	-	(500)
Other charges	6,650	6,650	5,910	(740)
Other equipment	-	4,335	4,335	-
Total other student support	<u>433,502</u>	<u>437,837</u>	<u>382,583</u>	<u>(55,254)</u>
Total students	<u>777,139</u>	<u>783,474</u>	<u>652,661</u>	<u>(130,813)</u>

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

**TRENTON SPECIAL SCHOOL DISTRICT  
GENERAL PURPOSE SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>Budget</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Over (Under)</b>
<b>Instructional Staff</b>				
<b>Regular Instruction Program</b>				
Supervisor/director	80,403	80,403	80,253	(150)
Career ladder program	3,500	3,500	3,500	-
Librarians	156,110	156,310	156,309	(1)
Instructional computer personnel	41,063	41,072	41,072	-
Other salaries and wages	69,121	69,171	69,171	-
Social security taxes	21,712	21,453	17,808	(3,645)
State retirement	35,965	35,965	31,536	(4,429)
Medical insurance	20,136	20,136	21,467	1,331
Medicare taxes	5,078	5,078	4,791	(287)
Communications	7,000	7,000	5,196	(1,804)
Travel	33,500	33,500	1,245	(32,255)
Library books/media	17,434	17,434	16,194	(1,240)
Other supplies and materials	-	2,000	2,002	2
In-service/staff development	55,000	55,000	24,852	(30,148)
Other charges	10,000	10,000	8,038	(1,962)
Total regular instruction program	<u>556,022</u>	<u>558,022</u>	<u>483,434</u>	<u>(74,588)</u>
<b>Special Education Program</b>				
Supervisor/director	23,921	23,921	23,466	(455)
Social security taxes	1,483	1,483	1,311	(172)
State retirement	2,457	2,457	2,441	(16)
Medical insurance	2,102	2,102	2,039	(63)
Medicare taxes	347	347	307	(40)
Other fringe benefits	108	108	107	(1)
Contracts with other Public Agencies	3,350	4,050	4,033	(17)
Travel	1	1	-	(1)
Other contracted services	18,000	18,000	18,548	548
In-service/staff development	1	151	150	(1)
Total special education program	<u>51,770</u>	<u>52,620</u>	<u>52,402</u>	<u>(218)</u>
<b>Vocational Education Program</b>				
Supervisor/director	37,978	39,978	39,940	(38)
Medicare taxes	551	551	575	24
Travel	3,000	1,000	352	(648)
Total vocational education program	<u>41,529</u>	<u>41,529</u>	<u>40,867</u>	<u>(662)</u>
<b>Instructional Technology Program</b>				
Supervisor/director	60,575	60,675	60,675	-
Other salaries and wages	34,151	34,051	29,084	(4,967)
Social security taxes	5,873	5,873	5,160	(713)
State retirement	4,755	4,755	4,471	(284)
Medical insurance	11,539	11,539	11,131	(408)

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

**TRENTON SPECIAL SCHOOL DISTRICT  
GENERAL PURPOSE SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>Budget</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Over (Under)</b>
Medicare taxes	1,374	1,374	1,207	(167)
Maintenance and repair services	30,000	30,000	25,352	(4,648)
Internet Connectivity	40,000	40,000	37,945	(2,055)
In-Service/Staff Development	6,000	6,000	60	(5,940)
Travel	5,000	5,000	1,800	(3,200)
Cabling	10,000	10,000	6,052	(3,948)
Software	61,000	61,000	60,901	(99)
Other equipment	50,000	62,315	55,892	(6,423)
Total instructional technology program	<u>320,267</u>	<u>332,582</u>	<u>299,730</u>	<u>(32,852)</u>
 Total Instructional staff	 <u>969,588</u>	 <u>984,753</u>	 <u>876,433</u>	 <u>(108,320)</u>
 General Administration				
Board of Education				
Other fringe Benefits	500	500	267	(233)
Audit services	24,371	24,371	24,371	-
Dues and memberships	7,500	7,500	5,328	(2,172)
Legal services	7,500	7,500	5,074	(2,426)
Travel	8,000	8,000	478	(7,522)
Other contracted services	5,000	5,000	5,000	-
Other supplies and materials	15,000	10,000	500	(9,500)
Liability insurance	16,000	16,000	15,378	(622)
Corporate surety bonds	862	862	862	-
Trustee commissions	65,000	70,000	67,687	(2,313)
Workers' compensation insurance	29,790	29,790	9,838	(19,952)
In-service/staff development	6,500	6,500	347	(6,153)
Refund to applicant for criminal investigation	5,000	5,000	914	(4,086)
Other charges	6,500	6,500	3,081	(3,419)
Total board of education	<u>197,523</u>	<u>197,523</u>	<u>139,125</u>	<u>(58,398)</u>
 Office of Superintendent				
Administrative officer	107,725	107,725	107,677	(48)
Career ladder program	1,000	1,000	1,000	-
Other salaries and wages	7,200	7,200	7,200	-
Social security taxes	7,187	7,187	6,479	(708)
State retirement	11,905	11,905	11,901	(4)
Medical insurance	11,129	11,129	10,293	(836)
Medicare taxes	1,681	1,681	1,515	(166)
Communication	3,100	3,100	3,262	162
Dues and memberships	5,500	5,500	4,182	(1,318)
Travel	6,000	6,000	1,063	(4,937)
Office supplies	2,000	2,270	2,264	(6)
In-service/staff development	900	630	-	(630)
Total office of superintendent	<u>165,327</u>	<u>165,327</u>	<u>156,836</u>	<u>(8,491)</u>

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

**TRENTON SPECIAL SCHOOL DISTRICT  
GENERAL PURPOSE SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
Total general administration	362,850	362,850	295,961	(66,889)
School Administration				
Office of Principal				
Principal(s)	238,135	238,335	238,335	-
Career ladder program	2,000	2,000	2,000	-
Assistant principal(s)	198,616	199,066	199,062	(4)
Accountants/Bookkeepers	83,515	83,515	83,237	(278)
Social security taxes	32,380	31,730	29,945	(1,785)
State retirement	49,252	49,252	49,567	315
Medical insurance	46,229	46,229	44,747	(1,482)
Other Fringe Benefits	7,573	7,573	7,003	(570)
Communications	14,000	14,000	14,122	122
Dues and memberships	1,500	1,500	968	(532)
Operating lease payments	6,000	6,000	2,400	(3,600)
Postal charges	2,150	2,150	1,485	(665)
Travel	7,500	7,500	-	(7,500)
Other contracted services	3,000	3,000	3,000	-
Data processing supplies	800	800	-	(800)
Office supplies	7,525	7,525	8,188	663
In-service/staff development	6,000	6,000	25	(5,975)
Other charges	25,000	25,000	18,206	(6,794)
Total office of principal	<u>731,175</u>	<u>731,175</u>	<u>702,290</u>	<u>(28,885)</u>
Business Administration				
Fiscal Services				
Supervisor/director	33,111	33,112	33,111	(1)
Accountants/bookkeepers	2,950	2,951	2,950	(1)
Clerical Personnel	6,647	6,648	6,647	(1)
Social security taxes	2,648	2,648	2,271	(377)
State retirement	3,882	3,882	3,882	-
Medical insurance	6,868	6,868	6,851	(17)
Medicare taxes	619	619	531	(88)
Advertising	3,300	3,900	3,941	41
Communication	1,200	1,200	1,200	-
Data processing	700	700	414	(286)
Dues and memberships	200	284	284	-
Operating lease payments	850	850	784	(66)
Postal charges	2,000	2,000	1,000	(1,000)
Travel	750	750	-	(750)
Data processing supplies	500	500	-	(500)
Office supplies	3,500	2,813	2,719	(94)
In-service/staff development	500	500	-	(500)

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

**TRENTON SPECIAL SCHOOL DISTRICT  
GENERAL PURPOSE SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>Budget</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Over (Under)</b>
Other charges	4,500	4,500	3,120	(1,380)
Total fiscal services	<u>74,725</u>	<u>74,725</u>	<u>69,705</u>	<u>(5,020)</u>
<b>Human Services</b>				
Supervisor/director	52,543	52,643	52,643	-
Clerical personnel	23,367	23,367	23,367	-
Social security taxes	4,706	4,606	4,128	(478)
State retirement	3,811	3,811	3,816	5
Medical insurance	8,745	8,745	8,716	(29)
Employer medicare	1,101	1,101	965	(136)
Communication	600	600	600	-
Dues and memberships	150	150	35	(115)
Travel	2,500	2,500	386	(2,114)
In-service/staff development	550	550	232	(318)
Other charges	4,500	4,500	2,202	(2,298)
Total human services	<u>102,573</u>	<u>102,573</u>	<u>97,090</u>	<u>(5,483)</u>
 Total business administration	 <u>177,298</u>	 <u>177,298</u>	 <u>166,795</u>	 <u>(10,503)</u>
<b>Operation and Maintenance of Plant</b>				
<b>Operation of Plant</b>				
Maintenance and repair	500	500	-	(500)
Disposal Fees	33,000	33,000	16,331	(16,669)
Other contracted services	390,000	390,000	380,914	(9,086)
Electricity	292,000	292,000	258,783	(33,217)
Natural gas	86,000	86,000	88,199	2,199
Water and sewer	93,300	93,300	87,321	(5,979)
Other supplies and materials	2,000	2,000	760	(1,240)
Boiler insurance	1,578	1,578	1,578	-
Building and contents insurance	51,712	51,712	49,191	(2,521)
Other charges	3,750	3,750	1,531	(2,219)
Total operation of plant	<u>953,840</u>	<u>953,840</u>	<u>884,608</u>	<u>(69,232)</u>
<b>Maintenance of Plant</b>				
Maintenance personnel	84,780	84,780	84,780	-
Social security taxes	5,256	5,256	4,825	(431)
State retirement	4,256	4,256	4,256	-
Medical insurance	4,603	4,603	4,588	(15)
Medicare taxes	1,229	1,229	1,128	(101)
Communication	2,100	2,100	2,024	(76)
Laundry Service	2,000	2,000	1,516	(484)
Maintenance and repair - buildings	5,000	5,000	-	(5,000)
Maintenance and repair - equipment	3,000	3,000	-	(3,000)
Maintenance and repair - vehicles	3,000	3,000	1,655	(1,345)

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

**TRENTON SPECIAL SCHOOL DISTRICT  
GENERAL PURPOSE SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>Budget</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Over (Under)</b>
Travel	1,000	1,000	-	(1,000)
Other contracted services	119,840	119,840	122,580	2,740
Equipment and machinery parts	3,000	3,000	-	(3,000)
Other supplies and materials	46,000	46,000	28,921	(17,079)
Vehicle and equipment insurance	1,500	1,500	1,500	-
In-service/staff development	400	400	300	(100)
Other charges	42,880	42,880	34,822	(8,058)
Administration equipment	-	24,645	24,646	1
Total maintenance of plant	<u>329,844</u>	<u>354,489</u>	<u>317,541</u>	<u>(36,948)</u>
Total operation and maintenance of plant	<u>1,283,684</u>	<u>1,308,329</u>	<u>1,202,149</u>	<u>(106,180)</u>
Student Transportation				
Transportation				
Supervisor/director	24,097	26,392	25,244	(1,148)
Mechanics	14,192	14,792	13,006	(1,786)
Bus drivers	90,075	96,435	93,432	(3,003)
Clerical personnel	1,775	1,775	1,772	(3)
Other salaries and wages	60,000	66,425	56,949	(9,476)
Social security taxes	11,788	12,689	9,798	(2,891)
State retirement	8,430	9,252	8,691	(561)
Medical insurance	899	899	749	(150)
Medicare taxes	2,757	2,972	2,708	(264)
Fringe benefits	4,604	4,604	4,660	56
Communication	2,978	2,978	2,706	(272)
Laundry service	338	338	255	(83)
Medical and dental	4,168	4,168	2,137	(2,031)
Postal	46	46	19	(27)
Travel	1,214	1,214	31	(1,183)
Other contracted services	897	897	426	(471)
Diesel fuel	41,000	48,881	22,291	(26,590)
Garage Supplies	2,797	2,797	383	(2,414)
Lubricants	2,822	2,822	1,143	(1,679)
Tires and tubes	8,012	8,012	4,765	(3,247)
Vehicle parts	24,960	24,960	9,941	(15,019)
Other supplies and materials	856	856	294	(562)
Vehicle and equipment insurance	11,370	11,370	11,370	-
In-service/staff development	1,500	1,500	335	(1,165)
Other charges	9,417	9,417	5,520	(3,897)
Administrative Equipment	<u>2,278</u>	<u>2,278</u>	<u>-</u>	<u>(2,278)</u>
Total transportation	<u>333,270</u>	<u>358,769</u>	<u>278,625</u>	<u>(80,144)</u>
Other				
Central and Other				

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

**TRENTON SPECIAL SCHOOL DISTRICT  
GENERAL PURPOSE SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>Budget</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Over (Under)</b>
Operating lease payments	6,500	6,500	4,371	(2,129)
Other contracted services	25,000	25,000	20,721	(4,279)
Data processing supplies	2,000	2,000	-	(2,000)
Other supplies and materials	2,000	2,000	961	(1,039)
Other charges	1,000	1,000	148	(852)
Other equipment	1,000	1,000	-	(1,000)
Total central and other	<u>37,500</u>	<u>37,500</u>	<u>26,201</u>	<u>(11,299)</u>
Total support services	<u>4,672,504</u>	<u>4,744,148</u>	<u>4,201,115</u>	<u>(543,033)</u>
Community Services				
Supervisor/director	2,023	2,023	-	(2,023)
Social security taxes	126	26	-	(26)
Medicare taxes	31	31	-	(31)
Other supplies and materials	1,000	1,100	1,100	-
Total community services	<u>3,180</u>	<u>3,180</u>	<u>1,100</u>	<u>(2,080)</u>
Early Childhood Education				
Supervisor/director	49,110	49,351	49,350	(1)
Teachers	177,275	184,655	184,655	-
Clerical personnel	13,295	13,415	13,415	-
Educational assistants	55,440	61,215	61,214	(1)
Other salaries and wages	20,318	18,218	18,207	(11)
Non-certified substitute teachers	5,000	3,000	2,968	(32)
Social security taxes	19,868	19,562	19,562	-
State retirement	28,788	28,788	28,913	125
Medical insurance	18,167	18,167	18,170	3
Medicare taxes	4,647	4,647	4,585	(62)
Other fringe benefits	1,450	1,450	1,529	79
Maintenance and repair - equipment	1,650	1,071	1,071	-
Travel	2,500	900	900	-
Other Contracted Services	1	2,359	2,359	-
Instructional supplies	12,623	3,334	3,234	(100)
Total Early Childhood Education	<u>410,132</u>	<u>410,132</u>	<u>410,132</u>	<u>-</u>
Total operation of non-instructional services	<u>413,312</u>	<u>413,312</u>	<u>411,232</u>	<u>(2,080)</u>
Education Capital Outlay				
Regular capital outlay				
Building Construction	2,161,734	2,161,734	2,165,856	4,122
Building improvements	197,045	197,045	191,563	(5,482)
Total regular capital outlay	<u>2,358,779</u>	<u>2,358,779</u>	<u>2,357,419</u>	<u>(1,360)</u>

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

**TRENTON SPECIAL SCHOOL DISTRICT  
GENERAL PURPOSE SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2021

	<u>Budget</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Over (Under)</b>
Education Debt Service				
Principal on bonds	615,000	615,000	615,000	-
Interest on bonds	<u>614,093</u>	<u>614,093</u>	<u>614,092</u>	<u>(1)</u>
Total education debt service	<u>1,229,093</u>	<u>1,229,093</u>	<u>1,229,092</u>	<u>(1)</u>
 Total expenditures	 <u>15,031,437</u>	 <u>15,490,177</u>	 <u>14,245,453</u>	 <u>(1,244,724)</u>
 <b>Revenues over (under) expenditures</b>	 <b>(2,882,958)</b>	 <b>(2,802,365)</b>	 <b>(810,988)</b>	 <b>1,991,377</b>
 Other financing sources (uses)				
Insurance recovery	<u>-</u>	<u>-</u>	<u>4,913</u>	<u>4,913</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,913</u>	<u>4,913</u>
 <b>Net change in fund balance</b>	 <b><u>\$ (2,882,958)</u></b>	 <b><u>\$ (2,802,365)</u></b>	 <b><u>(806,075)</u></b>	 <b><u>\$ 1,996,290</u></b>
 Fund balance - beginning			 <u>8,357,917</u>	
 Fund balance - ending			 <u>\$ 7,551,842</u>	

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

**TRENTON SPECIAL SCHOOL DISTRICT  
PUBLIC LAW FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Over</u>
				<u>(Under)</u>
<b>Revenues</b>				
Federal and State funds	\$ 2,733,433	\$ 2,839,524	\$ 2,358,039	\$ (481,485)
Total Revenues	<u>2,733,433</u>	<u>2,839,524</u>	<u>2,358,039</u>	<u>(481,485)</u>
<b>Expenditures</b>				
Current				
Instruction				
Regular instruction	871,799	1,221,199	1,167,380	(53,819)
Alternative Instruction Program	-	12,981	12,981	-
Special education	268,997	334,246	293,889	(40,357)
Vocational education	18,023	35,752	35,752	-
Attendance	-	10,219	10,219	-
Support services				
Health Services	83,622	52,070	52,070	-
Other student support	24,924	34,813	33,463	(1,350)
Regular instruction	745,037	297,653	181,332	(116,321)
Special education	30,002	41,632	34,448	(7,184)
Vocational education	1,252	2,333	2,333	-
Adult programs	-	4,845	4,845	-
Board of education	-	2,712	2,712	-
Fiscal Services	-	9,629	9,629	-
Office of the Principal	-	24,937	24,937	-
Maintenance of Plant	-	4,845	4,845	-
Transportation	104,406	125,637	125,637	-
Food service	201,616	238,703	38,702	(200,001)
Building Improvements	63,066	67,629	67,629	-
Community Services	320,689	317,689	255,236	(62,453)
Total expenditures	<u>2,733,433</u>	<u>2,839,524</u>	<u>2,358,039</u>	<u>(481,485)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning			<u>100,000</u>	
Fund balance - ending			<u>\$ 100,000</u>	

*See independent auditor's report.*

**TRENTON SPECIAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. District-wide and Fund Financial Statements**

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

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

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

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

**TRENTON SPECIAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2021

provider have been met.

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

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

The District reports the following major governmental funds:

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

The Public Law Fund is the District fund for federal grant income and expenditures.

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

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

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

***Deposits and Investments***

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

***Receivables and Payables***

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

**TRENTON SPECIAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2021

A portion of the property taxes collected each year by Gibson County is specifically earmarked for the Trenton Special School District. The County collects the property taxes and sends the District its portion once a month. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied and mailed on October 1. The payment due dates are October 1 through February 28 and become delinquent on March 1. The property taxes are collected by the Trustee of Gibson County and remitted to the District. District property tax revenues are recognized in the period for which they were levied.

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

***Inventory***

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

***Capital Assets***

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

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

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

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

***Compensated Absences***

Certified employees of the Trenton Special School District are entitled to one day of sick leave for each month employed and two personal days a year. Sick leave days are accumulated from year to year, with no maximum total. Personal days are not accumulated, but the remaining amount at the end of each year is added to the sick leave accumulation. An accrual is not required since all sick

**TRENTON SPECIAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2021

and personal days that are not used are added to the length of service for each employee at retirement. Therefore, there are no monetary values associated with accumulated sick leave or personal leave.

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

***Long-term Obligations***

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

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The items that qualify for reporting in this category as of June 30, 2021 are pension related deferred outflows, OPEB deferred outflows, and deferred charge on refunding as identified on page 12.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The items that qualify for reporting in this category as of June 30, 2021 are unavailable revenue as identified on pages 12 and 15, pension related deferred inflows, and OPEB related deferred inflows as listed on page 12.

**Pensions and OPEB**

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

# TRENTON SPECIAL SCHOOL DISTRICT NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

## **Net position flow assumption**

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

## **Fund Equity**

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

### **Nonspendable fund balance**

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

### **Restricted fund balance**

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

### **Committed fund balance**

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

### **Assigned fund balance**

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

### **Unassigned fund balance**

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

## **Fund balance flow assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in

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which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**E. Impact of Recently issued pronouncements and restatement of beginning balance**

Effective July 1, 2020, the District adopted GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying fiduciary activities of all state and local governments. Considering that Trenton Special School District (the District) controls the assets of the Schools, the Schools are considered special revenue funds of the District. The implementation created a restatement of beginning fund balance in the amount of \$312,180.

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

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this (\$21,889,428) difference are as follows:

Limited Tax School Bonds, Series 2020	\$	(19,380,000)
Bond Premium		(1,182,332)
Deferred charge on refunding		220,022
OPEB		(1,547,118)
		(21,889,428)
	\$	(21,889,428)

Another element of that reconciliation explains that "capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the funds." The details of this \$31,159,654 are as follows:

Land	\$	266,057
Construction in progress		2,092,314
Buildings and improvements		28,208,460
Other capital assets		592,823
		31,159,654
Total capital assets, net of accumulated depreciation	\$	31,159,654

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

The reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities includes a reconciliation between net changes in

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fund balances - total governmental funds and changes in net position of governmental activities as reported in the district-wide statement of activities. One element of that reconciliation states that, "the repayment of the principal of long-term debt consumes the current financial resources of governmental funds; however, these repayments have no effect on net position." The details of this \$615,000 are as follows:

Principal repayments:		
Limited Tax School Bonds, Series 2020	\$	615,000
	\$	<u>615,000</u>

**NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

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

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

**NOTE 4 - DETAILED NOTES ON ACCOUNTS**

**A. Deposits and Investments**

At June 30, 2021, the District's deposits with local banks were covered by federal depository insurance or collateralized by securities held by the District's agent in the District's name. The District has also invested \$3,280,494 in the Tennessee Local Government Investment Pool (TLGIP). The TLGIP is collateralized by the State of Tennessee. Therefore, all funds deposited in the TLGIP are secured.

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

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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, 2021, all deposits met the District's policy.

**B. Receivables**

Receivables at year end for the District's individual major fund and non-major funds in the aggregate, are shown on the statement of net position and the balance sheet for governmental funds and are summarized as follows. As of June 30, 2021, there were no allowances for uncollectible accounts.

<b>Receivables</b>	<b>June 30, 2021</b>
Accounts	\$ 181,027
Grant	1,765,608
Property taxes	2,756,754
Due from other governments	4,229
	\$ 4,707,618

Property tax receivable is unavailable (fund statements and statement of net position) due to the 2021 tax levy not being due and payable until October 2021. Therefore, the funds are not available to the District as of June 30, 2021.

**C. Interfund Balances**

Interfund balances consist of amounts owed to the General Purpose Fund from the Public Law Fund to be in compliance with the State to prevent negative cash balance, as well as to reimburse General Purpose Fund expenses paid on behalf of Public Law Fund.

The amounts owed to the General Purpose Fund from the Cafeteria Fund and the Bus Garage Fund were to reimburse the General Purpose Fund for the expenses paid on behalf of the Cafeteria Fund and the Bus Garage Fund.

At June 30, 2021, interfund balances consisted of the following:

Due from:	Due to:		Total
	General Purpose Fund	Cafeteria Fund	
Public Law Fund	\$ 898,503	\$ 3,309	\$ 901,812
Cafeteria Fund	10,483	-	10,483
Bus Garage Fund	19,786	-	19,786
	\$ 928,772	\$ 3,309	\$ 932,081

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**D. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 266,057	\$ -	\$ -	\$ 266,057
Construction in progress	79,504	2,012,810	-	2,092,314
Total capital assets, not being depreciated	<u>345,561</u>	<u>2,012,810</u>	<u>-</u>	<u>2,358,371</u>
Capital assets being depreciated:				
Infrastructure	26,575	-	-	26,575
Buildings and Improvements	45,107,688	60,541	-	45,168,229
Other capital assets	1,535,003	123,423	-	1,658,426
Total capital assets being depreciated	<u>46,669,266</u>	<u>183,964</u>	<u>-</u>	<u>46,853,230</u>
Less accumulated depreciation for:				
Infrastructure	(26,575)	-	-	(26,575)
Buildings and Improvements	(15,555,463)	(1,404,306)	-	(16,959,769)
Other capital assets	(956,437)	(109,166)	-	(1,065,603)
Total accumulated depreciation	<u>(16,538,475)</u>	<u>(1,513,472)</u>	<u>-</u>	<u>(18,051,947)</u>
Total capital assets being depreciated	<u>30,130,791</u>	<u>(1,329,508)</u>	<u>-</u>	<u>28,801,283</u>
Governmental activities capital assets, net	<u>\$ 30,476,352</u>	<u>\$ 683,302</u>	<u>\$ -</u>	<u>\$ 31,159,654</u>

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

Support services	\$ 57,694
Non-instructional services	<u>1,455,778</u>
	<u>\$ 1,513,472</u>

**E. TCRS Stabilization Trust**

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

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

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

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2021, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

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

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

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

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

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

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

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

At June 30, 2021, the District had the following investments held by the trust on its behalf.

<u>Investment</u>	<u>Fair Value</u>
Investments at Fair Value:	
U.S. Equity	\$ 23,135
Developed Market International Equity	10,448
Emerging Market International Equity	2,985
U.S. Fixed Income	14,926
Real Estate	7,463
Short-term Securities	746
NAV- Private Equity and Strategic Lending	<u>14,926</u>
Total	<u>\$ 74,629</u>

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Investment by Fair Value Level	Fair Value 6/30/21	Fair Value Measurements Using			Amortized Cost
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
U.S. Equity Developed Market	\$ 23,135	\$ 23,135	\$ -	\$ -	\$ -
International Equity Emerging Market	10,448	10,448	-	-	-
International Equity	2,985	2,985	-	-	-
U.S. Fixed Income	14,926	-	14,926	-	-
Real Estate	7,463	-	-	7,463	-
Short-term Securities	746	-	746	-	-
Private Equity and Strategic Lending	<u>14,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,926</u>
<b>Total</b>	<b><u>\$ 74,629</u></b>	<b><u>\$ 36,568</u></b>	<b><u>\$ 15,672</u></b>	<b><u>\$ 7,463</u></b>	<b><u>\$ 14,926</u></b>

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

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

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

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

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

For further information concerning the District's investments with the TCRS Stabilization Reserve

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Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at:

<https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/aq19091.pdf>.

**F. General Long-Term Debt**

Bonds Payable

The Limited Tax School Bonds, Series 2020 were issued in the amount of \$19,995,000 on June 1, 2020. The purpose of the Bonds was to provide funds for 1) the refunding of the 2010A Limited Tax School Bonds, 2010B Limited Tax School Bonds, 2012 Limited Tax School Refunding Bonds, and the 2018 capital lease payment and 2) the District's future capital improvement projects. The Limited Tax School Bonds, Series 2020 bears interest at the rates ranging from 2.125% to 5.00%. Interest payments are due semi-annually on November 1 and May 1, with principal payments due annually on May 1 for the years 2021 thru 2045. Final maturity is May 1, 2045. The refunding resulted in an economic loss of \$229,190, the amount by which the carrying value of the refunded debts exceeded the reacquisition price. This amount is deferred and amortized over the life of the refunding debt and is reported as a deferred outflow of resources in the government-wide statement of net position.

A summary of changes in general long-term debts for the year ended June 30, 2021, is as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
Limited Tax School Bonds, Series 2020	\$ 19,995,000	\$ -	\$ 615,000	\$ 19,380,000	\$ 620,000
Bond discount	-	229,189	9,167	220,022	49,264
Bond premium	1,231,596	-	49,264	1,182,332	49,264
Total obligation debt	<u>\$ 21,226,596</u>	<u>\$ 229,189</u>	<u>\$ 673,431</u>	<u>\$ 20,782,354</u>	<u>\$ 718,528</u>

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

June 30,	Bonds		Total
	Principal	Interest	
2022	620,000	639,169	1,259,169
2023	655,000	608,169	1,263,169
2024	660,000	575,419	1,235,419
2025	700,000	542,419	1,242,419
2026	720,000	507,419	1,227,419
2027-2031	4,160,000	1,958,095	6,118,095
2032-2036	4,565,000	1,262,207	5,827,207
2037-2041	4,260,000	731,875	4,991,875
2042-2045	3,040,000	205,663	3,245,663
	<u>\$ 19,380,000</u>	<u>\$ 7,030,435</u>	<u>\$ 26,410,435</u>

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**G. Designations of Fund Equity**

The following funds had nonspendable, restricted, or assigned fund balances as of June 30, 2021:

	General Purpose	Public Law	Internal School Funds	Cafeteria	Bus Garage	Total
Nonspendable						
Inventory	\$ -	\$ -	\$ -	\$ 32,238	\$ 64,284	\$ 96,522
Restricted						
Education	228,295	-	-	-	-	228,295
Instruction	101,834	-	-	-	-	101,834
Capital projects	1,282,579	-	-	-	-	1,282,579
Internal school funds	-	-	63,296	-	-	63,296
Stabilization reserve trust	74,629	-	-	-	-	74,629
Operation of non- instructional services	-	-	-	443,976	8,686	452,662
Assigned						
Instruction - textbooks	100,000	-	-	-	-	100,000
Internal school funds	-	-	195,249	-	-	195,249
Capital outlay	2,596,225	-	-	-	-	2,596,225
Fiscal year 2021 budget	672,603	-	-	-	-	672,603
Other purposes	616,788	100,000	-	-	-	716,788
	<u>\$ 5,672,953</u>	<u>\$ 100,000</u>	<u>\$ 258,545</u>	<u>\$ 476,214</u>	<u>\$ 72,970</u>	<u>\$ 6,580,682</u>

The \$616,788 fund balance assigned for other purposes in the General Purpose Fund were for the purposes of technology, a bus, unemployment, accrued leave, band, insurance, speech, STEM, and others. The \$100,000 fund balance assigned for other purposes in the Public Law Fund was for the purpose of preventing a negative cash balance in this fund.

**NOTE 5 – OTHER INFORMATION**

**A. Insurance Coverage**

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

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**B. Pensions**

***I. Teacher Legacy Pension Plan of Tennessee Consolidated Retirement System***

**Plan description**

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

Teachers employed by Trenton Special School District with membership in the TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees.

Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

**Benefits provided**

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit, or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive years average compensation and the member's service credit. A reduced early retirement benefit is available at age 55 if vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2<sup>nd</sup> 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

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as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plans are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Trenton Special School District for the year ended June 30, 2021 to the Teacher Legacy Pension Plan were \$503,517 which is 10.27 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, 2021, Trenton Special School District reported an asset of \$1,090,492 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial value as of that date. Trenton Special School District's proportion of the net pension liability was based on Trenton Special School District's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2020 Trenton Special School District's proportion was 0.143001 percent. The proportion measured as of June 30, 2019 was 0.145127 percent.

**Pension expense**

For the year ended June 30, 2021, Trenton Special School District recognized a pension expense of (\$27,048)

**Deferred outflows of resources and deferred inflows of resources**

For the year ended June 30, 2021, Trenton Special School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 41,456	\$ 524,289
Changes in assumptions	99,066	-
Net difference between projected and actual earnings on pension plan investments	243,550	-
Changes in proportion of Net Pension Liability (Asset)	12,224	9,841
Contributions subsequent to the measurement date of June 30, 2020	<u>503,517</u>	<u>-</u>
Total	<u>\$ 899,813</u>	<u>\$ 534,130</u>

Trenton Special School District employer contributions of \$503,517, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ended June 30, 2022. Other amounts reported as deferred

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

<u>Year Ended June 30:</u>	
2022	\$ (268,438)
2023	(39,869)
2024	9,138
2025	161,335
2026	-
Thereafter	-

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

**Actuarial assumptions**

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the 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 all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the proportionate share of net pension liability (asset) to changes in the discount rate**

The following presents Trenton Special School District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what Trenton Special School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Trenton Special School District's proportionate share of the net pension liability (asset)	\$ 3,391,405	\$ (1,090,492)	\$ (4,807,036)

**Pension plan fiduciary net position**

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

**Payable to the Pension Plan**

At June 30, 2021, Trenton Special School District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2021.

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**II. Teacher Retirement Plan of Tennessee Consolidated Retirement System**

**Plan description**

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

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

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

**a. Defined Benefit Component of the Hybrid Plan**

**Benefits provided**

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive years average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2<sup>nd</sup> of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability

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controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

**Contributions**

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5 percent of salary. The LEAs make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Trenton Special School District for the year ended June 30, 2021 to the Teacher Retirement Plan were \$26,916 which is 2.02 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

**Pension liabilities (assets)**

At June 30, 2021, Trenton Special School District reported an asset of \$49,184 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial value as of that date. Trenton Special School District's proportion of the net pension asset was based on Trenton Special Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2020, Trenton Special School District's proportion was 0.086493 percent. The proportion measured as of June 30, 2019 was 0.072354 percent.

**Pension Expense**

For the year ended June 30, 2021, Trenton Special Schools recognized pension expense of \$19,644.

**Deferred outflows of resources and deferred inflows of resources**

For the year ended June 30, 2021, Trenton Special School District reported deferred outflows of resources related to pensions from the following sources:

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	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,827	\$ 12,325
Net difference between projected and actual earnings on pension plan investments	4,007	-
Changes in assumptions	1,542	-
Changes in proportion of Net Pension Liability (Asset)	7,209	9,577
Contributions subsequent to the measurement date of June 30, 2020	26,916	-
Total	\$ 41,501	\$ 21,902

Trenton Special School District's employer contributions of \$26,916 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as a reduction in net pension liability in the year ended June 30, 2022.

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

<b><u>Year Ended June 30:</u></b>	
2022	\$ (646)
2023	(67)
2024	228
2025	312
2026	(1,044)
Thereafter	(6,100)

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

**Actuarial assumptions**

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

**Sensitivity of the proportionate share of net pension liability (asset) to changes in the discount rate**

The following presents Trenton Special School District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what Trenton Special School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1- percentage-point higher (8.25 percent) than the current rate:

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	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Trenton Special School District's proportionate share of the net pension liability (asset)	\$ 38,257	\$ (49,184)	\$ (113,638)

**Pension plan fiduciary net position**

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

**Payable to the Pension Plan**

At June 30, 2021, Trenton Special School District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2021.

**b. Defined Contribution Component of the Hybrid Plan**

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

During the fiscal year 2021, the System contributed a total of \$54,358 in the defined contribution portion of the Hybrid Plan. There were no forfeitures during the year ended June 30, 2021 and the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required at June 30, 2021.

**III. Political Subdivision Pension Plan**

**Plan description**

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

**Benefits provided**

Tennessee Code Annotated, Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation

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and the member's service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-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 2<sup>nd</sup> 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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled to but not yet receiving benefits	93
Active employees	59
	207
	207

**Contributions**

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. Trenton Special School District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2021, the employer contributions for Trenton Special School District were \$74,173 based on a rate of 5.02 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Trenton Special School District's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Net Pension Liability (Asset)**

Trenton Special School District's net pension liability (asset) was measured as of June 30, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Trenton Special School District will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on

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those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<b>Total Pension Liability (a)</b>	<b>Increase (Decrease) Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
<b>Balance at 6/30/19</b>	\$ 5,108,717	\$ 5,634,174	\$ (525,457)
<b>Changes for the year:</b>			
Service cost	147,416	-	147,416
Interest	372,918	-	372,918
Differences between expected and actual experience	(66,045)	-	(66,045)
Changes in assumptions	-	-	-
Contributions- employer	-	71,850	(71,850)
Contributions- employees	-	71,565	(71,565)
Net investment income	-	277,311	(277,311)
Benefit payments, including refunds of employee contributions	(224,884)	(224,884)	-
Administrative expense	-	(5,207)	5,207
<b>Net changes</b>	<u>229,405</u>	<u>190,635</u>	<u>38,770</u>
<b>Balance at 6/30/20</b>	<u>\$ 5,338,122</u>	<u>\$ 5,824,809</u>	<u>\$ (486,687)</u>

**Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the net pension liability (asset) of Trenton Special School District calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
District's net pension liability (asset)	\$ 166,175	\$ (486,687)	\$ (1,032,592)

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

**Pension expense**

For the year ended June 30, 2021, Trenton Special School District recognized a negative pension expense of \$(31,805).

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**Deferred outflows of resources and deferred inflows of resources**

For the year ended June 30, 2021, Trenton Special School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 157,210
Net difference between projected and actual earnings on pension plan investments	39,705	-
Changes in assumptions	19,125	
Contributions subsequent to the measurement date of June 30, 2020	74,173	-
Total	\$ 133,003	\$ 157,210

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2020,” 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:

<u><b>Year Ended June 30:</b></u>	
2022	\$ (126,702)
2023	(4,298)
2024	7,015
2025	25,605
2026	-
Thereafter	-

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

**Payable to the Pension Plan**

At June 30, 2021, Trenton Special School District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2021.

**C. Postemployment Healthcare Plans**

***Teacher Group OPEB Plan (TGOP)***

**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

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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 premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the TGOP, receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The District does not directly subsidize and are only subject to the implicit. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums, based on years of service. Therefore, retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP. The TGOP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

**Employees covered by benefit terms**

At July 1, 2020, the following employees of the District were covered by the benefit terms of the TGOP:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	-
Active employees	116
	<hr/>
	121
	<hr/> <hr/>

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 \$72,879 to the TGOP for OPEB benefits as they came due.

**Total OPEB Liability**

**Actuarial assumptions**

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

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Inflation	2.10 percent
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4.00 percent
Healthcare cost trend rate	9.02% for pre-65 in 2020, decreasing annually over a 10 year period to an ultimate rate of 4.50%. 7.56% for post-65 in 2020, decreasing annually over a 4 year period to an ultimate rate of 4.50%.
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, 2020 valuations were the same as those employed in the July 1, 2018 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 3.51 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index.

**Changes in assumptions**

The discount rate was changed from 3.62% as of the beginning of the measurement period to 3.51% as of June 30, 2020. This change in assumption decreased the total OPEB liability.

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**Changes in Collective Total OPEB Liability**

<b>TGOP</b>	<b>Total OPEB liability</b>
<b>Balance at June 30, 2019</b>	\$ 1,937,218
Changes for the year	
Service cost	104,766
Interest	69,712
Plan changes	-
Differences between expected and actual experience	(39,949)
Changes of assumptions	227,364
Benefit payments	(112,734)
Net change	249,159
<b>Balance at June 30, 2020</b>	<b>\$ 2,186,377</b>
<b>Nonemployer contributing entities proportionate share of the collective total OPEB liability</b>	<b>\$ 639,259</b>
<b>Employer's proportionate share of the collective total OPEB liability</b>	<b>\$ 1,547,118</b>
<b>Employer's proportion of the collective total OPEB liability</b>	<b>70.76%</b>

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 non-employer contributing entities, actuarially determined. The proportion changed 0.24% from the prior measurement date. The District recognized \$57,619 in revenue for subsidies provided by non-employer contributing entities for benefits paid by the TGOP for the District's retirees.

**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 or 1-percentage-point higher than the current discount rate.

<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
\$ 1,661,026	\$ 1,547,118	\$ 1,436,871

**TRENTON SPECIAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2021**

**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.

1% Decrease (8.02%/6.56% decreasing to 3.50%)	Healthcare Cost Trend Rates (9.02%/7.56% decreasing to 4.50%)	1% Increase (10.02%/8.56% decreasing to 5.50%)
\$ 1,363,524	\$ 1,547,118	\$ 1,763,899

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

***OPEB expense***

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$196,169.

***Deferred outflows of resources and deferred inflows of resources***

For the fiscal year ended June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the TGOP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 24,997
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in assumptions	142,266	2,002
Changes in proportions	-	
Employer payments subsequent to the measurement date	46,133	-
Total	\$ 188,399	\$ 26,999

The amounts shown above for "Employer payments subsequent to the measurement date" will be included 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:

**TRENTON SPECIAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2021**

<u>Year Ended June 30:</u>	
2022	\$ 15,087
2023	15,087
2024	15,087
2025	15,087
2026	15,087
Thereafter	39,832

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

**ii. The Tennessee Plan**

**Plan Description**

Employees of the District, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan (TNP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible post-65 retired teachers and disability participants of local education agencies, who choose coverage, and 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 receive 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 provide direct subsidy for post-65 retiree insurance coverage. The state, as a governmental nonemployer contributing entity contributes to the premiums of eligible retirees of local education agencies based on years of service. Therefore, retirees with 30 years of service receive \$50 per month; 20 but less than 30 years, \$37.50; and 15 but less than 20 years, \$25. The TNP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

**Employees covered by benefit terms**

At July 1, 2020, the following employees of the District were covered by the benefit terms of the TNP:

**TRENTON SPECIAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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Inactive employees or beneficiaries currently receiving benefits	41
Inactive employees entitled to but not yet receiving benefits	9
Active employees	94
	144
	144

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

Inflation	2.10 percent
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4.00 percent
Healthcare cost trend rate	The premium subsidies provided to retirees in the Tennessee Plan are assumed to remain unchanged for the entire projection, therefore trend rates are not applicable.

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

**Discount rate**

The discount rate used to measure the total OPEB liability was 3.51 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index.

**TRENTON SPECIAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2021**

**Changes in Collective Total OPEB Liability**

	<b>Total OPEB liability</b>
<b>Balance at June 30, 2019</b>	<b>\$ 474,778</b>
Changes for the year	
Service cost	7,142
Interest	16,534
Changes of benefit terms	-
Differences between expected and actual experience	(13,681)
Changes of assumptions	90,592
Benefit payments	(21,936)
Net change	78,651
<b>Balance at June 30, 2020</b>	<b>\$ 553,429</b>
<b>Nonemployer contributing entities proportionate share of the collective total OPEB liability</b>	<b>\$ 553,429</b>
<b>Employer's proportionate share of the collective total OPEB liability</b>	<b>\$ -</b>
<b>Employer's proportion of the collective total OPEB liability</b>	<b>0.00%</b>

The District has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TNP. The District's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefits paid through the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The District's proportion of 0% did not change from the prior measurement date. The District recognized \$30,410 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 3.51% as of the beginning of the measurement period to 2.21% as of June 30, 2020. This change in assumption decreased the total OPEB liability.

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

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$30,410. At June 30, 2021, the District reported no deferred outflows or inflows of related to OPEB liability related to this plan.

**TRENTON SPECIAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2021

**D. Leases**

***Operating Leases***

The District has entered into three lease agreements as a lessee for copiers on two agreements and a postage machine on the third agreement. These lease agreements qualify as operating leases for accounting purposes. The first copier lease is for a forty-eight month period with monthly payments of \$435, renewed in August 2020 with a sixty month period with monthly payments of \$515. The second copier lease is for a sixty month period with monthly payments of \$417, renewed in November 2020 with a sixty month period with monthly payments of \$254. The postage machine lease is for a forty-eight month period with monthly payments of \$65, renewed in March 2021 with a sixty month period with monthly payments of \$197.

The future minimum lease payments as of June 30, 2021, were as follows:

<u>Year Ended June 30,</u>	
2022	\$ 11,594
2023	11,594
2024	11,594
2025	11,594
2026	<u>4,271</u>
	<u>\$ 50,647</u>

The lease expenses for the year ended June 30, 2021 was \$10,931.

**E. Impact of Recently Issued Pronouncements**

Effective July 1, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities of all state and local governments. Considering that Trenton Special School District (the District) controls the assets of the Schools, the Schools are considered special revenue funds of the District. The implementation created a restatement of beginning fund balance in the amount of \$312,180 which is the beginning fund balance from the Internal School Funds.

**F. Subsequent Event**

Subsequent events have been evaluated through January 30, 2022.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
District's proportion of the net pension liability (asset)	0.137686%	0.137853%	0.136653%	0.142372%	0.138729%	0.145127%	0.143001%
District's proportionate share of the net pension liability (asset)	\$ (22,373)	\$ 56,469	\$ 854,005	\$ (46,581)	\$ (488,177)	\$ (1,492,169)	\$ (1,090,492)
District's covered payroll	\$ 5,404,168	\$ 5,160,524	\$ 4,932,895	\$ 5,032,794	\$ 4,857,855	\$ 4,866,314	\$ 4,759,453
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.41%	1.09%	17.31%	-0.93%	-10.05%	-30.66%	-22.91%
Plan fiduciary net position as a percentage of the total pension liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%

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

*See independent auditor's report.*

**TRENTON SPECIAL SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
TEACHER LEGACY PENSION PLAN OF TCRS**

Last Fiscal Year Ending June 30

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 479,890	\$ 466,511	\$ 445,934	\$ 454,964	\$ 441,093	\$ 509,018	\$ 505,930	\$ 503,517
Contributions in relation to the contractually required contribution	<u>479,890</u>	<u>466,511</u>	<u>445,934</u>	<u>454,964</u>	<u>441,093</u>	<u>509,018</u>	<u>505,930</u>	<u>503,517</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,404,168	\$ 5,160,524	\$ 4,932,895	\$ 5,032,794	\$ 4,857,855	\$ 4,866,314	\$ 4,759,453	\$ 4,901,967
Contributions as a percentage covered payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%

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

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

See independent auditor's report.

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension asset	0.066070%	0.106690%	0.070478%	0.083023%	0.072354%	0.086493%
District's proportionate share of the net pension asset	\$ (2,714)	\$ (11,107)	\$ (18,595)	\$ (37,653)	\$ (40,843)	\$ (49,184)
District's covered employee payroll	\$ 140,166	\$ 469,447	\$ 462,577	\$ 725,527	\$ 765,632	\$ 1,091,472
District's proportionate share of the net pension asset as a percentage of its covered-employee payroll	-1.94%	-2.37%	-4.02%	-5.19%	-5.33%	-4.51%
Plan fiduciary net position as a percentage of the total pension liability	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%

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

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

*See independent auditor's report.*

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution (ADC)	\$ 3,504	\$ 11,751	\$ 18,503	\$ 11,831	\$ 14,854	\$ 22,157	\$ 26,916
Contributions in relation to the actuarially determined contributions	<u>5,607</u>	<u>18,778</u>	<u>18,503</u>	<u>29,021</u>	<u>14,854</u>	<u>22,157</u>	<u>26,916</u>
Contribution deficiency (excess)	<u>\$ (2,103)</u>	<u>\$ (7,027)</u>	<u>\$ -</u>	<u>\$ (17,190)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 140,166	\$ 469,447	\$ 462,577	\$ 725,527	\$ 765,632	\$ 1,091,472	\$ 1,332,469
Contributions as a percentage of covered-employee payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%

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

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

Note: In FY 2021, Trenton Special School District placed the actuarially determined contribution rate (2.02%) of covered payroll into the pension plan and placed 1.98 percent of covered payroll into the Pension Stabilization Reserve Trust.

*See independent auditor's report.*

**TRENTON SPECIAL SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN TRENTON SPECIAL SCHOOL DISTRICT'S**  
**NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS**  
Last Fiscal Year Ending June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Total pension liability</b>							
Service cost	\$ 117,392	\$ 121,946	\$ 131,534	\$ 134,593	\$ 135,842	\$ 144,102	\$ 147,416
Interest	316,153	329,745	341,791	360,355	350,818	354,351	372,918
Changes in benefit terms	-	-	-	-	-	-	-
Difference between actual & expected experience	(70,100)	(93,634)	8,201	(302,826)	(182,282)	(3,083)	(66,045)
Change of assumptions	-	-	-	95,633	-	-	-
Benefit payments, including refunds of employee contributions	<u>(191,347)</u>	<u>(182,189)</u>	<u>(231,882)</u>	<u>(242,249)</u>	<u>(267,492)</u>	<u>(260,311)</u>	<u>(224,884)</u>
<b>Net change in total pension liability</b>	172,098	175,868	249,644	45,506	36,886	235,059	229,405
<b>Total pension liability - beginning</b>	<u>4,193,656</u>	<u>4,365,754</u>	<u>4,541,622</u>	<u>4,791,266</u>	<u>4,836,772</u>	<u>4,873,658</u>	<u>5,108,717</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 4,365,754</u>	<u>\$ 4,541,622</u>	<u>\$ 4,791,266</u>	<u>\$ 4,836,772</u>	<u>\$ 4,873,658</u>	<u>\$ 5,108,717</u>	<u>\$ 5,338,122</u>
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 35,010	\$ 55,553	\$ 57,682	\$ 70,088	\$ 67,179	\$ 70,359	\$ 71,850
Contributions - employee	66,056	70,144	72,830	70,088	66,913	70,078	71,565
Net investment income	657,370	139,984	122,076	523,276	416,488	394,784	277,311
Benefit payments, including refunds of employee contributions	(191,347)	(182,189)	(231,882)	(242,249)	(267,492)	(260,311)	(224,884)
Administrative expense	<u>(2,320)</u>	<u>(3,319)</u>	<u>(4,955)</u>	<u>(5,066)</u>	<u>(5,507)</u>	<u>(5,340)</u>	<u>(5,207)</u>
<b>Net change in plan fiduciary net position</b>	564,769	80,173	15,751	416,137	277,581	269,570	190,635
<b>Plan fiduciary net position - beginning</b>	<u>4,010,193</u>	<u>4,574,962</u>	<u>4,655,135</u>	<u>4,670,886</u>	<u>5,087,023</u>	<u>5,364,604</u>	<u>5,634,174</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 4,574,962</u>	<u>\$ 4,655,135</u>	<u>\$ 4,670,886</u>	<u>\$ 5,087,023</u>	<u>\$ 5,364,604</u>	<u>\$ 5,634,174</u>	<u>\$ 5,824,809</u>
<b>Net Pension Liability (Asset) - ending (a) - (b)</b>	<u>\$ (209,208)</u>	<u>\$ (113,513)</u>	<u>\$ 120,380</u>	<u>\$ (250,251)</u>	<u>\$ (490,946)</u>	<u>\$ (525,457)</u>	<u>\$ (486,687)</u>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	104.79%	102.50%	97.49%	105.17%	110.07%	110.29%	109.12%
<b>Covered - employee payroll</b>	\$ 1,321,093	\$ 1,402,860	\$ 1,456,593	\$ 1,401,736	\$ 1,338,227	\$ 1,401,559	\$ 1,431,286
<b>Net pension liability (asset) as a percentage of covered-employee payroll</b>	-15.84%	-8.09%	8.26%	-17.85%	-36.69%	-37.49%	-34.00%

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

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

See independent auditor's report.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution	\$ 35,010	\$ 55,553	\$ 57,682	\$ 55,509	\$ 67,179	\$ 70,359	\$ 63,692	\$ 74,173
Contributions in relation to the actuarially determined contributions	<u>35,010</u>	<u>55,553</u>	<u>57,682</u>	<u>70,088</u>	<u>67,179</u>	<u>70,359</u>	<u>71,850</u>	<u>74,173</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(14,579)</u>	<u>-</u>	<u>-</u>	<u>(8,158)</u>	<u>-</u>
Covered-employee payroll	\$ 1,321,093	\$ 1,402,860	\$ 1,456,593	\$ 1,401,736	\$ 1,338,227	\$ 1,401,559	\$ 1,431,286	\$ 1,477,562
Contributions as a percentage of covered-employee payroll	2.65%	3.96%	3.96%	5.00%	5.02%	5.02%	5.02%	5.02%

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

**Notes to Schedule:**

*Valuation Date* : Actuarially determined contribution rates for fiscal year 2021 calculated based on the June 30, 2019 actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

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

See independent auditor's report.

**TRENTON SPECIAL SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF**  
**COLLECTIVE OPEB LIABILITY AND RATIOS**  
For the Years Ended June 30,

**Teacher Group Insurance Plan**

<b>Total OPEB Liability</b>	<u><b>2019</b></u>	<u><b>2020</b></u>	<u><b>2021</b></u>
Service cost	\$ 31,907	\$ -	\$ 104,766
Interest	28,383	-	69,712
Plan changes	-	1,220,358	-
Differences between expected and actual experience	-	-	(39,949)
Changes of assumptions	-	-	227,364
Contribution - employer	-	-	-
Benefits Payments and Refunds	(86,105)	-	(112,734)
Net Change in Total OPEB Liability	(25,815)	1,220,358	249,159
<b>Total OPEB Liability - beginning</b>	<u><b>742,675</b></u>	<u><b>716,860</b></u>	<u><b>1,937,218</b></u>
<b>Total OPEB Liability - ending</b>	<u><b>\$ 716,860</b></u>	<u><b>\$ 1,937,218</b></u>	<u><b>\$ 2,186,377</b></u>
<b>Nonemployer contributing entities proportionate share of the collective total OPEB liability</b>	-	571,038	639,259
<b>Employer's proportionate share of the collective total OPEB liability</b>	716,860	1,366,180	1,547,118
<b>Covered Employee Payroll</b>	\$ 5,979,496	\$ 5,913,086	\$ 4,147,683
<b>Employer's proportionate share of the collective total OPEB liability as a percentage of covered-employee payroll</b>	11.99%	32.76%	52.71%

**Notes to Schedule**

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

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

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

**TRENTON SPECIAL SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE THE DISTRICT'S PROPORTIONATE SHARE OF**  
**COLLECTIVE OPEB LIABILITY AND RATIOS**  
For the Years Ended June 30,

**The Tennessee Plan**

<b>Total OPEB Liability</b>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Service cost	\$ 6,745	\$ 5,488	\$ 4,209	\$ 7,142
Interest	14,963	16,687	17,047	16,534
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	9,932	(8,199)	(13,681)
Changes of assumptions	(39,407)	(3,458)	7,983	90,592
Contribution - employer	-	-	-	-
Benefits Payments and Refunds	<u>(24,600)</u>	<u>(24,884)</u>	<u>(25,728)</u>	<u>(21,936)</u>
Net Change in Total OPEB Liability	(42,299)	3,765	(4,688)	78,651
<b>Total OPEB Liability - beginning</b>	<b><u>518,000</u></b>	<b><u>475,701</u></b>	<b><u>479,466</u></b>	<b><u>474,778</u></b>
<b>Total OPEB Liability - ending</b>	<b><u>\$ 475,701</u></b>	<b><u>\$ 479,466</u></b>	<b><u>\$ 474,778</u></b>	<b><u>\$ 553,429</u></b>
 <b>Nonemployer contributing entities proportionate share of the collective total OPEB liability</b>	 475,701	 479,466	 474,778	 553,429
 <b>Employer's proportionate share of the collective total OPEB liability</b>	 -	 -	 -	 -
 <b>Covered Employee Payroll</b>	 \$ 6,511,048	 \$ 5,979,496	 \$ 5,913,086	 \$ 4,147,683
 <b>Employer's proportionate share of the collective total OPEB liability as a percentage of covered-employee payroll</b>	 0.00%	 0.00%	 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.

**TRENTON SPECIAL SCHOOL DISTRICT**  
**SCHEDULE OF NOTES TO OPEB REQUIRED SUPPLEMENTARY INFORMATION**  
For the Fiscal Year Ending June 30, 2021

Valuation date                      June 30, 2020  
Measurement date                    June 30, 2020

**Methods and Assumptions Used to Determine Total OPEB Liability**

Actuarial Cost Method              Entry Age Normal

Inflation                              2.10%

Discount Rate                        2.21%

Salary Increases                      Assumed salary increases are the same as used by TCRS: 8.72% at age 20 graded to 3.44% at age 70 (with 4.00% weighted average).

Demographic Assumptions        Unless noted otherwise, demographic assumptions employed in the June 30, 2020 evaluation were the same as those employed in the July 1, 2019 for a Group I employees in the Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These demographic assumptions were developed by TCRS from an Actuarial Experience Study (undertaken on behalf of TCRS) and are considered appropriate for use in this OPEB Actuarial Valuation. These include assumed rates of future salary increases, termination, mortality, disability, and retirement.

Healthcare Cost Trend Rates      Premium subsidies provided by the State and local employers are assumed to remain unchanged for the entire projection.

**Other Information:**

Notes                                      See the Actuarial Valuation Report as of June 30, 2020  
There were no benefit changes during the measurement period.  
There have been no method changes since the prior year.

**The Teacher Group Insurance Plan**

The financial accounting valuation reflects the following assumption changes  
- The discount rate decreased from 3.51% to 2.21%.  
- The medical and drug trend rate assumptions were updated to reflect more recent experience as of the Measurement Date.  
- A change in expected per capita health claims to reflect more recent information as of The Measurement Date.

**The Tennessee Plan:**

The financial accounting valuation reflects the following assumption changes  
- The discount rate decreased from 3.51% to 2.21%

*See independent auditor's report.*

## **SUPPLEMENTARY AND OTHER INFORMATION SECTION**

**TRENTON SPECIAL SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2021**

	<u>Special Revenue</u>			<u>Total</u>
	<u>Cafeteria Fund</u>	<u>Bus Garage Fund</u>	<u>Internal School Funds</u>	
<b>Assets</b>				
Cash	\$ 206,792	\$ 36,243	\$ 345,308	\$ 588,343
Accounts receivable - grant	245,176	-	-	245,176
Due from other funds	3,309	-	-	3,309
Due from other governments	-	4,229	-	4,229
Inventories	32,238	64,284	-	96,522
<b>Total assets</b>	<b><u>\$ 487,515</u></b>	<b><u>\$ 104,756</u></b>	<b><u>\$ 345,308</u></b>	<b><u>\$ 937,579</u></b>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities</b>				
Accounts payable	\$ 818	\$ 12,000	\$ -	\$ 12,818
Due to other funds	10,483	19,786	-	30,269
Total liabilities	<u>11,301</u>	<u>31,786</u>	<u>-</u>	<u>43,087</u>
<b>Fund Balance</b>				
<b>Nonspendable</b>				
Inventory	32,238	64,284	-	96,522
<b>Restricted</b>				
Internal school fund	-	-	345,308	345,308
Operation of non-instructional services	443,976	8,686	-	452,662
<b>Assigned</b>				
Internal school fund	-	-	-	-
<b>Unassigned</b>				
Total fund balance	<u>476,214</u>	<u>72,970</u>	<u>345,308</u>	<u>894,492</u>
<b>Total liabilities and fund balance</b>	<b><u>\$ 487,515</u></b>	<b><u>\$ 104,756</u></b>	<b><u>\$ 345,308</u></b>	<b><u>\$ 937,579</u></b>

*See independent auditor's report.*

**TRENTON SPECIAL SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2021

	<u>Special Revenue</u>			<u>Total</u>
	<u>Cafeteria Fund</u>	<u>Bus Garage Fund</u>	<u>Internal School Funds</u>	
<b>Revenues</b>				
Local revenue	\$ -	\$ 290,118	\$ -	\$ 290,118
Charges for services	4,058	-	-	4,058
Federal and state funds	975,164	-	-	975,164
Commodities	66,542	-	-	66,542
Interest	29	-	-	29
Internal School Funds revenue	-	-	698,657	698,657
Other income	-	251	-	251
Total revenues	<u>1,045,793</u>	<u>290,369</u>	<u>698,657</u>	<u>2,034,819</u>
<b>Expenditures</b>				
Current				
Support services				
Other student support	-	-	665,529	665,529
Transportation	-	290,147	-	290,147
Non-instructional services				
Food service	<u>888,124</u>	<u>-</u>	<u>-</u>	<u>888,124</u>
Total expenditures	<u>888,124</u>	<u>290,147</u>	<u>665,529</u>	<u>1,843,800</u>
<b>Net change in fund balance</b>	<b>157,669</b>	<b>222</b>	<b>33,128</b>	<b>191,019</b>
Fund balance - beginning	344,857	72,294	-	417,151
Restatement - GASB Statement No. 84 implementation	-	-	312,180	312,180
Fund balance - beginning restates	344,857	72,294	312,180	729,331
Increase (decrease) in reserves	<u>(26,312)</u>	<u>454</u>	<u>-</u>	<u>(25,858)</u>
Fund balance - ending	<u>\$ 476,214</u>	<u>\$ 72,970</u>	<u>\$ 345,308</u>	<u>\$ 894,492</u>

See independent auditor's report.

**TRENTON SPECIAL SCHOOL DISTRICT  
CAFETERIA FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended June 30, 2021

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Over</u> <u>(Under)</u>
<b>Revenues</b>				
Student lunches	\$ 128,641	\$ 128,641	\$ 3,969	\$ (124,672)
Adult lunches	30,000	30,000	(132)	(30,132)
Breakfast sales	748	748	221	(527)
State matching	32,271	32,271	7,681	(24,590)
USDA lunch funds	500,000	500,000	553,860	53,860
USDA breakfast funds	210,000	210,000	300,591	90,591
USDA commodity	65,000	65,000	66,542	1,542
USDA Other	10,000	37,900	68,771	30,871
Interest earned	100	100	29	(71)
Other state grants	44,530	44,530	44,261	(269)
Total revenues	<u>1,021,290</u>	<u>1,049,190</u>	<u>1,045,793</u>	<u>(3,397)</u>
<b>Expenditures</b>				
Supervisor/director	27,687	27,687	27,021	(666)
Clerical personnel	2,928	2,928	2,878	(50)
Cafeteria personnel	249,137	249,137	228,803	(20,334)
Other salaries	5,000	13,673	24,155	10,482
Employee benefits	72,407	89,845	74,773	(15,072)
Communication	200	200	-	(200)
Equipment maintenance	8,000	8,000	6,261	(1,739)
Travel and transportation	3,700	3,700	928	(2,772)
Other contracted services	50,830	63,857	63,857	-
Food services	440,000	467,900	347,434	(120,466)
Commodities	65,000	65,000	66,542	1,542
Uniforms	2,750	2,750	1,363	(1,387)
Utilities	25,500	25,500	8,834	(16,666)
In-service training	3,151	3,151	529	(2,622)
Supplies	45,000	45,000	29,242	(15,758)
Other charges	20,000	20,000	1,735	(18,265)
Capital outlay - equipment	65,000	25,863	3,769	(22,094)
Total expenditures	<u>1,086,290</u>	<u>1,114,191</u>	<u>888,124</u>	<u>(226,067)</u>
<b>Net change in fund balance</b>	<b><u>\$ (65,000)</u></b>	<b><u>\$ (65,001)</u></b>	<b><u>157,669</u></b>	<b><u>\$ 222,670</u></b>
Fund Balance - beginning			344,857	
Increase (Decrease) in Reserve for Inventory			<u>(26,312)</u>	
Fund Balance - ending			<u>\$ 476,214</u>	

*See independent auditor's report.*

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

For the Year Ended June 30, 2021

	<u>Budget</u>		<u>Actual</u>	<b>Variance Over</b>
	<u>Original</u>	<u>Final</u>		<b>(Under)</b>
<b>Revenues</b>				
Local revenues	\$ 420,710	\$ 420,710	\$ 290,118	\$ (130,592)
Other revenues	-	-	251	251
Total Revenues	<u>420,710</u>	<u>420,710</u>	<u>290,369</u>	<u>(130,341)</u>
<b>Expenditures</b>				
Salaries - mechanics	124,598	124,432	115,090	(9,342)
Salaries - other	22,582	22,748	22,747	(1)
Employee benefits	32,142	32,142	28,415	(3,727)
Travel	1,000	1,000	272	(728)
Communications	4,200	4,200	3,295	(905)
Laundry service	2,700	2,700	2,381	(319)
Medical and dental services	600	600	301	(299)
Other contracted services	3,488	3,488	3,488	-
Postal charges	400	400	165	(235)
Garage supplies	7,000	7,000	3,609	(3,391)
Fuel and lubricants	16,000	16,000	10,036	(5,964)
Other supplies and materials	4,000	4,000	2,358	(1,642)
Tires and tubes	44,000	44,000	18,277	(25,723)
Repair parts for vehicles	105,000	105,000	56,195	(48,805)
Insurance on vehicles	3,000	3,000	3,000	-
Other charges	30,000	30,000	20,518	(9,482)
Capital Outlay - Administrative Equipment	20,000	20,000	-	(20,000)
Total expenditures	<u>420,710</u>	<u>420,710</u>	<u>290,147</u>	<u>(130,563)</u>
<b>Net change in fund balance</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b>222</b>	<b><u>\$ 222</u></b>
Fund balance - beginning			72,294	
Increase (decrease) in reserve for inventory			<u>454</u>	
Fund balance - ending			<u><u>\$ 72,970</u></u>	

*See independent auditor's report.*

**TRENTON SPECIAL SCHOOL DISTRICT**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS**  
**GENERAL OBLIGATION DEBT**  
June 30, 2021

Year Ending June 30,	Limited Tax School Bonds, Series 2020		Total
	Principal	Interest	
2022	620,000	639,169	1,259,169
2023	655,000	608,169	1,263,169
2024	660,000	575,419	1,235,419
2025	700,000	542,419	1,242,419
2026	720,000	507,419	1,227,419
2027	760,000	471,419	1,231,419
2028	805,000	433,419	1,238,419
2029	830,000	393,169	1,223,169
2030	865,000	351,669	1,216,669
2031	900,000	308,419	1,208,419
2032	905,000	290,419	1,195,419
2033	910,000	272,319	1,182,319
2034	915,000	252,981	1,167,981
2035	915,000	233,538	1,148,538
2036	920,000	212,950	1,132,950
2037	925,000	191,100	1,116,100
2038	935,000	167,975	1,102,975
2039	800,000	144,600	944,600
2040	800,000	124,600	924,600
2041	800,000	103,600	903,600
2042	800,000	82,600	882,600
2043	750,000	61,600	811,600
2044	745,000	40,975	785,975
2045	745,000	20,488	765,488
	<b>\$ 19,380,000</b>	<b>\$ 7,030,435</b>	<b>\$ 26,410,435</b>

*See independent auditor's report.*

**TRENTON SPECIAL SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE**  
June 30, 2021

Description of Indebtedness	Original amount of issue	Interest rate	Date of issue	Final maturity date	Outstanding 6/30/20	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding 6/30/21
<b>Bonds payable</b>									
<b>Payable through general fund</b>									
Limited Tax School Bonds - Series 2020	19,995,000	2.125% - 5.00%	June 1, 2020	May 1, 2045	19,995,000	-	615,000	-	19,380,000
Total bonds payable through general fund					<u>\$ 19,995,000</u>	<u>\$ -</u>	<u>\$ 615,000</u>	<u>\$ -</u>	<u>\$ 19,380,000</u>

*See independent auditor's report.*

**TRENTON SPECIAL SCHOOL DISTRICT  
SCHEDULE OF PROPERTY TAX RATES AND ASSESSMENTS -  
LAST TEN YEARS**

For the Year Ended June 30, 2021

**TEN YEAR SCHEDULE OF PROPERTY TAX RATES AND ASSESSMENTS**

<u>Year Ended June 30,</u>	<u>Assessed Valuation</u>	<u>Tax Rate Per \$100</u>	<u>Levy</u>
2021	\$ 127,768,164	\$ 2.1105	\$ 2,696,547
2020	124,062,742	2.1105	2,618,344
2019	120,577,493	2.1600	2,604,474
2018	120,256,969	2.1600	2,597,551
2017	118,699,578	2.1600	2,563,911
2016	115,882,381	2.1600	2,503,059
2015	114,499,949	2.0874	2,390,072
2014	111,816,013	2.1300	2,381,681
2013	112,362,220	2.1300	2,393,315
2012	106,265,554	2.1300	2,263,456
2011	104,619,721	2.1300	2,228,400

The following tax was levied on January 1, 2021:

2022	\$ 130,620,885	\$2.1105	\$ 2,756,754
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*See independent auditor's report.*

**TRENTON SPECIAL SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND SCHEDULE OF STATE FINANCIAL ASSISTANCE**  
For the Year Ended June 30, 2021

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the SEFA) and schedule of state financial assistance (the SSFA) include the federal and state award activity of Trenton Special School District (the District) under programs of the federal and state governments for the year ended June 30, 2021. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because these schedules present only a selected portion of the operations of the District, they are not intended to and do not present the statement of net position, statement of activities, or cash flows of the District.

**Note 2 - Summary of Significant Accounting Policies**

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

*See independent auditor's report.*

**TRENTON SPECIAL SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2021

<b>Grantor Agency/ Pass-through Agency/ Program Name and Number</b>	<b>CFDA Number</b>	<b>Contract Number</b>	<b>Expenditures</b>
<b>U.S. Department of Agriculture</b>			
<i>Tennessee Department of Agriculture</i>			
Child Nutrition Cluster:			
National School Lunch Program - Commodities	10.555	N/A	\$ 66,542
National School Lunch Program	10.555	N/A	66,010
COVID-19 Unanticipated School Closures - Breakfast Program	10.555	N/A	553,860
COVID-19 Unanticipated School Closures - Lunch Program	10.553	N/A	300,591
Commodity rebate	10.555	N/A	<u>2,761</u>
Total Child Nutrition Cluster			<u>989,764</u>
<b>Total Department of Agriculture</b>			<b><u>989,764</u></b>
<b>U.S. Department of Education</b>			
<i>Tennessee Department of Education</i>			
Career and Technical Education - Basic Grants to States			
Carl Perkins	84.048	V048A190042	<u>28,808</u>
Title IV, Part A	84.424A	S424A200044	<u>26,666</u>
Title I, Grants to Local Education Agencies			
Title I	84.010	S010A200042	<u>341,196</u>
Special Education Cluster (IDEA)			
Special Education - Grants to States			
IDEA	84.027*	H027A190052	295,459
IDEA Technology Partnership	84.027*	H027A180052-18A	<u>4,031</u>
			<u>299,490</u>
Special Education - Preschool Grants			
IDEA Preschool	84.173*	H173A180095	19,283
Special Education - Preschool High Cost Grant	84.173*	unknown	<u>1,965</u>
Total Special Education Cluster (IDEA)			<u>320,738</u>
Twenty-First Century Community Learning Centers	84.287	S287C180043	<u>261,436</u>
Rural and Low-Income School Program			
Title VI, Rural Education	84.358	S358B190042	<u>25,112</u>
English Language Acquisition Grants			
Title III, Part A	84.365	S365A180042	<u>7,398</u>

See independent auditor's report.

**TRENTON SPECIAL SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2021

Grantor Agency/ Pass-through Agency/ Program Name and Number	CFDA Number	Contract Number	Expenditures
Education Stabilization Fund- ESSER 1	84.425D*	S425D200047	276,323
Education Stabilization Fund- ESSER 2	84.425D*	S425D200047	1,043,990
			<u>1,320,313</u>
Supporting Effective Instruction State Grant Title II, Part A Training	84.367	S367A180040	<u>24,335</u>
<b>Total Department of Education</b>			<b><u>2,356,002</u></b>
<b>U.S. Department of Health and Human Services</b>			
<i>Tennessee Department of Health and Human Services</i>			
<i>Child Care and Development Fund Cluster</i>			
Child Care and Development Block Grant	93.575	G1901TNCCDF	<u>164</u>
<b>Total Department of Health and Human Services</b>			<b><u>164</u></b>
<b>U.S. Department of Treasury</b>			
<i>Pass-Through Tennessee Department of Education</i>			
COVID-19 Coronavirus Relief Fund CARES - District Technology Grant	21.019	CARESACTCOVIDRF	45,631
COVID-19 Coronavirus Relief Fund CARES - Internet Grant	21.019	CARESACTCOVIDRF	16,227
COVID-19 Coronavirus Relief Fund CARES - District Support Grant	21.019	CARESACTCOVIDRF	<u>40,000</u>
<b>Total U.S. Department of Treasury</b>			<b>101,858</b>
<b>Total Federal Awards</b>			<b><u>\$ 3,447,788</u></b>

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

\* Major federal program.

**TRENTON SPECIAL SCHOOL DISTRICT**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE**  
For the Year Ended June 30, 2021

Grantor Agency/ Program Name	Contract Number	Expenditures
<b>Tennessee Department of Education</b>		
Child Nutrition State Match	577100	\$ 7,681
Driver's Education	343200	2,103
Early Childhood Grant - Pilot	911400	410,131
Learning Camp Transportation	unknown	24,359
Summer Learning Camp	unknown	83,343
Internet Connectivity	203500	1,949
School Safety	503000	30,980
Stream Mini Camp	unknown	23,103
Bridge Camp	unknown	37,660
Coordinated School Health	545300	105,000
Career Ladder	500700	16,437
Family Resource Center	911900	<u>29,612</u>
<b>Total State Financial Assistance</b>		<b><u>\$ 772,358</u></b>

*See independent auditor's report.*

## **INTERNAL CONTROL AND COMPLIANCE SECTION**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Trenton Special School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Trenton Special School District's basic financial statements as listed in the table of contents and have issued our report thereon dated January 30, 2022.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Trenton Special School District's financial statements are free of material misstatement, we performed tests of its compliance with certain

provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Alexander Thompson Arnold PLLC*

Jackson, Tennessee  
January 30, 2022



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

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

### Report on Compliance for Each Major Federal Program

We have audited Trenton Special School District compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Trenton Special School District's major federal programs for the year ended June 30, 2021. Trenton Special School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

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

### **Opinion on Each Major Federal Program**

In our opinion, Trenton Special School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

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

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

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

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

*Alexander Thompson Arnold PLLC*

Jackson, Tennessee  
January 30, 2022

**TRENTON SPECIAL SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2021

**SECTION I – Summary of Auditor’s Results**

Financial Statements

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

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____ yes	_____ X	no
Significant deficiencies identified?	_____ yes	_____ X	none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ yes	_____ X	no
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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.425	ESSER
84.027 & 84.173	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>750,000</u>
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Auditee qualified as low-risk auditee?	_____ X	_____ yes	_____ no
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**SECTION II – Financial Statement Findings**

None reported.

**SECTION III – Federal Award Findings and Questioned Costs**

None reported.

**TRENTON SPECIAL SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2021

**FINANCIAL STATEMENTS FINDINGS**

None reported.

**FEDERAL AWARD FINDINGS AND QUESTION COSTS**

None reported.

March 1, 2022  
New Budget Items

**Student Support Services**

The Foundation Donation to Backpack Program

**Revenue**

44570-302	Contributions & Gifts	Debit
		<u>\$1,500.00</u>
		\$1,500.00

**Expenditures**

72120-499-302	Other Supplies & Materials	Credit
		<u>\$1,500.00</u>
		\$1,500.00

**Vocational Education Program**

Battelle STEM Classroom Grants for TES and TRMS

**Revenue**

46980-017	Other State Grants	Debit
		\$5,000.00
46980-018	Other State Grants	<u>\$5,000.00</u>
		\$10,000.00

**Expenditures**

71300-429-017	Instructional Supplies & Materials - TRMS	Credit
		\$5,000.00
71300-429-018	Instructional Supplies & Materials - TES	<u>\$5,000.00</u>
		\$10,000.00

**Reserves**

Sale of Surplus Bus #16

**Revenue**

141-44530	Sale of Equipment	Debit
		<u>\$1,500.00</u>
		\$1,500.00

**Reserves**

141-34555	Bus Reserve	Credit
		<u>\$1,500.00</u>
		\$1,500.00

**School Nutrition Budget Amendment 21-22 #1 2--22**

<b>73100 Title</b>	<b>Original</b>	<b>Increase</b>	<b>Decrease</b>	<b>Amended</b>
105 Supervisor/Director	29,018.00			29,018.00
162 Clerical Personnel	2,995.00			2,995.00
165 Cafeteria Personnel	254,631.00			254,631.00
189 Other Salaries and Wages	15,000.00			15,000.00
201 Social Security	17,751.00			17,751.00
204 Retirement	14,373.00			14,373.00
207 Medical Insurance	43,927.00			43,927.00
212 Employer Medicare	4,152.00			4,152.00
299 Other Fringe Benefits	9,513.00			9,513.00
307 Communication	600.00			600.00
336 Maintenance & Repair Services-Equipment	8,000.00			8,000.00
355 Travel	2,000.00			2,000.00
399 Other Contracted Services	30,000.00			30,000.00
422 Food Supplies	500,000.00	30,167.83		530,167.83
451 Uniforms	3,000.00			3,000.00
452 Utilities	50,000.00			50,000.00
469 Commodities	67,173.00			67,173.00
499 Other Supplies and Materials	70,000.00			70,000.00
524 In Service/Staff Development	4,000.00			4,000.00
599 Other Charges	60,864.00			60,864.00
710 Food Service Equipment	694,940.00			694,940.00
	<u>1,881,937.00</u>	<u>30,167.83</u>	<u>-</u>	<u>1,912,104.83</u>
Supply Chain Assistance Grant			30,167.83	
<b>Total</b>	<b>1,881,937.00</b>	<b>30,167.83</b>	<b>30,167.83</b>	<b>1,912,104.83</b>

Amendment: Allocation for the Supply Chain Assistance Grant added



**BILL LEE**  
GOVERNOR

STATE OF TENNESSEE  
**DEPARTMENT OF EDUCATION**  
NINTH FLOOR, ANDREW JOHNSON TOWER  
710 JAMES ROBERTSON PARKWAY  
NASHVILLE, TN 37243-0375

**PENNY SCHWINN**  
COMMISSIONER

**Date: January 28, 2022**

**SFA Name: Trenton SSD**

**SFA DUNS: 044514784**

**CFDA Name: NSLP-Supply Chain Assistance Grant**

**DUNS# 879016251**

**Period of Performance: January 1, 2022-September 30, 2023**

**Federal Awarding Agency: United States Department of Agriculture Food and Nutrition Service**

**This is not a Research & Development Award.**

**Total Amount Awarded to the State Agency: \$20,541,400.00**

**Total Amount Awarded to the SFA: \$ 30,167.83**

**SFA # 273**

**Indirect Cost Rate: N/A**

**CFDA Number: 10.555**

**FAIN #225TN333N8903**

**Grant Award Date: December 29, 2021**

Dear Director Tim Haney,

The State of Tennessee is awarding federal funds for Supply Chain Assistance (SCA) from the United States Department of Agriculture (USDA). The USDA Food and Nutrition Services (FNS) is offering additional funds to state agencies administering the National School Lunch Program (NSLP) and School Breakfast Program (SBP) to provide local operators direct targeted financial relief for those impacted by disruptions to programs due to supply chain issues.

This grant funding is in response to the unprecedented challenges in purchasing and receiving food that operators of the National School Lunch Program (NSLP) and School Breakfast Program (SBP) are experiencing in School Year (SY) 2021-22. As a result of supply chain disruptions, school meal program operators in some localities across the nation have had to significantly revise planned menus, popular and previously available food items may have become more difficult to procure; and in some cases, shortages and price fluctuations have made it difficult to provide the meals which are appealing to students and meet the NSLP/SBP nutrition and meal pattern requirements.

General procurement standards: If applicable, the School Food Authority (SFA) must use its own documented procurement procedures, which reflect applicable state and local laws and regulations. Competition: All procurement transactions must be conducted in a manner providing full and open competition consistent with 2 CFR 200.319.

SFAs must follow all existing Buy American provisions, with no limited exceptions provided. Examples of some allowable food products include fluid milk and other dairy foods such as cheese and yogurt; fruits and vegetables (including 100% juices); grain products such as pastas and rice; meats (whole, pieces, or food items such as ground meats); and meat alternates such as beans or legumes. Foods in a wide variety of minimal processing states (e.g., whole, cut, pureed, etc.) and/or forms (e.g., fresh, frozen, canned, dried, etc.) are allowable. Additionally, incidental costs (such as those related to shipping and handling or packaging) that are a part of the normal or customary purchase price charged by a vendor for any given food product are an allowable use of SCA funds.

SFAs will be required to sign an attestation form in order to receive SCA funds. The attestation form states that the SFA is experiencing supply chain disruptions, will only use SCA funds for purchasing unprocessed or minimally processed domestic food products; will not use funds for labor, indirect cost, or administrative expenses, will comply with recordkeeping and review requirements, and will follow federal procurement and financial management requirements per 2 CFR 200.

Based on the state agency payment calculation, we are pleased to announce that **Trenton SSD** has been awarded **\$ 30,167.83** from the Supply Chain Assistance Fund grant. The award will be provided to all SFAs in the same manner as the monthly meal claim reimbursement, so be sure to check with your trustee's/finance office for receipt of the grant funds.

All books and records relating to the grant award shall be made available as required by state and federal regulations, for inspection and audit by state and federal auditors. Records pertaining to this grant award shall be retained by the SFA for a period of three years. In line with these grant funds, the revenue code to use will be **47114** and be sure to denote the funding source for auditing purposes.

If you have any questions, please contact our office at (800) 354-3663. We look forward to working with you in creating ways to help students develop lifelong, healthy eating habits.

Sincerely,



Dr. Sandy Dawes, State Director of School Nutrition Program

CC: SNP Director  
Regional Consultant  
Budget Director

## Supply Chain Assistance (SCA) Grant Funds ATTESTATION Form

Instructions: The following statement must be signed by the school nutrition director or director of schools within ten days of receiving the Supply Chain Assistance (SCA) funds award letter and prior to the funds being distributed. The signing authority must initial each federal requirement, sign and date this form, and return to the State Director of School Nutrition. If the School Food Authority (SFA) would like to decline the funds they should let the state agency know within ten days of receiving the SCA grant funds award letter.

I, \_\_\_\_\_, as the duly authorized representative of \_\_\_\_\_, do hereby attest that the aforementioned SFA and all schools under its jurisdiction operating the National School Lunch Program authorized under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq), and/or the School Breakfast Program authorized under the Child Nutrition Act of 1966 ( 42 U.S.C. 1773), attest to following Supply Chain Assistance funds allowable practices:

- \_\_\_\_\_ Are experiencing supply chain disruptions and related financial difficulties/need;
- \_\_\_\_\_ Will only use funds to purchases domestic unprocessed or minimally processed foods;
- \_\_\_\_\_ Will not use funds for any labor, indirect costs, or other administrative expenses;
- \_\_\_\_\_ Will comply with all recordkeeping and review requirements per 7 CFR 210.9(b)(17) and 7 CFR 210.18, which would include maintaining documentation demonstrating appropriate use of SCA funds; and
- \_\_\_\_\_ Will comply with all applicable federal procurement and financial management requirements per 2 CFR 200.

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Signature

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Title

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Date



## Supply Chain Assistance (SCA) Grant Funds Declination Form

Instructions: If the School Food Authority (SFA) opts to decline the Supply Chain Grant Funds awarded to its school nutrition program, the following statement must be signed by the school nutrition director or director of schools and returned to [School.Nutrition@tn.gov](mailto:School.Nutrition@tn.gov) within ten days of receiving the Supply Chain Assistance (SCA) funds award letter.

I, \_\_\_\_\_, as the duly authorized representative of \_\_\_\_\_,  
decline the funds provided in the Supply Chain Assistance (SCA) Grant.

---

Signature

---

Title

---

Date

**ARP Preschool**

	<u>Original</u>
<b><u>71200 SPED Education</u></b>	
471 Software	1,809.31
725 Equipment	3,000.00
Total	<u>4,809.31</u>

47145 Revenue Account 4809.31

# Trenton Special Board of Education

Monitoring: <b>Review: Annually, in August</b>	Descriptor Term: <b>Visitors to the Schools</b>	Descriptor Code: <b>1.501</b>	Issued Date:
		Rescinds:	Issued:

Except on occasions such as school programs, athletic events, open house, and similar public events, all visitors will report to the school office when entering the school and will sign-in. Authorization to visit elsewhere in the building or on the school campus will be determined by the principal/designee. Guest passes shall be issued for all persons other than students and employees of the school.<sup>1</sup>

In order to maintain the conditions and atmosphere suitable for learning, no other person shall enter onto the grounds or into the school buildings during the hours of student instruction except students assigned to that school, the staff of the school, parents of students, and other persons with lawful and valid business on the school premises.<sup>2</sup>

Persons who come onto school property shall be under the jurisdiction of the principal/designee. Individuals who come onto school property or who contact employees on school or district business are expected to behave accordingly. Specifically, actions that are prohibited include, but are not limited to:

1. Cursing and use of obscenities;
2. Disrupting or threatening to disrupt school or office operations;
3. Acting in an unsafe manner that could threaten the health or safety of others;
4. Verbal or written statements or gestures indicating intent to harm an individual or property; and
5. Physical attacks intended to harm an individual or substantially damage property.

The principal/designee has the authority to exclude from the school premises any persons disrupting the educational programs in the classroom or in the school, disturbing the teachers or students on the premises, or on the premises for the purpose of committing an illegal act.<sup>2</sup>

The principal shall contact law enforcement officials when he/she believes the situation warrants such measures.

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Legal References

1. TCA 49-2-303(b)(4)
2. TCA 49-6-2008; TCA 39-14-406

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Cross References

Board-Community Relations 1.500  
Section 504 and ADA Grievance Procedures 1.802  
Vendor Relations 2.809  
Safety 3.201  
Security 3.205  
School Volunteers 4.501  
Care of School Property 6.311

# Trenton Special Board of Education

Monitoring: <b>Review: Annually, in November</b>	Descriptor Term: <h2 style="text-align: center;">Career Technical Education</h2>	Descriptor Code: <b>4.211</b>	Issued Date: <b>draft</b>
		Rescinds:	Issued:

Trenton Special Schools is dedicated to encouraging all students to explore their interests through Career Technical Education (CTE) programs. To ensure all students have an opportunity to enroll in a program of their interest, information detailing the programs offered will be available on the district’s website. The district will attempt to partner with local companies that employ individuals working in a variety of fields to provide students with access to multiple perspectives on available options. The district shall achieve this by:

1. Having guest speakers who work in a field that is non-traditional;
2. Highlighting success stories of individuals working in non-traditional gender settings and disseminating this information through advertising material promoting CTE programs;
3. Using advertising material that displays individuals performing tasks in a non-traditional gender setting; and

The Director of Schools/designee shall develop an administrative procedure to track progress towards these goals and monitor grant compliance.