

ANNUAL FINANCIAL REPORT

CHESTER COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2020



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
CHESTER COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2020

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

LEE ANN WEST, CPA, CGFM
Audit Manager

JAKE MCNATT, CFE
Senior Auditor

MADISON LASTER
TWYLA PRATT
State Auditors

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

CHESTER COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
Chester County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22-23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	24
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	C-5	25-26
Solid Waste/Sanitation Fund	C-6	27
Highway/Public Works Fund	C-7	28
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	29
Index and Notes to the Financial Statements		30-87
REQUIRED SUPPLEMENTARY INFORMATION:		88
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-1	89
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-2	90
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Chester County School Department	E-3	91
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Chester County School Department	E-4	92

	Exhibit	Page(s)
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Chester County School Department	E-5	93
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Chester County School Department	E-6	94
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plans - Primary Government	E-7	95
Schedule of Changes in the Total OPEB Liability and Related Ratios - Commercial Insurance Plan - Discretely Presented Chester County School Department	E-8	96
Notes to the Required Supplementary Information		97
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		98
Nonmajor Governmental Funds:		99-100
Combining Balance Sheet	F-1	101-104
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	105-108
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Public Library Fund	F-3	109
Drug Control Fund	F-4	110
General Debt Service Fund	F-5	111
Fiduciary Funds:		112
Combining Statement of Fiduciary Assets and Liabilities	G-1	113
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	G-2	114
Component Unit:		
Discretely Presented Chester County School Department:		115
Statement of Activities	H-1	116
Balance Sheet – Governmental Funds	H-2	117
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	H-3	118
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	H-4	119
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	H-5	120
Combining Balance Sheet – Nonmajor Governmental Funds	H-6	121-122
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	H-7	123-124
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	H-8	125-126
School Federal Projects Fund	H-9	127
Central Cafeteria Fund	H-10	128
Education Capital Projects Fund	H-11	129
Statement of Fiduciary Net Position	H-12	130
Statement of Changes in Fiduciary Net Position	H-13	131

	Exhibit	Page(s)
Miscellaneous Schedules:		132
Schedule of Changes in Long-term Notes and Bonds	I-1	133
Schedule of Long-term Debt Requirements by Year	I-2	134
Schedule of Investments	I-3	135
Schedule of Transfers - Primary Government and Discretely Presented Chester County School Department	I-4	136
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Chester County School Department	I-5	137
Schedule of Detailed Revenues – All Governmental Fund Types	I-6	138-149
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Chester County School Department	I-7	150-152
Schedule of Detailed Expenditures – All Governmental Fund Types	I-8	153-169
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Chester County School Department	I-9	170-180
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	I-10	181
 <u>SINGLE AUDIT SECTION</u>		 182
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 <i>Government</i> <i>Auditing Standards</i>		183-184
Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance		185-187
Schedule of Expenditures of Federal Awards and State Grants		188-189
Summary Schedule of Prior-year Findings		190
Schedule of Findings and Questioned Costs		191-193
Management's Corrective Action Plan		194
Best Practice		195

Summary of Audit Findings

Annual Financial Report
Chester County, Tennessee
For the Year Ended June 30, 2020

Scope

We have audited the basic financial statements of Chester County as of and for the year ended June 30, 2020.

Results

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

Our audit resulted in no findings.

INTRODUCTORY SECTION

Chester County Officials

June 30, 2020

Officials

Barry Hutcherson, County Mayor
Jerry King, Road Supervisor
Troy Kilzer II, Director of Schools
Lance Beshires, Trustee
Beverly Morton, Assessor of Property
Stacy Smith, County Clerk
Justin Emerson, Circuit and General Sessions Courts Clerk
Keith Frye, Clerk and Master
Doris Ethridge, Register of Deeds
Blair Weaver, Sheriff
Judy Benard, Accounting and Budget Director

Board of County Commissioners

Barry Hutcherson, County Mayor, Chairman	Andrea Holland
Mike Alexander	Diane Jordan
Larry Blackstock	Todd Lewis
Jackie Butler	Jerry Lowe
Russell Clayton	Al McKinnon
Tim Crowe	Joseph Melaro
Jerry Emerson	Ann Moore
Johnny Garner	Barry Smith
Carolyn Higgins	John Welch
Sandra Highers	

Board of Education

Bob Moore, Chairman
Dwight Bingham
Shane Connor
Norris Frank
Mark Griffin
Ronald Johnson

Audit Committee

John Allen Moore, Chairman
Jerry Lowe
Al McKinnon
Barry Smith

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Chester County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Chester County, Tennessee, as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparisons for the General, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension assets, and schedules of county and school changes in the total other postemployment benefits plans liability and related ratios, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chester County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Chester County School Department (a discretely presented component unit), miscellaneous schedules, and other information such as the introductory 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 also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Chester County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Chester County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

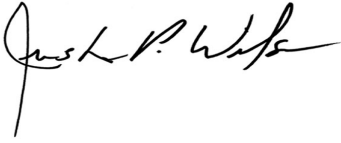
The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2020, on our consideration of Chester County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance

and the results of that testing, and not to provide an opinion on the effectiveness of Chester County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chester County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 19, 2020

JPW/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Chester County, Tennessee
Statement of Net Position
June 30, 2020

	Primary Government Governmental Activities	Component Unit Chester County School Department
<u>ASSETS</u>		
Cash	\$ 1,572	\$ 0
Equity in Pooled Cash and Investments	5,479,346	7,964,718
Investments	276,127	0
Accounts Receivable	18,004	9,355
Due from Other Governments	448,888	429,989
Due from Primary Government	0	4,413
Property Taxes Receivable	4,523,923	1,932,405
Allowance for Uncollectible Property Taxes	(56,110)	(23,968)
Net Pension Asset - Agent Plan	1,388,418	822,086
Net Pension Asset - Teacher Retirement Plan	0	123,129
Net Pension Asset - Teacher Legacy Pension Plan	0	2,580,132
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	103,879
Capital Assets:		
Assets Not Depreciated:		
Land	2,909,731	941,552
Construction in Progress	816,138	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	7,245,231	11,636,116
Infrastructure	2,659,959	0
Other Capital Assets	2,784,585	1,706,674
Total Assets	<u>\$ 28,495,812</u>	<u>\$ 28,230,480</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 450,258	\$ 0
Pension Changes in Experience	0	130,725
Pension Changes in Assumptions	150,306	440,961
Pension Changes in Proportion	0	147,228
Pension Contributions After Measurement Date	228,309	1,084,570
OPEB Changes in Assumptions	21,527	216,559
OPEB Contributions After Measurement Date	5,517	0
Total Deferred Outflows of Resources	<u>\$ 855,917</u>	<u>\$ 2,020,043</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 26,586	\$ 9,110
Payroll Deductions Payable	1,189	247,739
Due to Component Unit	4,413	0
Accrued Interest Payable	28,112	0
Other Current Liabilities	2	0
Noncurrent Liabilities:		
Due Within One Year - Debt	726,400	0
Due Within One Year - Other	2,688	0
Due in More Than One Year - Debt	9,902,268	0
Due in More Than One Year - Other	382,761	1,720,387
Total Liabilities	<u>\$ 11,074,419</u>	<u>\$ 1,977,236</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Units Chester County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 4,312,098	\$ 1,841,923
Pension Changes in Experience	424,061	1,848,579
Pension Changes in Investment Earnings	168,649	842,256
Pension Changes in Proportion	0	34,553
OPEB Changes in Experience	79,218	63,763
OPEB Changes in Assumptions	8,925	0
Total Deferred Inflows of Resources	<u>\$ 4,992,951</u>	<u>\$ 4,631,074</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 7,552,972	\$ 14,284,342
Restricted for:		
Finance	30,403	0
Administration of Justice	56,327	0
Public Safety	145,156	0
Public Health and Welfare	18,012	0
Social, Cultural, and Recreational Services	305,358	0
Highway/Public Works	927,708	0
Capital Outlay	0	644,241
Debt Service	840,316	0
Education	0	37,752
Operation of Non-instructional Services	0	472,306
Pensions	1,388,418	3,525,347
Hybrid Retirement Stabilization Funds	0	103,879
Unrestricted	<u>2,019,689</u>	<u>4,574,346</u>
Total Net Position	<u><u>\$ 13,284,359</u></u>	<u><u>\$ 23,642,213</u></u>

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

Exhibit B

Chester County, Tennessee
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Chester County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,174,312	\$ 94,040	\$ 66,990	\$ 5,122	\$ (1,008,160)	\$ 0
Finance	786,710	429,672	0	0	(357,038)	0
Administration of Justice	765,164	307,196	9,000	0	(448,968)	0
Public Safety	4,024,554	688,393	45,000	60,455	(3,230,706)	0
Public Health and Welfare	1,546,185	373,736	505,152	0	(667,297)	0
Social, Cultural, and Recreational Services	210,573	5,627	0	0	(204,946)	0
Agriculture and Natural Resources	103,238	0	0	0	(103,238)	0
Highways/Public Works	2,595,434	0	2,017,967	597,058	19,591	0
Education	0	0	0	0	0	0
Interest on Long-term Debt	280,206	0	0	0	(280,206)	0
Total Primary Government	<u>\$ 11,486,376</u>	<u>\$ 1,898,664</u>	<u>\$ 2,644,109</u>	<u>\$ 662,635</u>	<u>\$ (6,280,968)</u>	<u>\$ 0</u>
Component Unit:						
Chester County School Department	<u>\$ 24,531,016</u>	<u>\$ 360,427</u>	<u>\$ 2,472,350</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (21,698,239)</u>
Total Component Unit	<u>\$ 24,531,016</u>	<u>\$ 360,427</u>	<u>\$ 2,472,350</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (21,698,239)</u>

(Continued)

Exhibit B

Chester County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Chester County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 4,362,294	\$ 2,033,705
Property Taxes Levied for Debt Service					50,951	0
Local Option Sales Taxes					303,528	1,631,326
Wheel Tax					843,214	0
Litigation Taxes					58,931	0
Business Tax					121,442	0
Wholesale Beer Tax					44,472	0
Other Local Taxes					17,910	4,413
Grants and Contributions Not Restricted to Specific Programs					993,563	18,760,407
Unrestricted Investment Income					112,790	106,437
Miscellaneous					82,968	29,120
Total General Revenues					<u>\$ 6,992,063</u>	<u>\$ 22,565,408</u>
Change in Net Position					\$ 711,095	\$ 867,169
Net Position, July 1, 2019					<u>12,573,264</u>	<u>22,775,044</u>
Net Position, June 30, 2020					<u><u>\$ 13,284,359</u></u>	<u><u>\$ 23,642,213</u></u>

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

Exhibit C-1

Chester County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2020

	Major Funds			Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,572	\$ 1,572
Equity in Pooled Cash and Investments	3,054,371	547,655	1,137,574	739,746	5,479,346
Investments	0	0	0	276,127	276,127
Accounts Receivable	1,844	15,992	18	150	18,004
Due from Other Governments	116,207	23,913	308,768	0	448,888
Due from Other Funds	1,645	0	0	0	1,645
Property Taxes Receivable	4,420,043	0	51,940	51,940	4,523,923
Allowance for Uncollectible Property Taxes	(54,822)	0	(644)	(644)	(56,110)
Total Assets	<u>\$ 7,539,288</u>	<u>\$ 587,560</u>	<u>\$ 1,497,656</u>	<u>\$ 1,068,891</u>	<u>\$ 10,693,395</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 26,446	\$ 0	\$ 0	\$ 140	\$ 26,586
Payroll Deductions Payable	122	49	1,018	0	1,189
Due to Other Funds	0	0	0	1,645	1,645
Due to Component Units	0	4,413	0	0	4,413
Other Current Liabilities	0	0	2	0	2
Total Liabilities	<u>\$ 26,568</u>	<u>\$ 4,462</u>	<u>\$ 1,020</u>	<u>\$ 1,785</u>	<u>\$ 33,835</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 4,213,082	\$ 0	\$ 49,508	\$ 49,508	\$ 4,312,098
Deferred Delinquent Property Taxes	138,614	0	1,628	1,628	141,870
Other Deferred/Unavailable Revenue	13,608	4,000	151,030	0	168,638
Total Deferred Inflows of Resources	<u>\$ 4,365,304</u>	<u>\$ 4,000</u>	<u>\$ 202,166</u>	<u>\$ 51,136</u>	<u>\$ 4,622,606</u>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>					
Nonspendable:					
Endowments	\$ 0	\$ 0	\$ 0	\$ 305,358	\$ 305,358
Restricted:					
Restricted for Finance	30,403	0	0	0	30,403
Restricted for Administration of Justice	56,327	0	0	0	56,327
Restricted for Public Safety	44,403	0	0	100,753	145,156
Restricted for Public Health and Welfare	14,012	0	0	0	14,012
Restricted for Highways/Public Works	0	0	855,692	0	855,692
Restricted for Debt Service	0	0	0	416,542	416,542
Committed:					
Committed for General Government	369,344	0	0	0	369,344
Committed for Public Health and Welfare	0	579,098	0	0	579,098
Committed for Social, Cultural, and Recreational Services	0	0	0	164,682	164,682
Committed for Highways/Public Works	0	0	438,778	0	438,778
Committed for Debt Service	0	0	0	28,635	28,635
Unassigned	2,632,927	0	0	0	2,632,927
Total Fund Balances	\$ 3,147,416	\$ 579,098	\$ 1,294,470	\$ 1,015,970	\$ 6,036,954
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,539,288	\$ 587,560	\$ 1,497,656	\$ 1,068,891	\$ 10,693,395

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

Exhibit C-2

Chester County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2020

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	6,036,954
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,909,731	
Add: construction in progress		816,138	
Add: buildings and improvements net of accumulated depreciation		7,245,231	
Add: infrastructure net of accumulated depreciation		2,659,959	
Add: other capital assets net of accumulated depreciation		<u>2,784,585</u>	16,415,644
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(2,522,400)	
Less: bonds payable		(7,990,000)	
Less: compensated absences payable		(494)	
Less: landfill closure/postclosure care costs		(160,258)	
Less: net OPEB liability		(224,697)	
Less: accrued interest on bonds and notes		(28,112)	
Add: deferred amount on refunding		450,258	
Less: other deferred revenue - premium on debt		<u>(116,268)</u>	(10,591,971)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	378,615	
Less: deferred inflows of resources related to pensions		(592,710)	
Add: deferred outflows of resources related to OPEB		27,044	
Less: deferred inflows of resources related to OPEB		<u>(88,143)</u>	(275,194)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			1,388,418
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>310,508</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>13,284,359</u></u>

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

Exhibit C-3

Chester County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	Major Funds			Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 4,754,792	\$ 617,032	\$ 54,144	\$ 713,004	\$ 6,138,972
Licenses and Permits	4,961	14,777	0	0	19,738
Fines, Forfeitures, and Penalties	78,281	0	0	6,645	84,926
Charges for Current Services	127,203	135,544	0	12,597	275,344
Other Local Revenues	38,548	319,538	39,024	31,370	428,480
Fees Received From County Officials	716,614	0	0	0	716,614
State of Tennessee	532,553	768,658	2,615,025	78,125	3,994,361
Federal Government	46,491	0	0	0	46,491
Other Governments and Citizens Groups	273,623	0	0	179,293	452,916
Total Revenues	\$ 6,573,066	\$ 1,855,549	\$ 2,708,193	\$ 1,021,034	\$ 12,157,842
<u>Expenditures</u>					
Current:					
General Government	\$ 1,030,330	\$ 0	\$ 0	\$ 0	\$ 1,030,330
Finance	799,332	0	0	0	799,332
Administration of Justice	679,288	0	0	7,320	686,608
Public Safety	3,778,007	0	0	3,341	3,781,348
Public Health and Welfare	87,102	1,672,355	0	0	1,759,457
Social, Cultural, and Recreational Services	44,712	0	0	103,447	148,159
Agriculture and Natural Resources	91,118	0	0	0	91,118
Other Operations	212,281	13,428	0	823	226,532
Highways	0	0	2,569,187	0	2,569,187
Debt Service:					
Principal on Debt	0	0	0	584,760	584,760
Interest on Debt	0	0	0	274,877	274,877
Other Debt Service	0	0	0	8,757	8,757

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 774,123	\$ 0	\$ 0	\$ 0	\$ 774,123
Total Expenditures	\$ 7,496,293	\$ 1,685,783	\$ 2,569,187	\$ 983,325	\$ 12,734,588
Excess (Deficiency) of Revenues Over Expenditures	\$ (923,227)	\$ 169,766	\$ 139,006	\$ 37,709	\$ (576,746)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 1,000,000	\$ 0	\$ 0	\$ 0	\$ 1,000,000
Insurance Recovery	9,575	0	8,325	0	17,900
Transfers In	8,740	0	0	67,300	76,040
Transfers Out	0	0	(67,300)	(8,740)	(76,040)
Total Other Financing Sources (Uses)	\$ 1,018,315	\$ 0	\$ (58,975)	\$ 58,560	\$ 1,017,900
Net Change in Fund Balances	\$ 95,088	\$ 169,766	\$ 80,031	\$ 96,269	\$ 441,154
Fund Balance, July 1, 2019	3,052,328	409,332	1,214,439	919,701	5,595,800
Fund Balance, June 30, 2020	\$ 3,147,416	\$ 579,098	\$ 1,294,470	\$ 1,015,970	\$ 6,036,954

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

Exhibit C-4

Chester County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$	441,154
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	1,473,402	
Less: current-year depreciation expense		(999,597)	473,805
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value of capital assets disposed			(13,600)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$	310,508	
Less: deferred delinquent property taxes and other deferred June 30, 2019		(277,995)	32,513
(4) The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Add: principal payments on bonds	\$	400,000	
Add: principal payments on notes		184,760	
Less: note proceeds		(1,000,000)	
Add: change in premium on debt issuances		7,116	
Less: change in deferred amount on refunding		(39,517)	(447,641)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	(5,329)	
Change in compensated absences payable		(32)	
Change in net OPEB liability		(569)	
Change in landfill closure/postclosure care costs		(640)	
Change in deferred outflows related to pensions		(58,806)	
Change in deferred inflows related to pensions		(85,641)	
Change in deferred outflows related to OPEB		9,678	
Change in deferred inflows related to OPEB		(23,910)	
Change in net pension asset		390,113	224,864
Change in net position of governmental activities (Exhibit B)		\$	<u>711,095</u>

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

Exhibit C-5

Chester County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,754,792	\$ 4,711,149	\$ 4,711,149	\$ 43,643
Licenses and Permits	4,961	0	0	4,961
Fines, Forfeitures, and Penalties	78,281	79,840	79,840	(1,559)
Charges for Current Services	127,203	85,100	85,100	42,103
Other Local Revenues	38,548	44,850	44,850	(6,302)
Fees Received From County Officials	716,614	710,500	710,500	6,114
State of Tennessee	532,553	618,364	622,578	(90,025)
Federal Government	46,491	49,700	58,489	(11,998)
Other Governments and Citizens Groups	273,623	300,166	300,166	(26,543)
Total Revenues	\$ 6,573,066	\$ 6,599,669	\$ 6,612,672	\$ (39,606)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 25,763	\$ 31,500	\$ 31,500	\$ 5,737
Board of Equalization	1,000	1,100	1,100	100
Budget and Finance Committee	2,799	3,230	3,230	431
County Mayor/Executive	166,551	168,096	174,596	8,045
County Attorney	21,908	15,000	26,000	4,092
Election Commission	204,408	227,916	227,916	23,508
Register of Deeds	134,703	146,628	146,628	11,925
Planning	7,000	0	7,000	0
County Buildings	403,604	404,984	408,184	4,580
Other Facilities	17,747	23,850	23,850	6,103
Other General Administration	44,847	45,800	50,800	5,953
<u>Finance</u>				
Accounting and Budgeting	133,839	159,611	160,895	27,056
Property Assessor's Office	211,537	228,435	228,435	16,898
Reappraisal Program	16,137	16,300	16,300	163
County Trustee's Office	191,545	207,115	209,391	17,846
County Clerk's Office	239,764	246,373	254,948	15,184
Other Finance	6,510	6,338	6,510	0
<u>Administration of Justice</u>				
Circuit Court	279,914	288,621	290,371	10,457
General Sessions Court	112,195	133,737	133,737	21,542
Chancery Court	248,046	243,462	254,174	6,128
Juvenile Court	39,133	41,405	41,405	2,272
<u>Public Safety</u>				
Sheriff's Department	1,830,261	2,058,038	2,058,038	227,777
Jail	1,602,706	1,592,833	1,656,183	53,477
Juvenile Services	62,797	68,183	68,833	6,036
Fire Prevention and Control	180,292	170,140	183,540	3,248
Civil Defense	65,123	86,404	86,404	21,281
Rescue Squad	6,700	6,700	6,700	0
County Coroner/Medical Examiner	30,128	22,000	33,000	2,872
<u>Public Health and Welfare</u>				
Local Health Center	28,826	38,820	38,820	9,994
Alcohol and Drug Programs	0	3,000	3,000	3,000
Other Local Health Services	34,985	41,172	41,172	6,187

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Regional Mental Health Center	\$ 10,000	\$ 10,000	\$ 10,000	\$ 0
General Welfare Assistance	13,291	15,500	15,500	2,209
Other Local Welfare Services	0	2,000	2,000	2,000
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	12,500	12,500	12,500	0
Other Social, Cultural, and Recreational	32,212	49,500	49,500	17,288
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	76,029	61,685	77,985	1,956
Forest Service	2,000	2,000	2,000	0
Soil Conservation	5,589	16,720	16,720	11,131
Flood Control	7,500	7,900	7,900	400
<u>Other Operations</u>				
Tourism	750	750	750	0
Industrial Development	25,000	25,000	25,000	0
Veterans' Services	29,069	28,291	31,791	2,722
Employee Benefits	10,649	10,000	10,700	51
COVID-19 Grant #2	11,719	0	11,719	0
Miscellaneous	135,094	113,000	139,500	4,406
<u>Capital Projects</u>				
Public Health and Welfare Projects	774,123	0	1,000,000	225,877
Total Expenditures	\$ 7,496,293	\$ 7,081,637	\$ 8,286,225	\$ 789,932
Excess (Deficiency) of Revenues Over Expenditures	\$ (923,227)	\$ (481,968)	\$ (1,673,553)	\$ 750,326
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
Insurance Recovery	9,575	0	0	9,575
Transfers In	8,740	0	0	8,740
Total Other Financing Sources	\$ 1,018,315	\$ 0	\$ 1,000,000	\$ 18,315
Net Change in Fund Balance	\$ 95,088	\$ (481,968)	\$ (673,553)	\$ 768,641
Fund Balance, July 1, 2019	3,052,328	3,037,153	3,037,153	15,175
Fund Balance, June 30, 2020	\$ 3,147,416	\$ 2,555,185	\$ 2,363,600	\$ 783,816

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

Exhibit C-6

Chester County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 617,032	\$ 420,393	\$ 569,356	\$ 47,676
Licenses and Permits	14,777	25,370	25,370	(10,593)
Charges for Current Services	135,544	106,500	132,500	3,044
Other Local Revenues	319,538	235,000	235,000	84,538
State of Tennessee	768,658	293,700	717,380	51,278
Total Revenues	\$ 1,855,549	\$ 1,080,963	\$ 1,679,606	\$ 175,943
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Education/Information	\$ 27,187	\$ 44,200	\$ 44,200	\$ 17,013
Convenience Centers	455,380	488,912	496,912	41,532
Recycling Center	754,115	307,400	802,480	48,365
Other Waste Disposal	431,285	402,198	471,298	40,013
Postclosure Care Costs	4,388	5,000	5,000	612
<u>Other Operations</u>				
Other Charges	2,986	11,000	11,000	8,014
Miscellaneous	10,442	7,500	11,500	1,058
Total Expenditures	\$ 1,685,783	\$ 1,266,210	\$ 1,842,390	\$ 156,607
Excess (Deficiency) of Revenues Over Expenditures	\$ 169,766	\$ (185,247)	\$ (162,784)	\$ 332,550
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 35,000	\$ (35,000)
Total Other Financing Sources	\$ 0	\$ 0	\$ 35,000	\$ (35,000)
Net Change in Fund Balance	\$ 169,766	\$ (185,247)	\$ (127,784)	\$ 297,550
Fund Balance, July 1, 2019	409,332	345,817	345,817	63,515
Fund Balance, June 30, 2020	\$ 579,098	\$ 160,570	\$ 218,033	\$ 361,065

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

Exhibit C-7

Chester County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 54,144	\$ 52,400	\$ 52,400	\$ 1,744
Other Local Revenues	39,024	29,660	29,660	9,364
State of Tennessee	2,615,025	2,699,000	2,699,000	(83,975)
Total Revenues	<u>\$ 2,708,193</u>	<u>\$ 2,781,060</u>	<u>\$ 2,781,060</u>	<u>\$ (72,867)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 160,411	\$ 170,089	\$ 172,089	\$ 11,678
Highway and Bridge Maintenance	1,088,148	1,150,828	1,174,478	86,330
Operation and Maintenance of Equipment	220,635	206,930	231,930	11,295
Other Charges	90,048	87,500	94,200	4,152
Employee Benefits	253,371	268,000	273,000	19,629
Capital Outlay	756,574	845,000	782,650	26,076
Total Expenditures	<u>\$ 2,569,187</u>	<u>\$ 2,728,347</u>	<u>\$ 2,728,347</u>	<u>\$ 159,160</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 139,006</u>	<u>\$ 52,713</u>	<u>\$ 52,713</u>	<u>\$ 86,293</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 8,325	\$ 15,000	\$ 15,000	\$ (6,675)
Transfers Out	(67,300)	(67,301)	(67,301)	1
Total Other Financing Sources	<u>\$ (58,975)</u>	<u>\$ (52,301)</u>	<u>\$ (52,301)</u>	<u>\$ (6,674)</u>
Net Change in Fund Balance	\$ 80,031	\$ 412	\$ 412	\$ 79,619
Fund Balance, July 1, 2019	<u>1,214,439</u>	<u>890,525</u>	<u>890,525</u>	<u>323,914</u>
Fund Balance, June 30, 2020	<u><u>\$ 1,294,470</u></u>	<u><u>\$ 890,937</u></u>	<u><u>\$ 890,937</u></u>	<u><u>\$ 403,533</u></u>

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

Exhibit D

Chester County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 927,010
Due from Other Governments	<u>233,331</u>
Total Assets	<u><u>\$ 1,160,341</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 233,331
Due to Litigants, Heirs, and Others	<u>927,010</u>
Total Liabilities	<u><u>\$ 1,160,341</u></u>

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

CHESTER COUNTY, TENNESSEE

Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	31
B. Government-wide and Fund Financial Statements	32
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	33
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	35
2. Receivables and Payables	37
3. Restricted Assets	37
4. Capital Assets	38
5. Deferred Outflows/Inflows of Resources	39
6. Compensated Absences	39
7. Long-term Debt and Long-term Obligations	40
8. Net Position and Fund Balance	40
E. Pension Plans	42
F. Other Postemployment Benefit (OPEB) Plans	42
II. Reconciliation of Government-wide and Fund Financial Statements	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	43
B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities	43
III. Stewardship, Compliance, and Accountability	
Budgetary Information	44
IV. Detailed Notes on All Funds	
A. Deposits and Investments	45
B. Capital Assets	52
C. Construction Commitments	54
D. Interfund Receivables, Payables, and Transfers	54
E. Long-term Debt	55
F. Long-term Obligations	58
V. Other Information	
A. Risk Management	60
B. Contingent Liabilities	60
C. Landfill Closure/Postclosure Care Costs	60
D. Jointly Governed Organization	61
E. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	61
2. Deferred Compensation	78
F. Other Postemployment Benefits (OPEB)	78
G. Purchasing Laws	87

CHESTER COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Chester County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Chester County (the primary government) and its component units. The financial statements of the Chester County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of the omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Chester County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Chester County, and the Chester County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Chester County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Chester County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Chester County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Chester County Emergency Communications District
P.O. Box 34
Henderson, TN 38340

B. Government-wide and Fund Financial Statements

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

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

Chester County issues all debt for the discretely presented Chester County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2020.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide

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

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

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

Fund financial statements of Chester County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Chester County has no proprietary funds to report.

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

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

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to

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

Fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Chester County reports the following major governmental funds:

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

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions relating to the disposal of Chester County’s solid waste. Local taxes and general service charges are the foundational revenues of this fund.

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

Additionally, Chester County reports the following fund types:

Debt Service Fund – The General Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Capital Projects Fund – The General Capital Projects Funds is used to account for general capital expenditures of the county.

Permanent Fund – The Endowment Fund accounts for three private gifts received by the county for which the principal amount must remain intact while interest earned on the principal may be expended to benefit the Chester County Public Library.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Chester County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Chester County School Department reports the following major governmental fund:

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

Additionally, the Chester County School Department reports the following fund types:

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

Capital Projects Fund – The Education Capital Projects Fund is used to account for the receipt of debt issued by Chester County and contributed to the school department for building construction and renovations.

Private Purpose Trust Fund – The Private Purpose Trust Fund is used to account for endowments received by the school department. Income generated from the corpus of one of the endowments is to be used to provide annual scholarships to one or more Chester County students chosen by a faculty committee at Chester County High School. The other endowments provide for scholarships to be awarded each year until the endowments are depleted.

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Chester County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the primary government's Solid Waste/Sanitation Fund and the school department's General Purpose School Fund. In addition, investments are held separately by the county's Endowment Fund. Chester County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United State of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United State of America. Chester County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

2. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 0.65 percent of total taxes levied.

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

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

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

3. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Chester County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Chester County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Chester County School Department has not withdrawn any funds

from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the primary government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than five years. Capital assets are defined by the discretely presented Chester County School Department as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than seven years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
<u>Primary Government</u>	
Buildings and Improvements	30
Other Capital Assets	5 - 15
Infrastructure:	
Roads	10 - 20
Bridges	15 - 30
<u>Discretely Presented Chester</u>	
<u>County School Department</u>	
Buildings and Improvements	25 - 40
Buses	15
Other Vehicles	7
Equipment	7

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for the deferred charge on refunding, pension changes in experience, pension and OPEB changes in assumptions, pension changes in proportionate share of contributions, and employer contributions made to the pension and OPEB plans after the measurement dates.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension and OPEB changes in experience, pension changes in investment earnings, pension changes in proportionate share of contributions, OPEB changes in assumptions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

The policy of Chester County (with the exception of the highway department) does not provide for employees to receive compensation for unused accumulated vacation or sick leave days.

The policy of the Chester County Highway Department permits employees to accumulate an unlimited amount of earned but unused vacation benefits, which will be paid to employees upon separation from service. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

The school department does not have a formal leave policy; however, the general policy does not provide for employees to receive compensation for unused accumulated vacation or sick leave days.

7. Long-term Debt and Long-term Obligations

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

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

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

8. Net Position and Fund Balance

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

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

As of June 30, 2020, Chester County had \$1,761,600 in outstanding debt for capital purposes for the discretely presented Chester County School Department. This debt is a liability of Chester County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Chester County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by

resolution authorized the county's Budget Committee to make assignments for the general government. The Board of Education makes assignments for the school department.

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

E. Pension Plans

Primary Government

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

Discretely Presented Chester County School Department

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by Chester County. For this purpose, Chester County recognizes benefit

payments when due and payable in accordance with benefit terms. Chester County's OPEB plan is not administered through a trust.

Discretely Presented Chester County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Chester County School Department

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

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

Primary Government

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

Discretely Presented Chester County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund) and the Endowment Fund (permanent fund), which are not budgeted, and the primary government capital projects fund, which adopts project length budgets. All annual appropriations lapse at fiscal year-end.

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

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

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

At June 30, 2020, the Chester County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
School Department:	
Major Fund:	
General Purpose School	\$ 199,317
Nonmajor Funds:	
School Federal Projects	8,644
Central Cafeteria	1,195
Education Capital Projects	66,549

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool, the State Treasurer's

Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2020, Chester County had the following investments carried at fair value within the fair value hierarchy established by generally accepted accounting principles. These investments were made in accordance with an agreement with a charitable foundation for an endowment to benefit the Chester County Public Library.

Investment	Maturities	Fair Value
Endowment Fund:		
Vanguard 500 Index Fund	On Demand	\$ 135,218
Fidelity International Index Fund	"	24,564
Vanguard Short-term Bond Index Fund	"	10,065
Vanguard Total Bond Fund	"	77,139
Vanguard Intermediate-term Corporate Bond Index Fund	"	<u>29,141</u>
Total		<u>\$ 276,127</u>

Investment by Fair Value Level	Fair Value 6-30-20	Fair Value Measurements Using
		Quoted Prices in Active Markets for Identical Assets (Level 1)
Vanguard 500 Index Fund	\$ 135,218	\$ 135,218
Fidelity International Index Fund	24,564	24,564
Vanguard Short-term Bond Index Fund	10,065	10,065
Vanguard Total Bond Fund	77,139	77,139
Vanguard Intermediate-term Corporate Bond Index Fund	29,141	29,141
Total	<u>\$ 276,127</u>	<u>\$ 276,127</u>

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Chester County has no investment policy that would further limit its investment choices. As of June 30, 2020, Chester County's investments were unrated. Chester County's investments are in private mutual funds that are not backed by the full faith and credit of the federal government and, therefore, the county could lose its investments if those enterprises fail.

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. Chester County does not have a formal policy that limits custodial credit risk for investments. The county's investments have a custodial credit risk exposure because the securities are uninsured, unregistered, and held by the county's financial agent, which is also the counterparty for these investments.

TCRS Stabilization Trust

Legal Provisions. The Chester County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department 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 school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Chester County School Department 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, 2020, 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.

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.

On June 30, 2020, the Chester County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 32,203
Developed Market International Equity	N/A	N/A	14,543
Emerging Market International Equity	N/A	N/A	4,156
U.S. Fixed Income	N/A	N/A	20,775
Real Estate	N/A	N/A	10,389
Short-term Securities	N/A	N/A	1,038
NAV - Private Equity and Strategic Lending	N/A	N/A	20,775
Total			<u>\$ 103,879</u>

		Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
Investments by Fair Value Level	Fair Value 6-30-20				
U.S. Equity	\$ 32,203	\$ 32,203	\$ 0	\$ 0	0
Developed Market International Equity	14,543	14,543	0	0	0
Emerging Market International Equity	4,156	4,156	0	0	0
U.S. Fixed Income	20,775	0	20,775	0	0
Real Estate	10,389	0	0	10,389	0
Short-term Securities	1,038	0	1,038	0	0
Private Equity and Strategic Lending	20,775	0	0	0	20,775
Total	<u>\$ 103,879</u>	<u>\$ 50,902</u>	<u>\$ 21,813</u>	<u>\$ 10,389</u>	<u>\$ 20,775</u>

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 Chester County School Department 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 Chester County School Department 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 county's investment in a single issuer. Chester County School Department places no limit on the amount the county 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 Chester County School Department to pay retirement benefits of the school department employees.

For further information concerning the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag19091.pdf>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2020, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 2,909,731	\$ 0	\$ 0	\$ 2,909,731
Construction in Progress	63,508	769,568	(16,938)	816,138
Total Capital Assets Not Depreciated	<u>\$ 2,973,239</u>	<u>\$ 769,568</u>	<u>\$ (16,938)</u>	<u>\$ 3,725,869</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 12,536,631	\$ 215,000	\$ 0	\$ 12,751,631
Infrastructure	4,576,565	14,267	0	4,590,832
Other Capital Assets	6,945,435	491,505	(161,456)	7,275,484
Total Capital Assets Depreciated	<u>\$ 24,058,631</u>	<u>\$ 720,772</u>	<u>\$ (161,456)</u>	<u>\$ 24,617,947</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,128,171	\$ 378,229	\$ 0	\$ 5,506,400
Infrastructure	1,756,353	174,520	0	1,930,873
Other Capital Assets	4,191,907	446,848	(147,856)	4,490,899
Total Accumulated Depreciation	<u>\$ 11,076,431</u>	<u>\$ 999,597</u>	<u>\$ (147,856)</u>	<u>\$ 11,928,172</u>
Total Capital Assets Depreciated, Net	<u>\$ 12,982,200</u>	<u>\$ (278,825)</u>	<u>\$ (13,600)</u>	<u>\$ 12,689,775</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,955,439</u>	<u>\$ 490,743</u>	<u>\$ (30,538)</u>	<u>\$ 16,415,644</u>

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

Governmental Activities:

General Government	\$ 69,243
Finance	3,441
Administration of Justice	69,612
Public Safety	358,733
Public Health and Welfare	247,977
Social, Cultural, and Recreational Services	35,790
Agriculture and Natural Resources	1,376
Highways	<u>213,425</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 999,597</u>
--	-------------------

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

	Balance 7-1-19	Increases	Balance 6-30-20
Capital Assets Not Depreciated:			
Land	\$ 941,552	\$ 0	\$ 941,552
Total Capital Assets Not Depreciated	<u>\$ 941,552</u>	<u>\$ 0</u>	<u>\$ 941,552</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 22,589,753	\$ 606,763	\$ 23,196,516
Other Capital Assets	6,229,364	263,807	6,493,171
Total Capital Assets Depreciated	<u>\$ 28,819,117</u>	<u>\$ 870,570</u>	<u>\$ 29,689,687</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 11,113,737	\$ 446,663	\$ 11,560,400
Other Capital Assets	4,492,448	294,049	4,786,497
Total Accumulated Depreciation	<u>\$ 15,606,185</u>	<u>\$ 740,712</u>	<u>\$ 16,346,897</u>
Total Capital Assets Depreciated, Net	<u>\$ 13,212,932</u>	<u>\$ 129,858</u>	<u>\$ 13,342,790</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,154,484</u>	<u>\$ 129,858</u>	<u>\$ 14,284,342</u>

There were no decreases in capital assets to report during the year ended June 30, 2020. Depreciation expense was charged to functions of the discretely presented Chester County School Department as follows:

Governmental Activities:

Instruction	\$ 383,596
Support Services	273,869
Operation of Non-instructional Services	<u>83,247</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 740,712</u></u>

C. Construction Commitments

At June 30, 2020, the county had an uncompleted construction contract of approximately \$184,092 for the construction of an EMS building. Funding has been received for the future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 1,645
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	1,333
Nonmajor governmental	General Purpose School	22,286

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Component Unit:		
School Department:	Primary Government:	
General Purpose School	Solid Waste/Sanitation	\$ 4,413

Interfund Transfers:

Interfund transfers for the year ended June 30, 2020, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		Purpose
	General Fund	Nonmajor Governmental Fund	
Highway/Public Works Fund	\$ 0	\$ 67,300	Debt retirement
Nonmajor Governmental Fund	8,740	0	To close fund

Discretely Presented Chester County School Department

Transfer Out	Transfer In		Purpose
	General Purpose School Fund		
Nonmajor governmental fund	\$ 17,775		Indirect costs

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

E. Long-term Debt**Primary Government****General Obligation Bonds and Notes**

General Obligation Bonds - Chester County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and

pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 24 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Chester County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes were issued for original terms of up to 12 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

General obligation bonds and the capital outlay notes outstanding as of June 30, 2020, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
General Obligation Bonds	2.75 to 5%	5-1-28	\$ 360,000	\$ 180,000
General Obligation Bonds - Refunding	2 to 5	6-1-40	9,080,000	7,810,000
Direct Borrowing and Direct Placement: Capital Outlay Notes	2.5 to 3.5	6-1-30	3,016,000	2,522,400

The annual requirements to amortize all general obligation bonds and notes as of June 30, 2020, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 405,000	\$ 194,413	\$ 599,413
2022	410,000	185,375	595,375
2023	420,000	176,237	596,237
2024	370,000	166,438	536,438
2025	380,000	158,687	538,687
2026-2030	1,895,000	670,538	2,565,538
2031-2035	1,920,000	465,837	2,385,837
2036-2040	2,190,000	197,687	2,387,687
Total	\$ 7,990,000	\$ 2,215,212	\$ 10,205,212

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2021	\$ 321,400	\$ 78,309	\$ 399,709
2022	264,000	69,302	333,302
2023	272,000	60,910	332,910
2024	280,000	52,279	332,279
2025	289,000	43,360	332,360
2026-2030	1,096,000	93,556	1,189,556
Total	\$ 2,522,400	\$ 397,716	\$ 2,920,116

There is \$445,177 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$466, based on the 2010 federal census. Total debt per capita, including bonds, notes, and unamortized debt premiums totaled \$620, based on the 2010 federal census.

The school department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below.

Description of Debt	Outstanding 6-30-20
<u>Bonds Payable</u>	
<u>Contributions from the Education Capital Projects Fund</u>	
General Obligation Refunding Bonds, Series 2016	\$ 7,640,000

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2020, was as follows:

Governmental Activities:

			Notes - Direct Placement
	Bonds		
Balance, July 1, 2019	\$ 8,390,000	\$	1,707,160
Additions	0		1,000,000
Reductions	(400,000)		(184,760)
Balance, June 30, 2020	<u>\$ 7,990,000</u>	<u>\$</u>	<u>2,522,400</u>
Balance Due Within One Year	<u>\$ 405,000</u>	<u>\$</u>	<u>321,400</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 10,512,400
Less: Balance Due Within One Year - Debt	(726,400)
Add: Unamortized Premium on Debt	<u>116,268</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 9,902,268</u>

F. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2020, was as follows:

	Compensated Absences	Landfill Closure/ Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2019	\$ 462	\$ 159,618	\$ 224,128
Additions	8,048	2,834	42,209
Reductions	(8,016)	(2,194)	(41,640)
Balance, June 30, 2020	<u>\$ 494</u>	<u>\$ 160,258</u>	<u>\$ 224,697</u>
Balance Due Within One Year	<u>\$ 494</u>	<u>\$ 2,194</u>	<u>\$ 0</u>

Compensated absences will be paid from the Highway/Public Works Fund. Landfill closure/postclosure costs will be paid from the Solid Waste/Sanitation Fund. Other postemployment benefits will be paid from the employing funds, primarily the General Fund.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 385,449
Less: Balance Due Within One Year - Other	<u>(2,688)</u>

Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 382,761</u>
---	-------------------

Discretely Presented Chester County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Chester County School Department for the year ended June 30, 2020, was as follows:

Governmental Activities:	Other Postemployment Benefits
	<u></u>
Balance, July 1, 2019	\$ 1,482,150
Additions	348,518
Reductions	<u>(110,281)</u>
Balance, June 30, 2020	<u>\$ 1,720,387</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 1,720,387
Less: Balance Due Within One Year - Other	<u>0</u>

Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,720,387</u>
---	---------------------

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

V. OTHER INFORMATION

A. Risk Management

Employee Health Insurance

Primary Government

Chester County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Chester County School Department

The school department purchases commercial insurance to provide health insurance coverage for employees. Settled claims have not exceeded this commercial coverage in the past three fiscal years.

Liability, Property, Casualty, and Workers' Compensation Insurance

Chester County and the school department participate in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The county and school department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of TN-RMT provides for it to be self-sustaining through member premiums.

B. Contingent Liabilities

The county and school department are involved in several pending lawsuits. The attorneys estimate that the potential claims not covered by insurance resulting from such litigation would not materially affect the financial statements.

C. Landfill Closure/Postclosure Care Costs

Chester County and the City of Henderson have an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The county and city have provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial

assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the city and county to place a final cover on their sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the city and county report portions of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Chester County and the City of Henderson closed their sanitary landfill in 1997. Chester County and the City of Henderson each verbally agreed to pay 50 percent of the postclosure costs. The \$160,258 reported as postclosure care liability at June 30, 2020, represents 50 percent of the county's share based on what it would cost to perform all postclosure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

D. Jointly Governed Organization

The West Tennessee Railroad Authority (WTRA) was created by Gibson County in conjunction with the counties of Chester, Madison, McNairy, Obion, and Weakley. The WTRA's board includes the mayors of Chester, Gibson, Madison, McNairy, Obion, and Weakley counties, and one at-large member from each of these areas. However, the counties do not have any ongoing financial interest or responsibility for the entity.

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Chester County and non-certified employees of the discretely presented Chester County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 62.81 percent and the non-certified employees of the discretely presented school department comprised 37.19 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	124
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	297
Active Employees	263
Total	<u><u>684</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Chester County makes employer contributions at the rate set

by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, the employer contribution for Chester County was \$380,707 based on a rate of five percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Chester County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Chester County's net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2019, 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 investments expense and inflation) is developed for each major asset class. These

best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 20,172,940	\$ 21,902,804	\$ (1,729,864)
Changes for the Year:			
Service Cost	\$ 635,603	\$ 0	\$ 635,603
Interest	1,474,081	0	1,474,081
Differences Between Expected and Actual Experience	(190,075)	0	(190,075)
Contributions-Employer	0	435,990	(435,990)
Contributions-Employees		363,325	(363,325)
Net Investment Income		1,624,291	(1,624,291)
Benefit Payments, Including Refunds of Employee Contributions	(952,793)	(952,793)	0
Administrative Expense	0	(23,357)	23,357
Net Changes	\$ 966,816	\$ 1,447,456	\$ (480,640)
Balance, June 30, 2019	\$ 21,139,756	\$ 23,350,260	\$ (2,210,504)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	62.81%	\$ 13,277,881	\$ 14,666,299	\$ (1,388,418)
School Department	37.19%	7,861,875	8,683,961	(822,086)
Total		\$ 21,139,756	\$ 23,350,260	\$ (2,210,504)

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

	1% Decrease	Current Discount Rate	1% Increase
Chester County	6.25%	7.25%	8.25%

Net Pension Liability (Asset)	\$	502,974	\$	(2,210,504)	\$	(4,449,368)
-------------------------------	----	---------	----	-------------	----	-------------

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

Pension Expense. For the year ended June 30, 2020, Chester County recognized pension expense of \$100,122.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, Chester County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 675,149
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	268,506
Changes in Assumptions	239,302	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	380,707	N/A
Total	<u>\$ 620,009</u>	<u>\$ 943,655</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2019,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 378,615	\$ 592,710
School Department	241,394	350,945
Total	<u>\$ 620,009</u>	<u>\$ 943,655</u>

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

Year Ending June 30	Amount
2021	\$ (215,272)
2022	(304,871)
2023	(137,643)
2024	(46,567)
2025	0
Thereafter	0

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

Discretely Presented Chester County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Chester County and non-certified employees of the discretely presented Chester County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 62.81 percent and the non-certified employees of the discretely presented school department comprised 37.19 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

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

any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$52,404 which is 2.03 percent of covered payroll. In addition, employer contributions of \$50,855, which is 1.97 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, 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, 2020, the school department reported a liability (asset) of (\$123,129) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was .218126 percent. The proportion as of June 30, 2018, was .210952 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$37,312.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 5,105	\$ 21,495
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	5,206
Changes in Assumptions	4,279	0
Changes in Proportion of Net Pension Liability (Asset)	0	14,498
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	52,404	N/A
Total	<u>\$ 61,788</u>	<u>\$ 41,199</u>

The school department's employer contributions of \$52,404, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (3,940)
2022	(4,737)
2023	(3,277)
2024	(2,532)
2025	(2,320)
Thereafter	(15,010)

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

Actuarial Assumptions. The total pension liability (asset) in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

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

Net Pension Liability (Asset)	\$	39,012	\$	(123,129)	\$	(242,982)
-------------------------------	----	--------	----	-----------	----	-----------

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various

eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Chester County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$879,768, which is 10.63 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$2,580,132) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was .250942 percent. The proportion measured at June 30, 2018, was .264425 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$396,358.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 125,620	\$ 1,575,996
Changes in Assumptions	347,686	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	737,193
Changes in Proportion of Net Pension Liability (Asset)	147,228	20,055
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	879,768	N/A
Total	<u>\$ 1,500,302</u>	<u>\$ 2,333,244</u>

The school department's employer contributions of \$879,768 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 ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (474,421)
2022	(669,035)
2023	(326,662)
2024	(242,592)
2025	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2019, 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 investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

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

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

Net Pension Liability (Asset) \$ 5,275,625 \$ (2,580,132) \$ (8,829,170)

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

2. **Deferred Compensation**

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion, which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$129,683 and teachers contributed \$53,935 to this deferred compensation pension plan.

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

Chester County and the discretely presented Chester County School Department provide OPEB benefits to its retirees under various OPEB plans. These include OPEB provided through state administered public entity risk pools and commercial health insurance plans. For reporting purposes, the plans are considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through State Administered Public Entity Risk Pools

Primary Government

Retirees of Chester County and the Chester County Highway Department (Hwy) are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. The primary government's LGPs are combined for presentation purposes.

The county's total OPEB liability for each plan was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.20%
Salary Increases	Salary increases used in the July 1, 2018, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.51
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.03 for pre-65 retirees in the 2019 calendar year, and gradually decreasing over a 10 year period to an ultimate trend rate of 4.5 percent.
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.51 percent, based on an average rating of AA/Aa as shown the Bond Buyer 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2018, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2019, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the 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 percent load for males and a -3 percent 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 percent load.

Changes in Assumptions. The discount rate was changed from 3.62 percent as of the beginning of the measurement period to 3.51 percent as of June 30, 2019. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2020 plan year was revised from 6.75 percent to 6.03 percent.

Local Government OPEB Plan (Primary Government)

Plan description. Employees of Chester County are provided with pre-65 retiree health insurance benefits through the Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP.

Benefits provided. Chester County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. 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 LGP 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. Chester County does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

	Chester County	Hwy Dept	Total
Inactive Employees or Beneficiaries Currently Receiving Benefits	0	1	1
Inactive Employees Entitled to But Not Yet Receiving Benefits	0	0	0
Active Employees	75	14	89
Total	<u>75</u>	<u>15</u>	<u>90</u>

An insurance committee, created in accordance with Section 8-27-701, *TCA*, establishes the required payments to the LGP 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. For the fiscal year ended June 30, 2020, the county paid \$5,517 (Chester County - \$848, Highway Dept - \$4,669) to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Chester County	Hwy Dept.	Total OPEB Liability
Balance July 1, 2018	\$ 153,347	\$ 70,781	\$ 224,128
Changes for the Year:			
Service Cost	\$ 15,675	\$ 5,487	\$ 21,162
Interest	6,106	2,689	8,795
Difference between Expected and Actuarial Experience	(30,718)	(6,180)	(36,898)
Changes in Assumption and Other Inputs	8,913	3,339	12,252
Benefit Payments	(730)	(4,012)	(4,742)
Net Changes	<u>\$ (754)</u>	<u>\$ 1,323</u>	<u>\$ 569</u>
Balance June 30, 2019	<u>\$ 152,593</u>	<u>\$ 72,104</u>	<u>\$ 224,697</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the county recognized OPEB expense of \$20,319 (Chester County - \$14,471, Highway Dept - \$5,848). At June 30, 2020, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience (Chester County \$60,311, Hwy \$18,907)	\$ 0	\$ 79,218
Changes of Assumptions/Inputs (DO - County \$13,620, Hwy \$7,907 and DI - County \$7,212, Hwy \$1,713)	21,527	8,925
Net Difference Between Projected and Benefits Paid After the Measurement Date (County \$848, Hwy \$4,669)	<u>5,517</u>	<u>0</u>
Total	<u>\$ 27,044</u>	<u>\$ 88,143</u>

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

Year Ending June 30	County	Hwy	Total Amount
2021	\$ (7,310)	\$ (2,328)	\$ (9,638)
2022	(7,310)	(2,328)	(9,638)
2023	(7,310)	(2,328)	(9,638)
2024	(7,310)	(2,328)	(9,638)
2025	(7,310)	(2,082)	(9,392)
Thereafter	(17,353)	(1,319)	(18,672)

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the county calculated using the current discount rate as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Discount Rate</u>	1% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
County	\$ 167,807	\$ 152,593	\$ 138,671
Hwy	76,184	72,104	68,239
Total OPEB Liability	<u>\$ 243,991</u>	<u>\$ 224,697</u>	<u>\$ 206,910</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the county calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Healthcare Cost Trend Rate</u>	1% Decrease 5.03 to 3.5%	Current Trend Rate 6.03 to 4.5%	1% Increase 7.03 to 5.5%
County	\$ 132,255	\$ 152,593	\$ 177,127
Hwy	66,641	72,104	78,337
Total OPEB Liability	<u>\$ 198,896</u>	<u>\$ 224,697</u>	<u>\$ 255,464</u>

Commercial Postemployment Benefits Plan

Discretely Presented Chester County School Department

The discretely presented Chester County School Department provides OPEB benefits to its retirees through a commercial insurance plan.

Plan Description. The school department participates in a commercial postemployment benefits plan administered by Cigna for its retirees and their covered dependents. Employees are eligible for OPEB benefits if they retire at any age with at least 30 years of service or if they are over the age 60 and have at least 5 years of service. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by the Board of Education. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

Benefits Provided. The plan provides healthcare, dental, and vision insurance benefits to retirees and their dependents.

The benefit terms provide for the school department to pay a percentage of the certified retirees healthcare costs depending on years of service with the school department. The school department pays 55 percent of the healthcare cost for employees with over 30 years of service, 35 percent for employees with 20-29 years of service, and 25 percent for employees with less than 20 years of service. Non-certified employees are required to pay 100 percent of the healthcare premium. Both certified and non-certified employees are eligible to participate in the healthcare plan until they reach age 65. Surviving spouses of eligible retirees may be able to continue coverage until they reach Medicare eligibility.

The benefit terms provide for eligible retirees to receive vision and dental benefits for life by paying 100 percent of the premium cost.

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	8
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	217
Total	<u><u>225</u></u>

Total OPEB Liability

The school department's total OPEB liability of \$1,720,387 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The 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	3%
Discount Rate	2.21%
Healthcare Cost Trend Rate	5.00%
Retirees Share of Benefit-related Cost	45% to 100% depending on years of service and employee classification

The discount rate was based on the Bond Buyer GO-20 bond index.

Mortality rates were based on RHP-2014 Total Table with Projection MP-2019.

The actuarial assumptions used in the June 30, 2020, valuation were based on plan data and costs presented by the school department with concurrence by the actuary.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2019	\$ 1,482,150
Changes for the Year:	
Service Cost	\$ 88,453
Interest	53,725
Changes in Assumptions	206,340
Differences between expected and actual experience	(39,098)
Benefit Payments	(71,183)
Net Changes	<u>\$ 238,237</u>
Balance June 30, 2020	<u>\$ 1,720,387</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of \$164,650. At June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 0	\$ 63,763
Changes of Assumptions/Inputs	216,559	0
Net Difference Between Projected and Actual Investments	<u>0</u>	<u>0</u>
Total	<u>\$ 216,559</u>	<u>\$ 63,763</u>

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

Year Ending June 30	Amount
2021	\$ 23,300
2022	23,300
2023	23,300
2024	23,300
2025	23,300
Thereafter	36,295

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the school department calculated using the discount rate of 2.21 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

<u>Discount Rate</u>	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 1,870,182	\$ 1,720,387	\$ 1,579,855

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the school department calculated using the healthcare cost trend rate of five percent, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower (4.0%) or one percentage point higher (6.0%) than the current rate:

<u>Healthcare Cost Trend Rate</u>	1% Decrease 4.0%	Current Trend Rate 5.0%	1% Increase 6.0%
Total OPEB Liability	\$ 1,516,872	\$ 1,720,387	\$ 1,962,809

G. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding \$10,000, excluding emergency purchases, to be made based on competitive bids solicited through newspaper advertisement.

Office of Road Supervisor

Purchasing procedures for the highway department are governed by provisions of the Uniform Road Law, Section 54-7-113, *TCA*, which requires all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

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

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit E-1

Chester County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	\$ 513,490	\$ 568,542	\$ 577,663	\$ 591,743	\$ 631,465	\$ 635,603
Interest	1,214,365	1,273,749	1,311,152	1,376,671	1,396,809	1,474,081
Differences Between Actual and Expected Experience	(152,533)	(494,864)	(166,884)	(709,990)	(49,980)	(190,075)
Change of assumptions	0	0	0	478,606	0	0
Benefit Payments, Including Refunds of Employee Contributions	(834,672)	(842,490)	(873,214)	(851,631)	(880,434)	(952,793)
Net Change in Total Pension Liability	\$ 740,650	\$ 504,937	\$ 848,717	\$ 885,399	\$ 1,097,860	\$ 966,816
Total Pension Liability, Beginning	16,095,377	16,836,027	17,340,964	18,189,681	19,075,080	20,172,940
Total Pension Liability, Ending (a)	\$ 16,836,027	\$ 17,340,964	\$ 18,189,681	\$ 19,075,080	\$ 20,172,940	\$ 21,139,756
Plan Fiduciary Net Position						
Contributions - Employer	\$ 483,656	\$ 492,541	\$ 500,157	\$ 509,906	\$ 524,096	\$ 435,990
Contributions - Employee	325,358	323,977	338,595	347,823	357,017	363,325
Net Investment Income	2,460,904	531,188	470,361	2,061,063	1,679,655	1,624,291
Benefit Payments, Including Refunds of Employee Contributions	(834,672)	(842,490)	(873,214)	(851,631)	(880,434)	(952,793)
Administrative Expense	(9,776)	(13,551)	(19,502)	(23,093)	(25,119)	(23,357)
Other	0	0	0	16,925	0	0
Net Change in Plan Fiduciary Net Position	\$ 2,425,470	\$ 491,665	\$ 416,397	\$ 2,060,993	\$ 1,655,215	\$ 1,447,456
Plan Fiduciary Net Position, Beginning	14,853,064	17,278,534	17,770,199	18,186,596	20,247,589	21,902,804
Plan Fiduciary Net Position, Ending (b)	\$ 17,278,534	\$ 17,770,199	\$ 18,186,596	\$ 20,247,589	\$ 21,902,804	\$ 23,350,260
Net Pension Liability (Asset), Ending (a - b)	\$ (442,507)	\$ (429,235)	\$ 3,085	\$ (1,172,509)	\$ (1,729,864)	\$ (2,210,504)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.63%	102.48%	99.98%	106.15%	108.58%	110.46%
Covered Payroll	\$ 6,500,698	\$ 6,719,525	\$ 6,939,740	\$ 6,956,397	\$ 7,140,283	\$ 7,266,460
Net Pension Liability/Asset as a Percentage of Covered Payroll	6.81%	6.39%	(0.04)%	(16.86)%	(24.23)%	(30.42)%

Note: Ten years of data will be presented when available.

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-2

Chester County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 483,656	\$ 492,541	\$ 500,157	\$ 509,906	\$ 524,096	\$ 360,418	\$ 239,845
Less Contributions in Relation to the Actuarially Determined Contribution	(483,656)	(492,541)	(500,157)	(509,906)	(524,096)	(435,990)	(380,707)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (75,572)	\$ (140,862)
Covered Payroll	\$ 6,500,698	\$ 6,719,525	\$ 6,939,740	\$ 6,956,397	\$ 7,140,283	\$ 7,266,460	\$ 7,614,112
Contributions as a Percentage of Covered Payroll	7.44%	7.33%	7.21%	7.33%	7.34%	6.00%	5.00%

Note: Ten years of data will be presented when available.

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-3

Chester County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Chester County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 6,757	\$ 25,739	\$ 47,175	\$ 30,062	\$ 44,779	\$ 52,404
Less Contributions in Relation to the Contractually Required Contribution	(6,757)	(25,739)	(47,175)	(73,739)	(44,779)	(52,404)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (43,677)	\$ 0	\$ 0
Covered Payroll	\$ 168,921	\$ 643,463	\$ 1,175,088	\$ 1,843,463	\$ 2,308,170	\$ 2,581,472
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.01%	4.00%	1.94%	2.03%

Note: Ten years of data will be presented when available.

Exhibit E-4

Chester County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Chester County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 794,579	\$ 751,302	\$ 857,958	\$ 856,391	\$ 840,745	\$ 880,150	\$ 879,768
Less Contributions in Relation to the Contractually Required Contribution	(794,579)	(751,302)	(857,958)	(856,391)	(840,745)	(880,150)	(879,768)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 8,947,960	\$ 8,310,879	\$ 9,490,699	\$ 9,477,642	\$ 9,259,277	\$ 8,414,402	\$ 8,276,294
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%

Note: Ten years of data will be presented when available.

Exhibit E-5

Chester County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS
Discretely Presented Chester County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	0.079623%	0.146241%	0.179689%	0.210952%	0.218126%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (3,271) \$	(15,224) \$	(47,408) \$	(95,672) \$	(123,129)
Covered Payroll	\$ 168,921 \$	643,463 \$	1,175,088 \$	1,843,463 \$	2,308,170
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.03)%	(5.19)%	(5.33)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%	123.07%

Note: Ten years of data will be presented when available.

Exhibit E-6

Chester County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Chester County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	0.227974%	0.222008%	0.262914%	0.267991%	0.264425%	0.250942%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (37,045)	\$ 90,942	\$ 1,643,070	\$ (87,680)	\$ (930,489)	\$ (2,580,132)
Covered Payroll	\$ 8,947,960	\$ 8,310,879	\$ 9,490,699	\$ 9,477,642	\$ 9,259,277	\$ 8,414,402
School Department'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)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

Note: Ten years of data will be presented when available.

Chester County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plans
Primary Government
For the Fiscal Year Ended June 30

<u>Chester County Plan</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB Liability			
Service Cost	\$ 15,891	\$ 14,934	\$ 15,675
Interest	5,043	6,484	6,106
Differences Between Actual and Expected Experience	0	(42,156)	(30,718)
Changes in Assumptions or Other Inputs	(10,059)	7,358	8,913
Benefit Payments	0	(950)	(730)
Net Change in Total OPEB Liability	\$ 10,875	\$ (14,330)	\$ (754)
Total OPEB Liability, Beginning	156,802	167,677	153,347
Total OPEB Liability, Ending	<u>\$ 167,677</u>	<u>\$ 153,347</u>	<u>\$ 152,593</u>
Covered Employee Payroll	\$ 4,000,360	\$ 4,232,574	\$ 3,967,972
Net OPEB Liability as a Percentage of Covered Employee Payroll	4.19%	3.62%	3.85%
 <u>Chester County Highway Plan</u>	 <u>2017</u>	 <u>2018</u>	 <u>2019</u>
Total OPEB Liability			
Service Cost	\$ 5,529	\$ 5,022	\$ 5,487
Interest	2,310	2,881	2,689
Differences Between Actual and Expected Experience	0	(18,471)	(6,180)
Changes in Assumptions or Other Inputs	(2,829)	6,889	3,339
Benefit Payments	(2,487)	(2,875)	(4,012)
Net Change in Total OPEB Liability	\$ 2,523	\$ (6,554)	\$ 1,323
Total OPEB Liability, Beginning	74,812	77,335	70,781
Total OPEB Liability, Ending	<u>\$ 77,335</u>	<u>\$ 70,781</u>	<u>\$ 72,104</u>
Covered Employee Payroll	\$ 606,728	\$ 554,617	\$ 598,200
Net OPEB Liability as a Percentage of Covered Employee Payroll	12.75%	12.76%	12.05%

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions.

(a) The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

Plan year 2019 - from 5.4% to 6.75%
Plan year 2020 - from 6.75% to 6.03%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Exhibit E-8

Chester County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Commercial Insurance Plan
Discretely Presented Chester County School Department
For the Fiscal Year Ended June 30

	2018	2019	2020
Total OPEB Liability			
Service Cost	\$ 80,299	\$ 80,299	\$ 88,453
Interest	52,828	52,781	53,725
Differences Between Actual and Expected Experience	0	(39,506)	(39,098)
Changes in Assumptions or Other Inputs	0	49,597	206,340
Benefit Payments	(65,380)	(42,703)	(71,183)
Net Change in Total OPEB Liability	\$ 67,747	\$ 100,468	\$ 238,237
Total OPEB Liability, Beginning	1,313,935	1,381,682	1,482,150
Total OPEB Liability, Ending	\$ 1,381,682	\$ 1,482,150	\$ 1,720,387
Covered Employee Payroll	\$ 8,625,652	\$ 8,238,042	\$ 8,195,108
Net OPEB Liability as a Percentage of Covered Employee Payroll	16.02%	17.99%	20.99%

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018 3.88%
2019 3.50%
2020 2.21%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

CHESTER COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2020 were calculated based on the June 30, 2018, 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% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation Averaging 4.0%
Investment Rate of Return	7.25%, 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%

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified mortality assumptions

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

Nonmajor Governmental Funds

Special Revenue Funds

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

Public Library Fund – The Public Library Fund is used to account for transactions of the Chester County Public Library.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

Debt Service Fund

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

Capital Projects Fund

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Permanent Fund

Permanent Funds are used to account for the proceeds of gift instruments, which require that the principal be invested, and only the income from investments is available for expenditures.

Endowment Fund – The Endowment Fund accounts for three private gifts received by the county for which the principal amount must remain intact while interest earned on the principal may be expended to benefit the Chester County Public Library.

Exhibit F-1

Chester County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds				Debt Service Fund
	Public Library	Drug Control	Constitutional Officers - Fees	Total	General Debt Service
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,572	\$ 1,572	\$ 0
Equity in Pooled Cash and Investments	164,745	100,753	0	265,498	445,017
Investments	0	0	0	0	0
Accounts Receivable	114	0	36	150	0
Property Taxes Receivable	0	0	0	0	51,940
Allowance for Uncollectible Property Taxes	0	0	0	0	(644)
Total Assets	<u>\$ 164,859</u>	<u>\$ 100,753</u>	<u>\$ 1,608</u>	<u>\$ 267,220</u>	<u>\$ 496,313</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 140	\$ 0	\$ 0	\$ 140	\$ 0
Due to Other Funds	37	0	1,608	1,645	0
Total Liabilities	<u>\$ 177</u>	<u>\$ 0</u>	<u>\$ 1,608</u>	<u>\$ 1,785</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 49,508
Deferred Delinquent Property Taxes	0	0	0	0	1,628
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 51,136</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Endowments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Chester County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds				Debt Service Fund
	Public Library	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service
<u>FUND BALANCES (Cont.)</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 100,753	\$ 0	\$ 100,753	\$ 0
Restricted for Debt Service	0	0	0	0	416,542
Committed:					
Committed for Social, Cultural, and Recreational Services	164,682	0	0	164,682	0
Committed for Debt Service	0	0	0	0	28,635
Total Fund Balances	\$ 164,682	\$ 100,753	\$ 0	\$ 265,435	\$ 445,177
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 164,859	\$ 100,753	\$ 1,608	\$ 267,220	\$ 496,313

(Continued)

Chester County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Permanent Fund	Total Nonmajor Governmental Funds
	Endowment	Funds
<u>ASSETS</u>		
Cash	\$ 0	\$ 1,572
Equity in Pooled Cash and Investments	29,231	739,746
Investments	276,127	276,127
Accounts Receivable	0	150
Property Taxes Receivable	0	51,940
Allowance for Uncollectible Property Taxes	0	(644)
Total Assets	<u>\$ 305,358</u>	<u>\$ 1,068,891</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 140
Due to Other Funds	0	1,645
Total Liabilities	<u>\$ 0</u>	<u>\$ 1,785</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 0	\$ 49,508
Deferred Delinquent Property Taxes	0	1,628
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 51,136</u>
<u>FUND BALANCES</u>		
Nonspendable:		
Endowments	\$ 305,358	\$ 305,358

(Continued)

Chester County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Permanent Fund		Total Nonmajor Governmental Funds
	Endowment		
FUND BALANCES (Cont.)			
Restricted:			
Restricted for Public Safety	\$ 0	\$	100,753
Restricted for Debt Service	0		416,542
Committed:			
Committed for Social, Cultural, and Recreational Services	0		164,682
Committed for Debt Service	0		28,635
Total Fund Balances	\$ 305,358	\$	1,015,970
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 305,358	\$	1,068,891

Exhibit F-2

Chester County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund
	Public Library	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service	General Capital Projects
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 713,004	\$ 0
Fines, Forfeitures, and Penalties	0	6,645	0	6,645	0	0
Charges for Current Services	5,277	0	7,320	12,597	0	0
Other Local Revenues	22,408	1,987	0	24,395	400	0
State of Tennessee	75,395	0	0	75,395	2,730	0
Other Governments and Citizens Groups	4,133	0	0	4,133	175,160	0
Total Revenues	\$ 107,213	\$ 8,632	\$ 7,320	\$ 123,165	\$ 891,294	\$ 0
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 7,320	\$ 7,320	\$ 0	\$ 0
Public Safety	0	3,341	0	3,341	0	0
Social, Cultural, and Recreational Services	103,447	0	0	103,447	0	0
Other Operations	750	73	0	823	0	0
Debt Service:						
Principal on Debt	0	0	0	0	584,760	0
Interest on Debt	0	0	0	0	274,877	0
Other Debt Service	0	0	0	0	8,757	0
Total Expenditures	\$ 104,197	\$ 3,414	\$ 7,320	\$ 114,931	\$ 868,394	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,016	\$ 5,218	\$ 0	\$ 8,234	\$ 22,900	\$ 0

(Continued)

Exhibit F-2

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund
	Public Library	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service	General Capital Projects
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 67,300	\$ 0
Transfers Out	0	0	0	0	0	(8,740)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 67,300	\$ (8,740)
Net Change in Fund Balances	\$ 3,016	\$ 5,218	\$ 0	\$ 8,234	\$ 90,200	\$ (8,740)
Fund Balance, July 1, 2019	161,666	95,535	0	257,201	354,977	8,740
Fund Balance, June 30, 2020	\$ 164,682	\$ 100,753	\$ 0	\$ 265,435	\$ 445,177	\$ 0

(Continued)

Exhibit F-2

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

	Permanent Fund		Total Nonmajor Governmental Funds
	Endowment		
<u>Revenues</u>			
Local Taxes	\$ 0	\$	713,004
Fines, Forfeitures, and Penalties	0		6,645
Charges for Current Services	0		12,597
Other Local Revenues	6,575		31,370
State of Tennessee	0		78,125
Other Governments and Citizens Groups	0		179,293
Total Revenues	<u>\$ 6,575</u>	<u>\$</u>	<u>1,021,034</u>
<u>Expenditures</u>			
Current:			
Administration of Justice	\$ 0	\$	7,320
Public Safety	0		3,341
Social, Cultural, and Recreational Services	0		103,447
Other Operations	0		823
Debt Service:			
Principal on Debt	0		584,760
Interest on Debt	0		274,877
Other Debt Service	0		8,757
Total Expenditures	<u>\$ 0</u>	<u>\$</u>	<u>983,325</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ 6,575</u>	<u>\$</u>	<u>37,709</u>

(Continued)

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

	<div>Permanent Fund</div>	Total Nonmajor Governmental Funds
	Endowment	
<hr/>		
<u>Other Financing Sources (Uses)</u>		
Transfers In	\$ 0	\$ 67,300
Transfers Out	0	(8,740)
Total Other Financing Sources (Uses)	<hr/> \$ 0	<hr/> \$ 58,560
Net Change in Fund Balances	\$ 6,575	\$ 96,269
Fund Balance, July 1, 2019	<hr/> 298,783	<hr/> 919,701
Fund Balance, June 30, 2020	<hr/> \$ 305,358	<hr/> \$ 1,015,970

Exhibit F-3

Chester County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Public Library Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 75,500	\$ 0	\$ 0
Charges for Current Services	5,277	11,000	11,000	(5,723)
Other Local Revenues	22,408	1,000	7,342	15,066
State of Tennessee	75,395	0	75,500	(105)
Other Governments and Citizens Groups	4,133	0	5,103	(970)
Total Revenues	<u>\$ 107,213</u>	<u>\$ 87,500</u>	<u>\$ 98,945</u>	<u>\$ 8,268</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 91,066	\$ 87,500	\$ 100,119	\$ 9,053
Other Social, Cultural, and Recreational	12,381	7,500	13,127	746
<u>Other Operations</u>				
Miscellaneous	750	750	750	0
Total Expenditures	<u>\$ 104,197</u>	<u>\$ 95,750</u>	<u>\$ 113,996</u>	<u>\$ 9,799</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,016</u>	<u>\$ (8,250)</u>	<u>\$ (15,051)</u>	<u>\$ 18,067</u>
Net Change in Fund Balance	\$ 3,016	\$ (8,250)	\$ (15,051)	18,067
Fund Balance, July 1, 2019	<u>161,666</u>	<u>160,772</u>	<u>160,772</u>	<u>894</u>
Fund Balance, June 30, 2020	<u><u>\$ 164,682</u></u>	<u><u>\$ 152,522</u></u>	<u><u>\$ 145,721</u></u>	<u><u>\$ 18,961</u></u>

Exhibit F-4

Chester County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 6,645	\$ 7,800	\$ 7,800	\$ (1,155)
Other Local Revenues	1,987	3,400	3,400	(1,413)
Total Revenues	<u>\$ 8,632</u>	<u>\$ 11,200</u>	<u>\$ 11,200</u>	<u>\$ (2,568)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 3,341	\$ 5,900	\$ 5,820	\$ 2,479
<u>Other Operations</u>				
Miscellaneous	73	0	80	7
Total Expenditures	<u>\$ 3,414</u>	<u>\$ 5,900</u>	<u>\$ 5,900</u>	<u>\$ 2,486</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,218</u>	<u>\$ 5,300</u>	<u>\$ 5,300</u>	<u>\$ (82)</u>
Net Change in Fund Balance	\$ 5,218	\$ 5,300	\$ 5,300	\$ (82)
Fund Balance, July 1, 2019	<u>95,535</u>	<u>98,735</u>	<u>98,735</u>	<u>(3,200)</u>
Fund Balance, June 30, 2020	<u><u>\$ 100,753</u></u>	<u><u>\$ 104,035</u></u>	<u><u>\$ 104,035</u></u>	<u><u>\$ (3,282)</u></u>

Exhibit F-5

Chester County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 713,004	\$ 670,650	\$ 670,650	\$ 42,354
Other Local Revenues	400	0	400	0
State of Tennessee	2,730	2,841	2,841	(111)
Other Governments and Citizens Groups	175,160	0	175,899	(739)
Total Revenues	<u>\$ 891,294</u>	<u>\$ 673,491</u>	<u>\$ 849,790</u>	<u>\$ 41,504</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 400,000	\$ 400,000	\$ 400,000	\$ 0
Highways and Streets	64,760	64,760	64,760	0
Education	120,000	120,000	120,000	0
<u>Interest on Debt</u>				
General Government	217,177	203,257	217,182	5
Highways and Streets	2,540	3,279	3,279	739
Education	55,160	55,160	55,160	0
<u>Other Debt Service</u>				
General Government	8,757	9,300	9,300	543
Total Expenditures	<u>\$ 868,394</u>	<u>\$ 855,756</u>	<u>\$ 869,681</u>	<u>\$ 1,287</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 22,900</u>	<u>\$ (182,265)</u>	<u>\$ (19,891)</u>	<u>\$ 42,791</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 67,300	\$ 243,199	\$ 67,300	\$ 0
Total Other Financing Sources	<u>\$ 67,300</u>	<u>\$ 243,199</u>	<u>\$ 67,300</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 90,200	\$ 60,934	\$ 47,409	\$ 42,791
Fund Balance, July 1, 2019	<u>354,977</u>	<u>288,562</u>	<u>288,562</u>	<u>66,415</u>
Fund Balance, June 30, 2020	<u><u>\$ 445,177</u></u>	<u><u>\$ 349,496</u></u>	<u><u>\$ 335,971</u></u>	<u><u>\$ 109,206</u></u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit G-1

Chester County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

	Agency Funds		
	Cities - Sales Tax	Constitu - tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 927,010	\$ 927,010
Due from Other Governments	233,331	0	233,331
Total Assets	<u>\$ 233,331</u>	<u>\$ 927,010</u>	<u>\$ 1,160,341</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 233,331	\$ 0	\$ 233,331
Due to Litigants, Heirs, and Others	0	927,010	927,010
Total Liabilities	<u>\$ 233,331</u>	<u>\$ 927,010</u>	<u>\$ 1,160,341</u>

Exhibit G-2

Chester County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,287,874	\$ 1,287,874	\$ 0
Due from Other Governments	202,000	233,331	202,000	233,331
Total Assets	\$ 202,000	\$ 1,521,205	\$ 1,489,874	\$ 233,331
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 202,000	\$ 1,521,205	\$ 1,489,874	\$ 233,331
Total Liabilities	\$ 202,000	\$ 1,521,205	\$ 1,489,874	\$ 233,331
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,585,459	\$ 4,030,737	\$ 4,689,186	\$ 927,010
Total Assets	\$ 1,585,459	\$ 4,030,737	\$ 4,689,186	\$ 927,010
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,585,459	\$ 4,030,737	\$ 4,689,186	\$ 927,010
Total Liabilities	\$ 1,585,459	\$ 4,030,737	\$ 4,689,186	\$ 927,010
<u>Total - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,585,459	\$ 4,030,737	\$ 4,689,186	\$ 927,010
Equity in Pooled Cash and Investments	0	1,287,874	1,287,874	0
Due from Other Governments	202,000	233,331	202,000	233,331
Total Assets	\$ 1,787,459	\$ 5,551,942	\$ 6,179,060	\$ 1,160,341
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 202,000	\$ 1,521,205	\$ 1,489,874	\$ 233,331
Due to Litigants, Heirs, and Others	1,585,459	4,030,737	4,689,186	927,010
Total Liabilities	\$ 1,787,459	\$ 5,551,942	\$ 6,179,060	\$ 1,160,341

Chester County School Department

This section presents combining and individual fund financial statements for the Chester County School Department, a discretely presented component unit. The school department uses a General Fund, two Special Revenue Funds, a Capital Projects Fund, and a Private Purpose Trust Fund.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the school department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the school department.

Private Purpose Trust Fund – The Private Purpose Trust Fund is used to account for endowments received by the school department. Income generated from the corpus of one of the endowments is to be used to provide annual scholarships to one or more Chester County students chosen by a faculty committee at Chester County High School. The other endowments provide for scholarships to be awarded annually until the endowments are depleted.

Exhibit H-1

Chester County, Tennessee
Statement of Activities
Discretely Presented Chester County School Department
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 15,396,148	\$ 43,755	\$ 1,066,979	\$ (14,285,414)
Support Services	7,577,415	18,840	497,146	(7,061,429)
Operation of Non-instructional Services	1,557,453	297,832	908,225	(351,396)
Total Governmental Activities	\$ 24,531,016	\$ 360,427	\$ 2,472,350	\$ (21,698,239)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 2,033,705
Local Option Sales Taxes				1,631,326
Other Local Taxes				4,413
Grants and Contributions Not Restricted to Specific Programs				18,760,407
Unrestricted Investment Income				106,437
Miscellaneous				29,120
Total General Revenues				\$ 22,565,408
Change in Net Position				\$ 867,169
Net Position, July 1, 2019				22,775,044
Net Position, June 30, 2020				\$ 23,642,213

Exhibit H-2

Chester County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Chester County School Department
June 30, 2020

	Major Fund	Nonmajor Funds	
	General	Other	
	Purpose	Govern-	Total
	School	mental	Governmental
		Funds	Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 6,720,029	\$ 1,244,689	\$ 7,964,718
Accounts Receivable	7,580	1,775	9,355
Due from Other Governments	316,140	113,849	429,989
Due from Other Funds	1,333	22,286	23,619
Due from Primary Government	4,413	0	4,413
Property Taxes Receivable	1,932,405	0	1,932,405
Allowance for Uncollectible Property Taxes	(23,968)	0	(23,968)
Restricted Assets	103,879	0	103,879
Total Assets	<u>\$ 9,061,811</u>	<u>\$ 1,382,599</u>	<u>\$ 10,444,410</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 313	\$ 8,797	\$ 9,110
Payroll Deductions Payable	222,573	25,166	247,739
Due to Other Funds	22,286	1,333	23,619
Total Liabilities	<u>\$ 245,172</u>	<u>\$ 35,296</u>	<u>\$ 280,468</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 1,841,923	\$ 0	\$ 1,841,923
Deferred Delinquent Property Taxes	60,599	0	60,599
Other Deferred/Unavailable Revenue	130,000	18,750	148,750
Total Deferred Inflows of Resources	<u>\$ 2,032,522</u>	<u>\$ 18,750</u>	<u>\$ 2,051,272</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 6,996	\$ 30,756	\$ 37,752
Restricted for Operation of Non-instructional Services	0	472,306	472,306
Restricted for Capital Outlay	0	625,491	625,491
Restricted for Hybrid Retirement Stabilization Funds	103,879	0	103,879
Committed:			
Committed for Education	336,128	0	336,128
Assigned:			
Assigned for Education	199,317	200,000	399,317
Unassigned	6,137,797	0	6,137,797
Total Fund Balances	<u>\$ 6,784,117</u>	<u>\$ 1,328,553</u>	<u>\$ 8,112,670</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,061,811</u>	<u>\$ 1,382,599</u>	<u>\$ 10,444,410</u>

Exhibit H-3

Chester County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Chester County School Department
June 30, 2020

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

Total fund balances - balance sheet - governmental funds (Exhibit H-2)		\$	8,112,670
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	941,552	
Add: buildings and improvements net of accumulated depreciation		11,636,116	
Add: other capital assets net of accumulated depreciation		<u>1,706,674</u>	14,284,342
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: net OPEB liability			(1,720,387)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	1,803,484	
Less: deferred inflows of resources related to pensions		(2,725,388)	
Add: deferred outflows of resources related to OPEB		216,559	
Less: deferred inflows of resources related to OPEB		<u>(63,763)</u>	(769,108)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	822,086	
Add: net pension asset - teacher retirement plan		123,129	
Add: net pension asset - teacher legacy pension plan		<u>2,580,132</u>	3,525,347
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>209,349</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>23,642,213</u></u>

Exhibit H-4

Chester County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Chester County School Department
For the Year Ended June 30, 2020

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 3,400,216	\$ 225,000	\$ 3,625,216
Licenses and Permits	1,026	0	1,026
Charges for Current Services	43,755	282,832	326,587
Other Local Revenues	147,388	17,009	164,397
State of Tennessee	18,530,938	13,456	18,544,394
Federal Government	35,833	2,651,504	2,687,337
Other Governments and Citizens Groups	0	5,000	5,000
Total Revenues	\$ 22,159,156	\$ 3,194,801	\$ 25,353,957
<u>Expenditures</u>			
Current:			
Instruction	\$ 13,281,441	\$ 1,340,968	\$ 14,622,409
Support Services	7,835,565	262,611	8,098,176
Operation of Non-Instructional Services	224,626	1,237,516	1,462,142
Capital Outlay	54,142	570,984	625,126
Debt Service:			
Other Debt Service	0	175,160	175,160
Capital Projects	0	206,786	206,786
Total Expenditures	\$ 21,395,774	\$ 3,794,025	\$ 25,189,799
Excess (Deficiency) of Revenues Over Expenditures	\$ 763,382	\$ (599,224)	\$ 164,158
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 33,627	\$ 0	\$ 33,627
Transfers In	17,775	0	17,775
Transfers Out	0	(17,775)	(17,775)
Total Other Financing Sources (Uses)	\$ 51,402	\$ (17,775)	\$ 33,627
Net Change in Fund Balances	\$ 814,784	\$ (616,999)	\$ 197,785
Fund Balance, July 1, 2019	5,969,333	1,945,552	7,914,885
Fund Balance, June 30, 2020	\$ 6,784,117	\$ 1,328,553	\$ 8,112,670

Exhibit H-5

Chester County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Chester County School Department
For the Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds (Exhibit H-4)		\$	197,785
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	870,570	
Less: current-year depreciation expense		(740,712)	129,858
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$	209,349	
Less: deferred delinquent property taxes and other deferred June 30, 2019		(165,121)	44,228
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in net OPEB liability	\$	(238,237)	
Change in deferred outflows related to OPEB		173,040	
Change in deferred inflows related to OPEB		(29,098)	
Change in deferred outflows related to pensions		(339,050)	
Change in deferred inflows related to pensions		(838,984)	
Change in net pension asset - agent plan		90,527	
Change in net pension asset - teacher retirement plan		27,457	
Change in net pension asset - teacher legacy pension plan		1,649,643	495,298
Change in net position of governmental activities (Exhibit B)		\$	<u>867,169</u>

Exhibit H-6

Chester County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Chester County School Department
June 30, 2020

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 151,691	\$ 477,460	\$ 629,151	\$ 615,538	\$ 1,244,689
Accounts Receivable	116	1,659	1,775	0	1,775
Due from Other Governments	76,349	0	76,349	37,500	113,849
Due from Other Funds	22,286	0	22,286	0	22,286
Total Assets	<u>\$ 250,442</u>	<u>\$ 479,119</u>	<u>\$ 729,561</u>	<u>\$ 653,038</u>	<u>\$ 1,382,599</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 8,797	\$ 8,797
Payroll Deductions Payable	18,353	6,813	25,166	0	25,166
Due to Other Funds	1,333	0	1,333	0	1,333
Total Liabilities	<u>\$ 19,686</u>	<u>\$ 6,813</u>	<u>\$ 26,499</u>	<u>\$ 8,797</u>	<u>\$ 35,296</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Other Deferred/Unavailable Revenue	\$ 0	\$ 0	\$ 0	\$ 18,750	\$ 18,750
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 18,750</u>	<u>\$ 18,750</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 30,756	\$ 0	\$ 30,756	\$ 0	\$ 30,756
Restricted for Operation of Non-instructional Services	0	472,306	472,306	0	472,306

(Continued)

Chester County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Chester County School Department (Cont.)

	Special Revenue Funds			Capital	Total
	School Federal Projects	Central Cafeteria	Total	Projects Fund Education Capital Projects	
<u>FUND BALANCES (Cont.)</u>					
Restricted (Cont.):					
Restricted for Capital Outlay	\$ 0	\$ 0	\$ 0	\$ 625,491	\$ 625,491
Assigned:					
Assigned for Education	200,000	0	200,000	0	200,000
Total Fund Balances	<u>\$ 230,756</u>	<u>\$ 472,306</u>	<u>\$ 703,062</u>	<u>\$ 625,491</u>	<u>\$ 1,328,553</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 250,442</u>	<u>\$ 479,119</u>	<u>\$ 729,561</u>	<u>\$ 653,038</u>	<u>\$ 1,382,599</u>

Exhibit H-7

Chester County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Chester County School Department
For the Year Ended June 30, 2020

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 225,000	\$ 225,000
Charges for Current Services	0	282,832	282,832	0	282,832
Other Local Revenues	0	17,009	17,009	0	17,009
State of Tennessee	0	13,456	13,456	0	13,456
Federal Government	1,612,811	1,038,693	2,651,504	0	2,651,504
Other Governments and Citizens Groups	0	5,000	5,000	0	5,000
Total Revenues	\$ 1,612,811	\$ 1,356,990	\$ 2,969,801	\$ 225,000	\$ 3,194,801
<u>Expenditures</u>					
Current:					
Instruction	\$ 1,340,968	\$ 0	\$ 1,340,968	\$ 0	\$ 1,340,968
Support Services	260,361	0	260,361	2,250	262,611
Operation of Non-Instructional Services	0	1,237,516	1,237,516	0	1,237,516
Capital Outlay	0	0	0	570,984	570,984
Debt Service:					
Other Debt Service	0	0	0	175,160	175,160
Capital Projects	0	0	0	206,786	206,786
Total Expenditures	\$ 1,601,329	\$ 1,237,516	\$ 2,838,845	\$ 955,180	\$ 3,794,025
Excess (Deficiency) of Revenues Over Expenditures	\$ 11,482	\$ 119,474	\$ 130,956	\$ (730,180)	\$ (599,224)

(Continued)

Exhibit H-7

Chester County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Chester County School Department (Cont.)

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (17,775)	\$ 0	\$ (17,775)	\$ 0	\$ (17,775)
Total Other Financing Sources (Uses)	\$ (17,775)	\$ 0	\$ (17,775)	\$ 0	\$ (17,775)
Net Change in Fund Balances	\$ (6,293)	\$ 119,474	\$ 113,181	\$ (730,180)	\$ (616,999)
Fund Balance, July 1, 2019	237,049	352,832	589,881	1,355,671	1,945,552
Fund Balance, June 30, 2020	\$ 230,756	\$ 472,306	\$ 703,062	\$ 625,491	\$ 1,328,553

Exhibit H-8

Chester County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Chester County School Department
General Purpose School Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,400,216	\$ 0	\$ 0	\$ 3,400,216	\$ 3,118,800	\$ 3,118,800	\$ 281,416
Licenses and Permits	1,026	0	0	1,026	1,000	1,000	26
Charges for Current Services	43,755	0	0	43,755	52,750	52,750	(8,995)
Other Local Revenues	147,388	0	0	147,388	93,000	93,000	54,388
State of Tennessee	18,530,938	0	0	18,530,938	18,411,600	18,522,872	8,066
Federal Government	35,833	0	0	35,833	5,000	36,599	(766)
Total Revenues	\$ 22,159,156	\$ 0	\$ 0	\$ 22,159,156	\$ 21,682,150	\$ 21,825,021	\$ 334,135
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 10,906,493	\$ (53,891)	\$ 16,873	\$ 10,869,475	\$ 11,237,751	\$ 11,270,106	\$ 400,631
Special Education Program	1,688,270	(1,262)	125	1,687,133	1,808,128	1,828,128	140,995
Career and Technical Education Program	590,787	0	700	591,487	687,688	690,188	98,701
Student Body Education Program	95,891	0	0	95,891	95,880	97,880	1,989
<u>Support Services</u>							
Attendance	29,724	0	0	29,724	32,541	32,541	2,817
Health Services	220,825	0	0	220,825	237,113	245,313	24,488
Other Student Support	445,462	0	0	445,462	477,108	486,608	41,146
Regular Instruction Program	710,969	(4,648)	0	706,321	757,382	769,882	63,561
Special Education Program	210,438	0	9,000	219,438	234,006	234,006	14,568
Career and Technical Education Program	0	0	0	0	2,500	2,500	2,500
Technology	517,959	(2,910)	17,610	532,659	491,623	591,623	58,964
Adult Programs	29,284	(300)	500	29,484	32,465	32,465	2,981
Board of Education	435,449	(1,720)	3,750	437,479	486,950	494,366	56,887
Director of Schools	197,869	(250)	600	198,219	209,298	209,298	11,079
Office of the Principal	1,588,814	(500)	6,116	1,594,430	1,597,304	1,675,204	80,774
Fiscal Services	200,766	(4,500)	0	196,266	207,947	207,947	11,681
Human Services/Personnel	60,780	0	0	60,780	71,880	71,880	11,100
Operation of Plant	1,395,364	0	9,983	1,405,347	1,509,076	1,541,676	136,329

(Continued)

Exhibit H-8

Chester County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Chester County School Department
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 734,102	\$ (79,727)	\$ 13,130	\$ 667,505	\$ 610,970	\$ 706,842	\$ 39,337
Transportation	1,028,877	(9,831)	117,355	1,136,401	1,227,238	1,345,738	209,337
COVID-19 Expenditures	28,883	0	0	28,883	0	28,883	0
<u>Operation of Non-Instructional Services</u>							
Food Service	20,835	0	0	20,835	0	28,165	7,330
Community Services	363	0	0	363	11,320	11,320	10,957
Early Childhood Education	203,428	(827)	3,575	206,176	211,200	211,200	5,024
<u>Capital Outlay</u>							
Regular Capital Outlay	54,142	0	0	54,142	60,000	80,000	25,858
Total Expenditures	\$ 21,395,774	\$ (160,366)	\$ 199,317	\$ 21,434,725	\$ 22,297,368	\$ 22,893,759	\$ 1,459,034
Excess (Deficiency) of Revenues Over Expenditures	\$ 763,382	\$ 160,366	\$ (199,317)	\$ 724,431	\$ (615,218)	\$ (1,068,738)	\$ 1,793,169
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 33,627	\$ 0	\$ 0	\$ 33,627	\$ 10,000	\$ 10,000	\$ 23,627
Transfers In	17,775	0	0	17,775	10,000	10,000	7,775
Total Other Financing Sources	\$ 51,402	\$ 0	\$ 0	\$ 51,402	\$ 20,000	\$ 20,000	\$ 31,402
Net Change in Fund Balance	\$ 814,784	\$ 160,366	\$ (199,317)	\$ 775,833	\$ (595,218)	\$ (1,048,738)	\$ 1,824,571
Fund Balance, July 1, 2019	5,969,333	(160,366)	0	5,808,967	4,644,121	4,644,121	1,164,846
Fund Balance, June 30, 2020	\$ 6,784,117	\$ 0	\$ (199,317)	\$ 6,584,800	\$ 4,048,903	\$ 3,595,383	\$ 2,989,417

Exhibit H-9

Chester County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Chester County School Department
School Federal Projects Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 1,612,811	\$ 0	\$ 0	\$ 1,612,811	\$ 1,446,525	\$ 1,992,282	\$ (379,471)
Total Revenues	\$ 1,612,811	\$ 0	\$ 0	\$ 1,612,811	\$ 1,446,525	\$ 1,992,282	\$ (379,471)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 746,681	\$ (12,059)	\$ 7,594	\$ 742,216	\$ 666,863	\$ 859,505	\$ 117,289
Special Education Program	542,737	(170)	120	542,687	494,725	690,672	147,985
Career and Technical Education Program	51,550	(10,927)	0	40,623	31,232	41,118	495
<u>Support Services</u>							
Other Student Support	19,403	0	930	20,333	41,413	32,631	12,298
Regular Instruction Program	161,123	(350)	0	160,773	115,636	226,252	65,479
Special Education Program	43,078	0	0	43,078	31,060	80,553	37,475
Career and Technical Education Program	1,314	0	0	1,314	3,900	1,314	0
Operation of Plant	1,730	0	0	1,730	19,700	2,500	770
Transportation	28,203	0	0	28,203	41,923	34,450	6,247
COVID-19 Expenditures	5,510	0	0	5,510	0	5,510	0
Total Expenditures	\$ 1,601,329	\$ (23,506)	\$ 8,644	\$ 1,586,467	\$ 1,446,452	\$ 1,974,505	\$ 388,038
Excess (Deficiency) of Revenues Over Expenditures	\$ 11,482	\$ 23,506	\$ (8,644)	\$ 26,344	\$ 73	\$ 17,777	\$ 8,567
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (17,775)	\$ 0	\$ 0	\$ (17,775)	\$ (74)	\$ (17,775)	\$ 0
Total Other Financing Sources	\$ (17,775)	\$ 0	\$ 0	\$ (17,775)	\$ (74)	\$ (17,775)	\$ 0
Net Change in Fund Balance	\$ (6,293)	\$ 23,506	\$ (8,644)	\$ 8,569	\$ (1)	\$ 2	\$ 8,567
Fund Balance, July 1, 2019	237,049	(23,506)	0	213,543	161,005	161,005	52,538
Fund Balance, June 30, 2020	\$ 230,756	\$ 0	\$ (8,644)	\$ 222,112	\$ 161,004	\$ 161,007	\$ 61,105

Exhibit H-10

Chester County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Chester County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 282,832	\$ 0	\$ 0	\$ 282,832	\$ 366,000	\$ 366,000	\$ (83,168)
Other Local Revenues	17,009	0	0	17,009	17,800	17,800	(791)
State of Tennessee	13,456	0	0	13,456	14,000	14,000	(544)
Federal Government	1,038,693	0	0	1,038,693	1,012,497	1,012,497	26,196
Other Governments and Citizens Groups	5,000	0	0	5,000	0	0	5,000
Total Revenues	<u>\$ 1,356,990</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,356,990</u>	<u>\$ 1,410,297</u>	<u>\$ 1,410,297</u>	<u>\$ (53,307)</u>
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 1,093,592	\$ (18,279)	\$ 1,195	\$ 1,076,508	\$ 1,410,297	\$ 1,266,373	\$ 189,865
COVID-19 Expenditures	143,924	0	0	143,924	0	143,924	0
Total Expenditures	<u>\$ 1,237,516</u>	<u>\$ (18,279)</u>	<u>\$ 1,195</u>	<u>\$ 1,220,432</u>	<u>\$ 1,410,297</u>	<u>\$ 1,410,297</u>	<u>\$ 189,865</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 119,474</u>	<u>\$ 18,279</u>	<u>\$ (1,195)</u>	<u>\$ 136,558</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 136,558</u>
Net Change in Fund Balance	\$ 119,474	\$ 18,279	\$ (1,195)	\$ 136,558	\$ 0	\$ 0	\$ 136,558
Fund Balance, July 1, 2019	<u>352,832</u>	<u>(18,279)</u>	<u>0</u>	<u>334,553</u>	<u>286,343</u>	<u>286,343</u>	<u>48,210</u>
Fund Balance, June 30, 2020	<u><u>\$ 472,306</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (1,195)</u></u>	<u><u>\$ 471,111</u></u>	<u><u>\$ 286,343</u></u>	<u><u>\$ 286,343</u></u>	<u><u>\$ 184,768</u></u>

Exhibit H-11

Chester County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Chester County School Department
Education Capital Projects Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 225,000	\$ 0	\$ 0	\$ 225,000	\$ 225,000	\$ 225,000	\$ 0
Total Revenues	\$ 225,000	\$ 0	\$ 0	\$ 225,000	\$ 225,000	\$ 225,000	\$ 0
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 2,250	\$ 0	\$ 0	\$ 2,250	\$ 2,500	\$ 2,500	\$ 250
<u>Capital Outlay</u>							
Regular Capital Outlay	570,984	(570,984)	0	0	0	0	0
<u>Principal on Debt</u>							
Education	0	0	0	0	125,000	0	0
<u>Interest on Debt</u>							
Education	0	0	0	0	55,000	0	0
<u>Other Debt Service</u>							
Education	175,160	0	0	175,160	0	180,000	4,840
<u>Capital Projects</u>							
Education Capital Projects	206,786	0	66,549	273,335	42,500	274,500	1,165
Total Expenditures	\$ 955,180	\$ (570,984)	\$ 66,549	\$ 450,745	\$ 225,000	\$ 457,000	\$ 6,255
Excess (Deficiency) of Revenues Over Expenditures	\$ (730,180)	\$ 570,984	\$ (66,549)	\$ (225,745)	\$ 0	\$ (232,000)	\$ 6,255
Net Change in Fund Balance	\$ (730,180)	\$ 570,984	\$ (66,549)	\$ (225,745)	\$ 0	\$ (232,000)	\$ 6,255
Fund Balance, July 1, 2019	1,355,671	(570,984)	0	784,687	1,006,871	1,006,871	(222,184)
Fund Balance, June 30, 2020	\$ 625,491	\$ 0	\$ (66,549)	\$ 558,942	\$ 1,006,871	\$ 774,871	\$ (215,929)

Exhibit H-12

Chester County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Chester County School Department
Fiduciary Fund
June 30, 2020

	Other Trust Fund
	Private Purpose Trust Fund
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 132,522
Total Assets	\$ 132,522
<u>NET POSITION</u>	
Funds Held in Trust for College Scholarships for Chester County Students	\$ 132,522
Total Net Position	\$ 132,522

Exhibit H-13

Chester County, Tennessee
Statement of Changes in Fiduciary Net Position
Discretely Presented Chester County School Department
Fiduciary Fund
For the Year Ended June 30, 2020

	Other Trust Fund
	Private Purpose Trust Fund
<u>ADDITIONS</u>	
<u>Other Local Revenues</u>	
Investment Income	\$ 1,612
Total Additions	<u>\$ 1,612</u>
<u>DEDUCTIONS</u>	
<u>Miscellaneous</u>	
Other Charges	\$ 4,000
Total Deductions	<u>\$ 4,000</u>
Change in Net Position	\$ (2,388)
Net Position, July 1, 2019	<u>134,910</u>
Net Position, June 30, 2020	<u><u>\$ 132,522</u></u>

MISCELLANEOUS SCHEDULES

Exhibit I-1

Chester County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-20
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Capital Outlay Notes, Series 2016	\$ 316,000	2.5%	7-18-16	6-30-21	\$ 131,160	\$ 0	\$ 64,760	\$ 66,400
Capital Outlay Notes, Series 2018	1,700,000	3.5	7-12-18	6-1-30	1,576,000	0	120,000	1,456,000
Capital Outlay Notes, Series 2019	1,000,000	2.83	10-9-19	10-1-26	0	1,000,000	0	1,000,000
Total Notes Payable					<u>\$ 1,707,160</u>	<u>\$ 1,000,000</u>	<u>\$ 184,760</u>	<u>\$ 2,522,400</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Refunding Bonds, Series 2011	575,000	2.75 to 5	3-15-11	5-1-23	\$ 225,000	\$ 0	\$ 55,000	\$ 170,000
General Obligation Bonds, Series 2011	360,000	2.75 to 5	3-15-11	5-1-28	200,000	0	20,000	180,000
General Obligation Refunding Bonds, Series 2016	8,505,000	2 to 3	5-13-16	6-1-40	7,965,000	0	325,000	7,640,000
Total Bonds Payable					<u>\$ 8,390,000</u>	<u>\$ 0</u>	<u>\$ 400,000</u>	<u>\$ 7,990,000</u>

Exhibit I-2

Chester County, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Notes		
	Principal	Interest	Total
2021	\$ 321,400	\$ 78,309	\$ 399,709
2022	264,000	69,302	333,302
2023	272,000	60,910	332,910
2024	280,000	52,279	332,279
2025	289,000	43,360	332,360
2026	298,000	34,173	332,173
2027	308,000	24,698	332,698
2028	158,000	17,150	175,150
2029	163,000	11,620	174,620
2030	169,000	5,915	174,915
Total	\$ 2,522,400	\$ 397,716	\$ 2,920,116

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 405,000	\$ 194,413	\$ 599,413
2022	410,000	185,375	595,375
2023	420,000	176,237	596,237
2024	370,000	166,438	536,438
2025	380,000	158,687	538,687
2026	390,000	150,588	540,588
2027	395,000	142,287	537,287
2028	400,000	133,888	533,888
2029	350,000	125,387	475,387
2030	360,000	118,388	478,388
2031	365,000	111,187	476,187
2032	375,000	102,975	477,975
2033	385,000	93,600	478,600
2034	395,000	83,975	478,975
2035	400,000	74,100	474,100
2036	415,000	63,600	478,600
2037	425,000	52,187	477,187
2038	435,000	40,500	475,500
2039	450,000	27,450	477,450
2040	465,000	13,950	478,950
Total	\$ 7,990,000	\$ 2,215,212	\$ 10,205,212

Exhibit I-3

Chester County, Tennessee
Schedule of Investments
June 30, 2020

<u>Fund and Type</u>	<u>Amount</u>
<u>Permanent Fund</u>	
<u>Endowment Fund</u>	
Vanguard 500 Index Fund	\$ 135,218
Fidelity International Index Fund	24,564
Vanguard Short-term Bond Index Fund	10,065
Vanguard Total Bond Fund	77,139
Vanguard Intermediate-term Corporate Bond Index Fund	<u>29,141</u>
Total Investments	<u>\$ 276,127</u>

Exhibit I-4

Chester County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Chester County School Department

For the Year Ended June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Highway/Public Works	General Debt Service	Debt retirement	\$ 67,300
General Capital Projects	General	To close fund	<u>8,740</u>
Total Transfers Primary Government			<u>\$ 76,040</u>
<u>DISCRETELY PRESENTED CHESTER COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 17,775</u>
Total Transfers Discretely Presented Chester County School Department			<u>\$ 17,775</u>

Exhibit I-5

Chester County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Chester County School Department
For the Year Ended June 30, 2020

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 89,254	\$ 400,000	Tennessee Risk Management Trust
Road Supervisor	Section 8-24-102, <i>TCA</i>	82,868 (1)	400,000	"
Director of Schools	State Board of Education and County Board of Education	110,465 (2)	400,000	"
Trustee	Section 8-24-102, <i>TCA</i>	75,471 (1)	400,000	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	75,471 (1)	400,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	73,971	400,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	74,721 (3)	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	75,471 (1) (4)	400,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	73,971	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	81,368 (5)	400,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			400,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Departments			400,000	"

- (1) Includes educational incentive pay of \$1,500.
(2) Includes a chief executive officer training supplement of \$1,000 and an equity pay bonus of \$865.
(3) Includes educational incentive pay of \$750.
(4) Does not include special commissioner fees of \$7,320.
(5) Does not include a law enforcement training supplement of \$800.

Exhibit I-6

Chester County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2020

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 4,062,109	\$ 0	\$ 0	\$ 0	\$ 0
Discount on Property Taxes	(41,379)	0	0	0	0
Trustee's Collections - Prior Year	148,806	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	73,057	0	7,274	0	0
Interest and Penalty	30,160	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	5,516	0	305,856	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	236,740	0	65,788	0	0
Hotel/Motel Tax	0	0	16,459	0	0
Wheel Tax	194,581	0	0	0	0
Litigation Tax - General	39,866	0	0	0	0
Litigation Tax - Special Purpose	5,179	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Litigation Tax - Courthouse Security	157	0	0	0	0
Business Tax	0	0	121,442	0	0
Mixed Drink Tax	0	0	1,451	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	54,290	0	0
Wholesale Beer Tax	0	0	44,472	0	0
Total Local Taxes	\$ 4,754,792	\$ 0	\$ 617,032	\$ 0	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 4,961	\$ 0	\$ 14,777	\$ 0	\$ 0
Total Licenses and Permits	\$ 4,961	\$ 0	\$ 14,777	\$ 0	\$ 0

(Continued)

Exhibit I-6

Chester County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 2,943	\$ 0	\$ 0	\$ 0	0
Officers Costs	3,107	0	0	0	0
Drug Control Fines	0	0	0	2,544	0
Drug Court Fees	20	0	0	311	0
Jail Fees	3,419	0	0	0	0
DUI Treatment Fines	380	0	0	0	0
Data Entry Fee - Circuit Court	1,058	0	0	0	0
Victims Assistance Assessments	1,291	0	0	0	0
<u>General Sessions Court</u>					
Fines	9,093	0	0	0	0
Officers Costs	24,223	0	0	0	0
Game and Fish Fines	202	0	0	0	0
Drug Control Fines	2,332	0	0	3,354	0
Drug Court Fees	2,359	0	0	0	0
Jail Fees	6,820	0	0	0	0
DUI Treatment Fines	1,298	0	0	0	0
Data Entry Fee - General Sessions Court	5,555	0	0	0	0
Courtroom Security Fee	6	0	0	0	0
Victims Assistance Assessments	8,642	0	0	0	0
<u>Juvenile Court</u>					
Fines	119	0	0	0	0
Officers Costs	2,100	0	0	0	0
Data Entry Fee - Juvenile Court	456	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	570	0	0	0	0
Data Entry Fee - Chancery Court	2,284	0	0	0	0

(Continued)

Exhibit I-6

Chester County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Judicial District Drug Program</u>					
Courtroom Security Fee	\$ 4	\$ 0	\$ 0	\$ 0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	436	0
Total Fines, Forfeitures, and Penalties	\$ 78,281	\$ 0	\$ 0	\$ 6,645	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 37,569	\$ 0	0
Convenience Waste Centers Collection Charge	0	0	60,732	0	0
Solid Waste Disposal Fee	0	0	5,701	0	0
<u>Fees</u>					
Library Fees	0	5,277	0	0	0
Greenbelt Late Application Fee	350	0	0	0	0
Telephone Commissions	107,569	0	0	0	0
Vending Machine Collections	0	0	141	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	7,320
Data Processing Fee - Register	5,272	0	0	0	0
Data Processing Fee - Sheriff	2,030	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,600	0	0	0	0
Data Processing Fee - County Clerk	1,448	0	0	0	0
Subscription and Electronic Filing Fee - Chancery	6,934	0	0	0	0
<u>Education Charges</u>					
Other Charges for Services	0	0	31,401	0	0
Total Charges for Current Services	\$ 127,203	\$ 5,277	\$ 135,544	\$ 0	\$ 7,320

(Continued)

Exhibit I-6

Chester County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 603	\$ 17,047	\$ 78,767	\$ 0	\$ 0
Lease/Rentals	600	0	0	0	0
Commissary Sales	0	0	0	0	0
Sale of Maps	1,850	0	0	0	0
Sale of Recycled Materials	0	0	237,733	0	0
Miscellaneous Refunds	34,801	5,361	3,038	0	0
Expenditure Credits	294	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	0
Contributions and Gifts	400	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	1,987	0
Total Other Local Revenues	\$ 38,548	\$ 22,408	\$ 319,538	\$ 1,987	\$ 0
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 191,594	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	41,284	0	0	0	0
General Sessions Court Clerk	90,247	0	0	0	0
Clerk and Master	84,772	0	0	0	0
Register	69,042	0	0	0	0
Sheriff	11,406	0	0	0	0
Trustee	228,269	0	0	0	0
Total Fees Received From County Officials	\$ 716,614	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit I-6

Chester County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	12,000	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	39,504	0	0	0	0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	0
Litter Program	0	0	50,151	0	0
<u>Other State Revenues</u>					
Income Tax	0	0	12,702	0	0
Beer Tax	0	0	18,175	0	0
Vehicle Certificate of Title Fees	6,511	0	0	0	0
Alcoholic Beverage Tax	0	0	44,346	0	0
State Revenue Sharing - T.V.A.	0	75,000	227,787	0	0
State Revenue Sharing - Telecommunications	21,859	0	0	0	0
Contracted Prisoner Boarding	385,873	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	2,930	395	390,527	0	0
Other State Revenues	39,712	0	24,970	0	0
Total State of Tennessee	\$ 532,553	\$ 75,395	\$ 768,658	\$ 0	\$ 0

(Continued)

Exhibit I-6

Chester County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 31,000	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	2,955	0	0	0	0
COVID-19 Grant #2	8,789	0	0	0	0
Other Federal through State	1,747	0	0	0	0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	2,000	0	0	0	0
Total Federal Government	<u>\$ 46,491</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 45,360	\$ 758	\$ 0	\$ 0	\$ 0
Contracted Services	170,763	0	0	0	0
<u>Citizens Groups</u>					
Donations	0	3,375	0	0	0
<u>Other</u>					
Other	57,500	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 273,623</u>	<u>\$ 4,133</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 6,573,066</u>	<u>\$ 107,213</u>	<u>\$ 1,855,549</u>	<u>\$ 8,632</u>	<u>\$ 7,320</u>

(Continued)

Exhibit I-6

Chester County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Permanent Fund	
	Highway / Public Works	General Debt Service	Endowment	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 47,721	\$ 47,721	\$ 0	\$ 4,157,551
Discount on Property Taxes	(486)	(486)	0	(42,351)
Trustee's Collections - Prior Year	1,831	1,831	0	152,468
Circuit Clerk/Clerk and Master Collections - Prior Years	1,145	1,145	0	82,621
Interest and Penalty	368	372	0	30,900
Payments in-Lieu-of Taxes - T.V.A.	3,500	0	0	3,500
Payments in-Lieu-of Taxes - Other	65	59	0	311,496
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	0	0	302,528
Hotel/Motel Tax	0	0	0	16,459
Wheel Tax	0	648,633	0	843,214
Litigation Tax - General	0	0	0	39,866
Litigation Tax - Special Purpose	0	0	0	5,179
Litigation Tax - Jail, Workhouse, or Courthouse	0	13,729	0	13,729
Litigation Tax - Courthouse Security	0	0	0	157
Business Tax	0	0	0	121,442
Mixed Drink Tax	0	0	0	1,451
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	0	0	54,290
Wholesale Beer Tax	0	0	0	44,472
Total Local Taxes	\$ 54,144	\$ 713,004	\$ 0	\$ 6,138,972
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 19,738
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 19,738

(Continued)

Exhibit I-6

Chester County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Permanent Fund	Total
	Highway / Public Works	General Debt Service	Endowment	
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$ 0	\$ 0	\$ 0	\$ 2,943
Officers Costs	0	0	0	3,107
Drug Control Fines	0	0	0	2,544
Drug Court Fees	0	0	0	331
Jail Fees	0	0	0	3,419
DUI Treatment Fines	0	0	0	380
Data Entry Fee - Circuit Court	0	0	0	1,058
Victims Assistance Assessments	0	0	0	1,291
<u>General Sessions Court</u>				
Fines	0	0	0	9,093
Officers Costs	0	0	0	24,223
Game and Fish Fines	0	0	0	202
Drug Control Fines	0	0	0	5,686
Drug Court Fees	0	0	0	2,359
Jail Fees	0	0	0	6,820
DUI Treatment Fines	0	0	0	1,298
Data Entry Fee - General Sessions Court	0	0	0	5,555
Courtroom Security Fee	0	0	0	6
Victims Assistance Assessments	0	0	0	8,642
<u>Juvenile Court</u>				
Fines	0	0	0	119
Officers Costs	0	0	0	2,100
Data Entry Fee - Juvenile Court	0	0	0	456
<u>Chancery Court</u>				
Officers Costs	0	0	0	570
Data Entry Fee - Chancery Court	0	0	0	2,284

(Continued)

Exhibit I-6

Chester County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Permanent Fund	
	Highway / Public Works	General Debt Service	Endowment	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Judicial District Drug Program</u>				
Courtroom Security Fee	\$ 0	\$ 0	\$ 0	\$ 4
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	0	0	0	436
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 84,926
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 37,569
Convenience Waste Centers Collection Charge	0	0	0	60,732
Solid Waste Disposal Fee	0	0	0	5,701
<u>Fees</u>				
Library Fees	0	0	0	5,277
Greenbelt Late Application Fee	0	0	0	350
Telephone Commissions	0	0	0	107,569
Vending Machine Collections	0	0	0	141
Constitutional Officers' Fees and Commissions	0	0	0	7,320
Data Processing Fee - Register	0	0	0	5,272
Data Processing Fee - Sheriff	0	0	0	2,030
Sexual Offender Registration Fee - Sheriff	0	0	0	3,600
Data Processing Fee - County Clerk	0	0	0	1,448
Subscription and Electronic Filing Fee - Chancery	0	0	0	6,934
<u>Education Charges</u>				
Other Charges for Services	0	0	0	31,401
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 275,344

(Continued)

Exhibit I-6

Chester County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Permanent Fund	
	Highway / Public Works	General Debt Service	Endowment	Total
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 16,373	\$ 0	\$ 0	\$ 112,790
Lease/Rentals	0	0	0	600
Net Increases/Decreases in Fair Value of Investments	0	0	6,575	6,575
Sale of Maps	0	0	0	1,850
Sale of Recycled Materials	0	0	0	237,733
Miscellaneous Refunds	422	400	0	44,022
Expenditure Credits	0	0	0	294
<u>Nonrecurring Items</u>				
Sale of Equipment	6,272	0	0	6,272
Contributions and Gifts	0	0	0	400
<u>Other Local Revenues</u>				
Other Local Revenues	15,957	0	0	17,944
Total Other Local Revenues	\$ 39,024	\$ 400	\$ 6,575	\$ 428,480
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$ 0	\$ 0	\$ 0	\$ 191,594
Circuit Court Clerk	0	0	0	41,284
General Sessions Court Clerk	0	0	0	90,247
Clerk and Master	0	0	0	84,772
Register	0	0	0	69,042
Sheriff	0	0	0	11,406
Trustee	0	0	0	228,269
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 716,614

(Continued)

Exhibit I-6

Chester County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Permanent Fund	
	Highway / Public Works	General Debt Service	Endowment	Total
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 9,000
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0	0	0	12,000
<u>Health and Welfare Grants</u>				
Health Department Programs	0	0	0	39,504
<u>Public Works Grants</u>				
State Aid Program	597,058	0	0	597,058
Litter Program	0	0	0	50,151
<u>Other State Revenues</u>				
Income Tax	0	0	0	12,702
Beer Tax	0	0	0	18,175
Vehicle Certificate of Title Fees	0	0	0	6,511
Alcoholic Beverage Tax	0	0	0	44,346
State Revenue Sharing - T.V.A.	0	2,730	0	305,517
State Revenue Sharing - Telecommunications	0	0	0	21,859
Contracted Prisoner Boarding	0	0	0	385,873
Gasoline and Motor Fuel Tax	2,005,606	0	0	2,005,606
Petroleum Special Tax	12,361	0	0	12,361
Registrar's Salary Supplement	0	0	0	15,164
Other State Grants	0	0	0	393,852
Other State Revenues	0	0	0	64,682
Total State of Tennessee	\$ 2,615,025	\$ 2,730	\$ 0	\$ 3,994,361

(Continued)

Exhibit I-6

Chester County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Permanent Fund	
	Highway / Public Works	General Debt Service	Endowment	Total
<u>Federal Government</u>				
<u>Federal Through State</u>				
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 31,000
Homeland Security Grants	0	0	0	2,955
COVID-19 Grant #2	0	0	0	8,789
Other Federal through State	0	0	0	1,747
<u>Direct Federal Revenue</u>				
Other Direct Federal Revenue	0	0	0	2,000
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 46,491</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 0	\$ 175,160	\$ 0	\$ 221,278
Contracted Services	0	0	0	170,763
<u>Citizens Groups</u>				
Donations	0	0	0	3,375
<u>Other</u>				
Other	0	0	0	57,500
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 175,160</u>	<u>\$ 0</u>	<u>\$ 452,916</u>
Total	<u>\$ 2,708,193</u>	<u>\$ 891,294</u>	<u>\$ 6,575</u>	<u>\$ 12,157,842</u>

Exhibit I-7

Chester County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Chester County School Department
For the Year Ended June 30, 2020

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Education Capital Projects</u>	<u>Total</u>
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,757,327	\$ 0	\$ 0	\$ 0	\$ 1,757,327
Trustee's Collections - Prior Year	68,077	0	0	0	68,077
Circuit Clerk/Clerk and Master Collections - Prior Years	46,645	0	0	0	46,645
Interest and Penalty	13,495	0	0	0	13,495
Payments in-Lieu-of Taxes - T.V.A.	132,021	0	0	0	132,021
Payments in-Lieu-of Taxes - Other	2,412	0	0	0	2,412
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,375,826	0	0	225,000	1,600,826
Mixed Drink Tax	4,413	0	0	0	4,413
Total Local Taxes	<u>\$ 3,400,216</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 225,000</u>	<u>\$ 3,625,216</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,026	\$ 0	\$ 0	\$ 0	\$ 1,026
Total Licenses and Permits	<u>\$ 1,026</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,026</u>
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Regular Day Students	\$ 43,535	\$ 0	\$ 0	\$ 0	\$ 43,535
Tuition - Summer School	220	0	0	0	220
Lunch Payments - Children	0	0	196,025	0	196,025
Lunch Payments - Adults	0	0	28,323	0	28,323
A la Carte Sales	0	0	58,484	0	58,484
Total Charges for Current Services	<u>\$ 43,755</u>	<u>\$ 0</u>	<u>\$ 282,832</u>	<u>\$ 0</u>	<u>\$ 326,587</u>

(Continued)

Exhibit I-7

Chester County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Chester County School Department (Cont.)

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Education Capital Projects</u>	<u>Total</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 101,913	\$ 0	\$ 4,524	\$ 0	\$ 106,437
Lease/Rentals	18,840	0	0	0	18,840
Miscellaneous Refunds	6,848	0	12,485	0	19,333
<u>Nonrecurring Items</u>					
Sale of Equipment	4,366	0	0	0	4,366
Damages Recovered from Individuals	421	0	0	0	421
<u>Other Local Revenues</u>					
Other Local Revenues	15,000	0	0	0	15,000
Total Other Local Revenues	\$ 147,388	\$ 0	\$ 17,009	\$ 0	\$ 164,397
<u>State of Tennessee</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 17,796,800	\$ 0	\$ 0	\$ 0	\$ 17,796,800
Early Childhood Education	206,195	0	0	0	206,195
School Food Service	0	0	13,456	0	13,456
Driver Education	13,956	0	0	0	13,956
Other State Education Funds	244,387	0	0	0	244,387
Coordinated School Health	88,102	0	0	0	88,102
Family Resource Centers	29,389	0	0	0	29,389
Career Ladder Program	44,768	0	0	0	44,768
<u>Other State Revenues</u>					
Other State Grants	2,200	0	0	0	2,200
Safe Schools	81,672	0	0	0	81,672
Other State Revenues	23,469	0	0	0	23,469
Total State of Tennessee	\$ 18,530,938	\$ 0	\$ 13,456	\$ 0	\$ 18,544,394

(Continued)

Exhibit I-7

Chester County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Chester County School Department (Cont.)

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Education Capital Projects</u>	<u>Total</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 568,244	\$ 0	\$ 568,244
USDA - Commodities	0	0	91,151	0	91,151
Breakfast	0	0	228,776	0	228,776
USDA - Other	0	0	6,598	0	6,598
Vocational Education - Basic Grants to States	0	46,189	0	0	46,189
Title I Grants to Local Education Agencies	0	756,386	0	0	756,386
Special Education - Grants to States	4,200	543,637	0	0	547,837
Special Education Preschool Grants	0	11,456	0	0	11,456
Rural Education	0	52,280	0	0	52,280
Eisenhower Professional Development State Grants	0	97,190	0	0	97,190
COVID-19 Grant #1	0	5,510	56,287	0	61,797
COVID-19 Grant #2	6,599	0	87,637	0	94,236
Other Federal through State	24,950	100,163	0	0	125,113
<u>Direct Federal Revenue</u>					
COVID-19 Grant #6	84	0	0	0	84
Total Federal Government	\$ 35,833	\$ 1,612,811	\$ 1,038,693	\$ 0	\$ 2,687,337
<u>Other Governments and Citizens Groups</u>					
<u>Other</u>					
Other	\$ 0	\$ 0	\$ 5,000	\$ 0	\$ 5,000
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 5,000	\$ 0	\$ 5,000
Total	\$ 22,159,156	\$ 1,612,811	\$ 1,356,990	\$ 225,000	\$ 25,353,957

Exhibit I-8

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2020

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	22,725	
Social Security		1,738	
Dues and Memberships		1,300	
Total County Commission			\$ 25,763

Board of Equalization

Board and Committee Members Fees	\$	1,000	
Total Board of Equalization			1,000

Budget and Finance Committee

Board and Committee Members Fees	\$	2,600	
Social Security		199	
Total Budget and Finance Committee			2,799

County Mayor/Executive

County Official/Administrative Officer	\$	89,254	
Assistant(s)		27,828	
Part-time Personnel		374	
Social Security		8,782	
Pensions		5,854	
Medical Insurance		10,656	
Unemployment Compensation		59	
Communication		10,973	
Data Processing Services		1,810	
Dues and Memberships		1,765	
Legal Notices, Recording, and Court Costs		1,504	
Printing, Stationery, and Forms		1,117	
Travel		4,770	
Office Supplies		1,805	
Total County Mayor/Executive			166,551

County Attorney

Legal Services	\$	21,908	
Total County Attorney			21,908

Election Commission

County Official/Administrative Officer	\$	66,574	
Clerical Personnel		28,430	
Election Commission		3,315	
Election Workers		20,116	
Social Security		6,454	
Pensions		3,305	
Medical Insurance		5,165	
Unemployment Compensation		228	
Communication		2,227	
Data Processing Services		27,445	
Dues and Memberships		525	

(Continued)

Exhibit I-8

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Election Commission (Cont.)

Legal Notices, Recording, and Court Costs	\$	4,915	
Maintenance and Repair Services - Equipment		778	
Printing, Stationery, and Forms		4,423	
Travel		1,309	
Instructional Supplies and Materials		750	
Office Supplies		13,895	
Other Supplies and Materials		87	
Office Equipment		14,467	
Total Election Commission			\$ 204,408

Register of Deeds

County Official/Administrative Officer	\$	73,971	
Clerical Personnel		29,555	
Social Security		7,784	
Pensions		5,176	
Medical Insurance		7,104	
Unemployment Compensation		56	
Communication		469	
Data Processing Services		5,363	
Dues and Memberships		125	
Travel		904	
Office Supplies		4,196	
Total Register of Deeds			134,703

Planning

Consultants	\$	7,000	
Total Planning			7,000

County Buildings

Salary Supplements	\$	4,160	
Custodial Personnel		5,844	
Maintenance Personnel		73,025	
Longevity Pay		2,025	
Overtime Pay		25,634	
Social Security		8,233	
Pensions		5,140	
Medical Insurance		12,269	
Unemployment Compensation		150	
Communication		13,976	
Maintenance and Repair Services - Buildings		57,254	
Maintenance and Repair Services - Office Equipment		4,411	
Maintenance and Repair Services - Vehicles		235	
Pest Control		1,653	
Rentals		52	
Travel		3,172	
Custodial Supplies		17,215	
Electricity		40,077	

(Continued)

Exhibit I-8

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)County Buildings (Cont.)

Gasoline	\$	715	
Natural Gas		5,153	
Water and Sewer		4,210	
Building and Contents Insurance		51,666	
Liability Insurance		2,500	
Land		39,079	
Other Capital Outlay		25,756	
Total County Buildings			\$ 403,604

Other Facilities

Communication	\$	3,611	
Maintenance and Repair Services - Buildings		2,553	
Pest Control		490	
Electricity		9,662	
Water and Sewer		1,431	
Total Other Facilities			17,747

Other General Administration

Contributions	\$	1,081	
Data Processing Services		1,664	
Dues and Memberships		8,585	
Legal Notices, Recording, and Court Costs		2,186	
Maintenance and Repair Services - Office Equipment		249	
Postal Charges		26,269	
Printing, Stationery, and Forms		1,643	
Premiums on Corporate Surety Bonds		2,003	
Office Equipment		1,167	
Total Other General Administration			44,847

FinanceAccounting and Budgeting

Supervisor/Director	\$	33,555	
Clerical Personnel		29,762	
Part-time Personnel		14,196	
Educational Incentive - Other County Employees		3,000	
Longevity Pay		3,925	
Social Security		6,225	
Pensions		3,395	
Medical Insurance		12,269	
Unemployment Compensation		146	
Data Processing Services		20,957	
Dues and Memberships		860	
Travel		1,282	
Office Supplies		4,267	
Total Accounting and Budgeting			133,839

(Continued)

Exhibit I-8

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)Property Assessor's Office

County Official/Administrative Officer	\$	73,971	
Clerical Personnel		59,523	
Educational Incentive - Official/Admin Officer		1,500	
Educational Incentive - Other County Employees		1,500	
Longevity Pay		850	
Social Security		10,125	
Pensions		6,675	
Medical Insurance		19,958	
Unemployment Compensation		112	
Audit Services		6,199	
Communication		195	
Data Processing Services		26,277	
Dues and Memberships		1,500	
Legal Notices, Recording, and Court Costs		162	
Printing, Stationery, and Forms		545	
Travel		135	
Office Supplies		665	
Office Equipment		1,645	
Total Property Assessor's Office			\$ 211,537

Reappraisal Program

Clerical Personnel	\$	12,000	
Social Security		918	
Unemployment Compensation		96	
Travel		3,123	
Total Reappraisal Program			16,137

County Trustee's Office

County Official/Administrative Officer	\$	73,971	
Clerical Personnel		56,029	
Educational Incentive - Official/Admin Officer		1,500	
Educational Incentive - Other County Employees		1,500	
Longevity Pay		1,575	
Social Security		10,050	
Pensions		5,731	
Medical Insurance		12,787	
Unemployment Compensation		120	
Data Processing Services		13,612	
Dues and Memberships		375	
Maintenance and Repair Services - Equipment		5,496	
Printing, Stationery, and Forms		4,349	
Travel		1,304	
Office Supplies		3,146	
Total County Trustee's Office			191,545

County Clerk's Office

County Official/Administrative Officer	\$	73,971	
--	----	--------	--

(Continued)

Exhibit I-8

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)County Clerk's Office (Cont.)

Clerical Personnel	\$	95,403	
Part-time Personnel		9,164	
Educational Incentive - Other County Employees		1,500	
Longevity Pay		1,488	
Social Security		13,437	
Pensions		8,372	
Medical Insurance		18,634	
Unemployment Compensation		318	
Communication		1,927	
Data Processing Services		8,145	
Dues and Memberships		100	
Office Supplies		2,355	
Office Equipment		4,950	
Total County Clerk's Office			\$ 239,764

Other Finance

Contracts with Other Public Agencies	\$	6,510	
Total Other Finance			6,510

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	73,971	
Clerical Personnel		89,285	
Part-time Personnel		32,491	
Educational Incentive - Official/Admin Officer		750	
Educational Incentive - Other County Employees		4,500	
Longevity Pay		4,625	
Jury and Witness Expense		7,974	
Social Security		15,472	
Pensions		8,134	
Medical Insurance		18,922	
Unemployment Compensation		275	
Communication		647	
Data Processing Services		14,404	
Dues and Memberships		430	
Legal Notices, Recording, and Court Costs		254	
Maintenance and Repair Services - Office Equipment		499	
Travel		345	
Food Supplies		80	
Office Supplies		3,479	
Office Equipment		3,377	
Total Circuit Court			279,914

General Sessions Court

Judge(s)	\$	95,187	
Social Security		7,282	
Pensions		4,759	

(Continued)

Exhibit I-8

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Contracts with Private Agencies	\$	4,870	
Office Supplies		97	
Total General Sessions Court			\$ 112,195

Chancery Court

County Official/Administrative Officer	\$	73,971	
Clerical Personnel		89,285	
Educational Incentive - Official/Admin Officer		1,500	
Educational Incentive - Other County Employees		1,500	
Longevity Pay		3,062	
Social Security		12,410	
Pensions		8,163	
Medical Insurance		21,312	
Unemployment Compensation		168	
Communication		440	
Data Processing Services		17,608	
Dues and Memberships		787	
Legal Notices, Recording, and Court Costs		11,322	
Travel		2,025	
Office Supplies		4,493	
Total Chancery Court			248,046

Juvenile Court

Clerical Personnel	\$	29,762	
Longevity Pay		450	
Social Security		2,212	
Pensions		1,488	
Medical Insurance		5,165	
Unemployment Compensation		56	
Total Juvenile Court			39,133

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	81,368	
Assistant(s)		33,677	
Supervisor/Director		57,798	
Deputy(ies)		585,918	
Investigator(s)		95,097	
Salary Supplements		8,800	
Dispatchers/Radio Operators		263,593	
Secretary(ies)		33,922	
Part-time Personnel		2,526	
School Resource Officer		11,854	
Educational Incentive - Other County Employees		1,500	
Longevity Pay		10,975	
Overtime Pay		30,137	
Other Salaries and Wages		33,464	

(Continued)

Exhibit I-8

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Sheriff's Department (Cont.)

In-service Training	\$	2,018	
Social Security		93,899	
Pensions		59,705	
Medical Insurance		131,026	
Unemployment Compensation		1,687	
Communication		33,949	
Contracts with Government Agencies		3,614	
Contributions		2,000	
Data Processing Services		4,717	
Dues and Memberships		1,500	
Maintenance and Repair Services - Equipment		332	
Maintenance and Repair Services - Vehicles		9,899	
Pest Control		560	
Towing Services		690	
Travel		10,253	
Other Contracted Services		5,445	
Custodial Supplies		5,009	
Gasoline		41,280	
Law Enforcement Supplies		12,420	
Office Supplies		8,873	
Tires and Tubes		3,720	
Uniforms		8,250	
Other Supplies and Materials		140	
Workers' Compensation Insurance		29,850	
In Service/Staff Development		745	
Other Charges		4,642	
Law Enforcement Equipment		1,740	
Motor Vehicles		95,374	
Office Equipment		5,539	
Other Equipment		756	
Total Sheriff's Department			\$ 1,830,261

Jail

Guards	\$	728,458
Secretary(ies)		33,269
Cafeteria Personnel		63,605
Longevity Pay		5,775
Overtime Pay		36,736
Other Salaries and Wages		2,115
In-service Training		6,878
Social Security		63,993
Pensions		42,443
Medical Insurance		109,341
Unemployment Compensation		1,861
Communication		955
Maintenance and Repair Services - Buildings		19,193
Maintenance and Repair Services - Equipment		4,677

(Continued)

Exhibit I-8

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Jail (Cont.)

Medical and Dental Services	\$	185,785	
Travel		6,611	
Other Contracted Services		3,316	
Custodial Supplies		16,754	
Food Preparation Supplies		5,367	
Food Supplies		112,962	
Office Supplies		1,754	
Prisoners Clothing		1,642	
Uniforms		14,599	
Utilities		83,784	
Other Supplies and Materials		50,313	
Office Equipment		520	
Total Jail			\$ 1,602,706

Juvenile Services

Youth Service Officer(s)	\$	44,128	
Social Security		3,240	
Pensions		2,206	
Medical Insurance		7,104	
Unemployment Compensation		56	
Communication		365	
Contracts with Other Public Agencies		1,626	
Data Processing Services		2,727	
Travel		576	
Office Supplies		769	
Total Juvenile Services			62,797

Fire Prevention and Control

Supervisor/Director	\$	51,745	
Foremen		27,082	
Longevity Pay		1,350	
In-service Training		470	
Social Security		5,998	
Pensions		3,941	
Medical Insurance		7,104	
Unemployment Compensation		195	
Communication		5,552	
Maintenance and Repair Services - Buildings		722	
Maintenance and Repair Services - Equipment		7,519	
Maintenance and Repair Services - Vehicles		20,486	
Pest Control		341	
Towing Services		210	
Gasoline		4,535	
Office Supplies		1,213	
Tires and Tubes		518	
Uniforms		1,380	
Vehicle and Equipment Insurance		29,822	

(Continued)

Exhibit I-8

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Fire Prevention and Control (Cont.)

Workers' Compensation Insurance	\$	6,962	
Other Charges		3,147	
Total Fire Prevention and Control			\$ 180,292

Civil Defense

Supervisor/Director	\$	40,446	
Longevity Pay		400	
Social Security		2,989	
Pensions		2,022	
Medical Insurance		7,104	
Unemployment Compensation		56	
Communication		3,064	
Data Processing Services		110	
Dues and Memberships		50	
Maintenance and Repair Services - Vehicles		1,129	
Travel		927	
Gasoline		578	
Office Supplies		960	
Other Equipment		5,288	
Total Civil Defense			65,123

Rescue Squad

Contributions	\$	2,500	
Vehicle and Equipment Insurance		4,200	
Total Rescue Squad			6,700

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	30,128	
Total County Coroner/Medical Examiner			30,128

Public Health and WelfareLocal Health Center

Communication	\$	2,165	
Contracts with Government Agencies		11,701	
Dues and Memberships		200	
Janitorial Services		4,305	
Maintenance and Repair Services - Buildings		625	
Pest Control		426	
Postal Charges		94	
Custodial Supplies		927	
Office Supplies		612	
Utilities		7,771	
Total Local Health Center			28,826

Other Local Health Services

Clerical Personnel	\$	29,587	
Social Security		2,252	

(Continued)

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Pensions	\$	1,479	
Medical Insurance		592	
Unemployment Compensation		139	
Travel		936	
Total Other Local Health Services			\$ 34,985

Regional Mental Health Center

Contributions	\$	10,000	
Total Regional Mental Health Center			10,000

General Welfare Assistance

Contributions	\$	13,291	
Total General Welfare Assistance			13,291

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	12,500	
Total Senior Citizens Assistance			12,500

Other Social, Cultural, and Recreational

Contributions	\$	32,175	
Library Books/Media		37	
Total Other Social, Cultural, and Recreational			32,212

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	57,169	
Extension Service Medicare		15,363	
Communication		2,403	
Office Supplies		1,094	
Total Agricultural Extension Service			76,029

Forest Service

Contributions	\$	2,000	
Total Forest Service			2,000

Soil Conservation

Secretary(ies)	\$	4,992	
Social Security		382	
Unemployment Compensation		40	
Communication		175	
Total Soil Conservation			5,589

Flood Control

Contributions	\$	7,500	
Total Flood Control			7,500

(Continued)

Exhibit I-8

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Other OperationsTourism

Contributions	\$ 750	
Total Tourism		\$ 750

Industrial Development

Contributions	\$ 25,000	
Total Industrial Development		25,000

Veterans' Services

County Official/Administrative Officer	\$ 24,906	
Longevity Pay	275	
Social Security	1,926	
Unemployment Compensation	56	
Communication	1,074	
Data Processing Services	449	
Travel	317	
Office Supplies	66	
Total Veterans' Services		29,069

Employee Benefits

Life Insurance	\$ 10,649	
Total Employee Benefits		10,649

COVID-19 Grant #2

Other Charges	\$ 11,719	
Total COVID-19 Grant #2		11,719

Miscellaneous

Trustee's Commission	\$ 93,648	
Other Charges	41,446	
Total Miscellaneous		135,094

Capital ProjectsPublic Health and Welfare Projects

Architects	\$ 29,579	
Building Construction	739,903	
Site Development	4,641	
Total Public Health and Welfare Projects		774,123

Total General Fund \$ 7,496,293

Public Library FundSocial, Cultural, and Recreational ServicesLibraries

County Official/Administrative Officer	\$ 31,454	
Part-time Personnel	26,529	
Longevity Pay	900	
Social Security	4,367	

(Continued)

Exhibit I-8

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Public Library Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Pensions	\$	1,573	
Medical Insurance		6,189	
Unemployment Compensation		307	
Communication		3,289	
Dues and Memberships		75	
Maintenance and Repair Services - Buildings		336	
Postal Charges		186	
Travel		266	
Custodial Supplies		648	
Electricity		4,956	
Library Books/Media		3,394	
Natural Gas		370	
Office Supplies		5,276	
Water and Sewer		104	
Other Supplies and Materials		847	
Total Libraries			\$ 91,066

Other Social, Cultural, and Recreational

Data Processing Services	\$	3,663	
Printing, Stationery, and Forms		123	
Library Books/Media		8,595	
Total Other Social, Cultural, and Recreational			12,381

Other Operations

Miscellaneous

Trustee's Commission	\$	750	
Total Miscellaneous			750

Total Public Library Fund \$ 104,197

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Clerical Personnel	\$	3,647	
Part-time Personnel		11,893	
Longevity Pay		26	
Social Security		1,161	
Pensions		634	
Medical Insurance		421	
Unemployment Compensation		33	
Travel		1,666	
Gasoline		510	
Instructional Supplies and Materials		6,078	
Other Charges		1,118	
Total Sanitation Education/Information			\$ 27,187

(Continued)

Exhibit I-8

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers

Supervisor/Director	\$	65,087	
Accountants/Bookkeepers		27,776	
Foremen		41,080	
Mechanic(s)		35,434	
Laborers		96,139	
Part-time Personnel		14,685	
Educational Incentive - Other County Employees		1,500	
Longevity Pay		3,375	
Overtime Pay		3,985	
Social Security		20,491	
Pensions		7,705	
Medical Insurance		15,182	
Unemployment Compensation		941	
Communication		12,360	
Dues and Memberships		4,586	
Maintenance and Repair Services - Buildings		11,686	
Maintenance and Repair Services - Equipment		10,954	
Maintenance and Repair Services - Vehicles		2,320	
Pest Control		436	
Travel		2,808	
Custodial Supplies		2,669	
Electricity		6,834	
Food Supplies		2,284	
Natural Gas		1,496	
Office Supplies		3,755	
Uniforms		7,557	
Water and Sewer		1,535	
Gravel and Chert		475	
Chemicals		226	
Other Charges		1,104	
Maintenance Equipment		12,117	
Site Development		1,798	
Solid Waste Equipment		35,000	
Total Convenience Centers			\$ 455,380

Recycling Center

Foremen	\$	41,080
Truck Drivers		25,323
Laborers		64,548
Clerical Personnel		11,657
Part-time Personnel		45,998
Longevity Pay		1,912
Overtime Pay		2,466
Other Salaries and Wages		11,059
Social Security		15,374
Pensions		7,720
Medical Insurance		10,348

(Continued)

Exhibit I-8

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Recycling Center (Cont.)

Unemployment Compensation	\$	596	
Contracts with Government Agencies		27,763	
Contributions		500	
Maintenance and Repair Services - Buildings		7,764	
Maintenance and Repair Services - Equipment		11,164	
Maintenance and Repair Services - Vehicles		5,218	
Rentals		2,340	
Travel		902	
Electricity		10,858	
Food Preparation Supplies		471	
Food Supplies		6,601	
Instructional Supplies and Materials		7,365	
Propane Gas		2,531	
Wire		8,485	
Other Supplies and Materials		509	
Other Charges		2,582	
Building Construction		183,500	
Site Development		55,295	
Other Equipment		182,186	
Total Recycling Center			\$ 754,115

Other Waste Disposal

Truck Drivers	\$	23,450	
Attendants		33,670	
Overtime Pay		336	
Social Security		3,962	
Pensions		2,777	
Medical Insurance		7,812	
Unemployment Compensation		157	
Contracts with Government Agencies		249,136	
Contracts with Other Public Agencies		13,858	
Maintenance and Repair Services - Equipment		7,728	
Maintenance and Repair Services - Vehicles		4,804	
Towing Services		300	
Diesel Fuel		14,136	
Equipment Parts - Heavy		958	
Equipment and Machinery Parts		1,430	
Gasoline		7,606	
Tires and Tubes		3,565	
Other Construction		55,600	
Total Other Waste Disposal			431,285

Postclosure Care Costs

Landfill Closure/Postclosure Care Costs	\$	4,388	
Total Postclosure Care Costs			4,388

(Continued)

Exhibit I-8

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Other Operations

Other Charges

Other Charges	\$ 2,986	
Total Other Charges		\$ 2,986

Miscellaneous

Trustee's Commission	\$ 10,442	
Total Miscellaneous		10,442

Total Solid Waste/Sanitation Fund		\$ 1,685,783
-----------------------------------	--	--------------

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$ 621	
Confidential Drug Enforcement Payments	1,000	
Maintenance and Repair Services - Equipment	1,234	
Law Enforcement Supplies	260	
Other Charges	226	
Total Drug Enforcement		\$ 3,341

Other Operations

Miscellaneous

Trustee's Commission	\$ 73	
Total Miscellaneous		73

Total Drug Control Fund		3,414
-------------------------	--	-------

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$ 7,320	
Total Chancery Court		\$ 7,320

Total Constitutional Officers - Fees Fund		7,320
---	--	-------

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 81,368
Assistant(s)	43,581
Accountants/Bookkeepers	846
Educational Incentive - Official/Admin Officer	1,500
Educational Incentive - Other County Employees	3,000
Longevity Pay	400
Dues and Memberships	3,292
Pest Control	330
Postal Charges	330
Travel	1,303

(Continued)

Exhibit I-8

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Custodial Supplies	\$	99	
Office Supplies		658	
Other Charges		23,704	
Total Administration			\$ 160,411

Highway and Bridge Maintenance

Foremen	\$	38,838	
Equipment Operators		102,285	
Truck Drivers		148,944	
Laborers		106,822	
Longevity Pay		7,850	
Overtime Pay		8,814	
Other Salaries and Wages		1,333	
Other Contracted Services		34,964	
Asphalt - Liquid		328,315	
Crushed Stone		160,671	
Fertilizer, Lime, and Seed		495	
Pipe		45,063	
Road Signs		4,235	
Small Tools		340	
Wood Products		15,899	
Gravel and Chert		33,356	
Other Supplies and Materials		49,924	
Total Highway and Bridge Maintenance			1,088,148

Operation and Maintenance of Equipment

Mechanic(s)	\$	52,640	
Overtime Pay		529	
Maintenance and Repair Services - Equipment		26,347	
Diesel Fuel		31,106	
Equipment and Machinery Parts		64,713	
Garage Supplies		8,446	
Gasoline		15,092	
Lubricants		547	
Tires and Tubes		21,215	
Total Operation and Maintenance of Equipment			220,635

Other Charges

Communication	\$	6,059	
Laundry Service		4,040	
Electricity		4,773	
Natural Gas		1,392	
Water and Sewer		618	
Trustee's Commission		21,500	
Vehicle and Equipment Insurance		51,666	
Total Other Charges			90,048

(Continued)

Exhibit I-8

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Social Security	\$	44,912	
Pensions		29,910	
Employee and Dependent Insurance		115,088	
Unemployment Compensation		3,376	
Uniforms		16,522	
Workers' Compensation Insurance		43,563	
Total Employee Benefits			\$ 253,371

Capital Outlay

Highway Equipment	\$	146,650	
State Aid Projects		609,924	
Total Capital Outlay			<u>756,574</u>

Total Highway/Public Works Fund \$ 2,569,187

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	400,000	
Total General Government			\$ 400,000

Highways and Streets

Principal on Notes	\$	64,760	
Total Highways and Streets			64,760

Education

Principal on Notes	\$	120,000	
Total Education			120,000

Interest on Debt

General Government

Interest on Bonds	\$	203,656	
Interest on Notes		13,521	
Total General Government			217,177

Highways and Streets

Interest on Notes	\$	2,540	
Total Highways and Streets			2,540

Education

Interest on Notes	\$	55,160	
Total Education			55,160

Other Debt Service

General Government

Bank Charges	\$	1,793	
Trustee's Commission		6,964	
Total General Government			<u>8,757</u>

Total General Debt Service Fund 868,394

Total Governmental Funds - Primary Government \$ 12,734,588

Exhibit I-9

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Chester County School Department
For the Year Ended June 30, 2020

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 7,370,313	
Career Ladder Program	22,107	
Career Ladder Extended Contracts	15,225	
Educational Assistants	189,700	
Non-certified Substitute Teachers	82,985	
Social Security	436,604	
Pensions	723,950	
Life Insurance	2,255	
Medical Insurance	961,348	
Employer Medicare	102,674	
Other Contracted Services	43,375	
Instructional Supplies and Materials	193,643	
Textbooks - Bound	493,573	
Regular Instruction Equipment	268,741	
Total Regular Instruction Program		\$ 10,906,493

Special Education Program

Teachers	\$ 722,026	
Career Ladder Program	1,000	
Educational Assistants	504,377	
Speech Pathologist	39,000	
Other Salaries and Wages	33,559	
Non-certified Substitute Teachers	11,432	
Social Security	74,644	
Pensions	92,749	
Life Insurance	191	
Medical Insurance	182,258	
Employer Medicare	17,459	
Evaluation and Testing	4,117	
Other Contracted Services	85	
Instructional Supplies and Materials	3,314	
Other Supplies and Materials	1,171	
Other Charges	496	
Special Education Equipment	392	
Total Special Education Program		1,688,270

Career and Technical Education Program

Teachers	\$ 443,488	
Career Ladder Program	2,000	
Non-certified Substitute Teachers	2,996	
Social Security	25,658	
Pensions	43,086	
Life Insurance	157	
Medical Insurance	45,050	
Employer Medicare	6,030	
Other Contracted Services	14,809	
Instructional Supplies and Materials	7,513	
Total Career and Technical Education Program		590,787

(Continued)

Exhibit I-9

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Chester County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Student Body Education Program

Other Salaries and Wages	\$	3,879	
Social Security		238	
Pensions		45	
Medical Insurance		26	
Employer Medicare		56	
Other Charges		91,647	
Total Student Body Education Program			\$ 95,891

Support Services

Attendance

Supervisor/Director	\$	25,252	
Social Security		1,449	
Pensions		2,684	
Employer Medicare		339	
Total Attendance			29,724

Health Services

Medical Personnel	\$	95,192	
Other Salaries and Wages		65,633	
Non-certified Substitute Teachers		5,786	
Social Security		9,881	
Pensions		10,561	
Life Insurance		17	
Medical Insurance		12,761	
Employer Medicare		2,311	
Communication		314	
Travel		4,045	
Other Contracted Services		1,500	
Drugs and Medical Supplies		4,797	
Other Supplies and Materials		8,027	
Total Health Services			220,825

Other Student Support

Guidance Personnel	\$	317,489	
Social Security		17,113	
Pensions		27,479	
Life Insurance		70	
Medical Insurance		16,565	
Employer Medicare		4,437	
Contracts with Government Agencies		57,500	
Evaluation and Testing		4,809	
Total Other Student Support			445,462

Regular Instruction Program

Supervisor/Director	\$	254,490	
Career Ladder Program		5,500	

(Continued)

Exhibit I-9

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Chester County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Librarians	\$	146,006	
Clerical Personnel		27,093	
Other Salaries and Wages		2,850	
Social Security		26,100	
Pensions		43,536	
Life Insurance		193	
Medical Insurance		27,568	
Employer Medicare		6,104	
Travel		7,308	
Other Contracted Services		92,253	
Library Books/Media		39,626	
Other Supplies and Materials		2,284	
In Service/Staff Development		24,393	
Other Equipment		5,665	
Total Regular Instruction Program			\$ 710,969

Special Education Program

Supervisor/Director	\$	37,040	
Career Ladder Program		500	
Psychological Personnel		52,821	
Social Security		5,060	
Pensions		6,632	
Medical Insurance		15,919	
Employer Medicare		1,183	
Travel		1,813	
Other Contracted Services		84,907	
Other Supplies and Materials		870	
In Service/Staff Development		3,693	
Total Special Education Program			210,438

Technology

Supervisor/Director	\$	50,000	
Career Ladder Program		1,000	
Other Salaries and Wages		111,837	
Social Security		8,179	
Pensions		9,747	
Medical Insurance		10,321	
Employer Medicare		2,280	
Internet Connectivity		106,800	
Travel		774	
Other Contracted Services		44,296	
Cabling		688	
Software		197	
Other Supplies and Materials		19,409	
In Service/Staff Development		167	
Other Equipment		152,264	
Total Technology			517,959

(Continued)

Exhibit I-9

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Chester County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs

Other Salaries and Wages	\$	19,503	
Social Security		1,124	
Pensions		1,336	
Employer Medicare		263	
Travel		125	
Instructional Supplies and Materials		6,933	
Total Adult Programs			\$ 29,284

Board of Education

Other Salaries and Wages	\$	7,700	
Social Security		477	
Unemployment Compensation		5,411	
Employer Medicare		112	
Audit Services		18,615	
Dues and Memberships		10,684	
Legal Services		8,600	
Travel		7,508	
Other Contracted Services		44,964	
Liability Insurance		35,427	
Trustee's Commission		80,903	
Workers' Compensation Insurance		185,862	
Criminal Investigation of Applicants - TBI		2,953	
Other Charges		26,233	
Total Board of Education			435,449

Director of Schools

County Official/Administrative Officer	\$	108,600	
Career Ladder Program		1,000	
Clerical Personnel		41,094	
Other Salaries and Wages		1,823	
Social Security		9,374	
Pensions		13,768	
Life Insurance		17	
Medical Insurance		1,272	
Employer Medicare		2,201	
Communication		3,974	
Dues and Memberships		2,855	
Postal Charges		1,742	
Travel		1,296	
Other Contracted Services		3,967	
Office Supplies		2,766	
Other Charges		2,120	
Total Director of Schools			197,869

Office of the Principal

Principals	\$	454,177	
------------	----	---------	--

(Continued)

Exhibit I-9

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Chester County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Career Ladder Program	\$	2,000	
Assistant Principals		356,931	
Secretary(ies)		322,635	
Other Salaries and Wages		30,118	
Social Security		66,971	
Pensions		104,066	
Life Insurance		157	
Medical Insurance		143,910	
Employer Medicare		15,674	
Communication		22,677	
Travel		1,115	
In Service/Staff Development		12,668	
Other Charges		55,715	
Total Office of the Principal			\$ 1,588,814

Fiscal Services

Accountants/Bookkeepers	\$	138,002	
Social Security		8,287	
Pensions		6,900	
Medical Insurance		5,632	
Employer Medicare		1,938	
Travel		1,838	
Other Contracted Services		29,669	
Data Processing Supplies		1,926	
Office Supplies		1,194	
Other Charges		886	
Administration Equipment		4,494	
Total Fiscal Services			200,766

Human Services/Personnel

Supervisor/Director	\$	52,300	
Social Security		3,243	
Pensions		2,615	
Employer Medicare		758	
Travel		143	
Office Supplies		281	
In Service/Staff Development		1,440	
Total Human Services/Personnel			60,780

Operation of Plant

Supervisor/Director	\$	25,229	
Custodial Personnel		376,022	
Other Salaries and Wages		13,747	
Social Security		24,167	
Pensions		20,887	
Medical Insurance		56,497	

(Continued)

Exhibit I-9

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Chester County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Employer Medicare	\$	5,666	
Travel		711	
Disposal Fees		11,862	
Other Contracted Services		13,911	
Custodial Supplies		151,765	
Electricity		491,408	
Natural Gas		74,716	
Water and Sewer		31,161	
Other Supplies and Materials		1,740	
Boiler Insurance		5,499	
Building and Contents Insurance		84,132	
Plant Operation Equipment		6,244	
Total Operation of Plant			\$ 1,395,364

Maintenance of Plant

Supervisor/Director	\$	25,229	
Maintenance Personnel		144,195	
Other Salaries and Wages		9,840	
Social Security		10,227	
Pensions		9,848	
Medical Insurance		13,004	
Employer Medicare		2,484	
Maintenance and Repair Services - Buildings		117,283	
Maintenance and Repair Services - Equipment		35,984	
Travel		624	
Other Contracted Services		163,885	
Other Supplies and Materials		109,363	
Administration Equipment		86,936	
Maintenance Equipment		5,200	
Total Maintenance of Plant			734,102

Transportation

Supervisor/Director	\$	25,229	
Mechanic(s)		67,886	
Bus Drivers		349,574	
Other Salaries and Wages		36,111	
Non-certified Substitute Teachers		5,499	
Social Security		29,286	
Pensions		24,169	
Medical Insurance		13,379	
Employer Medicare		6,902	
Communication		317	
Maintenance and Repair Services - Vehicles		42,891	
Travel		3,492	
Other Contracted Services		24,994	
Gasoline		90,307	

(Continued)

Exhibit I-9

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Chester County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Tires and Tubes	\$	21,326	
Vehicle Parts		42,638	
Other Supplies and Materials		20,466	
Vehicle and Equipment Insurance		29,500	
Other Charges		1,445	
Transportation Equipment		193,466	
Total Transportation			\$ 1,028,877

COVID-19 Expenditures

Unemployment Compensation	\$	84	
Other Contracted Services		20,000	
Other Charges		8,799	
Total COVID-19 Expenditures			28,883

Operation of Non-Instructional Services

Food Service

Other Salaries and Wages	\$	19,250	
Social Security		1,194	
Pensions		112	
Employer Medicare		279	
Total Food Service			20,835

Community Services

Other Charges	\$	363	
Total Community Services			363

Early Childhood Education

Teachers	\$	92,200	
Educational Assistants		56,087	
Social Security		8,786	
Pensions		12,123	
Medical Insurance		8,545	
Employer Medicare		2,055	
Travel		3,013	
Other Contracted Services		1,275	
Food Supplies		1,831	
Instructional Supplies and Materials		17,513	
Total Early Childhood Education			203,428

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	33,395	
Other Capital Outlay		20,747	
Total Regular Capital Outlay			54,142

Total General Purpose School Fund \$ 21,395,774

(Continued)

Exhibit I-9

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Chester County School Department (Cont.)

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	166,381	
Educational Assistants		283,471	
Other Salaries and Wages		32,348	
Social Security		24,963	
Pensions		8,766	
Medical Insurance		15,579	
Employer Medicare		6,797	
Retirement - Hybrid Stabilization		4	
Other Contracted Services		85,050	
Instructional Supplies and Materials		108,211	
Regular Instruction Equipment		15,111	
Total Regular Instruction Program			\$ 746,681

Special Education Program

Teachers	\$	105,950	
Educational Assistants		149,377	
Speech Pathologist		128,520	
Other Salaries and Wages		46,447	
Social Security		25,497	
Pensions		36,386	
Medical Insurance		30,879	
Employer Medicare		5,963	
Evaluation and Testing		50	
Instructional Supplies and Materials		4,507	
Other Supplies and Materials		1,857	
Other Charges		527	
Special Education Equipment		6,777	
Total Special Education Program			542,737

Career and Technical Education Program

Other Salaries and Wages	\$	3,000	
Social Security		186	
Pensions		276	
Employer Medicare		44	
Instructional Supplies and Materials		6,040	
Other Supplies and Materials		2,892	
Vocational Instruction Equipment		39,112	
Total Career and Technical Education Program			51,550

Support Services

Other Student Support

Other Salaries and Wages	\$	5,200	
Social Security		318	
Pensions		446	
Employer Medicare		74	
Travel		1,000	

(Continued)

Exhibit I-9

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Chester County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Contracted Services	\$	450	
Other Supplies and Materials		1,946	
In Service/Staff Development		3,251	
Other Charges		6,718	
Total Other Student Support			\$ 19,403

Regular Instruction Program

Other Salaries and Wages	\$	65,953	
Social Security		3,877	
Pensions		6,998	
Medical Insurance		7,221	
Employer Medicare		907	
Travel		153	
Other Contracted Services		4,500	
In Service/Staff Development		71,514	
Total Regular Instruction Program			161,123

Special Education Program

Secretary(ies)	\$	25,011	
Social Security		1,103	
Pensions		1,250	
Employer Medicare		258	
Travel		286	
Other Supplies and Materials		4,576	
In Service/Staff Development		9,718	
Other Equipment		876	
Total Special Education Program			43,078

Career and Technical Education Program

In Service/Staff Development	\$	1,314	
Total Career and Technical Education Program			1,314

Operation of Plant

Other Supplies and Materials	\$	1,730	
Total Operation of Plant			1,730

Transportation

Bus Drivers	\$	25,015	
Social Security		1,570	
Pensions		1,251	
Employer Medicare		367	
Total Transportation			28,203

COVID-19 Expenditures

Instructional Supplies and Materials	\$	70	
Special Education Equipment		5,440	
Total COVID-19 Expenditures			5,510

Total School Federal Projects Fund \$ 1,601,329

(Continued)

Exhibit I-9

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Chester County School Department (Cont.)

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	38,203	
Accountants/Bookkeepers		6,180	
Cafeteria Personnel		384,627	
Other Salaries and Wages		11,745	
Social Security		25,426	
Pensions		19,647	
Medical Insurance		59,791	
Unemployment Compensation		354	
Employer Medicare		5,986	
Communication		1,720	
Maintenance and Repair Services - Equipment		12,144	
Transportation - Other than Students		8,645	
Travel		118	
Other Contracted Services		27,158	
Food Supplies		311,667	
Office Supplies		2,645	
Uniforms		8,340	
USDA - Commodities		91,151	
Other Supplies and Materials		40,607	
In Service/Staff Development		1,964	
Other Charges		2,220	
Food Service Equipment		33,254	
Total Food Service			\$ 1,093,592

COVID-19 Expenditures

Food Supplies	\$	143,924	
Total COVID-19 Expenditures			143,924

Total Central Cafeteria Fund \$ 1,237,516

Education Capital Projects Fund

Support Services

Board of Education

Trustee's Commission	\$	2,250	
Total Board of Education			\$ 2,250

Capital Outlay

Regular Capital Outlay

Building Construction	\$	228,035	
Building Improvements		325,532	
Other Capital Outlay		17,417	
Total Regular Capital Outlay			570,984

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	175,160	
Total Education			175,160

(Continued)

Exhibit I-9

Chester County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Chester County School Department (Cont.)

<u>Education Capital Projects Fund (Cont.)</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Building Improvements	\$	206,786	
Total Education Capital Projects			<u>\$ 206,786</u>
Total Education Capital Projects Fund			<u>\$ 955,180</u>
Total Governmental Funds - Chester County School Department			<u><u>\$ 25,189,799</u></u>

Exhibit I-10

Chester County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2020

	Cities - Sales Tax Fund
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 1,287,874
Total Cash Receipts	<u>\$ 1,287,874</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,274,995
Trustee's Commission	12,879
Total Cash Disbursements	<u>\$ 1,287,874</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2019	<u>0</u>
Cash Balance, June 30, 2020	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

**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***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Chester County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Chester County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated November 19, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chester County's internal control over financial reporting (internal control) as a basis for designing 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 Chester County's internal control. Accordingly, we do not express an opinion on the effectiveness of Chester County'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.

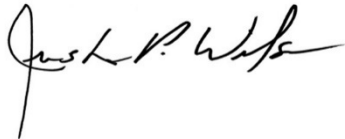
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chester County's 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 Chester County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 19, 2020

JPW/tg



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Chester County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Chester County's major federal programs for the year ended June 30, 2020. Chester County'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 the 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 Chester County'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 Chester County'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 Chester County's compliance.

Opinion on Each Major Federal Program

In our opinion, Chester County 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, 2020.

Report on Internal Control Over Compliance

Management of Chester County 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 Chester County'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 Chester County'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.

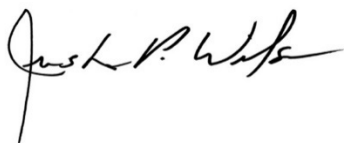
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Chester County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Chester County's basic financial statements. We issued our report thereon dated November 19, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 19, 2020

JPW/tg

Chester County, Tennessee, and the Chester County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)
For the Year Ended June 30, 2020

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	\$ 228,776 (6)
COVID 19 - School Breakfast Program	10.553	N/A	56,287 (6)
National School Lunch Program	10.555	N/A	568,244 (6)
COVID 19 - National School Lunch Program	10.555	N/A	87,637 (6)
Summer Food Service Program for Children	10.559	N/A	6,598
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	91,151 (6)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	GG-19-59425-00	5,144
Direct Program:			
Community Facilities Loans and Grants Cluster: (4)			
Rural Development Community Facility Grant	10.766	N/A	24,950
Total U.S. Department of Agriculture			<u>\$ 1,068,787</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	39499	\$ 9,000
Total U.S. Department of Justice			<u>\$ 9,000</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	(5)	\$ 84
Total U.S. Department of Labor			<u>\$ 84</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 746,433
Title I State Agency Program for Neglected and Delinquent			
Children and Youth	84.013	N/A	15,643
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	547,717 (6)
COVID 19 - Special Education - Grants to States	84.027	N/A	5,510 (6)
Special Education - Preschool Grants	84.173	N/A	11,448
Career and Technical Education - Basic Grants to States	84.048	N/A	57,116
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	59,022
Rural Education	84.358	N/A	49,721
Supporting Effective Instruction State Grant	84.367	N/A	97,190
Consolidated Grant to the Outlying Areas	84.403	N/A	33,336
Total U.S. Department of Education			<u>\$ 1,623,136</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	N/A	\$ 1,747
COVID 19 - 2020 Supplemental Election Security Grants	90.404	N/A	840
Total U.S. Election Assistance Commission			<u>\$ 2,587</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Family Planning Services	93.217	GG-19-59425-00	\$ 1,355
Maternal and Child Health Services Block Grant to the States	93.994	GG-19-59425-00	1,975
Passed-through State Department of Human Services:			
CCDF Cluster: (4)			
Child Care and Development Block Grant	93.575	(5)	169
Total U.S. Department of Health and Human Services			<u>\$ 3,499</u>

(Continued)

Chester County, Tennessee, and the Chester County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
COVID 19 - Disaster Relief Fund - PPE	97.036	(5)	\$ 15,388
Emergency Management Performance Grants	97.042	(5)	31,000
Homeland Security Grant Program	97.067	(5)	2,955
Total U.S. Department of Homeland Security			<u>\$ 49,343</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,756,436</u></u>
		Contract Number	
State Grants:			
Litter Program - State Department of Transportation	N/A	(5)	\$ 50,151
Hub and Spoke Grant - State Department of Environment and Conservation	N/A	(5)	131,232
Education and Outreach Grant - State Department of Environment and Conservation	N/A	(5)	18,078
Used Oil Grant - State Department of Environment and Conservation	N/A	(5)	21,494
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	(5)	39,723
Special Litter Program (SLG) - State Department of Transportation	N/A	(5)	180,000
Family Resource Center - State Department of Education	N/A	(5)	29,389
Coordinated School Health - State Department of Education	N/A	(5)	88,102
Safe Schools Act - State Department of Education	N/A	(5)	81,672
Early Childhood Education - State Department of Education	N/A	(5)	206,195
"Ag Tag" License Plate Ag Development Fund - State Department of Agriculture	N/A	(5)	11,000
Tennessee State Art Grant - State Department of Education	N/A	(5)	2,093
Training Opportunities for the Public (TOP) Grant - Tennessee State Library and Archives	N/A	(5)	395
COVID 19 - PPE - State Department of Military	N/A	(5)	5,130
Health Grant - State Department of Health	N/A	GG-19-59425-00	31,030
Total State Grants			<u><u>\$ 895,684</u></u>

CFDA = Catalog of Federal Domestic Assistance
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Chester County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Child Nutrition Cluster total \$1,038,693; Community Facilities Loans and Grants Cluster total \$24,950; Special Education Cluster total \$564,675; CCDF Cluster total \$169.
- (5) Information not available.
- (6) Total for CFDA No. 10.553 is \$285,063; Total for CFDA No. 10.555 is \$747,032; Total for CFDA No 84.027 is \$553,227.

Chester County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2020

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Chester County, Tennessee, for the year ended June 30, 2020.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
<u>OFFICES OF COUNTY MAYOR AND ACCOUNTING AND BUDGET DIRECTOR</u>					
2019	193	2019-001	Revenue Anticipation Notes were not Issued in Compliance with State Statutes	N/A	Corrected

Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

CHESTER COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Chester County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Number: 84.010 Title I Grants to Local Educational Agencies
 - * CFDA Numbers: 84.027 and 84.173 Special Education Cluster: Special
Education - Grants to States and Special
Education - Preschool Grants
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

There were no findings and recommendations, as a result of our audit of the financial statements of Chester County, Tennessee.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2020.

Chester County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2020

The audit of Chester County did not report and findings and recommendations. Therefore, no management responses or corrective action plans are required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Chester County.

CHESTER COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Chester County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.