



## ANNUAL FINANCIAL REPORT

# Chester County, Tennessee

*For the Year Ended June 30, 2023*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF  
LOCAL GOVERNMENT AUDIT**

**ANNUAL FINANCIAL REPORT**  
**CHESTER COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

*COMPTROLLER OF THE TREASURY*  
*JASON E. MUMPOWER*

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

*LEE ANN WEST, CPA, CGFM*  
*Audit Manager*

This financial report is available at [www.comptroller.tn.gov](http://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   |
| <b>BASIC FINANCIAL STATEMENTS:</b>  |         | 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<br>to the Statement of Net Position   | C-2     | 21      |
| Statement of Revenues, Expenditures, and Changes in<br>Fund Balances  | C-3     | 22-23   |
| Reconciliation of the Statement of Revenues, Expenditures,<br>and Changes in Fund Balances of Governmental Funds<br>to the Statement of Activities                    | C-4     | 24      |
| Statements of Revenues, Expenditures, and Changes in Fund<br>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 Net Position   | D-1     | 29      |
| Statement of Changes in Net Position  | D-2     | 30      |
| Index and Notes to the Financial Statements   |         | 31-88   |
| <b>REQUIRED SUPPLEMENTARY INFORMATION:</b>  |         | 89      |
| Schedule of Changes in Net Pension Liability (Asset) and Related Ratios<br>Based on Participation in the Public Employee Pension Plan<br>of TCRS – Primary Government | E-1     | 90      |
| Schedule of Contributions Based on Participation in the Public Employee<br>Pension Plan of TCRS – Primary Government  | E-2     | 91      |
| Schedule of Contributions Based on Participation in the Teacher<br>Retirement Plan of TCRS – Discretely Presented Chester<br>County School Department                 | E-3     | 92      |
| Schedule of Contributions Based on Participation in the Teacher<br>Legacy Pension Plan of TCRS – Discretely Presented Chester<br>County School Department             | E-4     | 93      |

|   | Exhibit | Page(s) |
|---|---------|---------|
| Schedule of Proportionate Share of the Net Pension Asset in the<br>Teacher Retirement Plan of TCRS – Discretely Presented<br>Chester County School Department     | E-5     | 94      |
| Schedule of Proportionate Share of the Net Pension Asset in the<br>Teacher Legacy Pension Plan of TCRS – Discretely Presented<br>Chester County School Department | E-6     | 95      |
| Schedule of Changes in the Total OPEB Liability and Related Ratios -<br>Local Government Plans - Primary Government   | E-7     | 96      |
| Schedule of Changes in the Total OPEB Liability and Related Ratios -<br>Commercial Insurance Plan - Discretely Presented Chester<br>County School Department      | E-8     | 97      |
| Notes to the Required Supplementary Information   |         | 98      |
| COMBINING AND INDIVIDUAL FUND FINANCIAL<br>STATEMENTS AND SCHEDULES:  |         | 99      |
| Nonmajor Governmental Funds:  |         | 100-101 |
| Combining Balance Sheet   | F-1     | 102-105 |
| Combining Statement of Revenues, Expenditures, and Changes<br>in Fund Balances  | F-2     | 106-109 |
| Schedules of Revenues, Expenditures, and Changes in Fund<br>Balances – Actual and Budget:   |         |         |
| Public Library Fund   | F-3     | 110     |
| Drug Control Fund   | F-4     | 111     |
| General Debt Service Fund   | F-5     | 112     |
| Fiduciary Funds:  |         | 113     |
| Combining Statement of Net Position – Custodial Funds   | G-1     | 114     |
| Combining Statement of Changes in Net Position –<br>Custodial Funds   | G-2     | 115     |
| Component Unit:   |         |         |
| Discretely Presented Chester County School Department:  |         | 116     |
| Statement of Activities   | H-1     | 117     |
| Balance Sheet – Governmental Funds  | H-2     | 118-119 |
| Reconciliation of the Balance Sheet of Governmental Funds<br>to the Statement of Net Position   | H-3     | 120     |
| Statement of Revenues, Expenditures, and Changes in Fund<br>Balances – Governmental Funds   | H-4     | 121-122 |
| Reconciliation of the Statement of Revenues, Expenditures,<br>and Changes in Fund Balances of Governmental Funds<br>to the Statement of Activities                | H-5     | 123     |
| Combining Balance Sheet – Nonmajor Governmental Funds   | H-6     | 124     |
| Combining Statement of Revenues, Expenditures, and<br>Changes in Fund Balances – Nonmajor Governmental Funds  | H-7     | 125     |
| Schedules of Revenues, Expenditures, and Changes in Fund<br>Balances – Actual (Budgetary Basis) and Budget:   |         |         |
| General Purpose School Fund   | H-8     | 126-127 |
| School Federal Projects Fund  | H-9     | 128-129 |
| Central Cafeteria Fund  | H-10    | 130     |
| Education Capital Projects Fund   | H-11    | 131     |
| Statement of Fiduciary Net Position   | H-12    | 132     |
| Statement of Changes in Fiduciary Net Position  | H-13    | 133     |

|   | Exhibit | Page(s) |
|---|---------|---------|
| Miscellaneous Schedules:  |         | 134     |
| Schedule of Changes in Long-term Note and Bonds   | I-1     | 135     |
| Schedule of Long-term Debt Requirements by Year   | I-2     | 136     |
| Schedule of Investments   | I-3     | 137     |
| Schedule of Transfers - Primary Government and Discretely Presented<br>Chester County School Department   | I-4     | 138     |
| Schedule of Salaries and Official Bonds of Principal Officials –<br>Primary Government and Discretely Presented Chester<br>County School Department   | I-5     | 139     |
| Schedule of Detailed Revenues – All Governmental Fund Types   | I-6     | 140-153 |
| Schedule of Detailed Revenues – All Governmental Fund Types –<br>Discretely Presented Chester County School Department  | I-7     | 154-157 |
| Schedule of Detailed Expenditures – All Governmental Fund Types   | I-8     | 158-175 |
| Schedule of Detailed Expenditures – All Governmental Fund Types –<br>Discretely Presented Chester County School Department  | I-9     | 176-186 |
| <br><u>SINGLE AUDIT SECTION</u>   |         | <br>187 |
| Auditor's Report on Internal Control Over Financial Reporting<br>Compliance and Other Matters Based on an Audit of Financial<br>and on Statements Performed in Accordance with <i>Government</i><br><i>Auditing Standards</i> |         | 188-190 |
| Auditor's Report on Compliance for Each Major Federal Program; Report<br>on Internal Control Over Compliance; and Report on the Schedule of<br>Expenditures of Federal Awards Required by Uniform Guidance                    |         | 191-194 |
| Schedule of Expenditures of Federal Awards and State Grants   |         | 195-196 |
| Summary Schedule of Prior-year Findings   |         | 197     |
| Schedule of Findings and Questioned Costs   |         | 198-204 |
| Management's Corrective Action Plan   |         | 205-210 |
| Best Practice   |         | 211     |

# ***Summary of Audit Findings***

Annual Financial Report  
Chester County, Tennessee  
For the Year Ended June 30, 2023

## ***Scope***

We have audited the basic financial statements of Chester County as of and for the year ended June 30, 2023.

## ***Results***

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

Our audit resulted in five findings and recommendations, which we have reviewed with Chester County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

## ***Findings***

The following are summaries of the audit findings:

### **OFFICE OF COUNTY MAYOR**

- ◆ The General and Solid Waste/Sanitation funds required material audit adjustments for proper financial statement presentation.
- ◆ The office had deficiencies in budget operations.
- ◆ Accounting records for capital assets were not closed and available for audit by August 31, 2023.
- ◆ The office had deficiencies in purchasing procedures.

---

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

- ◆ Appropriations exceeded estimated available funding in the Central Cafeteria Fund.



# INTRODUCTORY SECTION

# Chester County Officials

## June 30, 2023

---

### **Officials**

Barry Hutcherson, County Mayor  
Todd Brown, 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  
Gary Irwin, Accounting and Budget Director

### **Board of County Commissioners**

|                       |                 |
|-----------------------|-----------------|
| Barry Smith, Chairman | Carolyn Higgins |
| Mike Alexander        | Andrea Holland  |
| Dwight Bingham        | Jerry King      |
| Tim Crowe             | Todd Lewis      |
| Bubba Edgin           | Jerry Lowe      |
| Jerry Emerson         | Brenda Matthews |
| Kevin Faulkner        | Al McKinnon     |
| Johnny Garner         | Ann Moore       |
| Ricky Hardy           | Renee Phelps    |

### **Board of Education**

Shane Connor, Chairman  
Brandy Cherry  
Ben Cupples  
Jeff Harris  
Becky Hutcherson  
Clay Rodgers

### **Audit Committee**

John Allen Moore, Chairman  
Jerry Lowe  
Al McKinnon  
Todd Lewis



# FINANCIAL SECTION



JASON E. MUMPOWER  
*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 Audit of the Financial Statements**

#### ***Opinions***

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, 2023, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, 2023, and the respective changes in financial position and the respective budgetary comparison 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.

We did not audit the financial statements of the Internal School Fund of the Chester County School Department (a discretely presented component unit), which represent 1.4 percent, 1.5 percent, and 2.5 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for the Chester County School Department's Internal School Fund, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chester County, Tennessee, and to meet our other ethical responsibilities, in accordance with the

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

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Chester County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Chester County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Chester County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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 liability (asset), and schedules of county and school changes in the total other postemployment benefits liability and related ratios, as listed under Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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), and miscellaneous schedules are presented for purposes of additional analysis and are 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 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), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

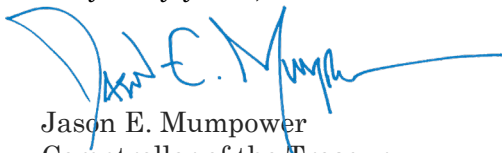
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2023, 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 the 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,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

September 21, 2023

JEM/gc

# BASIC FINANCIAL STATEMENTS

Exhibit A

Chester County, Tennessee  
Statement of Net Position  
June 30, 2023

|   | <u>Primary<br/>Governmental<br/>Activities</u> | <u>Component<br/>Unit<br/>Chester<br/>County<br/>School<br/>Department</u> |
|---|--|--|
| <u>ASSETS</u>                                   |  |  |
| Cash  | \$ 1,659                                       | \$ 496,107   |
| Equity in Pooled Cash and Investments           | 9,981,589                                      | 9,319,072  |
| Inventory                                       | 0  | 502  |
| Investments                                     | 290,962  | 0  |
| Accounts Receivable                             | 34,196   | 7,483  |
| Due from Other Governments                      | 486,701  | 1,304,620  |
| Property Taxes Receivable                       | 5,320,690                                      | 2,183,092  |
| Allowance for Uncollectible Property Taxes      | (76,932)                                       | (31,566)   |
| Net Pension Asset - Agent Plan                  | 927,766  | 613,629  |
| Net Pension Asset - Teacher Retirement Plan     | 0  | 35,058   |
| Net Pension Asset - Teacher Legacy Pension Plan | 0  | 3,286,097  |
| Restricted Assets:                              |  |  |
| Amounts Accumulated for Pension Benefits        | 0  | 300,911  |
| Capital Assets:                                 |  |  |
| Assets Not Depreciated:                         |  |  |
| Land  | 2,909,731                                      | 1,691,552  |
| Construction in Progress                        | 27,750   | 0  |
| Assets Net of Accumulated Depreciation:         |  |  |
| Buildings and Improvements                      | 7,119,373                                      | 11,412,106   |
| Infrastructure                                  | 2,854,518                                      | 354,686  |
| Other Capital Assets                            | 3,873,979                                      | 3,829,155  |
| Total Assets                                    | <u>\$ 33,751,982</u>                           | <u>\$ 34,802,504</u>   |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>           |  |  |
| Deferred Charge on Refunding                    | \$ 340,593                                     | \$ 0   |
| Pension Changes in Experience                   | 252,991  | 709,797  |
| Pension Changes in Investment Earnings          | 40,920   | 94,306   |
| Pension Changes in Assumptions                  | 713,708  | 2,571,702  |
| Pension Changes in Proportion                   | 0  | 69,657   |
| Pension Contributions After Measurement Date    | 260,580  | 1,005,542  |
| OPEB Changes in Experience                      | 36,493   | 138,465  |
| OPEB Changes in Assumptions                     | 25,057   | 116,659  |
| OPEB Contributions After Measurement Date       | 15,449   | 0  |
| Total Deferred Outflows of Resources            | <u>\$ 1,685,791</u>                            | <u>\$ 4,706,128</u>  |

(Continued)

Exhibit A

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

|   | <u>Primary<br/>Governmental<br/>Activities</u> | <u>Component<br/>Unit<br/>Chester<br/>County<br/>School<br/>Department</u> |
|---|--|--|
| <u>LIABILITIES</u>                          |  |  |
| Accounts Payable                            | \$ 295,435                                     | \$ 30,418  |
| Accrued Payroll                             | 10,249   | 0  |
| Payroll Deductions Payable                  | 11,051   | 224,758  |
| Accrued Interest Payable                    | 17,973   | 0  |
| Due to State of Tennessee                   | 578  | 0  |
| Noncurrent Liabilities:                     |  |  |
| Due Within One Year - Debt                  | 512,000  | 0  |
| Due Within One Year - Other                 | 18,595   | 0  |
| Due in More Than One Year - Debt            | 6,933,173                                      | 0  |
| Due in More Than One Year - Other           | 210,594  | 1,692,450  |
| Total Liabilities                           | <u>\$ 8,009,648</u>                            | <u>\$ 1,947,626</u>  |
| <u>DEFERRED INFLOWS OF RESOURCES</u>        |  |  |
| Deferred Current Property Taxes             | \$ 5,094,130                                   | \$ 2,090,134   |
| Pension Changes in Experience               | 102,816  | 644,554  |
| Pension Changes in Proportion               | 0  | 77,292   |
| OPEB Changes in Experience                  | 58,920   | 45,850   |
| OPEB Changes in Assumptions                 | 127,883  | 281,933  |
| Total Deferred Inflows of Resources         | <u>\$ 5,383,749</u>                            | <u>\$ 3,139,763</u>  |
| <u>NET POSITION</u>                         |  |  |
| Net Investment in Capital Assets            | \$ 9,609,315                                   | \$ 17,287,499  |
| Restricted for:                             |  |  |
| General Government                          | 1,824,255                                      | 0  |
| Finance                                     | 54,090   | 0  |
| Administration of Justice                   | 94,647   | 0  |
| Public Safety                               | 233,875  | 0  |
| Public Health and Welfare                   | 154,766  | 0  |
| Social, Cultural, and Recreational Services | 320,475  | 0  |
| Highway/Public Works                        | 1,170,750                                      | 0  |
| Capital Outlay                              | 0  | 799,737  |
| Debt Service                                | 676,023  | 0  |
| Education                                   | 0  | 510,220  |
| Operation of Non-instructional Services     | 0  | 1,400,664  |
| Pensions                                    | 927,766  | 3,934,784  |
| Hybrid Retirement Stabilization Funds       | 0  | 300,911  |
| Unrestricted                                | <u>6,978,414</u>                               | <u>10,187,428</u>  |
| Total Net Position                          | <u>\$ 22,044,376</u>                           | <u>\$ 34,421,243</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, 2023

| Functions/Programs                          | Expenses             | Program Revenues           |   |   | Net (Expense) Revenue and<br>Changes in Net Position |   |
|---|----------------------|----------------------------|---|---|--|---|
|   |                      | Charges<br>for<br>Services | Operating<br>Grants<br>and<br>Contributions | Capital<br>Grants<br>and<br>Contributions | Primary<br>Government<br>Total                       | Component Unit<br>Chester<br>County<br>School<br>Department |
|   |                      |                            |   |   | Governmental<br>Activities                           |   |
| Primary Government:                         |                      |                            |   |   |  |   |
| Governmental Activities:                    |                      |                            |   |   |  |   |
| General Government                          | \$ 1,545,592         | \$ 141,782                 | \$ 2,241,525                                | \$ 66,618                                 | \$ 904,333   | \$ 0  |
| Finance                                     | 947,308              | 493,632                    | 0   | 0   | (453,676)  | 0   |
| Administration of Justice                   | 849,365              | 265,680                    | 9,000                                       | 0   | (574,685)  | 0   |
| Public Safety                               | 4,356,001            | 852,288                    | 88,914                                      | 0   | (3,414,799)  | 0   |
| Public Health and Welfare                   | 1,938,074            | 1,129,025                  | 177,975                                     | 0   | (631,074)  | 0   |
| Social, Cultural, and Recreational Services | 574,354              | 32,140                     | 4,612                                       | 600,000                                   | 62,398   | 0   |
| Agriculture and Natural Resources           | 84,481               | 0                          | 0   | 0   | (84,481)   | 0   |
| Highways/Public Works                       | 1,825,735            | 0                          | 2,307,213                                   | 555,858                                   | 1,037,336  | 0   |
| Interest on Long-term Debt                  | 192,981              | 0                          | 0   | 0   | (192,981)  | 0   |
| <b>Total Primary Government</b>             | <b>\$ 12,313,891</b> | <b>\$ 2,914,547</b>        | <b>\$ 4,829,239</b>                         | <b>\$ 1,222,476</b>                       | <b>\$ (3,347,629)</b>                                | <b>\$ 0</b>   |
| Component Unit:                             |                      |                            |   |   |  |   |
| Chester County School Department            | \$ 29,209,541        | \$ 386,747                 | \$ 4,330,100                                | \$ 1,093,548                              | \$ 0   | \$ (23,399,146)   |
| <b>Total Component Unit</b>                 | <b>\$ 29,209,541</b> | <b>\$ 386,747</b>          | <b>\$ 4,330,100</b>                         | <b>\$ 1,093,548</b>                       | <b>\$ 0</b>  | <b>\$ (23,399,146)</b>                                      |

(Continued)

Exhibit B

Chester County, Tennessee  
Statement of Activities (Cont.)

| Functions/Programs   | Expenses | Program Revenues           |   |   | Net (Expense) Revenue and<br>Changes in Net Position |   |
|--|----------|----------------------------|---|---|--|---|
|  |          | Charges<br>for<br>Services | Operating<br>Grants<br>and<br>Contributions | Capital<br>Grants<br>and<br>Contributions | Primary  | Component Unit                            |
|  |          |                            |   |   | Government<br>Total<br>Governmental<br>Activities    | Chester<br>County<br>School<br>Department |
| General Revenues:  |          |                            |   |   |  |   |
| Taxes:   |          |                            |   |   |  |   |
| Property Taxes Levied for General Purposes                   |          |                            |   | \$ 4,663,305                              | \$ 2,079,214   |   |
| Property Taxes Levied for Debt Service                       |          |                            |   | 53,633                                    | 0  |   |
| Local Option Sales Taxes                                     |          |                            |   | 556,520                                   | 2,500,551  |   |
| Wheel Tax  |          |                            |   | 893,955                                   | 0  |   |
| Litigation Taxes   |          |                            |   | 58,598                                    | 0  |   |
| Business Tax   |          |                            |   | 176,917                                   | 0  |   |
| Wholesale Beer Tax   |          |                            |   | 39,813                                    | 0  |   |
| Other Local Taxes  |          |                            |   | 30,183                                    | 0  |   |
| Grants and Contributions Not Restricted to Specific Programs |          |                            |   | 554,713                                   | 20,075,471   |   |
| Unrestricted Investment Income                               |          |                            |   | 142,028                                   | 156,326  |   |
| Miscellaneous  |          |                            |   | 82,742                                    | 832,973  |   |
| <b>Total General Revenues</b>                                |          |                            |   | <b>\$ 7,252,407</b>                       | <b>\$ 25,644,535</b>                                 |   |
| Change in Net Position                                       |          |                            |   | \$ 3,904,778                              | \$ 2,245,389   |   |
| Net Position, July 1, 2022                                   |          |                            |   | 18,139,598                                | 32,175,854   |   |
| Net Position, June 30, 2023                                  |          |                            |   | <b>\$ 22,044,376</b>                      | <b>\$ 34,421,243</b>                                 |   |

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, 2023

|  | Major Funds          |                                |                              | Nonmajor<br>Funds                   | Total<br>Governmental<br>Funds |
|--|----------------------|--------------------------------|------------------------------|-------------------------------------|--------------------------------|
|  | General              | Solid<br>Waste /<br>Sanitation | Highway /<br>Public<br>Works | Other<br>Govern-<br>mental<br>Funds |                                |
| <u>ASSETS</u>                              |                      |                                |                              |                                     |                                |
| Cash                                       | \$ 0                 | \$ 0                           | \$ 0                         | \$ 1,659                            | \$ 1,659                       |
| Equity in Pooled Cash and Investments      | 5,006,521            | 1,395,058                      | 2,292,822                    | 1,287,188                           | 9,981,589                      |
| Investments                                | 0                    | 0                              | 0                            | 290,962                             | 290,962                        |
| Accounts Receivable                        | 2,420                | 31,223                         | 0                            | 553                                 | 34,196                         |
| Due from Other Governments                 | 124,599              | 20,202                         | 341,900                      | 0                                   | 486,701                        |
| Due from Other Funds                       | 67,002               | 5,599                          | 0                            | 157,683                             | 230,284                        |
| Property Taxes Receivable                  | 5,199,856            | 0                              | 60,417                       | 60,417                              | 5,320,690                      |
| Allowance for Uncollectible Property Taxes | (75,184)             | 0                              | (874)                        | (874)                               | (76,932)                       |
| Total Assets                               | <u>\$ 10,325,214</u> | <u>\$ 1,452,082</u>            | <u>\$ 2,694,265</u>          | <u>\$ 1,797,588</u>                 | <u>\$ 16,269,149</u>           |
| <u>LIABILITIES</u>                         |                      |                                |                              |                                     |                                |
| Accounts Payable                           | \$ 80,306            | \$ 4,752                       | \$ 208,412                   | \$ 1,965                            | \$ 295,435                     |
| Accrued Payroll                            | 10,249               | 0                              | 0                            | 0                                   | 10,249                         |
| Payroll Deductions Payable                 | 2,323                | 334                            | 8,334                        | 60                                  | 11,051                         |
| Due to Other Funds                         | 163,282              | 58,388                         | 0                            | 8,614                               | 230,284                        |
| Due to State of Tennessee                  | 302                  | 226                            | 0                            | 50                                  | 578                            |
| Total Liabilities                          | <u>\$ 256,462</u>    | <u>\$ 63,700</u>               | <u>\$ 216,746</u>            | <u>\$ 10,689</u>                    | <u>\$ 547,597</u>              |
| <u>DEFERRED INFLOWS OF RESOURCES</u>       |                      |                                |                              |                                     |                                |
| Deferred Current Property Taxes            | \$ 4,978,442         | \$ 0                           | \$ 57,844                    | \$ 57,844                           | \$ 5,094,130                   |
| Deferred Delinquent Property Taxes         | 135,533              | 0                              | 1,575                        | 1,575                               | 138,683                        |
| Other Deferred/Unavailable Revenue         | 38,183               | 10,000                         | 170,950                      | 0                                   | 219,133                        |
| Total Deferred Inflows of Resources        | <u>\$ 5,152,158</u>  | <u>\$ 10,000</u>               | <u>\$ 230,369</u>            | <u>\$ 59,419</u>                    | <u>\$ 5,451,946</u>            |

(Continued)

Exhibit C-1

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

|   | Major Funds   |                          |                        | Nonmajor                       | Total         |
|---|---------------|--------------------------|------------------------|--------------------------------|---------------|
|   | General       | Solid Waste / Sanitation | Highway / Public Works | Funds Other Governmental Funds |               |
| <u>FUND BALANCES</u>  |               |                          |                        |                                |               |
| Nonspendable:   |               |                          |                        |                                |               |
| Endowments  | \$ 0          | \$ 0                     | \$ 0                   | \$ 320,475                     | \$ 320,475    |
| Restricted:   |               |                          |                        |                                |               |
| Restricted for General Government                                   | 42,060        | 0                        | 0                      | 0                              | 42,060        |
| Restricted for General Government - American Rescue Plan Act        | 1,782,195     | 0                        | 0                      | 0                              | 1,782,195     |
| Restricted for Finance  | 54,090        | 0                        | 0                      | 0                              | 54,090        |
| Restricted for Administration of Justice                            | 94,647        | 0                        | 0                      | 0                              | 94,647        |
| Restricted for Public Safety  | 58,373        | 0                        | 0                      | 175,502                        | 233,875       |
| Restricted for Public Health and Welfare                            | 144,766       | 0                        | 0                      | 0                              | 144,766       |
| Restricted for Highways/Public Works                                | 0             | 0                        | 1,066,478              | 0                              | 1,066,478     |
| Restricted for Debt Service   | 0             | 0                        | 0                      | 351,828                        | 351,828       |
| Committed:  |               |                          |                        |                                |               |
| Committed for General Government                                    | 1,717,711     | 0                        | 0                      | 0                              | 1,717,711     |
| Committed for Public Health and Welfare                             | 0             | 1,378,382                | 0                      | 0                              | 1,378,382     |
| Committed for Social, Cultural, and Recreational Services           | 0             | 0                        | 0                      | 73,617                         | 73,617        |
| Committed for Highways/Public Works                                 | 0             | 0                        | 1,180,672              | 0                              | 1,180,672     |
| Committed for Debt Service  | 0             | 0                        | 0                      | 194,255                        | 194,255       |
| Committed for Capital Projects                                      | 494,197       | 0                        | 0                      | 611,803                        | 1,106,000     |
| Unassigned  | 528,555       | 0                        | 0                      | 0                              | 528,555       |
| Total Fund Balances   | \$ 4,916,594  | \$ 1,378,382             | \$ 2,247,150           | \$ 1,727,480                   | \$ 10,269,606 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 10,325,214 | \$ 1,452,082             | \$ 2,694,265           | \$ 1,797,588                   | \$ 16,269,149 |

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, 2023

Amounts reported for governmental activities in the statement of net position

|   |                  |                      |
|---|------------------|----------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit C-1)  |                  | \$ 10,269,606        |
| (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   | 27,750           |                      |
| Add: buildings and improvements net of accumulated depreciation   | 7,119,373        |                      |
| Add: infrastructure net of accumulated depreciation   | 2,854,518        |                      |
| Add: other capital assets net of accumulated depreciation   | <u>3,873,979</u> | 16,785,351           |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.   |                  |                      |
| Less: note payable  | \$ (595,000)     |                      |
| Less: bonds payable   | (6,755,000)      |                      |
| Less: compensated absences payable  | (9,360)          |                      |
| Less: landfill closure/postclosure care costs   | (42,848)         |                      |
| Less: net OPEB liability  | (176,981)        |                      |
| Less: accrued interest on bonds and note  | (17,973)         |                      |
| Add: deferred amount on refunding   | 340,593          |                      |
| Less: unamortized premium on debt   | <u>(95,173)</u>  | (7,351,742)          |
| (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   | \$ 1,268,199     |                      |
| Less: deferred inflows of resources related to pensions   | (102,816)        |                      |
| Add: deferred outflows of resources related to OPEB   | 76,999           |                      |
| Less: deferred inflows of resources related to OPEB   | <u>(186,803)</u> | 1,055,579            |
| (4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.  |                  | 927,766              |
| (5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.   |                  | <u>357,816</u>       |
| Net position of governmental activities (Exhibit A)   |                  | <u>\$ 22,044,376</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, 2023

|   | Major Funds          |                                |                              | Nonmajor<br>Funds                   | Total<br>Governmental<br>Funds |
|---|----------------------|--------------------------------|------------------------------|-------------------------------------|--------------------------------|
|   | General              | Solid<br>Waste /<br>Sanitation | Highway /<br>Public<br>Works | Other<br>Govern-<br>mental<br>Funds |                                |
| <u>Revenues</u>                             |                      |                                |                              |                                     |                                |
| Local Taxes                                 | \$ 5,306,265         | \$ 453,696                     | \$ 56,961                    | \$ 748,767                          | \$ 6,565,689                   |
| Licenses and Permits                        | 36,070               | 18,496                         | 0                            | 0                                   | 54,566                         |
| Fines, Forfeitures, and Penalties           | 78,914               | 0                              | 0                            | 14,369                              | 93,283                         |
| Charges for Current Services                | 101,418              | 801,463                        | 0                            | 14,162                              | 917,043                        |
| Other Local Revenues                        | 43,100               | 422,561                        | 224,074                      | 43,592                              | 733,327                        |
| Fees Received From County Officials         | 729,140              | 0                              | 0                            | 0                                   | 729,140                        |
| State of Tennessee                          | 728,156              | 327,652                        | 2,247,395                    | 104,400                             | 3,407,603                      |
| Federal Government                          | 3,427,717            | 0                              | 0                            | 1,847                               | 3,429,564                      |
| Other Governments and Citizens Groups       | 318,100              | 0                              | 0                            | 10,712                              | 328,812                        |
| <b>Total Revenues</b>                       | <b>\$ 10,768,880</b> | <b>\$ 2,023,868</b>            | <b>\$ 2,528,430</b>          | <b>\$ 937,849</b>                   | <b>\$ 16,259,027</b>           |
| <u>Expenditures</u>                         |                      |                                |                              |                                     |                                |
| Current:                                    |                      |                                |                              |                                     |                                |
| General Government                          | \$ 1,462,535         | \$ 0                           | \$ 0                         | \$ 0                                | \$ 1,462,535                   |
| Finance                                     | 958,905              | 0                              | 0                            | 0                                   | 958,905                        |
| Administration of Justice                   | 725,968              | 0                              | 0                            | 4,262                               | 730,230                        |
| Public Safety                               | 4,370,147            | 0                              | 0                            | 13,000                              | 4,383,147                      |
| Public Health and Welfare                   | 85,808               | 1,960,192                      | 0                            | 0                                   | 2,046,000                      |
| Social, Cultural, and Recreational Services | 343,346              | 0                              | 0                            | 186,159                             | 529,505                        |
| Agriculture and Natural Resources           | 56,206               | 0                              | 0                            | 0                                   | 56,206                         |
| Other Operations                            | 276,420              | 23,865                         | 0                            | 1,153                               | 301,438                        |
| Highways                                    | 0                    | 0                              | 2,839,170                    | 0                                   | 2,839,170                      |
| Debt Service:                               |                      |                                |                              |                                     |                                |
| Principal on Debt                           | 0                    | 0                              | 0                            | 559,000                             | 559,000                        |
| Interest on Debt                            | 0                    | 0                              | 0                            | 195,042                             | 195,042                        |
| Other Debt Service                          | 0                    | 0                              | 0                            | 11,581                              | 11,581                         |
| <b>Total Expenditures</b>                   | <b>\$ 8,279,335</b>  | <b>\$ 1,984,057</b>            | <b>\$ 2,839,170</b>          | <b>\$ 970,197</b>                   | <b>\$ 14,072,759</b>           |

(Continued)

Exhibit C-3

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

|  | Major Funds  |                                |                              | Nonmajor<br>Funds                   | Total<br>Governmental<br>Funds |
|--|--------------|--------------------------------|------------------------------|-------------------------------------|--------------------------------|
|  | General      | Solid<br>Waste /<br>Sanitation | Highway /<br>Public<br>Works | Other<br>Govern-<br>mental<br>Funds |                                |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 2,489,545 | \$ 39,811                      | \$ (310,740)                 | \$ (32,348)                         | \$ 2,186,268                   |
| <u>Other Financing Sources (Uses)</u>                |              |                                |                              |                                     |                                |
| Insurance Recovery                                   | \$ 169,289   | \$ 0                           | \$ 6,234                     | \$ 0                                | \$ 175,523                     |
| Transfers In   | 0            | 0                              | 446,926                      | 600,000                             | 1,046,926                      |
| Transfers Out  | (1,046,926)  | 0                              | 0                            | 0                                   | (1,046,926)                    |
| Total Other Financing Sources (Uses)                 | \$ (877,637) | \$ 0                           | \$ 453,160                   | \$ 600,000                          | \$ 175,523                     |
| Net Change in Fund Balances                          | \$ 1,611,908 | \$ 39,811                      | \$ 142,420                   | \$ 567,652                          | \$ 2,361,791                   |
| Fund Balance, July 1, 2022                           | 3,304,686    | 1,338,571                      | 2,104,730                    | 1,159,828                           | 7,907,815                      |
| Fund Balance, June 30, 2023                          | \$ 4,916,594 | \$ 1,378,382                   | \$ 2,247,150                 | \$ 1,727,480                        | \$ 10,269,606                  |

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, 2023

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)  |                    | \$ 2,361,791        |
| (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   | \$ 2,062,353       |                     |
| Less: current-year depreciation expense   | <u>(1,204,294)</u> | 858,059             |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.  |                    |                     |
| Less: proceeds received from the disposal of capital assets   |                    | (65,357)            |
| (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, 2023  | \$ 357,816         |                     |
| Less: deferred delinquent property taxes and other deferred June 30, 2022   | <u>(339,680)</u>   | 18,136              |
| (4) The issuance of long-term debt (e.g., bonds and notes) 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  | \$ 420,000         |                     |
| Add: principal payments on note   | 139,000            |                     |
| Add: change in premium on debt issuances  | 6,863              |                     |
| Less: change in deferred amount on refunding  | <u>(35,051)</u>    | 530,812             |
| (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  | \$ 2,061           |                     |
| Change in compensated absences payable  | 2,392              |                     |
| Change in landfill closure/postclosure care costs   | 7,068              |                     |
| Change in net pension asset   | (1,871,527)        |                     |
| Change in deferred outflows related to pensions   | 28,301             |                     |
| Change in deferred inflows related to pensions  | 2,015,028          |                     |
| Change in net OPEB liability  | 31,687             |                     |
| Change in deferred outflows related to OPEB   | 38,085             |                     |
| Change in deferred inflows related to OPEB  | <u>(51,758)</u>    | <u>201,337</u>      |
| Change in net position of governmental activities (Exhibit B)   |                    | <u>\$ 3,904,778</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, 2023

|                                       | Actual        | Budgeted Amounts |               | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------|------------------|---------------|--|
|                                       |               | Original         | Final         |  |
| <u>Revenues</u>                       |               |                  |               |  |
| Local Taxes                           | \$ 5,306,265  | \$ 5,260,610     | \$ 5,260,610  | \$ 45,655  |
| Licenses and Permits                  | 36,070        | 20,000           | 20,000        | 16,070   |
| Fines, Forfeitures, and Penalties     | 78,914        | 88,060           | 88,060        | (9,146)  |
| Charges for Current Services          | 101,418       | 108,450          | 108,450       | (7,032)  |
| Other Local Revenues                  | 43,100        | 28,500           | 185,351       | (142,251)  |
| Fees Received From County Officials   | 729,140       | 747,000          | 747,000       | (17,860)   |
| State of Tennessee                    | 728,156       | 586,964          | 1,629,086     | (900,930)  |
| Federal Government                    | 3,427,717     | 3,641,239        | 3,645,185     | (217,468)  |
| Other Governments and Citizens Groups | 318,100       | 269,500          | 269,500       | 48,600   |
| Total Revenues                        | \$ 10,768,880 | \$ 10,750,323    | \$ 11,953,242 | \$ (1,184,362)                                   |
| <u>Expenditures</u>                   |               |                  |               |  |
| <u>General Government</u>             |               |                  |               |  |
| County Commission                     | \$ 31,851     | \$ 36,400        | \$ 38,400     | \$ 6,549   |
| Board of Equalization                 | 1,000         | 1,100            | 1,100         | 100  |
| Budget and Finance Committee          | 1,052         | 3,250            | 3,250         | 2,198  |
| County Mayor/Executive                | 197,330       | 196,277          | 205,077       | 7,747  |
| County Attorney                       | 16,788        | 24,000           | 24,000        | 7,212  |
| Election Commission                   | 291,821       | 246,912          | 1,546,912     | 1,255,091  |
| Register of Deeds                     | 147,341       | 153,763          | 153,763       | 6,422  |
| Planning                              | 80,397        | 114,395          | 113,845       | 33,448   |
| County Buildings                      | 571,935       | 466,714          | 853,898       | 281,963  |
| Other Facilities                      | 89,072        | 23,850           | 89,412        | 340  |
| Other General Administration          | 33,948        | 58,800           | 60,500        | 26,552   |
| <u>Finance</u>                        |               |                  |               |  |
| Accounting and Budgeting              | 185,728       | 219,749          | 219,749       | 34,021   |
| Property Assessor's Office            | 231,984       | 269,600          | 269,600       | 37,616   |
| County Trustee's Office               | 258,699       | 278,546          | 295,546       | 36,847   |
| County Clerk's Office                 | 275,211       | 286,646          | 286,646       | 11,435   |
| Other Finance                         | 7,283         | 7,000            | 7,283         | 0  |
| <u>Administration of Justice</u>      |               |                  |               |  |
| Circuit Court                         | 334,449       | 342,634          | 346,268       | 11,819   |
| General Sessions Court                | 126,242       | 134,680          | 137,525       | 11,283   |
| Chancery Court                        | 265,277       | 278,788          | 284,188       | 18,911   |
| Juvenile Court                        | 0             | 37,490           | 0             | 0  |
| <u>Public Safety</u>                  |               |                  |               |  |
| Sheriff's Department                  | 2,071,454     | 2,263,521        | 2,271,147     | 199,693  |
| Jail                                  | 1,723,959     | 1,909,383        | 1,935,099     | 211,140  |
| Juvenile Services                     | 113,403       | 73,975           | 128,262       | 14,859   |
| Fire Prevention and Control           | 334,275       | 301,422          | 542,363       | 208,088  |
| Civil Defense                         | 70,623        | 95,958           | 95,958        | 25,335   |
| Rescue Squad                          | 29,783        | 10,309           | 29,783        | 0  |
| County Coroner/Medical Examiner       | 26,650        | 35,000           | 35,000        | 8,350  |
| <u>Public Health and Welfare</u>      |               |                  |               |  |
| Local Health Center                   | 33,342        | 38,820           | 652,420       | 619,078  |
| Alcohol and Drug Programs             | 0             | 3,000            | 3,000         | 3,000  |
| Other Local Health Services           | 49,374        | 44,802           | 91,502        | 42,128   |
| Regional Mental Health Center         | 0             | 10,000           | 10,000        | 10,000   |

(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>           |              |                  |               |  |
| General Welfare Assistance                         | \$ 2,400     | \$ 15,500        | \$ 15,500     | \$ 13,100  |
| Sanitation Education/Information                   | 680          | 0                | 0             | (680)  |
| Convenience Centers                                | 12           | 0                | 0             | (12)   |
| <u>Social, Cultural, and Recreational Services</u> |              |                  |               |  |
| Senior Citizens Assistance                         | 20,000       | 20,000           | 20,000        | 0  |
| Libraries  | 327          | 0                | 0             | (327)  |
| Other Social, Cultural, and Recreational           | 323,019      | 50,500           | 350,500       | 27,481   |
| <u>Agriculture and Natural Resources</u>           |              |                  |               |  |
| Agricultural Extension Service                     | 42,579       | 68,495           | 68,495        | 25,916   |
| Forest Service                                     | 0            | 2,000            | 2,000         | 2,000  |
| Soil Conservation                                  | 5,352        | 10,660           | 10,660        | 5,308  |
| Flood Control                                      | 8,275        | 7,900            | 8,275         | 0  |
| <u>Other Operations</u>                            |              |                  |               |  |
| Tourism  | 750          | 750              | 750           | 0  |
| Industrial Development                             | 25,000       | 25,000           | 25,000        | 0  |
| Veterans' Services                                 | 27,568       | 34,680           | 34,680        | 7,112  |
| Other Charges                                      | 26,162       | 50,000           | 164,650       | 138,488  |
| Employee Benefits                                  | 30,362       | 11,000           | 31,700        | 1,338  |
| Miscellaneous                                      | 166,578      | 138,000          | 139,550       | (27,028)   |
| Total Expenditures                                 | \$ 8,279,335 | \$ 8,401,269     | \$ 11,603,256 | \$ 3,323,921                                     |
| Excess (Deficiency) of Revenues Over Expenditures  | \$ 2,489,545 | \$ 2,349,054     | \$ 349,986    | \$ 2,139,559                                     |
| <u>Other Financing Sources (Uses)</u>              |              |                  |               |  |
| Insurance Recovery                                 | \$ 169,289   | \$ 0             | \$ 62,391     | \$ 106,898                                       |
| Transfers In                                       | 0            | 0                | 17,000        | (17,000)   |
| Transfers Out                                      | (1,046,926)  | 0                | (1,047,522)   | 596  |
| Total Other Financing Sources                      | \$ (877,637) | \$ 0             | \$ (968,131)  | \$ 90,494  |
| Net Change in Fund Balance                         | \$ 1,611,908 | \$ 2,349,054     | \$ (618,145)  | \$ 2,230,053                                     |
| Fund Balance, July 1, 2022                         | 3,304,686    | 2,995,675        | 2,995,675     | 309,011  |
| Fund Balance, June 30, 2023                        | \$ 4,916,594 | \$ 5,344,729     | \$ 2,377,530  | \$ 2,539,064                                     |

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, 2023

|   | Actual              | Budgeted Amounts    |                     | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
|   |                     | Original            | Final               |  |
| <u>Revenues</u>                                   |                     |                     |                     |  |
| Local Taxes                                       | \$ 453,696          | \$ 328,500          | \$ 328,500          | \$ 125,196                                       |
| Licenses and Permits                              | 18,496              | 20,059              | 20,059              | (1,563)  |
| Charges for Current Services                      | 801,463             | 727,000             | 727,000             | 74,463   |
| Other Local Revenues                              | 422,561             | 325,000             | 326,607             | 95,954   |
| State of Tennessee                                | 327,652             | 304,700             | 397,321             | (69,669)   |
| Total Revenues                                    | <u>\$ 2,023,868</u> | <u>\$ 1,705,259</u> | <u>\$ 1,799,487</u> | <u>\$ 224,381</u>                                |
| <u>Expenditures</u>                               |                     |                     |                     |  |
| <u>Public Health and Welfare</u>                  |                     |                     |                     |  |
| Sanitation Education/Information                  | \$ 24,778           | \$ 28,700           | \$ 28,700           | \$ 3,922   |
| Convenience Centers                               | 536,004             | 530,566             | 581,961             | 45,957   |
| Recycling Center                                  | 804,373             | 468,516             | 843,678             | 39,305   |
| Compost Waste Center                              | 8,000               | 0                   | 8,000               | 0  |
| Other Waste Disposal                              | 582,645             | 612,087             | 613,087             | 30,442   |
| Postclosure Care Costs                            | 4,392               | 5,000               | 5,000               | 608  |
| <u>Other Operations</u>                           |                     |                     |                     |  |
| Other Charges                                     | 4,000               | 11,000              | 11,000              | 7,000  |
| Miscellaneous                                     | 19,865              | 19,500              | 19,500              | (365)  |
| Total Expenditures                                | <u>\$ 1,984,057</u> | <u>\$ 1,675,369</u> | <u>\$ 2,110,926</u> | <u>\$ 126,869</u>                                |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 39,811</u>    | <u>\$ 29,890</u>    | <u>\$ (311,439)</u> | <u>\$ 351,250</u>                                |
| Net Change in Fund Balance                        | \$ 39,811           | \$ 29,890           | \$ (311,439)        | \$ 351,250                                       |
| Fund Balance, July 1, 2022                        | <u>1,338,571</u>    | <u>825,921</u>      | <u>825,921</u>      | <u>512,650</u>                                   |
| Fund Balance, June 30, 2023                       | <u>\$ 1,378,382</u> | <u>\$ 855,811</u>   | <u>\$ 514,482</u>   | <u>\$ 863,900</u>                                |

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, 2023

|   | Actual              | Budgeted Amounts    |                     | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
|   |                     | Original            | Final               |  |
| <u>Revenues</u>                                   |                     |                     |                     |  |
| Local Taxes                                       | \$ 56,961           | \$ 59,700           | \$ 59,700           | \$ (2,739)                                       |
| Other Local Revenues                              | 224,074             | 18,000              | 191,830             | 32,244   |
| State of Tennessee                                | 2,247,395           | 2,652,361           | 2,671,794           | (424,399)  |
| Total Revenues                                    | <u>\$ 2,528,430</u> | <u>\$ 2,730,061</u> | <u>\$ 2,923,324</u> | <u>\$ (394,894)</u>                              |
| <u>Expenditures</u>                               |                     |                     |                     |  |
| <u>Highways</u>                                   |                     |                     |                     |  |
| Administration                                    | \$ 197,713          | \$ 186,020          | \$ 209,415          | \$ 11,702  |
| Highway and Bridge Maintenance                    | 758,787             | 1,012,393           | 901,343             | 142,556  |
| Operation and Maintenance of Equipment            | 205,559             | 267,700             | 244,388             | 38,829   |
| Other Charges                                     | 68,432              | 95,500              | 95,500              | 27,068   |
| Employee Benefits                                 | 264,340             | 266,500             | 271,500             | 7,160  |
| Capital Outlay                                    | 1,344,339           | 890,000             | 1,636,156           | 291,817  |
| Total Expenditures                                | <u>\$ 2,839,170</u> | <u>\$ 2,718,113</u> | <u>\$ 3,358,302</u> | <u>\$ 519,132</u>                                |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (310,740)</u> | <u>\$ 11,948</u>    | <u>\$ (434,978)</u> | <u>\$ 124,238</u>                                |
| <u>Other Financing Sources (Uses)</u>             |                     |                     |                     |  |
| Insurance Recovery                                | \$ 6,234            | \$ 5,000            | \$ 5,000            | \$ 1,234   |
| Transfers In                                      | 446,926             | 0                   | 446,926             | 0  |
| Total Other Financing Sources                     | <u>\$ 453,160</u>   | <u>\$ 5,000</u>     | <u>\$ 451,926</u>   | <u>\$ 1,234</u>                                  |
| Net Change in Fund Balance                        | \$ 142,420          | \$ 16,948           | \$ 16,948           | \$ 125,472                                       |
| Fund Balance, July 1, 2022                        | <u>2,104,730</u>    | <u>1,881,820</u>    | <u>1,881,820</u>    | <u>222,910</u>                                   |
| Fund Balance, June 30, 2023                       | <u>\$ 2,247,150</u> | <u>\$ 1,898,768</u> | <u>\$ 1,898,768</u> | <u>\$ 348,382</u>                                |

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

Exhibit D-1

Chester County, Tennessee  
Statement of Net Position  
Fiduciary Funds  
June 30, 2023

|   | <u>Custodial<br/>Funds</u> |
|---|----------------------------|
| <u>ASSETS</u>   |                            |
| Cash  | \$ 928,975                 |
| Due from Other Governments                                      | <u>342,743</u>             |
| Total Assets  | <u>\$ 1,271,718</u>        |
| <u>LIABILITIES</u>  |                            |
| Due to Other Taxing Units                                       | <u>\$ 342,743</u>          |
| Total Liabilities   | <u>\$ 342,743</u>          |
| <u>NET POSITION</u>   |                            |
| Restricted for Individuals, Organizations and Other Governments | <u>\$ 928,975</u>          |
| Total Net Position  | <u><u>\$ 928,975</u></u>   |

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

Chester County, Tennessee  
Statement of Changes in Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2023

|   | <u>Custodial<br/>Funds</u> |
|---|----------------------------|
| <u>ADDITIONS</u>                                      |                            |
| Sales Tax Collections for Other Governments           | \$ 1,878,535               |
| Fines/Fees and Other Collections                      | <u>3,669,386</u>           |
| Total Additions                                       | <u>\$ 5,547,921</u>        |
| <u>DEDUCTIONS</u>                                     |                            |
| Payment of Sales Tax Collections to Other Governments | \$ 1,878,535               |
| Payments to State                                     | 1,687,140                  |
| Payments to Cities, Individuals and Others            | <u>1,949,992</u>           |
| Total Deductions                                      | <u>\$ 5,515,667</u>        |
| Net Increase (Decrease) in Fiduciary in Net Position  | \$ 32,254                  |
| Net Position, July 1, 2022                            | <u>896,721</u>             |
| Net Position, June 30, 2023                           | <u><u>\$ 928,975</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) |
|---|---------|
| <b>I. Summary of Significant Accounting Policies</b>  |         |
| A. Reporting Entity   | 32      |
| B. Government-wide and Fund Financial Statements  | 33      |
| C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation   | 34      |
| D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance   |         |
| 1. Deposits and Investments   | 37      |
| 2. Receivables and Payables   | 38      |
| 3. Restricted Assets  | 39      |
| 4. Capital Assets   | 39      |
| 5. Deferred Outflows/Inflows of Resources   | 40      |
| 6. Compensated Absences   | 41      |
| 7. Long-term Debt and Long-term Obligations   | 41      |
| 8. Net Position and Fund Balance  | 42      |
| E. Pension Plans  | 43      |
| F. Other Postemployment Benefit (OPEB) Plans  | 44      |
| <b>II. Reconciliation of Government-wide and Fund Financial Statements</b>  |         |
| A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position   | 45      |
| 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 | 45      |
| <b>III. Stewardship, Compliance, and Accountability</b>   |         |
| A. Budgetary Information  | 45      |
| B. Expenditures Exceeded Appropriations   | 46      |
| C. Appropriations Exceeded Estimated Available Funding  | 47      |
| <b>IV. Detailed Notes on All Funds</b>  |         |
| A. Deposits and Investments   | 47      |
| B. Capital Assets   | 52      |
| C. Interfund Receivables, Payables, and Transfers   | 55      |
| D. Long-term Debt   | 56      |
| E. Long-term Obligations  | 58      |
| <b>V. Other Information</b>   |         |
| A. Risk Management  | 60      |
| B. Accounting Changes   | 60      |
| C. Contingent Liabilities   | 61      |
| D. Change in Administration   | 61      |
| E. Landfill Closure/Postclosure Care Costs  | 61      |
| F. Jointly Governed Organization  | 62      |
| G. Retirement Commitments   |         |
| 1. Tennessee Consolidated Retirement System (TCRS)  | 62      |
| 2. Deferred Compensation  | 79      |
| H. Other Postemployment Benefits (OPEB)   | 79      |
| I. Purchasing Laws  | 88      |

**CHESTER COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

**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 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, 2023.

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. 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, including lease obligations, 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 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes a private-purpose trust fund and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement.

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 accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

**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.

**Custodial Funds** – These funds account for amounts collected in a custodial capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Chester County.

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

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

**School Federal Projects Fund** – This special revenue fund is used to account for restricted federal revenues, which must be expended on specific education programs.

**Central Cafeteria Fund** – This special revenue fund is used to account for the cafeteria operations in each of the schools.

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

**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.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY23) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY22) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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 States 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 States 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 0.75 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 costs. 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. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets 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 a deferred charge on refunding, pension and OPEB changes in experience, pension changes in investment earnings, pension and OPEB changes in assumptions, pension changes in proportion, and employer contributions made to the pension and OPEB plans after the measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets 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, OPEB changes in assumptions, pension changes in proportion, and various receivables for revenues, which do not meet the availability criteria for 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 (except for 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, 2023, Chester County had \$265,400 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. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

**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 Pension 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 Pension

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 Pension 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**

**A. 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), the Endowment Fund (permanent fund), and the school department's Internal School Fund (special revenue fund), which are not budgeted. 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.

**B. Expenditures Exceeded Appropriations**

Expenditures exceeded total appropriations approved by the county commission in the Drug Control Fund by \$1,596.

Expenditures exceeded appropriations approved by the county commission in the following major appropriation categories (the legal level of control) as reflected in the following table:

| <u>Fund/Major Appropriation Category</u>                | <u>Amount<br/>Overspent</u> |
|---|-----------------------------|
| General:  |                             |
| Public Health and Welfare - Sanitation                  |                             |
| Education/Information                                   | \$ 680                      |
| Public Health and Welfare - Convenience Centers         | 12                          |
| Social, Cultural, and Recreational Services - Libraries | 327                         |
| Other Operations - Miscellaneous                        | 27,028                      |
| Public Library:   |                             |
| Other Operations - Miscellaneous                        | 250                         |
| Solid Waste/Sanitation:                                 |                             |
| Other Operations - Miscellaneous                        | 365                         |
| General Debt Service:                                   |                             |
| Other Debt Service - General Government                 | 81                          |

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the respective funds.

**C. Appropriations Exceeded Estimated Available Funding**

The budget and subsequent amendments approved by the county commission for the Central Cafeteria Fund resulted in appropriations exceeding estimated available funding by \$290,709. Sound budgetary principles dictate that appropriations should be held within estimated available funding.

**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 three 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 90 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 fair 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.

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by

the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

### **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, 2023, 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.

| <u>Investment</u>                       | <u>Maturities</u> | <u>Fair Value</u>            |
|---|-------------------|------------------------------|
| Endowment Fund:                         |                   |                              |
| Vanguard 500 Index Fund                 | On Demand \$      | 143,563                      |
| Fidelity International Index Fund       | "                 | 25,237                       |
| Federated Harmes Govt Obligations       |                   |                              |
| FD - Principal                          | "                 | 463                          |
| Vanguard Int Term Investment Grde Adm   | "                 | 29,886                       |
| Vanguard Short-Term Investment Grde Adm | "                 | 11,631                       |
| Vanguard Total Bond Market Index Adm    | "                 | <u>80,182</u>                |
| <br>Total                               |                   | <br><u><u>\$ 290,962</u></u> |

| <u>Investment by Fair Value Level</u>               | Fair Value<br>6-30-23 | Fair Value<br>Measurements<br>Using<br>Quoted<br>Prices in<br>Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) |
|---|-----------------------|---|
| Vanguard 500 Index Fund                             | \$ 143,563            | \$ 143,563  |
| Fidelity International Index Fund                   | 25,237                | 25,237  |
| Federated Harmes Govt Obligations<br>FD - Principal | 463                   | 463   |
| Vanguard Int Term Investment Grde Adm               | 29,886                | 29,886  |
| Vanguard Short-Term Investment Grde Adm             | 11,631                | 11,631  |
| Vanguard Total Bond Market Index Adm                | 80,182                | 80,182  |
| <br>Total   | <br><u>\$ 290,962</u> | <br><u>\$ 290,962</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, 2023, 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. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2023, the Chester County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

| Investment                                 | Weighted<br>Average<br>Maturity<br>(days) | Maturities | Fair<br>Value  |
|--|---|------------|----------------|
| Investments at Fair Value:                 |   |            |                |
| U.S. Equity                                | N/A                                       | N/A        | \$ 93,282      |
| Developed Market International Equity      | N/A                                       | N/A        | 42,128         |
| Emerging Market International Equity       | N/A                                       | N/A        | 12,036         |
| U.S. Fixed Income                          | N/A                                       | N/A        | 60,182         |
| Real Estate                                | N/A                                       | N/A        | 30,091         |
| Short-term Securities                      | N/A                                       | N/A        | 3,010          |
| NAV - Private Equity and Strategic Lending | N/A                                       | N/A        | 60,182         |
| <br>Total                                  |   |            | <br>\$ 300,911 |

For further information concerning the legal provisions, investment policies, investment types, and credit risks of 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/ag20045.pdf>.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2023, was as follows:

**Primary Government**

**Governmental Activities:**

|   | Balance<br>7-1-22    | Increases           | Decreases           | Balance<br>6-30-23   |
|---|----------------------|---------------------|---------------------|----------------------|
| Capital Assets Not Depreciated:             |                      |                     |                     |                      |
| Land  | \$ 2,909,731         | \$ 0                | \$ 0                | \$ 2,909,731         |
| Construction in Progress                    | 575,373              | 27,750              | (575,373)           | 27,750               |
| Total Capital Assets Not Depreciated        | <u>\$ 3,485,104</u>  | <u>\$ 27,750</u>    | <u>\$ (575,373)</u> | <u>\$ 2,937,481</u>  |
| Capital Assets Depreciated:                 |                      |                     |                     |                      |
| Buildings and Improvements                  | \$ 13,774,787        | \$ 71,000           | \$ 0                | \$ 13,845,787        |
| Infrastructure                              | 4,663,292            | 639,796             | 0                   | 5,303,088            |
| Other Capital Assets                        | 8,068,526            | 1,899,180           | (603,942)           | 9,363,764            |
| Total Capital Assets Depreciated            | <u>\$ 26,506,605</u> | <u>\$ 2,609,976</u> | <u>\$ (603,942)</u> | <u>\$ 28,512,639</u> |
| Less Accumulated Depreciation For:          |                      |                     |                     |                      |
| Buildings and Improvements                  | \$ 6,313,283         | \$ 413,131          | \$ 0                | \$ 6,726,414         |
| Infrastructure                              | 2,262,408            | 186,162             | 0                   | 2,448,570            |
| Other Capital Assets                        | 5,423,369            | 605,001             | (538,585)           | 5,489,785            |
| Total Accumulated Depreciation              | <u>\$ 13,999,060</u> | <u>\$ 1,204,294</u> | <u>\$ (538,585)</u> | <u>\$ 14,664,769</u> |
| Total Capital Assets Depreciated, Net       | <u>\$ 12,507,545</u> | <u>\$ 1,405,682</u> | <u>\$ (65,357)</u>  | <u>\$ 13,847,870</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 15,992,649</u> | <u>\$ 1,433,432</u> | <u>\$ (640,730)</u> | <u>\$ 16,785,351</u> |

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

**Governmental Activities:**

|  |                     |
|--|---------------------|
| General Government                                   | \$ 73,752           |
| Finance  | 3,758               |
| Administration of Justice                            | 69,612              |
| Public Safety  | 372,709             |
| Public Health and Welfare                            | 325,456             |
| Social, Cultural, and Recreational Services          | 36,432              |
| Agriculture and Natural Resources                    | 1,376               |
| Highways   | <u>321,199</u>      |
| Total Depreciation Expense - Governmental Activities | <u>\$ 1,204,294</u> |

**Net Investment in Capital Assets**

---

|  |                     |
|--|---------------------|
| Capital Assets   | \$ 16,785,351       |
| Less:  |                     |
| Outstanding principal of capital debt and other capital borrowings                 | (7,084,600)         |
| Unamortized balance of original issue premiums on outstanding capital-related debt | <u>(91,436)</u>     |
| Net Investment in Capital Assets   | <u>\$ 9,609,315</u> |

**Discretely Presented Chester County School Department**

**Governmental Activities:**

|  | Balance<br>7-1-22    | Increases           | Decreases         | Balance<br>6-30-23   |
|--|----------------------|---------------------|-------------------|----------------------|
| Capital Assets Not Depreciated:                    |                      |                     |                   |                      |
| Land   | \$ 1,691,552         | \$ 0                | \$ 0              | \$ 1,691,552         |
| Construction in Progress                           | 500,045              | 0                   | 500,045           | 0                    |
| <b>Total Capital Assets Not Depreciated</b>        | <b>\$ 2,191,597</b>  | <b>\$ 0</b>         | <b>\$ 500,045</b> | <b>\$ 1,691,552</b>  |
| Capital Assets Depreciated:                        |                      |                     |                   |                      |
| Buildings and Improvements                         | \$ 23,312,311        | \$ 1,035,668        | \$ 0              | \$ 24,347,979        |
| Infrastructure                                     | 0                    | 366,218             | 0                 | 366,218              |
| Other Capital Assets                               | 7,722,989            | 1,529,634           | 45,338            | 9,207,285            |
| <b>Total Capital Assets Depreciated</b>            | <b>\$ 31,035,300</b> | <b>\$ 2,931,520</b> | <b>\$ 45,338</b>  | <b>\$ 33,921,482</b> |
| Less Accumulated Depreciation For:                 |                      |                     |                   |                      |
| Buildings and Improvements                         | \$ 12,469,788        | \$ 466,085          | \$ 0              | \$ 12,935,873        |
| Infrastructure                                     | 0                    | 11,532              | 0                 | 11,532               |
| Other Capital Assets                               | 4,886,296            | 537,172             | 45,338            | 5,378,130            |
| <b>Total Accumulated Depreciation</b>              | <b>\$ 17,356,084</b> | <b>\$ 1,014,789</b> | <b>\$ 45,338</b>  | <b>\$ 18,325,535</b> |
| <b>Total Capital Assets Depreciated, Net</b>       | <b>\$ 13,679,216</b> | <b>\$ 1,916,731</b> | <b>\$ 0</b>       | <b>\$ 15,595,947</b> |
| <b>Governmental Activities Capital Assets, Net</b> | <b>\$ 15,870,813</b> | <b>\$ 1,916,731</b> | <b>\$ 500,045</b> | <b>\$ 17,287,499</b> |

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

**Governmental Activities:**

|   |                            |
|---|----------------------------|
| Instruction   | \$ 484,649                 |
| Support Services  | 428,626                    |
| Operation of Non-instructional Services                     | <u>101,514</u>             |
| <b>Total Depreciation Expense - Governmental Activities</b> | <b><u>\$ 1,014,789</u></b> |

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

The composition of interfund balances as of June 30, 2023, was as follows:

**Due to/from Other Funds:**

| Receivable Fund                                | Payable Fund            | Amount    |
|--|-------------------------|-----------|
| <b>Primary Government:</b>                     |                         |           |
| General  | Solid Waste/Sanitation  | \$ 58,388 |
| "  | Nonmajor governmental   | 8,614     |
| Solid Waste/Sanitation                         | General                 | 5,599     |
| Nonmajor governmental                          | "                       | 157,683   |
| <br>   |                         |           |
| <b>Discretely Presented School Department:</b> |                         |           |
| General Purpose School                         | School Federal Projects | 37,980    |
| School Federal Projects                        | General Purpose School  | 1,403     |

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

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2023, consisted of the following amounts:

**Primary Government**

| Transfers Out | Transfers In                     |                                  | Purpose    |
|---------------|----------------------------------|----------------------------------|------------|
|               | Highway/<br>Public Works<br>Fund | Nonmajor<br>Governmental<br>Fund |            |
| General Fund  | \$ 446,926                       | \$ 600,000                       | ARPA funds |

**Discretely Presented Chester County School Department**

| Transfer Out                 | <u>Transfer Out</u>                  |                |
|------------------------------|--------------------------------------|----------------|
|                              | General<br>Purpose<br>School<br>Fund | Purpose        |
| School Federal Projects Fund | <u>\$ 93,934</u>                     | 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.

**D. 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, 2023, 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 and other capital outlay purchases, such as equipment, 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. The capital outlay note was issued for original terms of seven years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The note included in long-term debt as of June 30, 2023, will be retired from the General Debt Service Fund.



General obligation bonds and the capital outlay note outstanding as of June 30, 2023, for governmental activities are as follows:

| Type                                   | Interest Rate | Final Maturity | Original Amount of Issue | Balance 6-30-23 |
|--|---------------|----------------|--------------------------|-----------------|
| General Obligation Bonds               | 2.75 to 5%    | 5-1-28         | \$ 360,000               | \$ 120,000      |
| General Obligation Bonds - Refunding   | 2 to 3        | 6-1-40         | 8,505,000                | 6,635,000       |
| Direct Borrowing and Direct Placement: |               |                |                          |                 |
| Capital Outlay Note                    | 2.83          | 10-1-26        | 1,000,000                | 595,000         |

The annual requirements to amortize all general obligation bonds and the note as of June 30, 2023, including interest payments, are presented in the following tables:

| Year Ending<br>June 30 | Bonds        |              |              |
|------------------------|--------------|--------------|--------------|
|                        | Principal    | Interest     | Total        |
| 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      |
| 2029-2033              | 1,835,000    | 551,537      | 2,386,537    |
| 2034-2038              | 2,070,000    | 314,362      | 2,384,362    |
| 2039-2040              | 915,000      | 41,400       | 956,400      |
| Total                  | \$ 6,755,000 | \$ 1,659,187 | \$ 8,414,187 |

| Year Ending<br>June 30 | Note - Direct Placement |           |            |
|------------------------|-------------------------|-----------|------------|
|                        | Principal               | Interest  | Total      |
| 2024                   | \$ 142,000              | \$ 14,829 | \$ 156,829 |
| 2025                   | 147,000                 | 10,740    | 157,740    |
| 2026                   | 151,000                 | 6,523     | 157,523    |
| 2027                   | 155,000                 | 2,193     | 157,193    |
| Total                  | \$ 595,000              | \$ 34,285 | \$ 629,285 |

There is \$546,083 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$390, based on the 2020 federal census. Total debt per capita, including bonds, the note, and unamortized debt premiums totaled \$429, based on the 2020 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2023, was as follows:

| <b>Governmental Activities:</b> |                     |                                |
|---------------------------------|---------------------|--------------------------------|
|                                 | Bonds               | Notes -<br>Direct<br>Placement |
| Balance, July 1, 2022           | \$ 7,175,000        | \$ 734,000                     |
| Reductions                      | (420,000)           | (139,000)                      |
| Balance, June 30, 2023          | <u>\$ 6,755,000</u> | <u>\$ 595,000</u>              |
| Balance Due<br>Within One Year  | <u>\$ 370,000</u>   | <u>\$ 142,000</u>              |

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

|  |                     |
|--|---------------------|
| Total Noncurrent Liabilities - Debt, June 30, 2023                       | \$ 7,350,000        |
| Less: Balance Due Within One Year - Debt                                 | (512,000)           |
| Add: Unamortized Premium on Debt   | <u>95,173</u>       |
| Noncurrent Liabilities - Due in<br>More Than One Year - Debt - Exhibit A | <u>\$ 6,933,173</u> |

**E. Long-term Obligations**

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2023, was as follows:

| <b>Governmental Activities:</b> |                         |   |                                     |
|---------------------------------|-------------------------|---|-------------------------------------|
|                                 | Compensated<br>Absences | Landfill<br>Closure/<br>Postclosure<br>Care Costs | Other<br>Postemployment<br>Benefits |
| Balance, July 1, 2022           | \$ 11,752               | \$ 49,916   | \$ 208,668                          |
| Additions                       | 9,283                   | 0   | 68,097                              |
| Reductions                      | (11,675)                | (7,068)   | (99,784)                            |
| Balance, June 30, 2023          | <u>\$ 9,360</u>         | <u>\$ 42,848</u>                                  | <u>\$ 176,981</u>                   |
| Balance Due<br>Within One Year  | <u>\$ 8,612</u>         | <u>\$ 9,983</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 - Other, June 30, 2023                       | \$ 229,189               |
| Less: Balance Due Within One Year - Other                                 | <u>(18,595)</u>          |
| Noncurrent Liabilities - Due in<br>More Than One Year - Other - Exhibit A | <u><u>\$ 210,594</u></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, 2023, was as follows:

| <b>Governmental Activities:</b> | <u>Other<br/>Postemployment<br/>Benefits</u> |
|---------------------------------|--|
| Balance, July 1, 2022           | \$ 1,649,130                                 |
| Additions                       | 236,511                                      |
| Reductions                      | <u>(193,191)</u>                             |
| Balance, June 30, 2023          | <u><u>\$ 1,692,450</u></u>                   |
| Balance Due Within One Year     | <u><u>\$ 0</u></u>                           |

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

|   |                            |
|---|----------------------------|
| Total Noncurrent Liabilities - Other, June 30, 2023                       | \$ 1,692,450               |
| Less: Balance Due Within One Year - Other                                 | <u>0</u>                   |
| Noncurrent Liabilities - Due in<br>More Than One Year - Other - Exhibit A | <u><u>\$ 1,692,450</u></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 Annual Comprehensive 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. Accounting Changes

GASB Statement No. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, became effective for fiscal year ending June 30, 2023. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The required disclosures will allow users to understand the

scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, became effective for fiscal year ending June 30, 2023. This standard establishes a definition for SBITAs and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. This statement also establishes criteria for the recognition of implementation costs and requires a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement.

GASB Statement No. 99, *Omnibus 2022*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including Financial Guarantees; Derivative Instruments; Leases, PPPs, and SBITAs; LIBOR rate replacement; and other technical updates and corrections.

**C. Contingent Liabilities**

The county has received various federal and state grants and other assistance for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. County management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

The attorneys for the county and the school department advised that there were no pending lawsuits, unasserted claims, or assessments that would materially affect the county or the school department's financial statements.

**D. Change in Administration**

On August 31, 2022, Jerry King left the Office of Road Supervisor and was succeeded by Todd Brown effective September 1, 2022.

**E. 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 \$42,848 reported as postclosure care liability at June 30, 2023, represents 50 percent of the county's share based on what it would cost to perform all postclosure care in 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. 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.

**G. 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 Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 60.19 percent and the non-certified employees of the discretely presented school department comprised 39.81 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 nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 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 automatic cost of living adjustments (COLAs) 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, 2022, the following employees were covered by the benefit terms:

|  |     |
|--|-----|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 137 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits    | 332 |
| Active Employees   | 272 |
| Total  | 741 |

*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, 2023, the employer contribution for Chester County was \$405,141 based on a rate of 4.93 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, 2022, 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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.25%  |
| Salary Increases          | Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4% |
| Investment Rate of Return | 6.75%, Net of Pension Plan Investment Expenses, Including Inflation                      |
| Cost of Living Adjustment | 2.125%   |

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to reflect more closely 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, 2020, 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 2.25 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<br>Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Target<br>Allocations |
|-----------------------|---|-------------------------------------|
| U.S. Equity           | 4.88  | 31                                  |
| Developed Market      |   |                                     |
| International Equity  | 5.37  | 14                                  |
| Emerging Market       |   |                                     |
| International Equity  | 6.09  | 4                                   |
| Private Equity and    |   |                                     |
| Strategic Lending     | 6.57  | 20                                  |
| U.S. Fixed Income     | 1.20  | 20                                  |
| Real Estate           | 4.38  | 10                                  |
| Short-term Securities | 0.00  | 1                                   |
|                       |   | 100                                 |
| Total                 |   | 100                                 |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75 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<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(Asset)<br>(a)-(b) |
| Balance, July 1, 2021   | \$ 25,385,935                        | \$ 30,315,136                            | \$ (4,929,201)                                 |
| Changes for the Year:   |                                      |  |  |
| Service Cost  | \$ 874,139                           | \$ 0                                     | \$ 874,139                                     |
| Interest  | 1,734,670                            | 0  | 1,734,670                                      |
| Differences Between Expected<br>and Actual Experience               | 460,437                              | 0  | 460,437  |
| Contributions-Employer  | 0                                    | 431,573                                  | (431,573)                                      |
| Contributions-Employees   |                                      | 431,576                                  | (431,576)                                      |
| Net Investment Income   |                                      | (1,154,255)                              | 1,154,255                                      |
| Benefit Payments, Including<br>Refunds of Employee<br>Contributions | (1,122,505)                          | (1,122,505)                              | 0  |
| Administrative Expense  | 0                                    | (27,454)                                 | 27,454   |
| Net Changes   | \$ 1,946,741                         | \$ (1,441,065)                           | \$ 3,387,806                                   |
| Balance, June 30, 2022  | \$ 27,332,676                        | \$ 28,874,071                            | \$ (1,541,395)                                 |

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

|                    |        | Total<br>Pension<br>Liability | Plan<br>Fiduciary<br>Net<br>Position | Net<br>Pension<br>Liability<br>(Asset) |
|--------------------|--------|-------------------------------|--------------------------------------|--|
| Primary Government | 60.19% | \$ 16,451,538                 | \$ 17,379,304                        | \$ (927,766)                           |
| School Department  | 39.81% | 10,881,138                    | 11,494,767                           | (613,629)                              |
| Total              |        | \$ 27,332,676                 | \$ 28,874,071                        | \$ (1,541,395)                         |

*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 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

|                       | 1%<br>Decrease | Current<br>Discount<br>Rate | 1%<br>Increase |
|-----------------------|----------------|-----------------------------|----------------|
| <u>Chester County</u> | 5.75%          | 6.75%                       | 7.75%          |

Net Pension Liability (Asset) \$ 2,258,163 \$ (1,541,395) \$ (4,663,474)

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

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, Chester County recognized pension expense (negative pension expense) of \$316,949.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, Chester County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and Actual Experience                                | \$ 420,320                              | \$ 170,819                             |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 67,985                                  | 0                                      |
| Changes in Assumptions   | 1,185,759                               | 0                                      |
| Contributions Subsequent to the Measurement Date of June 30, 2022 (1)            | 405,141                                 | N/A                                    |
| Total  | <u>\$ 2,079,205</u>                     | <u>\$ 170,819</u>                      |

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

|                    | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--------------------|--------------------------------------|-------------------------------------|
| Primary Government | \$ 1,268,199                         | \$ 102,816                          |
| School Department  | 811,006                              | 68,003                              |
| Total              | <u>\$ 2,079,205</u>                  | <u>\$ 170,819</u>                   |

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

| Year Ending<br>June 30 | Amount     |
|------------------------|------------|
| 2024                   | \$ 239,933 |
| 2025                   | 286,498    |
| 2026                   | 246,552    |
| 2027                   | 730,262    |
| 2028                   | 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 Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 60.19 percent and the non-certified employees of the discretely presented school department comprised 39.81 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 nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 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 automatic cost of living adjustments (COLAs) 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 COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers 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, 2023, to the Teacher Retirement Plan were \$99,126 which is 2.87 percent of covered payroll. In addition, employer contributions of \$38,682, which is 1.13 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liabilities (Assets).* At June 30, 2023, the school department reported a liability (asset) of (\$35,058) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .115732 percent. The proportion as of June 30, 2021, was .206735 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$53,813.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and Actual Experience                                | \$ 1,917                                | \$ 21,300                              |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 11,050                                  | 0                                      |
| Changes in Assumptions   | 41,069                                  | 0                                      |
| Changes in Proportion of Net Pension Liability (Asset)                           | 60,693                                  | 11,197                                 |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2022          | 99,126                                  | N/A                                    |
| Total  | <u>\$ 213,855</u>                       | <u>\$ 32,497</u>                       |

The school department's employer contributions of \$99,126, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30 | Amount   |
|------------------------|----------|
| 2024                   | \$ 5,071 |
| 2025                   | 5,184    |
| 2026                   | 3,368    |
| 2027                   | 22,615   |
| 2028                   | 6,297    |
| Thereafter             | 39,697   |

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, 2022, actuarial valuation was determined using the following

actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.25%  |
| Salary Increases          | Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4% |
| Investment Rate of Return | 6.75%, Net of Pension Plan Investment Expenses, Including Inflation                      |
| Cost of Living Adjustment | 2.125%   |

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to reflect more closely 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, 2020, 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 2.25 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<br>Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Target<br>Allocations |
|---|---|-------------------------------------|
| U.S. Equity<br>Developed Market                                 | 4.88 %  | 31 %                                |
| International Equity<br>Emerging Market                         | 5.37  | 14                                  |
| International Equity<br>Private Equity and<br>Strategic Lending | 6.09  | 4                                   |
| U.S. Fixed Income<br>Real Estate                                | 6.57  | 20                                  |
| Short-term Securities   | 1.20  | 20                                  |
|   | 4.38  | 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 6.75 percent based on a blending of the factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75 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 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

| School Department's Proportionate Share of the Net Pension Liability (Asset) | 1% Decrease<br>5.75% | Current Discount Rate<br>6.75% | 1% Increase<br>7.75% |
|--|----------------------|--------------------------------|----------------------|
|--|----------------------|--------------------------------|----------------------|

Net Pension Liability (Asset)    \$   184,034    \$   (35,058)    \$   (195,063)

*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 nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 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 automatic cost of living adjustments (COLAs) 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.

*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, 2023, to the Teacher Legacy Pension Plan were \$761,855, which is 8.69 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liability (Assets).* At June 30, 2023, the school department reported a liability (asset) of (\$3,286,097) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .267945 percent. The proportion measured at June 30, 2021, was .268341 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of (\$4,374).

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and Actual Experience                                | \$ 540,551                              | \$ 555,251                             |
| Changes in Assumptions   | 2,058,582                               | 0                                      |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 56,191                                  | 0                                      |
| Changes in Proportion of Net Pension Liability (Asset)                           | 8,964                                   | 66,095                                 |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2022          | 761,855                                 | N/A                                    |
| Total  | <u>\$ 3,426,143</u>                     | <u>\$ 621,346</u>                      |

The school department's employer contributions of \$761,855, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30 | Amount     |
|------------------------|------------|
| 2024                   | \$ 298,680 |
| 2025                   | 580,901    |
| 2026                   | (571,040)  |
| 2027                   | 1,734,401  |
| 2028                   | 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, 2022, actuarial valuation was determined using the following

actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.25%  |
| Salary Increases          | Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4% |
| Investment Rate of Return | 6.75%, Net of Pension Plan Investment Expenses, Including Inflation                      |
| Cost of Living Adjustment | 2.125%   |

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to reflect more closely 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, 2020, 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 2.25 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<br>Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Target<br>Allocations |
|---|---|-------------------------------------|
| U.S. Equity<br>Developed Market                                 | 4.88 %  | 31 %                                |
| International Equity<br>Emerging Market                         | 5.37  | 14                                  |
| International Equity<br>Private Equity and<br>Strategic Lending | 6.09  | 4                                   |
| U.S. Fixed Income<br>Real Estate                                | 6.57  | 20                                  |
|   | 1.20  | 20                                  |
|   | 4.38  | 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 6.75 percent based on a blending of the factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75 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 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

| School Department's Proportionate Share of the Net Pension Liability (Asset) | 1% Decrease<br>5.75% | Current Discount Rate<br>6.75% | 1% Increase<br>7.75% |
|--|----------------------|--------------------------------|----------------------|
|--|----------------------|--------------------------------|----------------------|

Net Pension Liability (Asset) \$ 6,508,626 \$ (3,286,097) \$ (11,444,451)

*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 \$173,795 and teachers contributed \$97,512 to this deferred compensation pension plan.

**H. 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, 2022, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2022, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|  |   |
|--|---|
| Actuarial Cost Method                  | Entry Age Normal  |
| Inflation                              | 2.25%   |
| Salary Increases                       | Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation  |
| Discount Rate                          | 3.54%   |
| Healthcare Cost Trend Rates            | Based on the Getzen Model, with trend starting at 8.37% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 7-year period to an ultimate trend rate of 4.5% |
| Retirees Share of Benefit Related Cost | Discussed below   |

The discount rate was 3.54 percent, based on an average rating of AA/Aa as shown on 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, 2022, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2021, 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, 2016 - June 30, 2020. 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 PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 6 percent load for males and a 14 percent load for females, projected generationally with MP-2020 from 2010. 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, projected generationally from 2018 with MP-2020.



*Changes in Assumptions.* The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of June 30, 2022. 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 2022 plan year was revised from 7.36 percent to 8.37 percent.

**Local Government OPEB Plans (Primary Government)**

*Plan description.* Employees of Chester County are provided with pre-65 retiree health insurance benefits through Local Government Plans (LGPs) 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 LGPs.

*Benefits provided.* Chester County offers the LGPs to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. Except for a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGPs 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 LGPs. 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 LGPs 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, 2022, the following employees were covered by the benefit terms:

|  | Chester<br>County | Hwy<br>Dept | Total      |
|--|-------------------|-------------|------------|
| Inactive Employees or Beneficiaries    |                   |             |            |
| Currently Receiving Benefits           | 2                 | 1           | 3          |
| Inactive Employees Entitled to         |                   |             |            |
| But Not Yet Receiving Benefits         | 0                 | 0           | 0          |
| Active Employees Eligible for Benefits | 94                | 14          | 108        |
| Total                                  | <u>96</u>         | <u>15</u>   | <u>111</u> |

An insurance committee, created in accordance with Section 8-27-701, *TCA*, establishes the required payments to the LGPs 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, 2023, the county paid \$15,449 (Chester County - \$8,616, Highway Dept - \$6,833) to the LGPs for OPEB benefits as they came due.

Changes in the Total OPEB Liability

|  | Chester<br>County | Hwy<br>Dept.       | Total OPEB<br>Liability |
|--|-------------------|--------------------|-------------------------|
| Balance July 1, 2021                                       | \$ 156,075        | \$ 52,593          | \$ 208,668              |
| Changes for the Year:                                      |                   |                    |                         |
| Service Cost   | \$ 16,974         | \$ 4,465           | \$ 21,439               |
| Interest   | 3,726             | 1,166              | 4,892                   |
| Difference between<br>Expected and Actuarial<br>Experience | 41,766            | (8,576)            | 33,190                  |
| Changes in Assumption<br>and Other Inputs                  | (70,088)          | (13,857)           | (83,945)                |
| Benefit Payments   | (1,103)           | (6,160)            | (7,263)                 |
| Net Changes  | <u>\$ (8,725)</u> | <u>\$ (22,962)</u> | <u>\$ (31,687)</u>      |
| Balance June 30, 2022                                      | <u>\$ 147,350</u> | <u>\$ 29,631</u>   | <u>\$ 176,981</u>       |

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the county recognized OPEB expense of \$4,668, and the highway recognized negative OPEB expense of (\$7,233). At June 30, 2023, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|---|---|--|
| Difference Between Expected and Actual Experience<br>(DO - County \$36,493 and<br>DI - County \$37,567, Hwy \$21,353)           | \$ 36,493                               | \$ 58,920                              |
| Changes of Assumptions/Inputs<br>(DO - County \$20,066, Hwy \$4,991 and<br>DI - County \$108,150, Hwy \$19,733)                 | 25,057                                  | 127,883                                |
| Net Difference Between Projected and Benefits Paid After the Measurement Date<br>of June 30, 2022 (County \$8,616, Hwy \$6,833) | <u>15,449</u>                           | <u>0</u>                               |
| Total   | <u>\$ 76,999</u>                        | <u>\$ 186,803</u>                      |

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following measurement period.

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<br>June 30 | County      | Hwy         | Total<br>Amount |
|------------------------|-------------|-------------|-----------------|
| 2024                   | \$ (16,032) | \$ (12,864) | \$ (28,896)     |
| 2025                   | (16,032)    | (12,618)    | (28,650)        |
| 2026                   | (16,032)    | (10,613)    | (26,645)        |
| 2027                   | (15,357)    | 0           | (15,357)        |
| 2028                   | (12,639)    | 0           | (12,639)        |
| Thereafter             | (13,066)    | 0           | (13,066)        |

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> | Current           |                   |                   |
|----------------------|-------------------|-------------------|-------------------|
|                      | 1%                | Discount          | 1%                |
|                      | Decrease          | Rate              | Increase          |
|                      | 2.54%             | 3.54%             | 4.54%             |
| County               | \$ 159,848        | \$ 147,350        | \$ 135,898        |
| Hwy                  | 31,210            | 29,631            | 28,119            |
| Total OPEB Liability | <u>\$ 191,058</u> | <u>\$ 176,981</u> | <u>\$ 164,017</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> | Current           |                   |                   |
|-----------------------------------|-------------------|-------------------|-------------------|
|                                   | 1%                | Trend             | 1%                |
|                                   | Decrease          | Rate              | Increase          |
|                                   | 7.37 to 3.5%      | 8.37 to 4.5%      | 9.37 to 5.5%      |
| County                            | \$ 131,479        | \$ 147,350        | \$ 166,245        |
| Hwy                               | 27,249            | 29,631            | 32,318            |
| Total OPEB Liability              | <u>\$ 158,728</u> | <u>\$ 176,981</u> | <u>\$ 198,563</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 45 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, 2023, the following employees were covered by the benefit terms:

|  |     |
|--|-----|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 10  |
| Inactive Employees Entitled to But Not Yet Receiving Benefits    | 0   |
| Active Employees Eligible for Benefits                           | 217 |
| Total  | 227 |

**Total OPEB Liability**

The school department’s total OPEB liability of \$1,692,450 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|  |   |
|--|---|
| Inflation                              | 2.5%  |
| Discount Rate                          | 4.13%   |
| Healthcare Cost Trend Rate             | 4.5%  |
| Retirees Share of Benefit-related Cost | 55% to 100% depending on years of service and employee classification |

The discount rate was based on the Municipal Bond 20 Year High Grade Rate Index.

Mortality rates were based on RHP-2014 Total Table with Projection MP-2021.

The actuarial assumptions used in the June 30, 2023, 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<br/>Liability</u> |
|--|---------------------------------|
| Balance July 1, 2022                               | \$ 1,649,130                    |
| Changes for the Year:                              |                                 |
| Service Cost                                       | \$ 96,525                       |
| Interest   | 59,819                          |
| Changes in Assumptions                             | 80,167                          |
| Differences between expected and actual experience | (81,487)                        |
| Benefit Payments                                   | <u>(111,704)</u>                |
| Net Changes  | <u>\$ 43,320</u>                |
| Balance June 30, 2023                              | <u><u>\$ 1,692,450</u></u>      |

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the school department recognized OPEB expense of \$148,773. At June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <u>Deferred<br/>Outflows<br/>of<br/>Resources</u> | <u>Deferred<br/>Inflows<br/>of<br/>Resources</u> |
|---|---|--|
| Difference Between Expected and Actual Experience | \$ 138,465  | \$ 45,850  |
| Changes of Assumptions/Inputs                     | <u>116,659</u>                                    | <u>281,933</u>                                   |
| Total   | <u><u>\$ 255,124</u></u>                          | <u><u>\$ 327,783</u></u>                         |

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

| Year Ending<br>June 30 | Amount     |
|------------------------|------------|
| 2024                   | \$ (7,571) |
| 2025                   | (7,571)    |
| 2026                   | (7,571)    |
| 2027                   | (17,883)   |
| 2028                   | (23,395)   |
| Thereafter             | (8,668)    |

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 4.13 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (3.13%) or one percentage point higher (5.13%) than the current rate:

| <u>Discount Rate</u> | 1%<br>Decrease<br>3.13% | Current<br>Discount<br>Rate<br>4.13% | 1%<br>Increase<br>5.13% |
|----------------------|-------------------------|--------------------------------------|-------------------------|
| Total OPEB Liability | \$ 1,832,838            | \$ 1,692,450                         | \$ 1,563,231            |

*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 4.5 percent, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower (3.5%) or one percentage point higher (5.5%) than the current rate:

| <u>Healthcare Cost Trend Rate</u> | 1%<br>Decrease<br>3.5% | Current<br>Trend<br>Rate<br>4.5% | 1%<br>Increase<br>5.5% |
|-----------------------------------|------------------------|----------------------------------|------------------------|
| Total OPEB Liability              | \$ 1,524,285           | \$ 1,692,450                     | \$ 1,890,033           |

**I. 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 \$15,000, 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 \$25,000 to be made based on 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           | 2020           | 2021           | 2022           |
|--|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Total Pension Liability</b>   |               |               |               |                |                |                |                |                |                |
| Service Cost   | \$ 513,490    | \$ 568,542    | \$ 577,663    | \$ 591,743     | \$ 631,465     | \$ 635,603     | \$ 649,626     | \$ 696,156     | \$ 874,139     |
| Interest   | 1,214,365     | 1,273,749     | 1,311,152     | 1,376,671      | 1,396,809      | 1,474,081      | 1,542,910      | 1,609,299      | 1,734,670      |
| Differences Between Actual and Expected Experience                     | (152,533)     | (494,864)     | (166,884)     | (709,990)      | (49,980)       | (190,075)      | (332,007)      | 86,616         | 460,437        |
| Change of assumptions  | 0             | 0             | 0             | 478,606        | 0              | 0              | 0              | 1,976,265      | 0              |
| Benefit Payments, Including Refunds of Employee Contributions          | (834,672)     | (842,490)     | (873,214)     | (851,631)      | (880,434)      | (952,793)      | (1,015,731)    | (966,955)      | (1,122,505)    |
| Net Change in Total Pension Liability                                  | \$ 740,650    | \$ 504,937    | \$ 848,717    | \$ 885,399     | \$ 1,097,860   | \$ 966,816     | \$ 844,798     | \$ 3,401,381   | \$ 1,946,741   |
| Total Pension Liability, Beginning                                     | 16,095,377    | 16,836,027    | 17,340,964    | 18,189,681     | 19,075,080     | 20,172,940     | 21,139,756     | 21,984,554     | 25,385,935     |
| Total Pension Liability, Ending (a)                                    | \$ 16,836,027 | \$ 17,340,964 | \$ 18,189,681 | \$ 19,075,080  | \$ 20,172,940  | \$ 21,139,756  | \$ 21,984,554  | \$ 25,385,935  | \$ 27,332,676  |
| <b>Plan Fiduciary Net Position</b>                                     |               |               |               |                |                |                |                |                |                |
| Contributions - Employer   | \$ 483,656    | \$ 492,541    | \$ 500,157    | \$ 509,906     | \$ 524,096     | \$ 435,990     | \$ 390,769     | \$ 413,600     | \$ 431,573     |
| Contributions - Employee   | 325,358       | 323,977       | 338,595       | 347,823        | 357,017        | 363,325        | 390,768        | 417,128        | 431,576        |
| Net Investment Income  | 2,460,904     | 531,188       | 470,361       | 2,061,063      | 1,679,655      | 1,624,291      | 1,151,773      | 6,233,183      | (1,154,255)    |
| Benefit Payments, Including Refunds of Employee Contributions          | (834,672)     | (842,490)     | (873,214)     | (851,631)      | (880,434)      | (952,793)      | (1,015,731)    | (966,955)      | (1,122,505)    |
| Administrative Expense   | (9,776)       | (13,551)      | (19,502)      | (23,093)       | (25,119)       | (23,357)       | (24,717)       | (24,942)       | (27,454)       |
| Other  | 0             | 0             | 0             | 16,925         | 0              | 0              | 0              | 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   | \$ 892,862     | \$ 6,072,014   | \$ (1,441,065) |
| Plan Fiduciary Net Position, Beginning                                 | 14,853,064    | 17,278,534    | 17,770,199    | 18,186,596     | 20,247,589     | 21,902,804     | 23,350,260     | 24,243,122     | 30,315,136     |
| Plan Fiduciary Net Position, Ending (b)                                | \$ 17,278,534 | \$ 17,770,199 | \$ 18,186,596 | \$ 20,247,589  | \$ 21,902,804  | \$ 23,350,260  | \$ 24,243,122  | \$ 30,315,136  | \$ 28,874,071  |
| Net Pension Liability (Asset), Ending (a - b)                          | \$ (442,507)  | \$ (429,235)  | \$ 3,085      | \$ (1,172,509) | \$ (1,729,864) | \$ (2,210,504) | \$ (2,258,568) | \$ (4,929,201) | \$ (1,541,395) |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 102.63%       | 102.48%       | 99.98%        | 106.15%        | 108.58%        | 110.46%        | 110.27%        | 119.42%        | 105.64%        |
| Covered Payroll  | \$ 6,500,698  | \$ 6,719,525  | \$ 6,939,740  | \$ 6,956,397   | \$ 7,140,283   | \$ 7,266,460   | \$ 7,815,372   | \$ 8,271,971   | \$ 8,620,949   |
| Net Pension Liability/Asset as a Percentage of Covered Payroll         | (6.81)%       | (6.39)%       | 0.04%         | (16.86)%       | (24.23)%       | (30.42)%       | (28.90)%       | (59.59)%       | (17.88)%       |

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

Note 2: 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         | 2021         | 2022         | 2023         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially Determined Contribution  | \$ 483,656   | \$ 492,541   | \$ 500,157   | \$ 509,906   | \$ 524,096   | \$ 360,418   | \$ 246,184   | \$ 187,775   | \$ 120,840   | \$ 405,141   |
| Less: Contributions in Relation to the Actuarially Determined Contribution | (483,656)    | (492,541)    | (500,157)    | (509,906)    | (524,096)    | (435,990)    | (390,769)    | (413,600)    | (431,573)    | (405,141)    |
| Contribution Deficiency (Excess)   | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ (75,572)  | \$ (144,585) | \$ (225,825) | \$ (310,733) | \$ 0         |
| Covered Payroll  | \$ 6,500,698 | \$ 6,719,525 | \$ 6,939,740 | \$ 6,956,397 | \$ 7,140,283 | \$ 7,266,460 | \$ 7,815,372 | \$ 8,271,971 | \$ 8,620,949 | \$ 8,217,874 |
| Contributions as a Percentage of Covered Payroll                           | 7.44%        | 7.33%        | 7.21%        | 7.33%        | 7.34%        | 6.00%        | 5.00%        | 5.00%        | 5.01%        | 4.93%        |

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         | 2021         | 2022         | 2023         |
|---|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually Required Contribution   | \$ 6,757   | \$ 25,739  | \$ 47,175    | \$ 30,062    | \$ 44,779    | \$ 52,557    | \$ 60,270    | \$ 39,725    | \$ 99,126    |
| Less: Contributions in Relation to the<br>Contractually Required Contribution | (6,757)    | (25,739)   | (47,175)     | (73,739)     | (44,779)     | (52,557)     | (60,270)     | (39,725)     | (99,126)     |
| Contribution Deficiency (Excess)  | \$ 0       | \$ 0       | \$ 0         | \$ (43,677)  | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         |
| Covered Payroll   | \$ 168,921 | \$ 643,463 | \$ 1,175,088 | \$ 1,843,463 | \$ 2,308,170 | \$ 2,589,012 | \$ 2,983,620 | \$ 3,160,674 | \$ 3,453,860 |
| Contributions as a Percentage of Covered Payroll                              | 4.00%      | 4.00%      | 4.01%        | 4.00%        | 1.94%        | 2.03%        | 2.02%        | 1.26%        | 2.87%        |

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).

2019: Pension - 1.94%, SRT - 2.02%

2020: Pension - 2.03%, SRT - 1.97%

2021: Pension - 2.02%, SRT - 1.98%

2022: Pension - 2.01%, SRT - 1.99%

2023: Pension - 2.87%, SRT - 1.13%

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         | 2021         | 2022         | 2023         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually Required Contribution   | \$ 794,579   | \$ 751,302   | \$ 857,958   | \$ 856,391   | \$ 840,745   | \$ 880,150   | \$ 878,993   | \$ 904,519   | \$ 908,246   | \$ 761,855   |
| Less: Contributions in Relation to the<br>Contractually Required Contribution | (794,579)    | (751,302)    | (857,958)    | (856,391)    | (840,745)    | (880,150)    | (878,993)    | (904,519)    | (908,246)    | (761,855)    |
| Contribution Deficiency (Excess)  | \$ 0         | \$ 0         | \$ 0         | \$ 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 | \$ 8,268,969 | \$ 8,813,730 | \$ 8,817,902 | \$ 8,767,036 |
| Contributions as a Percentage of Covered Payroll                              | 8.88%        | 9.04%        | 9.04%        | 9.04%        | 9.08%        | 10.46%       | 10.63%       | 10.26%       | 10.30%       | 8.69%        |

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         | 2020         | 2021         | 2022         |
|---|------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| School Department's Proportion of the Net Pension Liability (Asset)   | 0.079623%  | 0.146241%   | 0.179689%    | 0.210952%    | 0.218126%    | 0.205164%    | 0.206735%    | 0.115732%    |
| School Department's Proportionate Share of the Net Pension Liability (Asset)  | \$ (3,271) | \$ (15,224) | \$ (47,408)  | \$ (95,672)  | \$ (123,129) | \$ (116,665) | \$ (223,938) | \$ (35,058)  |
| Covered Payroll   | \$ 168,921 | \$ 643,463  | \$ 1,175,088 | \$ 1,843,463 | \$ 2,308,170 | \$ 2,589,012 | \$ 2,983,620 | \$ 3,160,674 |
| 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)%      | (4.51)%      | (7.51)%      | (1.11)%      |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)                                  | 127.46%    | 121.88%     | 126.81%      | 126.97%      | 123.07%      | 116.52%      | 121.53%      | 104.55%      |

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           | 2020           | 2021            | 2022           |
|---|--------------|--------------|--------------|--------------|--------------|----------------|----------------|-----------------|----------------|
| School Department's Proportion of the Net Pension Liability (Asset)   | 0.227974%    | 0.222008%    | 0.262914%    | 0.267991%    | 0.264425%    | 0.250942%      | 0.248448%      | 0.268341%       | 0.267945%      |
| 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) | \$ (1,894,598) | \$ (11,574,171) | \$ (3,286,097) |
| Covered Payroll   | \$ 8,947,960 | \$ 8,310,879 | \$ 9,490,699 | \$ 9,477,642 | \$ 9,259,277 | \$ 8,414,402   | \$ 8,268,969   | \$ 8,813,730    | \$ 8,817,902   |
| 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)%       | (22.91)%       | (131.32)%       | (37.27)%       |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)                                  | 100.08%      | 99.81%       | 97.14%       | 100.14%      | 101.49%      | 104.28%        | 103.09%        | 116.13%         | 104.42%        |

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

Exhibit E-7

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

| Chester County Plan  | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Total OPEB Liability</b>                                    |              |              |              |              |              |              |
| Service Cost   | \$ 15,891    | \$ 14,934    | \$ 15,675    | \$ 14,936    | \$ 20,565    | \$ 16,974    |
| Interest   | 5,043        | 6,484        | 6,106        | 5,866        | 4,653        | 3,726        |
| Differences Between Actual and Expected Experience             | 0            | (42,156)     | (30,718)     | (1,702)      | (1,334)      | 41,766       |
| Changes in Assumptions or Other Inputs                         | (10,059)     | 7,358        | 8,913        | 19,769       | (57,142)     | (70,088)     |
| Benefit Payments   | 0            | (950)        | (730)        | (848)        | (1,281)      | (1,103)      |
| Net Change in Total OPEB Liability                             | \$ 10,875    | \$ (14,330)  | \$ (754)     | \$ 38,021    | \$ (34,539)  | \$ (8,725)   |
| Total OPEB Liability, Beginning                                | 156,802      | 167,677      | 153,347      | 152,593      | 190,614      | 156,075      |
| Total OPEB Liability, Ending                                   | \$ 167,677   | \$ 153,347   | \$ 152,593   | \$ 190,614   | \$ 156,075   | \$ 147,350   |
| Covered Employee Payroll                                       | \$ 4,000,360 | \$ 4,232,574 | \$ 3,967,972 | \$ 4,156,701 | \$ 4,553,913 | \$ 4,665,728 |
| Net OPEB Liability as a Percentage of Covered Employee Payroll | 4.19%        | 3.62%        | 3.85%        | 4.59%        | 3.43%        | 3.16%        |
| <b>Chester County Highway Plan</b>                             | <b>2017</b>  | <b>2018</b>  | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  |
| <b>Total OPEB Liability</b>                                    |              |              |              |              |              |              |
| Service Cost   | \$ 5,529     | \$ 5,022     | \$ 5,487     | \$ 4,209     | \$ 5,716     | \$ 4,465     |
| Interest   | 2,310        | 2,881        | 2,689        | 2,597        | 1,725        | 1,166        |
| Differences Between Actual and Expected Experience             | 0            | (18,471)     | (6,180)      | (2,494)      | (9,049)      | (8,576)      |
| Changes in Assumptions or Other Inputs                         | (2,829)      | 6,889        | 3,339        | 3,543        | (15,147)     | (13,857)     |
| Benefit Payments   | (2,487)      | (2,875)      | (4,012)      | (4,669)      | (5,942)      | (6,160)      |
| Net Change in Total OPEB Liability                             | \$ 2,523     | \$ (6,554)   | \$ 1,323     | \$ 3,186     | \$ (22,697)  | \$ (22,962)  |
| Total OPEB Liability, Beginning                                | 74,812       | 77,335       | 70,781       | 72,104       | 75,290       | 52,593       |
| Total OPEB Liability, Ending                                   | \$ 77,335    | \$ 70,781    | \$ 72,104    | \$ 75,290    | \$ 52,593    | \$ 29,631    |
| Covered Employee Payroll                                       | \$ 606,728   | \$ 554,617   | \$ 598,200   | \$ 609,993   | \$ 593,855   | \$ 619,877   |
| Net OPEB Liability as a Percentage of Covered Employee Payroll | 12.75%       | 12.76%       | 12.05%       | 12.34%       | 8.86%        | 4.78%        |

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% |
| 2020 | 2.21% |
| 2021 | 2.16% |
| 2022 | 3.54% |

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

- For the 2019 plan year - from 5.4% to 6.75%
- For the 2020 plan year - from 6.75% to 6.03%
- For the 2021 plan year - from 6.03% to 9.02%
- For the 2022 plan year - from 9.02% to 7.36%
- For the 2023 plan year - from 7.36% to 8.37%

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                | 2021                | 2022                | 2023                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Total OPEB Liability</b>                                    |                     |                     |                     |                     |                     |                     |
| Service Cost   | \$ 80,299           | \$ 80,299           | \$ 88,453           | \$ 114,184          | \$ 107,317          | \$ 96,525           |
| Interest   | 52,828              | 52,781              | 53,725              | 39,807              | 37,944              | 59,819              |
| Differences Between Actual and Expected Experience             | 0                   | (39,506)            | (39,098)            | (20,069)            | 93,502              | 80,167              |
| Changes in Assumptions or Other Inputs                         | 0                   | 49,597              | 206,340             | (102,390)           | (203,087)           | (81,487)            |
| Benefit Payments   | (65,380)            | (42,703)            | (71,183)            | (66,662)            | (71,803)            | (111,704)           |
| Net Change in Total OPEB Liability                             | \$ 67,747           | \$ 100,468          | \$ 238,237          | \$ (35,130)         | \$ (36,127)         | \$ 43,320           |
| Total OPEB Liability, Beginning                                | 1,313,935           | 1,381,682           | 1,482,150           | 1,720,387           | 1,685,257           | 1,649,130           |
| <b>Total OPEB Liability, Ending</b>                            | <b>\$ 1,381,682</b> | <b>\$ 1,482,150</b> | <b>\$ 1,720,387</b> | <b>\$ 1,685,257</b> | <b>\$ 1,649,130</b> | <b>\$ 1,692,450</b> |
| Covered Employee Payroll                                       | \$ 8,625,652        | \$ 8,238,042        | \$ 8,195,108        | \$ 8,756,555        | \$ 9,439,911        | \$ 9,017,905        |
| Net OPEB Liability as a Percentage of Covered Employee Payroll | 16.02%              | 17.99%              | 20.99%              | 19.25%              | 17.47%              | 18.77%              |

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% |
| 2021 | 2.16% |
| 2022 | 3.54% |
| 2023 | 4.13% |

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, 2023**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for fiscal year 2023 were calculated based on the June 30, 2021, 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                     | 2.25%  |
| Salary Increases              | Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation; averaging 4%             |
| Investment Rate of Return     | 6.75%, 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 Adjustment     | 2.125%   |

*Changes of assumptions.* In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality 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 and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

# 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, 2023

|  | Special Revenue Funds |                   |  |                   | Debt Service               |
|--|-----------------------|-------------------|--|-------------------|----------------------------|
|  | Public<br>Library     | Drug<br>Control   | Constitu -<br>tional<br>Officers -<br>Fees | Total             | General<br>Debt<br>Service |
| <u>ASSETS</u>                              |                       |                   |  |                   |                            |
| Cash                                       | \$ 0                  | \$ 0              | \$ 1,659                                   | \$ 1,659          | \$ 0                       |
| Equity in Pooled Cash and Investments      | 686,966               | 175,502           | 0  | 862,468           | 395,207                    |
| Investments                                | 0                     | 0                 | 0  | 0                 | 0                          |
| Accounts Receivable                        | 529                   | 0                 | 24   | 553               | 0                          |
| Due from Other Funds                       | 0                     | 0                 | 0  | 0                 | 157,683                    |
| Property Taxes Receivable                  | 0                     | 0                 | 0  | 0                 | 60,417                     |
| Allowance for Uncollectible Property Taxes | 0                     | 0                 | 0  | 0                 | (874)                      |
| Total Assets                               | <u>\$ 687,495</u>     | <u>\$ 175,502</u> | <u>\$ 1,683</u>                            | <u>\$ 864,680</u> | <u>\$ 612,433</u>          |
| <u>LIABILITIES</u>                         |                       |                   |  |                   |                            |
| Accounts Payable                           | \$ 1,965              | \$ 0              | \$ 0                                       | \$ 1,965          | \$ 0                       |
| Payroll Deductions Payable                 | 60                    | 0                 | 0  | 60                | 0                          |
| Due to Other Funds                         | 0                     | 0                 | 1,683                                      | 1,683             | 6,931                      |
| Due to State of Tennessee                  | 50                    | 0                 | 0  | 50                | 0                          |
| Total Liabilities                          | <u>\$ 2,075</u>       | <u>\$ 0</u>       | <u>\$ 1,683</u>                            | <u>\$ 3,758</u>   | <u>\$ 6,931</u>            |
| <u>DEFERRED INFLOWS OF RESOURCES</u>       |                       |                   |  |                   |                            |
| Deferred Current Property Taxes            | \$ 0                  | \$ 0              | \$ 0                                       | \$ 0              | \$ 57,844                  |
| Deferred Delinquent Property Taxes         | 0                     | 0                 | 0  | 0                 | 1,575                      |
| Total Deferred Inflows of Resources        | <u>\$ 0</u>           | <u>\$ 0</u>       | <u>\$ 0</u>                                | <u>\$ 0</u>       | <u>\$ 59,419</u>           |

(Continued)

Exhibit F-1

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

|   | Special Revenue Funds |                   |  |                   | Debt Service Fund          |
|---|-----------------------|-------------------|--|-------------------|----------------------------|
|   | Public Library        | Drug Control      | Constitu -<br>tional<br>Officers -<br>Fees | Total             | General<br>Debt<br>Service |
| <u>FUND BALANCES</u>  |                       |                   |  |                   |                            |
| Nonspendable:   |                       |                   |  |                   |                            |
| Endowments  | \$ 0                  | \$ 0              | \$ 0                                       | \$ 0              | \$ 0                       |
| Restricted:   |                       |                   |  |                   |                            |
| Restricted for Public Safety  | 0                     | 175,502           | 0  | 175,502           | 0                          |
| Restricted for Debt Service   | 0                     | 0                 | 0  | 0                 | 351,828                    |
| Committed:  |                       |                   |  |                   |                            |
| Committed for Social, Cultural, and Recreational Services           | 73,617                | 0                 | 0  | 73,617            | 0                          |
| Committed for Debt Service  | 0                     | 0                 | 0  | 0                 | 194,255                    |
| Committed for Capital Projects                                      | 611,803               | 0                 | 0  | 611,803           | 0                          |
| Total Fund Balances   | <u>\$ 685,420</u>     | <u>\$ 175,502</u> | <u>\$ 0</u>                                | <u>\$ 860,922</u> | <u>\$ 546,083</u>          |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 687,495</u>     | <u>\$ 175,502</u> | <u>\$ 1,683</u>                            | <u>\$ 864,680</u> | <u>\$ 612,433</u>          |

(Continued)

Exhibit F-1

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

|  | <u>Permanent<br/>Fund</u> | <u>Total<br/>Nonmajor<br/>Governmental<br/>Funds</u> |
|--|---------------------------|--|
|  | <u>Endowment</u>          |  |
| <u>ASSETS</u>                              |                           |  |
| Cash                                       | \$ 0                      | \$ 1,659   |
| Equity in Pooled Cash and Investments      | 29,513                    | 1,287,188  |
| Investments                                | 290,962                   | 290,962  |
| Accounts Receivable                        | 0                         | 553  |
| Due from Other Funds                       | 0                         | 157,683  |
| Property Taxes Receivable                  | 0                         | 60,417   |
| Allowance for Uncollectible Property Taxes | 0                         | (874)  |
|  | <hr/>                     | <hr/>  |
| Total Assets                               | \$ 320,475                | \$ 1,797,588   |
|  | <hr/>                     | <hr/>  |
| <u>LIABILITIES</u>                         |                           |  |
| Accounts Payable                           | \$ 0                      | \$ 1,965   |
| Payroll Deductions Payable                 | 0                         | 60   |
| Due to Other Funds                         | 0                         | 8,614  |
| Due to State of Tennessee                  | 0                         | 50   |
| Total Liabilities                          | <hr/>                     | <hr/>  |
|  | \$ 0                      | \$ 10,689  |
|  | <hr/>                     | <hr/>  |
| <u>DEFERRED INFLOWS OF RESOURCES</u>       |                           |  |
| Deferred Current Property Taxes            | \$ 0                      | \$ 57,844  |
| Deferred Delinquent Property Taxes         | 0                         | 1,575  |
| Total Deferred Inflows of Resources        | <hr/>                     | <hr/>  |
|  | \$ 0                      | \$ 59,419  |
|  | <hr/>                     | <hr/>  |

(Continued)



Exhibit F-1

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

| <u>FUND BALANCES</u>  | <u>Permanent<br/>Fund</u> | <u>Total<br/>Nonmajor<br/>Governmental<br/>Funds</u> |
|---|---------------------------|--|
| Nonspendable:   |                           |  |
| Endowments  | \$ 320,475                | \$ 320,475   |
| Restricted:   |                           |  |
| Restricted for Public Safety  | 0                         | 175,502  |
| Restricted for Debt Service   | 0                         | 351,828  |
| Committed:  |                           |  |
| Committed for Social, Cultural, and Recreational Services           | 0                         | 73,617   |
| Committed for Debt Service  | 0                         | 194,255  |
| Committed for Capital Projects                                      | 0                         | 611,803  |
| Total Fund Balances   | <u>\$ 320,475</u>         | <u>\$ 1,727,480</u>                                  |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 320,475</u>         | <u>\$ 1,797,588</u>                                  |

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, 2023

|   | Special Revenue Funds |              |                                |             | Debt Service Fund    |
|---|-----------------------|--------------|--------------------------------|-------------|----------------------|
|   | Public Library        | Drug Control | Constitutional Officers - Fees | Total       | General Debt Service |
| <u>Revenues</u>                             |                       |              |                                |             |                      |
| Local Taxes                                 | \$ 0                  | \$ 0         | \$ 0                           | \$ 0        | \$ 748,767           |
| Fines, Forfeitures, and Penalties           | 0                     | 14,369       | 0                              | 14,369      | 0                    |
| Charges for Current Services                | 11,852                | 0            | 2,310                          | 14,162      | 0                    |
| Other Local Revenues                        | 21,981                | 1,673        | 0                              | 23,654      | 0                    |
| State of Tennessee                          | 101,565               | 0            | 0                              | 101,565     | 2,835                |
| Federal Government                          | 1,847                 | 0            | 0                              | 1,847       | 0                    |
| Other Governments and Citizens Groups       | 10,712                | 0            | 0                              | 10,712      | 0                    |
| Total Revenues                              | \$ 147,957            | \$ 16,042    | \$ 2,310                       | \$ 166,309  | \$ 751,602           |
| <u>Expenditures</u>                         |                       |              |                                |             |                      |
| Current:                                    |                       |              |                                |             |                      |
| Administration of Justice                   | \$ 0                  | \$ 1,952     | \$ 2,310                       | \$ 4,262    | \$ 0                 |
| Public Safety                               | 0                     | 13,000       | 0                              | 13,000      | 0                    |
| Social, Cultural, and Recreational Services | 186,159               | 0            | 0                              | 186,159     | 0                    |
| Other Operations                            | 1,000                 | 153          | 0                              | 1,153       | 0                    |
| Debt Service:                               |                       |              |                                |             |                      |
| Principal on Debt                           | 0                     | 0            | 0                              | 0           | 559,000              |
| Interest on Debt                            | 0                     | 0            | 0                              | 0           | 195,042              |
| Other Debt Service                          | 0                     | 0            | 0                              | 0           | 11,581               |
| Total Expenditures                          | \$ 187,159            | \$ 15,105    | \$ 2,310                       | \$ 204,574  | \$ 765,623           |
| Excess (Deficiency) of Revenues             |                       |              |                                |             |                      |
| Over Expenditures                           | \$ (39,202)           | \$ 937       | \$ 0                           | \$ (38,265) | \$ (14,021)          |

(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               |
|---------------------------------------|-----------------------|-----------------|--|------------|----------------------------|
|                                       | Public<br>Library     | Drug<br>Control | Constitu -<br>tional<br>Officers -<br>Fees | Total      | General<br>Debt<br>Service |
| <u>Other Financing Sources (Uses)</u> |                       |                 |  |            |                            |
| Transfers In                          | \$ 600,000            | \$ 0            | \$ 0                                       | \$ 600,000 | \$ 0                       |
| Total Other Financing Sources (Uses)  | \$ 600,000            | \$ 0            | \$ 0                                       | \$ 600,000 | \$ 0                       |
| Net Change in Fund Balances           | \$ 560,798            | \$ 937          | \$ 0                                       | \$ 561,735 | \$ (14,021)                |
| Fund Balance, July 1, 2022            | 124,622               | 174,565         | 0  | 299,187    | 560,104                    |
| Fund Balance, June 30, 2023           | \$ 685,420            | \$ 175,502      | \$ 0                                       | \$ 860,922 | \$ 546,083                 |

(Continued)

Exhibit F-2

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

|  | <u>Permanent<br/>Fund</u> | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---------------------------|--|
|  | Endowment                 |  |
| <u>Revenues</u>                                      |                           |  |
| Local Taxes  | \$ 0                      | \$ 748,767                                 |
| Fines, Forfeitures, and Penalties                    | 0                         | 14,369                                     |
| Charges for Current Services                         | 0                         | 14,162                                     |
| Other Local Revenues                                 | 19,938                    | 43,592                                     |
| State of Tennessee                                   | 0                         | 104,400                                    |
| Federal Government                                   | 0                         | 1,847                                      |
| Other Governments and Citizens Groups                | 0                         | 10,712                                     |
| Total Revenues                                       | <u>\$ 19,938</u>          | <u>\$ 937,849</u>                          |
| <u>Expenditures</u>                                  |                           |  |
| Current:   |                           |  |
| Administration of Justice                            | \$ 0                      | \$ 4,262                                   |
| Public Safety  | 0                         | 13,000                                     |
| Social, Cultural, and Recreational Services          | 0                         | 186,159                                    |
| Other Operations                                     | 0                         | 1,153                                      |
| Debt Service:  |                           |  |
| Principal on Debt                                    | 0                         | 559,000                                    |
| Interest on Debt                                     | 0                         | 195,042                                    |
| Other Debt Service                                   | 0                         | 11,581                                     |
| Total Expenditures                                   | <u>\$ 0</u>               | <u>\$ 970,197</u>                          |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 19,938</u>          | <u>\$ (32,348)</u>                         |

(Continued)

Exhibit F-2

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

|                                       | <u>Permanent<br/>Fund</u> |                | Total<br>Nonmajor<br>Governmental<br>Funds |
|---------------------------------------|---------------------------|----------------|--|
|                                       | Endowment                 |                |  |
| <hr/>                                 |                           |                |  |
| <u>Other Financing Sources (Uses)</u> |                           |                |  |
| Transfers In                          | \$                        | 0              | \$ 600,000                                 |
| Total Other Financing Sources (Uses)  | <u>\$</u>                 | <u>0</u>       | <u>\$ 600,000</u>                          |
| Net Change in Fund Balances           | \$                        | 19,938         | \$ 567,652                                 |
| Fund Balance, July 1, 2022            |                           | <u>300,537</u> | <u>1,159,828</u>                           |
| Fund Balance, June 30, 2023           | <u>\$</u>                 | <u>320,475</u> | <u>\$ 1,727,480</u>                        |

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, 2023

|  | Actual             | Budgeted Amounts  |                     | Variance with Final Budget - Positive (Negative) |
|--|--------------------|-------------------|---------------------|--|
|  |                    | Original          | Final               |  |
| <u>Revenues</u>                                    |                    |                   |                     |  |
| Local Taxes  | \$ 0               | \$ 100,000        | \$ 0                | \$ 0   |
| Charges for Current Services                       | 11,852             | 11,000            | 11,000              | 852  |
| Other Local Revenues                               | 21,981             | 18,450            | 28,538              | (6,557)  |
| State of Tennessee                                 | 101,565            | 5,500             | 117,454             | (15,889)   |
| Federal Government                                 | 1,847              | 0                 | 0                   | 1,847  |
| Other Governments and Citizens Groups              | 10,712             | 500               | 12,840              | (2,128)  |
| Total Revenues                                     | <u>\$ 147,957</u>  | <u>\$ 135,450</u> | <u>\$ 169,832</u>   | <u>\$ (21,875)</u>                               |
| <u>Expenditures</u>                                |                    |                   |                     |  |
| <u>Social, Cultural, and Recreational Services</u> |                    |                   |                     |  |
| Libraries  | \$ 169,942         | \$ 109,087        | \$ 745,637          | \$ 575,695                                       |
| Other Social, Cultural, and Recreational           | 16,217             | 7,500             | 16,301              | 84   |
| <u>Other Operations</u>                            |                    |                   |                     |  |
| Miscellaneous                                      | 1,000              | 750               | 750                 | (250)  |
| Total Expenditures                                 | <u>\$ 187,159</u>  | <u>\$ 117,337</u> | <u>\$ 762,688</u>   | <u>\$ 575,529</u>                                |
| Excess (Deficiency) of Revenues Over Expenditures  | <u>\$ (39,202)</u> | <u>\$ 18,113</u>  | <u>\$ (592,856)</u> | <u>\$ 553,654</u>                                |
| <u>Other Financing Sources (Uses)</u>              |                    |                   |                     |  |
| Transfers In                                       | \$ 600,000         | \$ 0              | \$ 600,596          | \$ (596)   |
| Total Other Financing Sources                      | <u>\$ 600,000</u>  | <u>\$ 0</u>       | <u>\$ 600,596</u>   | <u>\$ (596)</u>                                  |
| Net Change in Fund Balance                         | \$ 560,798         | \$ 18,113         | \$ 7,740            | \$ 553,058                                       |
| Fund Balance, July 1, 2022                         | <u>124,622</u>     | <u>170,214</u>    | <u>170,214</u>      | <u>(45,592)</u>                                  |
| Fund Balance, June 30, 2023                        | <u>\$ 685,420</u>  | <u>\$ 188,327</u> | <u>\$ 177,954</u>   | <u>\$ 507,466</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, 2023

|   | Actual     | Budgeted Amounts |            | Variance with Final Budget - Positive (Negative) |
|---|------------|------------------|------------|--|
|   |            | Original         | Final      |  |
| <u>Revenues</u>                                   |            |                  |            |  |
| Fines, Forfeitures, and Penalties                 | \$ 14,369  | \$ 6,200         | \$ 10,494  | \$ 3,875   |
| Other Local Revenues                              | 1,673      | 1,500            | 2,815      | (1,142)  |
| Total Revenues                                    | \$ 16,042  | \$ 7,700         | \$ 13,309  | \$ 2,733   |
| <u>Expenditures</u>                               |            |                  |            |  |
| <u>Administration of Justice</u>                  |            |                  |            |  |
| Drug Court  | \$ 1,952   | \$ 0             | \$ 4,294   | \$ 2,342   |
| <u>Public Safety</u>                              |            |                  |            |  |
| Drug Enforcement                                  | 13,000     | 6,900            | 8,215      | (4,785)  |
| <u>Other Operations</u>                           |            |                  |            |  |
| Miscellaneous                                     | 153        | 1,000            | 1,000      | 847  |
| Total Expenditures                                | \$ 15,105  | \$ 7,900         | \$ 13,509  | \$ (1,596)                                       |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 937     | \$ (200)         | \$ (200)   | \$ 1,137   |
| Net Change in Fund Balance                        | \$ 937     | \$ (200)         | \$ (200)   | \$ 1,137   |
| Fund Balance, July 1, 2022                        | 174,565    | 167,320          | 167,320    | 7,245  |
| Fund Balance, June 30, 2023                       | \$ 175,502 | \$ 167,120       | \$ 167,120 | \$ 8,382   |

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, 2023

|   | Actual             | Budgeted Amounts  |                   | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-------------------|-------------------|--|
|   |                    | Original          | Final             |  |
| <u>Revenues</u>                                   |                    |                   |                   |  |
| Local Taxes                                       | \$ 748,767         | \$ 705,350        | \$ 705,350        | \$ 43,417  |
| Other Local Revenues                              | 0                  | 0                 | 83,875            | (83,875)   |
| State of Tennessee                                | 2,835              | 2,500             | 2,500             | 335  |
| Other Governments and Citizens Groups             | 0                  | 157,805           | 157,805           | (157,805)  |
| Total Revenues                                    | <u>\$ 751,602</u>  | <u>\$ 865,655</u> | <u>\$ 949,530</u> | <u>\$ (197,928)</u>                              |
| <u>Expenditures</u>                               |                    |                   |                   |  |
| <u>Principal on Debt</u>                          |                    |                   |                   |  |
| General Government                                | \$ 559,000         | \$ 559,000        | \$ 639,000        | \$ 80,000  |
| <u>Interest on Debt</u>                           |                    |                   |                   |  |
| General Government                                | 195,042            | 195,043           | 198,918           | 3,876  |
| <u>Other Debt Service</u>                         |                    |                   |                   |  |
| General Government                                | 11,581             | 11,500            | 11,500            | (81)   |
| Total Expenditures                                | <u>\$ 765,623</u>  | <u>\$ 765,543</u> | <u>\$ 849,418</u> | <u>\$ 83,795</u>                                 |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (14,021)</u> | <u>\$ 100,112</u> | <u>\$ 100,112</u> | <u>\$ (114,133)</u>                              |
| Net Change in Fund Balance                        | \$ (14,021)        | \$ 100,112        | \$ 100,112        | \$ (114,133)                                     |
| Fund Balance, July 1, 2022                        | <u>560,104</u>     | <u>508,801</u>    | <u>508,801</u>    | <u>51,303</u>                                    |
| Fund Balance, June 30, 2023                       | <u>\$ 546,083</u>  | <u>\$ 608,913</u> | <u>\$ 608,913</u> | <u>\$ (62,830)</u>                               |



# Custodial Funds

---

Custodial Funds are used to account for assets held by the county in a custodial capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial fund reporting focuses on net position and changes in net position. Custodial funds are distinguished from trust funds by the absence of a trust agreement or equivalent arrangement.

---

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 - Custodial Fund – The Constitutional Officers - Custodial Fund is used to account for amounts collected in a custodial 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 Net Position  
Custodial Funds  
June 30, 2023

|  | <u>Custodial Funds</u> |                   |                     |
|--|------------------------|-------------------|---------------------|
|  | <u>Cities -</u>        | <u>Constitu -</u> |                     |
|  | <u>Sales</u>           | <u>tional</u>     |                     |
|  | <u>Tax</u>             | <u>Officers -</u> |                     |
|  |                        | <u>Custodial</u>  | <u>Total</u>        |
| <u>ASSETS</u>  |                        |                   |                     |
| Cash   | \$ 0                   | \$ 928,975        | \$ 928,975          |
| Due from Other Governments                                       | 342,743                | 0                 | 342,743             |
| Total Assets   | <u>\$ 342,743</u>      | <u>\$ 928,975</u> | <u>\$ 1,271,718</u> |
| <u>LIABILITIES</u>   |                        |                   |                     |
| Due to Other Taxing Units  | \$ 342,743             | \$ 0              | \$ 342,743          |
| Total Liabilities  | <u>\$ 342,743</u>      | <u>\$ 0</u>       | <u>\$ 342,743</u>   |
| <u>NET POSITION</u>  |                        |                   |                     |
| Restricted for Individuals, Organizations, and Other Governments | \$ 0                   | \$ 928,975        | \$ 928,975          |
| Total Net Position   | <u>\$ 0</u>            | <u>\$ 928,975</u> | <u>\$ 928,975</u>   |

Exhibit G-2

Chester County, Tennessee  
Combining Statement of Changes in Net Position  
Custodial Funds  
For the Year Ended June 30, 2023

|  | <u>Custodial Funds</u>   |   |                     |
|--|--------------------------|---|---------------------|
|  | Cities -<br>Sales<br>Tax | Constitu -<br>tional<br>Officers -<br>Custodial | Total               |
| <u>Additions</u>                                       |                          |   |                     |
| Sales Tax Collections for Other Governments            | \$ 1,878,535             | \$ 0  | \$ 1,878,535        |
| Fines/Fees and Other Collections                       | 0                        | 3,669,386                                       | 3,669,386           |
| Total Additions  | <u>\$ 1,878,535</u>      | <u>\$ 3,669,386</u>                             | <u>\$ 5,547,921</u> |
| <u>Deductions</u>                                      |                          |   |                     |
| Payment of Sales Tax Collections for Other Governments | \$ 1,878,535             | \$ 0  | \$ 1,878,535        |
| Payments to State                                      | 0                        | 1,687,140                                       | 1,687,140           |
| Payments to Cities, Individuals, and Others            | 0                        | 1,949,992                                       | 1,949,992           |
| Total Deductions                                       | <u>\$ 1,878,535</u>      | <u>\$ 3,637,132</u>                             | <u>\$ 5,515,667</u> |
| Change in Net Position                                 | \$ 0                     | \$ 32,254                                       | \$ 32,254           |
| Net Position July 1, 2022                              | 0                        | 896,721   | 896,721             |
| Net Position June 30, 2023                             | <u>\$ 0</u>              | <u>\$ 928,975</u>                               | <u>\$ 928,975</u>   |

# 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, three 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.

Internal School Fund – The Internal School Fund is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities.

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, 2023

| Functions/Programs   | Expenses             | Program Revenues           |   |   | Net (Expense)  |
|--|----------------------|----------------------------|---|---|--|
|  |                      | Charges<br>for<br>Services | Operating<br>Grants<br>and<br>Contributions | Capital<br>Grants<br>and<br>Contributions | Revenue and<br>Changes in<br>Net Position<br>Total<br>Governmental<br>Activities |
| Governmental Activities:                                     |                      |                            |   |   |  |
| Instruction  | \$ 16,476,510        | \$ 61,388                  | \$ 1,990,022                                | \$ 0                                      | \$ (14,425,100)  |
| Support Services   | 10,096,424           | 29,045                     | 801,322                                     | 1,093,548                                 | (8,172,509)  |
| Operation of Non-instructional Services                      | 2,636,607            | 296,314                    | 1,538,756                                   | 0   | (801,537)  |
| <b>Total Governmental Activities</b>                         | <b>\$ 29,209,541</b> | <b>\$ 386,747</b>          | <b>\$ 4,330,100</b>                         | <b>\$ 1,093,548</b>                       | <b>\$ (23,399,146)</b>   |
| General Revenues:  |                      |                            |   |   |  |
| Taxes:   |                      |                            |   |   |  |
| Property Taxes Levied for General Purposes                   |                      |                            |   |   | \$ 2,079,214   |
| Local Option Sales Taxes                                     |                      |                            |   |   | 2,500,551  |
| Grants and Contributions Not Restricted to Specific Programs |                      |                            |   |   | 20,075,471   |
| Unrestricted Investment Income                               |                      |                            |   |   | 156,326  |
| Miscellaneous  |                      |                            |   |   | 832,973  |
| <b>Total General Revenues</b>                                |                      |                            |   |   | <b>\$ 25,644,535</b>   |
| Change in Net Position                                       |                      |                            |   |   | \$ 2,245,389   |
| Net Position, July 1, 2022                                   |                      |                            |   |   | 32,175,854   |
| <b>Net Position, June 30, 2023</b>                           |                      |                            |   |   | <b>\$ 34,421,243</b>   |

Exhibit H-2

Chester County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Chester County School Department  
June 30, 2023

|  | Major Funds                  |                               |                      | Nonmajor<br>Funds                   | Total<br>Governmental<br>Funds |
|--|------------------------------|-------------------------------|----------------------|-------------------------------------|--------------------------------|
|  | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Other<br>Govern-<br>mental<br>Funds |                                |
| <u>ASSETS</u>                              |                              |                               |                      |                                     |                                |
| Cash                                       | \$ 0                         | \$ 0                          | \$ 0                 | \$ 496,107                          | \$ 496,107                     |
| Equity in Pooled Cash and Investments      | 6,563,323                    | 771,166                       | 1,396,096            | 588,487                             | 9,319,072                      |
| Inventories                                | 0                            | 0                             | 0                    | 502                                 | 502                            |
| Accounts Receivable                        | 153                          | 3,974                         | 236                  | 3,120                               | 7,483                          |
| Due from Other Governments                 | 799,696                      | 288,196                       | 5,478                | 211,250                             | 1,304,620                      |
| Due from Other Funds                       | 37,980                       | 1,403                         | 0                    | 0                                   | 39,383                         |
| Property Taxes Receivable                  | 2,183,092                    | 0                             | 0                    | 0                                   | 2,183,092                      |
| Allowance for Uncollectible Property Taxes | (31,566)                     | 0                             | 0                    | 0                                   | (31,566)                       |
| Restricted Assets                          | 300,911                      | 0                             | 0                    | 0                                   | 300,911                        |
| Total Assets                               | <u>\$ 9,853,589</u>          | <u>\$ 1,064,739</u>           | <u>\$ 1,401,810</u>  | <u>\$ 1,299,466</u>                 | <u>\$ 13,619,604</u>           |
| <u>LIABILITIES</u>                         |                              |                               |                      |                                     |                                |
| Accounts Payable                           | \$ 30,418                    | \$ 0                          | \$ 0                 | \$ 0                                | \$ 30,418                      |
| Payroll Deductions Payable                 | 207,344                      | 16,268                        | 1,146                | 0                                   | 224,758                        |
| Due to Other Funds                         | 1,403                        | 37,980                        | 0                    | 0                                   | 39,383                         |
| Total Liabilities                          | <u>\$ 239,165</u>            | <u>\$ 54,248</u>              | <u>\$ 1,146</u>      | <u>\$ 0</u>                         | <u>\$ 294,559</u>              |
| <u>DEFERRED INFLOWS OF RESOURCES</u>       |                              |                               |                      |                                     |                                |
| Deferred Current Property Taxes            | \$ 2,090,134                 | \$ 0                          | \$ 0                 | \$ 0                                | \$ 2,090,134                   |
| Deferred Delinquent Property Taxes         | 56,901                       | 0                             | 0                    | 0                                   | 56,901                         |
| Other Deferred/Unavailable Revenue         | 112,000                      | 279                           | 0                    | 77,500                              | 189,779                        |
| Total Deferred Inflows of Resources        | <u>\$ 2,259,035</u>          | <u>\$ 279</u>                 | <u>\$ 0</u>          | <u>\$ 77,500</u>                    | <u>\$ 2,336,814</u>            |

(Continued)

Exhibit H-2

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

|   | Major Funds                  |                               |                      | Nonmajor<br>Funds                   | Total<br>Governmental<br>Funds |
|---|------------------------------|-------------------------------|----------------------|-------------------------------------|--------------------------------|
|   | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Other<br>Govern-<br>mental<br>Funds |                                |
| <u>FUND BALANCES</u>  |                              |                               |                      |                                     |                                |
| Nonspendable:   |                              |                               |                      |                                     |                                |
| Inventory   | \$ 0                         | \$ 0                          | \$ 0                 | \$ 502                              | \$ 502                         |
| Restricted:   |                              |                               |                      |                                     |                                |
| Restricted for Education  | 0                            | 10,212                        | 0                    | 499,227                             | 509,439                        |
| Restricted for Operation of Non-instructional Services              | 0                            | 0                             | 1,400,664            | 0                                   | 1,400,664                      |
| Restricted for Capital Outlay                                       | 0                            | 0                             | 0                    | 722,237                             | 722,237                        |
| Restricted for Hybrid Retirement Stabilization Funds                | 300,911                      | 0                             | 0                    | 0                                   | 300,911                        |
| Assigned:   |                              |                               |                      |                                     |                                |
| Assigned for Education  | 113,167                      | 1,000,000                     | 0                    | 0                                   | 1,113,167                      |
| Unassigned  | 6,941,311                    | 0                             | 0                    | 0                                   | 6,941,311                      |
| Total Fund Balances   | <u>\$ 7,355,389</u>          | <u>\$ 1,010,212</u>           | <u>\$ 1,400,664</u>  | <u>\$ 1,221,966</u>                 | <u>\$ 10,988,231</u>           |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 9,853,589</u>          | <u>\$ 1,064,739</u>           | <u>\$ 1,401,810</u>  | <u>\$ 1,299,466</u>                 | <u>\$ 13,619,604</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, 2023

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)  |    | \$               | 10,988,231               |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.  |    |                  |                          |
| Add: land   | \$ | 1,691,552        |                          |
| Add: buildings and improvements net of accumulated depreciation   |    | 11,412,106       |                          |
| Add: infrastructure net of accumulated depreciation   |    | 354,686          |                          |
| Add: other capital assets net of accumulated depreciation   |    | <u>3,829,155</u> | 17,287,499               |
| (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  |    |                  | (1,692,450)              |
| (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   | \$ | 4,451,004        |                          |
| Less: deferred inflows of resources related to pensions   |    | (721,846)        |                          |
| Add: deferred outflows of resources related to OPEB   |    | 255,124          |                          |
| Less: deferred inflows of resources related to OPEB   |    | <u>(327,783)</u> | 3,656,499                |
| (4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.  |    |                  |                          |
| Add: net pension asset - agent plan   | \$ | 613,629          |                          |
| Add: net pension asset - teacher retirement plan  |    | 35,058           |                          |
| Add: net pension asset - teacher legacy pension plan  |    | <u>3,286,097</u> | 3,934,784                |
| (5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.   |    |                  | <u>246,680</u>           |
| Net position of governmental activities (Exhibit A)   |    | \$               | <u><u>34,421,243</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, 2023

|  | Major Funds                  |                               |                      | Nonmajor<br>Funds                   | Total<br>Governmental<br>Funds |
|--|------------------------------|-------------------------------|----------------------|-------------------------------------|--------------------------------|
|  | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Other<br>Govern-<br>mental<br>Funds |                                |
| <u>Revenues</u>                                      |                              |                               |                      |                                     |                                |
| Local Taxes  | \$ 3,816,843                 | \$ 0                          | \$ 0                 | \$ 705,000                          | \$ 4,521,843                   |
| Licenses and Permits                                 | 930                          | 0                             | 0                    | 0                                   | 930                            |
| Charges for Current Services                         | 70,631                       | 0                             | 296,314              | 0                                   | 366,945                        |
| Other Local Revenues                                 | 205,148                      | 0                             | 34,638               | 793,732                             | 1,033,518                      |
| State of Tennessee                                   | 20,079,126                   | 0                             | 11,997               | 0                                   | 20,091,123                     |
| Federal Government                                   | 82,083                       | 3,806,526                     | 1,483,140            | 0                                   | 5,371,749                      |
| Other Governments and Citizens Groups                | 10,900                       | 0                             | 0                    | 0                                   | 10,900                         |
| Total Revenues                                       | \$ 24,265,661                | \$ 3,806,526                  | \$ 1,826,089         | \$ 1,498,732                        | \$ 31,397,008                  |
| <u>Expenditures</u>                                  |                              |                               |                      |                                     |                                |
| Current:   |                              |                               |                      |                                     |                                |
| Instruction  | \$ 14,223,874                | \$ 2,009,711                  | \$ 0                 | \$ 0                                | \$ 16,233,585                  |
| Support Services                                     | 9,119,012                    | 1,897,575                     | 0                    | 6,500                               | 11,023,087                     |
| Operation of Non-Instructional Services              | 204,919                      | 33,737                        | 1,717,693            | 758,523                             | 2,714,872                      |
| Capital Outlay                                       | 221,763                      | 259,432                       | 0                    | 0                                   | 481,195                        |
| Capital Projects                                     | 0                            | 0                             | 0                    | 841,731                             | 841,731                        |
| Total Expenditures                                   | \$ 23,769,568                | \$ 4,200,455                  | \$ 1,717,693         | \$ 1,606,754                        | \$ 31,294,470                  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 496,093                   | \$ (393,929)                  | \$ 108,396           | \$ (108,022)                        | \$ 102,538                     |
| <u>Other Financing Sources (Uses)</u>                |                              |                               |                      |                                     |                                |
| Insurance Recovery                                   | \$ 1,805                     | \$ 0                          | \$ 0                 | \$ 0                                | \$ 1,805                       |
| Transfers In   | 93,934                       | 0                             | 0                    | 0                                   | 93,934                         |
| Transfers Out  | 0                            | (93,934)                      | 0                    | 0                                   | (93,934)                       |
| Total Other Financing Sources (Uses)                 | \$ 95,739                    | \$ (93,934)                   | \$ 0                 | \$ 0                                | \$ 1,805                       |

(Continued)

Exhibit H-4

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

|                             | Major Funds                  |                               |                      | Nonmajor<br>Funds                   | Total<br>Governmental<br>Funds |
|-----------------------------|------------------------------|-------------------------------|----------------------|-------------------------------------|--------------------------------|
|                             | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Other<br>Govern-<br>mental<br>Funds |                                |
| Net Change in Fund Balances | \$ 591,832                   | \$ (487,863)                  | \$ 108,396           | \$ (108,022)                        | \$ 104,343                     |
| Fund Balance, July 1, 2022  | 6,763,557                    | 1,498,075                     | 1,292,268            | 1,329,988                           | 10,883,888                     |
| Fund Balance, June 30, 2023 | \$ 7,355,389                 | \$ 1,010,212                  | \$ 1,400,664         | \$ 1,221,966                        | \$ 10,988,231                  |

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, 2023

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)  |    | \$                 | 104,343             |
| (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   | \$ | 2,431,475          |                     |
| Less: current-year depreciation expense   |    | <u>(1,014,789)</u> | 1,416,686           |
| (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, 2023  | \$ | 246,680            |                     |
| Less: deferred delinquent property taxes and other deferred June 30, 2022   |    | <u>(188,758)</u>   | 57,922              |
| (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  | \$ | (43,320)           |                     |
| Change in deferred outflows related to OPEB   |    | 23,998             |                     |
| Change in deferred inflows related to OPEB  |    | (17,747)           |                     |
| Change in deferred outflows related to pensions   |    | (672,335)          |                     |
| Change in deferred inflows related to pensions  |    | 11,369,075         |                     |
| Change in net pension asset - agent plan  |    | (1,516,279)        |                     |
| Change in net pension asset - teacher retirement plan   |    | (188,880)          |                     |
| Change in net pension asset - teacher legacy pension plan   |    | <u>(8,288,074)</u> | <u>666,438</u>      |
| Change in net position of governmental activities (Exhibit B)   |    |                    | <u>\$ 2,245,389</u> |

Exhibit H-6

Chester County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Chester County School Department  
June 30, 2023

|   | Special<br>Revenue<br>Fund | Capital<br>Projects Fund         | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|----------------------------|----------------------------------|--|
|   | Internal<br>School         | Education<br>Capital<br>Projects |  |
| <u>ASSETS</u>   |                            |                                  |  |
| Cash  | \$ 496,107                 | \$ 0                             | \$ 496,107                                 |
| Equity in Pooled Cash and Investments                 | 0                          | 588,487                          | 588,487                                    |
| Inventories   | 502                        | 0                                | 502  |
| Accounts Receivable                                   | 3,120                      | 0                                | 3,120                                      |
| Due from Other Governments                            | 0                          | 211,250                          | 211,250                                    |
|   | <hr/>                      | <hr/>                            | <hr/>                                      |
| Total Assets  | \$ 499,729                 | \$ 799,737                       | \$ 1,299,466                               |
| <u>DEFERRED INFLOWS OF RESOURCES</u>                  |                            |                                  |  |
| Other Deferred/Unavailable Revenue                    | \$ 0                       | \$ 77,500                        | \$ 77,500                                  |
| Total Deferred Inflows of Resources                   | <hr/>                      | <hr/>                            | <hr/>                                      |
|   | \$ 0                       | \$ 77,500                        | \$ 77,500                                  |
| <u>FUND BALANCES</u>                                  |                            |                                  |  |
| Nonspendable:   |                            |                                  |  |
| Inventory   | \$ 502                     | \$ 0                             | \$ 502                                     |
| Restricted:   |                            |                                  |  |
| Restricted for Education                              | 499,227                    | 0                                | 499,227                                    |
| Restricted for Capital Outlay                         | 0                          | 722,237                          | 722,237                                    |
| Total Fund Balances                                   | <hr/>                      | <hr/>                            | <hr/>                                      |
|   | \$ 499,729                 | \$ 722,237                       | \$ 1,221,966                               |
| Total Deferred Inflows of Resources and Fund Balances | <hr/>                      | <hr/>                            | <hr/>                                      |
|   | \$ 499,729                 | \$ 799,737                       | \$ 1,299,466                               |

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, 2023

|  | Special<br>Revenue<br>Fund | Capital<br>Projects Fund         | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|----------------------------|----------------------------------|--|
|  | Internal<br>School         | Education<br>Capital<br>Projects |  |
| <u>Revenues</u>                                      |                            |                                  |  |
| Local Taxes  | \$ 0                       | \$ 705,000                       | \$ 705,000                                 |
| Other Local Revenues                                 | 793,732                    | 0                                | 793,732                                    |
| Total Revenues                                       | <u>\$ 793,732</u>          | <u>\$ 705,000</u>                | <u>\$ 1,498,732</u>                        |
| <u>Expenditures</u>                                  |                            |                                  |  |
| Current:   |                            |                                  |  |
| Support Services                                     | \$ 0                       | \$ 6,500                         | \$ 6,500                                   |
| Operation of Non-Instructional Services              | 758,523                    | 0                                | 758,523                                    |
| Capital Projects                                     | 0                          | 841,731                          | 841,731                                    |
| Total Expenditures                                   | <u>\$ 758,523</u>          | <u>\$ 848,231</u>                | <u>\$ 1,606,754</u>                        |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 35,209</u>           | <u>\$ (143,231)</u>              | <u>\$ (108,022)</u>                        |
| Net Change in Fund Balances                          | \$ 35,209                  | \$ (143,231)                     | \$ (108,022)                               |
| Fund Balance, July 1, 2022                           | 464,520                    | 865,468                          | 1,329,988                                  |
| Fund Balance, June 30, 2023                          | <u>\$ 499,729</u>          | <u>\$ 722,237</u>                | <u>\$ 1,221,966</u>                        |

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, 2023

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2022 | Add:<br>Encumbrances<br>6/30/2023 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts     |                      | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|----------------------|----------------------|--|
|  |                           |                                   |                                   |   | Original             | Final                |  |
| <b>Revenues</b>                        |                           |                                   |                                   |   |                      |                      |  |
| Local Taxes                            | \$ 3,816,843              | \$ 0                              | \$ 0                              | \$ 3,816,843  | \$ 3,692,500         | \$ 3,692,500         | \$ 124,343   |
| Licenses and Permits                   | 930                       | 0                                 | 0                                 | 930   | 1,000                | 1,000                | (70)   |
| Charges for Current Services           | 70,631                    | 0                                 | 0                                 | 70,631  | 49,750               | 49,750               | 20,881   |
| Other Local Revenues                   | 205,148                   | 0                                 | 0                                 | 205,148   | 66,000               | 75,706               | 129,442  |
| State of Tennessee                     | 20,079,126                | 0                                 | 0                                 | 20,079,126  | 19,616,600           | 21,963,189           | (1,884,063)  |
| Federal Government                     | 82,083                    | 0                                 | 0                                 | 82,083  | 205,000              | 205,000              | (122,917)  |
| Other Governments and Citizens Groups  | 10,900                    | 0                                 | 0                                 | 10,900  | 0                    | 0                    | 10,900   |
| <b>Total Revenues</b>                  | <b>\$ 24,265,661</b>      | <b>\$ 0</b>                       | <b>\$ 0</b>                       | <b>\$ 24,265,661</b>  | <b>\$ 23,630,850</b> | <b>\$ 25,987,145</b> | <b>\$ (1,721,484)</b>  |
| <b>Expenditures</b>                    |                           |                                   |                                   |   |                      |                      |  |
| <b>Instruction</b>                     |                           |                                   |                                   |   |                      |                      |  |
| Regular Instruction Program            | \$ 11,643,704             | \$ (22,816)                       | \$ 64,229                         | \$ 11,685,117   | \$ 12,159,633        | \$ 12,912,047        | \$ 1,226,930   |
| Special Education Program              | 1,873,248                 | (2,566)                           | 0                                 | 1,870,682   | 1,953,176            | 1,953,176            | 82,494   |
| Career and Technical Education Program | 613,006                   | (1,176)                           | 350                               | 612,180   | 661,041              | 1,490,684            | 878,504  |
| Student Body Education Program         | 93,916                    | 0                                 | 0                                 | 93,916  | 98,230               | 98,230               | 4,314  |
| <b>Support Services</b>                |                           |                                   |                                   |   |                      |                      |  |
| Attendance                             | 37,832                    | 0                                 | 0                                 | 37,832  | 33,071               | 39,521               | 1,689  |
| Health Services                        | 214,939                   | (504)                             | 0                                 | 214,435   | 260,578              | 260,578              | 46,143   |
| Other Student Support                  | 473,097                   | (1,969)                           | 0                                 | 471,128   | 542,087              | 545,637              | 74,509   |
| Regular Instruction Program            | 812,597                   | (6,236)                           | 24,630                            | 830,991   | 829,438              | 1,064,438            | 233,447  |
| Special Education Program              | 275,834                   | (9,200)                           | 1,560                             | 268,194   | 314,601              | 334,601              | 66,407   |
| Career and Technical Education Program | 0                         | 0                                 | 0                                 | 0   | 1,000                | 1,000                | 1,000  |
| Technology                             | 687,308                   | (8,160)                           | 11,498                            | 690,646   | 685,241              | 740,241              | 49,595   |
| Adult Programs                         | 35,185                    | (1,000)                           | 0                                 | 34,185  | 34,166               | 35,966               | 1,781  |
| Board of Education                     | 484,155                   | (1,550)                           | 250                               | 482,855   | 521,366              | 545,366              | 62,511   |
| Director of Schools                    | 207,409                   | (200)                             | 0                                 | 207,209   | 219,865              | 219,865              | 12,656   |
| Office of the Principal                | 1,728,213                 | (702)                             | 1,500                             | 1,729,011   | 1,804,168            | 1,822,718            | 93,707   |
| Fiscal Services                        | 224,795                   | 0                                 | 0                                 | 224,795   | 237,434              | 237,434              | 12,639   |
| Human Services/Personnel               | 66,545                    | 0                                 | 0                                 | 66,545  | 72,077               | 72,077               | 5,532  |

(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<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2022 | Add:<br>Encumbrances<br>6/30/2023 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
|  |                           |                                   |                                   |   | Original         | Final         |  |
| <u>Expenditures (Cont.)</u>                          |                           |                                   |                                   |   |                  |               |  |
| <u>Support Services (Cont.)</u>                      |                           |                                   |                                   |   |                  |               |  |
| Operation of Plant                                   | \$ 1,631,858              | \$ (13,911)                       | \$ 0                              | \$ 1,617,947  | \$ 1,644,633     | \$ 1,661,048  | \$ 43,101  |
| Maintenance of Plant                                 | 888,744                   | (89,139)                          | 4,230                             | 803,835   | 799,458          | 892,171       | 88,336   |
| Transportation                                       | 1,350,501                 | (2,700)                           | 0                                 | 1,347,801   | 1,292,290        | 1,406,225     | 58,424   |
| <u>Operation of Non-Instructional Services</u>       |                           |                                   |                                   |   |                  |               |  |
| Community Services                                   | 500                       | (500)                             | 0                                 | 0   | 0                | 0             | 0  |
| Early Childhood Education                            | 204,419                   | (1,950)                           | 4,920                             | 207,389   | 212,732          | 212,558       | 5,169  |
| <u>Capital Outlay</u>                                |                           |                                   |                                   |   |                  |               |  |
| Regular Capital Outlay                               | 221,763                   | (185,695)                         | 0                                 | 36,068  | 130,000          | 317,000       | 280,932  |
| Total Expenditures                                   | \$ 23,769,568             | \$ (349,974)                      | \$ 113,167                        | \$ 23,532,761   | \$ 24,506,285    | \$ 26,862,581 | \$ 3,329,820   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 496,093                | \$ 349,974                        | \$ (113,167)                      | \$ 732,900  | \$ (875,435)     | \$ (875,436)  | \$ 1,608,336   |
| <u>Other Financing Sources (Uses)</u>                |                           |                                   |                                   |   |                  |               |  |
| Insurance Recovery                                   | \$ 1,805                  | \$ 0                              | \$ 0                              | \$ 1,805  | \$ 10,000        | \$ 10,000     | \$ (8,195)   |
| Transfers In   | 93,934                    | 0                                 | 0                                 | 93,934  | 10,000           | 10,000        | 83,934   |
| Total Other Financing Sources                        | \$ 95,739                 | \$ 0                              | \$ 0                              | \$ 95,739   | \$ 20,000        | \$ 20,000     | \$ 75,739  |
| Net Change in Fund Balance                           | \$ 591,832                | \$ 349,974                        | \$ (113,167)                      | \$ 828,639  | \$ (855,435)     | \$ (855,436)  | \$ 1,684,075   |
| Fund Balance, July 1, 2022                           | 6,763,557                 | (349,974)                         | 0                                 | 6,413,583   | 5,127,482        | 5,127,482     | 1,286,101  |
| Fund Balance, June 30, 2023                          | \$ 7,355,389              | \$ 0                              | \$ (113,167)                      | \$ 7,242,222  | \$ 4,272,047     | \$ 4,272,046  | \$ 2,970,176   |

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, 2023

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2022 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts    |                     | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|---|---------------------|---------------------|--|
|  |                           |                                   |   | Original            | Final               |  |
| <u>Revenues</u>                                      |                           |                                   |   |                     |                     |  |
| Federal Government                                   | \$ 3,806,526              | \$ 0                              | \$ 3,806,526  | \$ 1,546,781        | \$ 6,149,400        | \$ (2,342,874)   |
| <b>Total Revenues</b>                                | <b>\$ 3,806,526</b>       | <b>\$ 0</b>                       | <b>\$ 3,806,526</b>   | <b>\$ 1,546,781</b> | <b>\$ 6,149,400</b> | <b>\$ (2,342,874)</b>  |
| <u>Expenditures</u>                                  |                           |                                   |   |                     |                     |  |
| <u>Instruction</u>                                   |                           |                                   |   |                     |                     |  |
| Regular Instruction Program                          | \$ 1,340,935              | \$ (78,643)                       | \$ 1,262,292  | \$ 684,121          | \$ 2,008,549        | \$ 746,257   |
| Special Education Program                            | 629,883                   | 0                                 | 629,883   | 592,047             | 1,009,941           | 380,058  |
| Career and Technical Education Program               | 38,893                    | 0                                 | 38,893  | 29,718              | 38,968              | 75   |
| <u>Support Services</u>                              |                           |                                   |   |                     |                     |  |
| Health Services                                      | 163,747                   | 0                                 | 163,747   | 0                   | 362,943             | 199,196  |
| Other Student Support                                | 102,306                   | 0                                 | 102,306   | 27,285              | 227,695             | 125,389  |
| Regular Instruction Program                          | 248,654                   | 0                                 | 248,654   | 114,431             | 832,861             | 584,207  |
| Special Education Program                            | 82,754                    | (1,264)                           | 81,490  | 47,569              | 220,227             | 138,737  |
| Career and Technical Education Program               | 4,364                     | 0                                 | 4,364   | 7,631               | 4,370               | 6  |
| Operation of Plant                                   | 4,995                     | 0                                 | 4,995   | 1,600               | 5,000               | 5  |
| Maintenance of Plant                                 | 1,419                     | (1,419)                           | 0   | 0                   | 0                   | 0  |
| Transportation                                       | 1,289,336                 | (90,153)                          | 1,199,183   | 30,060              | 1,209,015           | 9,832  |
| <u>Operation of Non-Instructional Services</u>       |                           |                                   |   |                     |                     |  |
| Food Service   | 33,737                    | (19,529)                          | 14,208  | 0                   | 28,059              | 13,851   |
| <u>Capital Outlay</u>                                |                           |                                   |   |                     |                     |  |
| Regular Capital Outlay                               | 259,432                   | (254,221)                         | 5,211   | 0                   | 42,000              | 36,789   |
| <b>Total Expenditures</b>                            | <b>\$ 4,200,455</b>       | <b>\$ (445,229)</b>               | <b>\$ 3,755,226</b>   | <b>\$ 1,534,462</b> | <b>\$ 5,989,628</b> | <b>\$ 2,234,402</b>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ (393,929)              | \$ 445,229                        | \$ 51,300   | \$ 12,319           | \$ 159,772          | \$ (108,472)   |

(Continued)



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 (Cont.)

|                                       | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2022 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|---------------------------------------|---------------------------|-----------------------------------|---|------------------|--------------|--|
|                                       |                           |                                   |   | Original         | Final        |  |
| <u>Other Financing Sources (Uses)</u> |                           |                                   |   |                  |              |  |
| Transfers Out                         | \$ (93,934)               | \$ 0                              | \$ (93,934)   | \$ (12,319)      | \$ (159,774) | \$ 65,840  |
| Total Other Financing Sources         | \$ (93,934)               | \$ 0                              | \$ (93,934)   | \$ (12,319)      | \$ (159,774) | \$ 65,840  |
| Net Change in Fund Balance            | \$ (487,863)              | \$ 445,229                        | \$ (42,634)   | \$ 0             | \$ (2)       | \$ (42,632)  |
| Fund Balance, July 1, 2022            | 1,498,075                 | (445,229)                         | 1,052,846   | 994,755          | 994,755      | 58,091   |
| Fund Balance, June 30, 2023           | \$ 1,010,212              | \$ 0                              | \$ 1,010,212  | \$ 994,755       | \$ 994,753   | \$ 15,459  |

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, 2023

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2022 | Add:<br>Encumbrances<br>6/30/2023 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts    |                     | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|---------------------|---------------------|--|
|  |                           |                                   |                                   |   | Original            | Final               |  |
| <u>Revenues</u>                                      |                           |                                   |                                   |   |                     |                     |  |
| Charges for Current Services                         | \$ 296,314                | \$ 0                              | \$ 0                              | \$ 296,314  | \$ 256,000          | \$ 256,000          | \$ 40,314  |
| Other Local Revenues                                 | 34,638                    | 0                                 | 0                                 | 34,638  | 7,500               | 7,500               | 27,138   |
| State of Tennessee                                   | 11,997                    | 0                                 | 0                                 | 11,997  | 14,000              | 14,000              | (2,003)  |
| Federal Government                                   | 1,483,140                 | 0                                 | 0                                 | 1,483,140   | 1,371,427           | 1,377,182           | 105,958  |
| Total Revenues                                       | <u>\$ 1,826,089</u>       | <u>\$ 0</u>                       | <u>\$ 0</u>                       | <u>\$ 1,826,089</u>   | <u>\$ 1,648,927</u> | <u>\$ 1,654,682</u> | <u>\$ 171,407</u>  |
| <u>Expenditures</u>                                  |                           |                                   |                                   |   |                     |                     |  |
| <u>Operation of Non-Instructional Services</u>       |                           |                                   |                                   |   |                     |                     |  |
| Food Service   | \$ 1,717,693              | \$ (144,104)                      | \$ 291,983                        | \$ 1,865,572  | \$ 1,670,491        | \$ 2,354,504        | \$ 488,932   |
| Total Expenditures                                   | <u>\$ 1,717,693</u>       | <u>\$ (144,104)</u>               | <u>\$ 291,983</u>                 | <u>\$ 1,865,572</u>   | <u>\$ 1,670,491</u> | <u>\$ 2,354,504</u> | <u>\$ 488,932</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 108,396</u>         | <u>\$ 144,104</u>                 | <u>\$ (291,983)</u>               | <u>\$ (39,483)</u>  | <u>\$ (21,564)</u>  | <u>\$ (699,822)</u> | <u>\$ 660,339</u>  |
| Net Change in Fund Balance                           | \$ 108,396                | \$ 144,104                        | \$ (291,983)                      | \$ (39,483)   | \$ (21,564)         | \$ (699,822)        | \$ 660,339   |
| Fund Balance, July 1, 2022                           | <u>1,292,268</u>          | <u>(144,104)</u>                  | <u>0</u>                          | <u>1,148,164</u>  | <u>409,113</u>      | <u>409,113</u>      | <u>739,051</u>   |
| Fund Balance, June 30, 2023                          | <u>\$ 1,400,664</u>       | <u>\$ 0</u>                       | <u>\$ (291,983)</u>               | <u>\$ 1,108,681</u>   | <u>\$ 387,549</u>   | <u>\$ (290,709)</u> | <u>\$ 1,399,390</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, 2023

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2022 | Add:<br>Encumbrances<br>6/30/2023 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |                                   |   | Original         | Final        |  |
| <u>Revenues</u>                                      |                           |                                   |                                   |   |                  |              |  |
| Local Taxes  | \$ 705,000                | \$ 0                              | \$ 0                              | \$ 705,000  | \$ 525,000       | \$ 705,000   | \$ 0   |
| Total Revenues                                       | \$ 705,000                | \$ 0                              | \$ 0                              | \$ 705,000  | \$ 525,000       | \$ 705,000   | \$ 0   |
| <u>Expenditures</u>                                  |                           |                                   |                                   |   |                  |              |  |
| <u>Support Services</u>                              |                           |                                   |                                   |   |                  |              |  |
| Board of Education                                   | \$ 6,500                  | \$ 0                              | \$ 0                              | \$ 6,500  | \$ 6,500         | \$ 8,500     | \$ 2,000   |
| <u>Capital Projects</u>                              |                           |                                   |                                   |   |                  |              |  |
| Education Capital Projects                           | 841,731                   | (451,168)                         | 352,971                           | 743,534   | 725,000          | 903,000      | 159,466  |
| Total Expenditures                                   | \$ 848,231                | \$ (451,168)                      | \$ 352,971                        | \$ 750,034  | \$ 731,500       | \$ 911,500   | \$ 161,466   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ (143,231)              | \$ 451,168                        | \$ (352,971)                      | \$ (45,034)   | \$ (206,500)     | \$ (206,500) | \$ 161,466   |
| Net Change in Fund Balance                           | \$ (143,231)              | \$ 451,168                        | \$ (352,971)                      | \$ (45,034)   | \$ (206,500)     | \$ (206,500) | \$ 161,466   |
| Fund Balance, July 1, 2022                           | 865,468                   | (451,168)                         | 0                                 | 414,300   | 499,805          | 499,805      | (85,505)   |
| Fund Balance, June 30, 2023                          | \$ 722,237                | \$ 0                              | \$ (352,971)                      | \$ 369,266  | \$ 293,305       | \$ 293,305   | \$ 75,961  |

Exhibit H-12

Chester County, Tennessee  
Statement of Fiduciary Net Position  
Discretely Presented Chester County School Department  
Fiduciary Fund  
June 30, 2023

|   | <u>Other<br/>Trust<br/>Fund</u><br><u>Private<br/>Purpose<br/>Trust<br/>Fund</u> |
|---|--|
| <u>ASSETS</u>   |  |
| Equity in Pooled Cash and Investments                                       | \$ 120,731   |
| Total Assets  | \$ 120,731   |
| <u>NET POSITION</u>   |  |
| Funds Held in Trust for College Scholarships<br>for Chester County Students | \$ 120,731   |
| Total Net Position  | \$ 120,731   |

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, 2023

|                             | Other<br>Trust<br>Fund                        |
|-----------------------------|---|
|                             | <u>Private<br/>Purpose<br/>Trust<br/>Fund</u> |
| <u>ADDITIONS</u>            |   |
| <u>Other Local Revenues</u> |   |
| Investment Income           | \$ 1,763                                      |
| Total Additions             | <u>\$ 1,763</u>                               |
| <u>DEDUCTIONS</u>           |   |
| <u>Miscellaneous</u>        |   |
| Other Charges               | \$ 5,000                                      |
| Total Deductions            | <u>\$ 5,000</u>                               |
| Change in Net Position      | \$ (3,237)                                    |
| Net Position, July 1, 2022  | <u>123,968</u>                                |
| Net Position, June 30, 2023 | <u><u>\$ 120,731</u></u>                      |

# MISCELLANEOUS SCHEDULES

Exhibit I-1

Chester County, Tennessee  
Schedule of Changes in Long-term Note and Bonds  
For the Year Ended June 30, 2023

| Description of Indebtedness                      | Original<br>Amount<br>of Issue | Interest<br>Rate | Date<br>of<br>Issue | Last<br>Maturity<br>Date | Outstanding<br>7-1-22 | Paid and/or<br>Matured<br>During<br>Period | Outstanding<br>6-30-23 |
|--|--------------------------------|------------------|---------------------|--------------------------|-----------------------|--|------------------------|
| <u>NOTE PAYABLE</u>                              |                                |                  |                     |                          |                       |  |                        |
| <u>Payable through General Debt Service Fund</u> |                                |                  |                     |                          |                       |  |                        |
| Capital Outlay Notes, Series 2019                | \$ 1,000,000                   | 2.83%            | 10-9-19             | 10-1-26                  | \$ 734,000            | \$ 139,000                                 | \$ 595,000             |
| Total Note Payable                               |                                |                  |                     |                          | <u>\$ 734,000</u>     | <u>\$ 139,000</u>                          | <u>\$ 595,000</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                   | \$ 60,000             | \$ 60,000                                  | \$ 0                   |
| General Obligation Bonds, Series 2011            | 360,000                        | 2.75 to 5        | 3-15-11             | 5-1-28                   | 140,000               | 20,000                                     | 120,000                |
| General Obligation Refunding Bonds, Series 2016  | 8,505,000                      | 2 to 3           | 5-13-16             | 6-1-40                   | 6,975,000             | 340,000                                    | 6,635,000              |
| Total Bonds Payable                              |                                |                  |                     |                          | <u>\$ 7,175,000</u>   | <u>\$ 420,000</u>                          | <u>\$ 6,755,000</u>    |

Exhibit I-2

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

| Year<br>Ending<br>June 30 | Note       |           |            |
|---------------------------|------------|-----------|------------|
|                           | Principal  | Interest  | Total      |
| 2024                      | \$ 142,000 | \$ 14,829 | \$ 156,829 |
| 2025                      | 147,000    | 10,740    | 157,740    |
| 2026                      | 151,000    | 6,523     | 157,523    |
| 2027                      | 155,000    | 2,193     | 157,193    |
| Total                     | \$ 595,000 | \$ 34,285 | \$ 629,285 |

| Year<br>Ending<br>June 30 | Bonds        |              |              |
|---------------------------|--------------|--------------|--------------|
|                           | Principal    | Interest     | Total        |
| 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                     | \$ 6,755,000 | \$ 1,659,187 | \$ 8,414,187 |



Exhibit I-3

Chester County, Tennessee  
Schedule of Investments  
June 30, 2023

| <u>Fund and Type</u>                             | <u>Amount</u>     |
|--|-------------------|
| <u>Permanent Fund</u>                            |                   |
| <u>Endowment Fund</u>                            |                   |
| Vanguard 500 Index Fund                          | \$ 143,563        |
| Fidelity International Index Fund                | 25,237            |
| Federated Hermes Govt Obligations FD - Principal | 463               |
| Vanguard Int Term Investment Grde Adm            | 29,886            |
| Vanguard Short-Term Investment Grde Adm          | 11,631            |
| Vanguard Total Bond Market Index Adm             | <u>80,182</u>     |
| Total Investments                                | <u>\$ 290,962</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, 2023

| <u>From Fund</u>   | <u>To Fund</u>         | <u>Purpose</u>                 | <u>Amount</u>       |
|--|------------------------|--------------------------------|---------------------|
| <u>PRIMARY GOVERNMENT</u>  |                        |                                |                     |
| General  | Public Library         | American Rescue Plan Act funds | \$ 600,000          |
| "  | Highway/Public Works   | "                              | <u>446,926</u>      |
| Total Transfers Primary Government                                       |                        |                                | <u>\$ 1,046,926</u> |
| <u>DISCRETELY PRESENTED CHESTER COUNTY SCHOOL DEPARTMENT</u>             |                        |                                |                     |
| School Federal Projects  | General Purpose School | Indirect costs                 | <u>\$ 93,934</u>    |
| Total Transfers Discretely Presented<br>Chester County School Department |                        |                                | <u>\$ 93,934</u>    |

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, 2023

| Official   | Authorization   | Bond    | Surety                          |
|--|---|---------|---------------------------------|
| <b>County Mayor</b>                                    | Section 8-24-102, TCA                                     | \$ (1)  | Tennessee Risk Management Trust |
| Base salary  | \$ 95,168   |         |                                 |
| Increase due to sheriff workhouse increase             | 9,407   |         |                                 |
| Total compensation                                     | <u>\$ 104,575</u>   |         |                                 |
| <b>Road Supervisor - Jerry King (7/1/22 - 8/31/22)</b> | Section 8-24-102, TCA                                     | (1)     | Tennessee Risk Management Trust |
| Base salary  | \$ 15,106   |         |                                 |
| <b>Road Supervisor - Todd Brown (9/1/22 - 6/30/23)</b> | Section 8-24-102, TCA                                     | (1)     | Tennessee Risk Management Trust |
| Base salary  | \$ 75,530   |         |                                 |
| Total Road Supervisor compensation                     | <u>\$ 90,636</u>  |         |                                 |
| <b>Director of Schools</b>                             | State Board of Education and<br>County Board of Education | (1)     | Tennessee Risk Management Trust |
| Base salary  | \$ 118,370  |         |                                 |
| Chief executive officer training supplement            | 1,000   |         |                                 |
| Equity pay bonus                                       | 875   |         |                                 |
| Total compensation                                     | <u>\$ 120,245</u>   |         |                                 |
| <b>Trustee</b>   | Section 8-24-102, TCA                                     | (1)     | Tennessee Risk Management Trust |
| Base salary  | \$ 82,396   |         |                                 |
| Educational incentive pay                              | 1,500   |         |                                 |
| Total compensation                                     | <u>\$ 83,896</u>  |         |                                 |
| <b>Assessor of Property</b>                            | Section 8-24-102, TCA                                     | (1)     | Tennessee Risk Management Trust |
| Base salary  | \$ 82,396   |         |                                 |
| Educational incentive pay                              | 1,500   |         |                                 |
| Total compensation                                     | <u>\$ 83,896</u>  |         |                                 |
| <b>County Clerk</b>                                    | Section 8-24-102, TCA                                     | (1)     | Tennessee Risk Management Trust |
| Base salary/Total compensation                         | <u>\$ 82,396</u>  |         |                                 |
| <b>Circuit and General Sessions Courts Clerk</b>       | Section 8-24-102, TCA                                     | (1)     | Tennessee Risk Management Trust |
| Base salary  | \$ 82,396   |         |                                 |
| Educational incentive pay                              | 1,500   |         |                                 |
| Total compensation                                     | <u>\$ 83,896</u>  |         |                                 |
| <b>Clerk and Master</b>                                | Section 8-24-102, TCA                                     | (1)     | Tennessee Risk Management Trust |
| Base salary  | \$ 82,396   |         |                                 |
| Educational incentive pay                              | 1,500   |         |                                 |
| Special commissioner fees                              | 2,310   |         |                                 |
| Total compensation                                     | <u>\$ 86,206</u>  |         |                                 |
| <b>Register of Deeds</b>                               | Section 8-24-102, TCA                                     | (1)     | Tennessee Risk Management Trust |
| Base salary/Total compensation                         | <u>\$ 82,396</u>  |         |                                 |
| <b>Sheriff</b>   | Section 8-24-102, TCA                                     | (1)     | Tennessee Risk Management Trust |
| Base salary  | \$ 90,636   |         |                                 |
| Superintendent of workhouse                            | 8,957   |         |                                 |
| Law enforcement training supplement                    | 800   |         |                                 |
| Total compensation                                     | <u>\$ 100,393</u>   |         |                                 |
| Employee Blanket Bonds:                                |   |         |                                 |
| Employee Fidelity - County Departments                 |   | 400,000 | Tennessee Risk Management Trust |
| Employee Fidelity - School Department                  |   | 400,000 | "                               |

(1) Official is under the employee fidelity insurance coverage.

Exhibit I-6

Chester County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2023

|  | 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                                     | \$ 4,466,537          | \$ 0           | \$ 0                     | \$ 0         | 0                              |
| Discount on Property Taxes                               | (50,490)              | 0              | 0                        | 0            | 0                              |
| Trustee's Collections - Prior Year                       | 121,278               | 0              | 0                        | 0            | 0                              |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 21,520                | 0              | 2,524                    | 0            | 0                              |
| Interest and Penalty                                     | 23,319                | 0              | 0                        | 0            | 0                              |
| Payments in-Lieu-of Taxes - T.V.A.                       | 0                     | 0              | 0                        | 0            | 0                              |
| Payments in-Lieu-of Taxes - Other                        | 3,266                 | 0              | 0                        | 0            | 0                              |
| <u>County Local Option Taxes</u>                         |                       |                |                          |              |                                |
| Local Option Sales Tax                                   | 431,001               | 0              | 128,035                  | 0            | 0                              |
| Hotel/Motel Tax  | 30,183                | 0              | 0                        | 0            | 0                              |
| Wheel Tax  | 213,256               | 0              | 0                        | 0            | 0                              |
| Litigation Tax - General                                 | 38,476                | 0              | 0                        | 0            | 0                              |
| Litigation Tax - Special Purpose                         | 5,316                 | 0              | 0                        | 0            | 0                              |
| Litigation Tax - Jail, Workhouse, or Courthouse          | 0                     | 0              | 0                        | 0            | 0                              |
| Litigation Tax - Courthouse Security                     | 133                   | 0              | 0                        | 0            | 0                              |
| Business Tax   | 0                     | 0              | 176,917                  | 0            | 0                              |
| <u>Statutory Local Taxes</u>                             |                       |                |                          |              |                                |
| Bank Excise Tax  | 0                     | 0              | 108,877                  | 0            | 0                              |
| Wholesale Beer Tax                                       | 2,470                 | 0              | 37,343                   | 0            | 0                              |
| <b>Total Local Taxes</b>                                 | <b>\$ 5,306,265</b>   | <b>\$ 0</b>    | <b>\$ 453,696</b>        | <b>\$ 0</b>  | <b>0</b>                       |
| <u>Licenses and Permits</u>                              |                       |                |                          |              |                                |
| <u>Licenses</u>  |                       |                |                          |              |                                |
| Cable TV Franchise                                       | \$ 0                  | \$ 0           | \$ 18,496                | \$ 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>Licenses and Permits (Cont.)</u>      |                       |                |                          |              |                                |
| <u>Permits</u>                           |                       |                |                          |              |                                |
| Building Permits                         | \$ 35,020             | \$ 0           | \$ 0                     | \$ 0         | 0                              |
| Other Permits                            | 1,050                 | 0              | 0                        | 0            | 0                              |
| <b>Total Licenses and Permits</b>        | <b>\$ 36,070</b>      | <b>\$ 0</b>    | <b>\$ 18,496</b>         | <b>\$ 0</b>  | <b>0</b>                       |
| <u>Fines, Forfeitures, and Penalties</u> |                       |                |                          |              |                                |
| <u>Circuit Court</u>                     |                       |                |                          |              |                                |
| Fines                                    | \$ 2,422              | \$ 0           | \$ 0                     | \$ 0         | 0                              |
| Officers Costs                           | 5,206                 | 0              | 0                        | 0            | 0                              |
| Drug Control Fines                       | 0                     | 0              | 0                        | 1,406        | 0                              |
| Drug Court Fees                          | 0                     | 0              | 0                        | 482          | 0                              |
| Jail Fees                                | 667                   | 0              | 0                        | 0            | 0                              |
| DUI Treatment Fines                      | 428                   | 0              | 0                        | 0            | 0                              |
| Data Entry Fee - Circuit Court           | 674                   | 0              | 0                        | 0            | 0                              |
| Victims Assistance Assessments           | 1,202                 | 0              | 0                        | 0            | 0                              |
| <u>General Sessions Court</u>            |                       |                |                          |              |                                |
| Fines                                    | 5,777                 | 0              | 0                        | 0            | 0                              |
| Officers Costs                           | 20,715                | 0              | 0                        | 0            | 0                              |
| Game and Fish Fines                      | 45                    | 0              | 0                        | 0            | 0                              |
| Drug Control Fines                       | 5,841                 | 0              | 0                        | 5,981        | 0                              |
| Drug Court Fees                          | 6,253                 | 0              | 0                        | 0            | 0                              |
| Jail Fees                                | 7,417                 | 0              | 0                        | 0            | 0                              |
| DUI Treatment Fines                      | 2,575                 | 0              | 0                        | 0            | 0                              |
| Data Entry Fee - General Sessions Court  | 5,149                 | 0              | 0                        | 0            | 0                              |
| Courtroom Security Fee                   | 4                     | 0              | 0                        | 0            | 0                              |
| Victims Assistance Assessments           | 9,654                 | 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>Juvenile Court</u>                             |                       |                |                          |                  |                                |
| Fines   | \$ 24                 | \$ 0           | \$ 0                     | \$ 0             | 0                              |
| Officers Costs                                    | 2,014                 | 0              | 0                        | 0                | 0                              |
| Data Entry Fee - Juvenile Court                   | 349                   | 0              | 0                        | 0                | 0                              |
| <u>Chancery Court</u>                             |                       |                |                          |                  |                                |
| Officers Costs                                    | 304                   | 0              | 0                        | 0                | 0                              |
| Data Entry Fee - Chancery Court                   | 1,244                 | 0              | 0                        | 0                | 0                              |
| <u>Other Fines, Forfeitures, and Penalties</u>    |                       |                |                          |                  |                                |
| Proceeds from Confiscated Property                | 0                     | 0              | 0                        | 6,500            | 0                              |
| Other Fines, Forfeitures, and Penalties           | 950                   | 0              | 0                        | 0                | 0                              |
| <b>Total Fines, Forfeitures, and Penalties</b>    | <b>\$ 78,914</b>      | <b>\$ 0</b>    | <b>\$ 0</b>              | <b>\$ 14,369</b> | <b>\$ 0</b>                    |
| <u>Charges for Current Services</u>               |                       |                |                          |                  |                                |
| <u>General Service Charges</u>                    |                       |                |                          |                  |                                |
| Commercial and Industrial Waste Collection Charge | \$ 0                  | \$ 0           | \$ 36,959                | \$ 0             | 0                              |
| Convenience Waste Centers Collection Charge       | 0                     | 0              | 56,362                   | 0                | 0                              |
| Solid Waste Disposal Fee                          | 0                     | 0              | 555,331                  | 0                | 0                              |
| Surcharge - Waste Tire Disposal                   | 0                     | 0              | 17,537                   | 0                | 0                              |
| Service Charges                                   | 0                     | 0              | 4,232                    | 0                | 0                              |
| <u>Fees</u>                                       |                       |                |                          |                  |                                |
| Copy Fees   | 5                     | 0              | 0                        | 0                | 0                              |
| Library Fees                                      | 0                     | 11,852         | 0                        | 0                | 0                              |
| Greenbelt Late Application Fee                    | 350                   | 0              | 0                        | 0                | 0                              |
| Telephone Commissions                             | 75,341                | 0              | 0                        | 0                | 0                              |
| Additional Fees - Titling and Registration        | 14,042                | 0              | 0                        | 0                | 0                              |
| Constitutional Officers' Fees and Commissions     | 0                     | 0              | 0                        | 0                | 2,310                          |

(Continued)

Exhibit I-6

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

|   | Special Revenue Funds |                   |                                |                 |             | Constitu -<br>tional<br>Officers -<br>Fees |
|---|-----------------------|-------------------|--------------------------------|-----------------|-------------|--|
|   | General               | Public<br>Library | Solid<br>Waste /<br>Sanitation | Drug<br>Control |             |  |
| <u>Charges for Current Services (Cont.)</u>               |                       |                   |                                |                 |             |  |
| <u>Fees (Cont.)</u>                                       |                       |                   |                                |                 |             |  |
| Data Processing Fee - Register                            | \$ 4,582              | \$ 0              | \$ 0                           | \$ 0            | \$ 0        | 0  |
| Data Processing Fee - Sheriff                             | 1,999                 | 0                 | 0                              | 0               | 0           | 0  |
| Sexual Offender Registration Fee - Sheriff                | 3,600                 | 0                 | 0                              | 0               | 0           | 0  |
| Data Processing Fee - County Clerk                        | 1,499                 | 0                 | 0                              | 0               | 0           | 0  |
| <u>Education Charges</u>                                  |                       |                   |                                |                 |             |  |
| Other Charges for Services                                | 0                     | 0                 | 131,042                        | 0               | 0           | 0  |
| <b>Total Charges for Current Services</b>                 | <b>\$ 101,418</b>     | <b>\$ 11,852</b>  | <b>\$ 801,463</b>              | <b>\$ 0</b>     | <b>\$ 0</b> | <b>2,310</b>                               |
| <u>Other Local Revenues</u>                               |                       |                   |                                |                 |             |  |
| <u>Recurring Items</u>                                    |                       |                   |                                |                 |             |  |
| Investment Income   | \$ 2,913              | \$ 19,317         | \$ 88,554                      | \$ 0            | \$ 0        | 0  |
| Lease/Rentals   | 7,515                 | 0                 | 0                              | 0               | 0           | 0  |
| Net Increase/Decrease in Fair Market Value of Investments | 0                     | 0                 | 0                              | 0               | 0           | 0  |
| Sale of Maps  | 1,950                 | 0                 | 0                              | 0               | 0           | 0  |
| Sale of Recycled Materials                                | 0                     | 0                 | 327,562                        | 0               | 0           | 0  |
| Miscellaneous Refunds                                     | 21,197                | 2,664             | 6,345                          | 1,315           | 0           | 0  |
| <u>Nonrecurring Items</u>                                 |                       |                   |                                |                 |             |  |
| Sale of Equipment   | 8,325                 | 0                 | 0                              | 0               | 0           | 0  |
| Contributions and Gifts                                   | 1,200                 | 0                 | 100                            | 0               | 0           | 0  |
| <u>Other Local Revenues</u>                               |                       |                   |                                |                 |             |  |
| Other Local Revenues                                      | 0                     | 0                 | 0                              | 358             | 0           | 0  |
| <b>Total Other Local Revenues</b>                         | <b>\$ 43,100</b>      | <b>\$ 21,981</b>  | <b>\$ 422,561</b>              | <b>\$ 1,673</b> | <b>\$ 0</b> | <b>0</b>                                   |

(Continued)

Exhibit I-6

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

|  | Special Revenue Funds |                   |                                |                 |      | Constitu -<br>tional<br>Officers -<br>Fees |
|--|-----------------------|-------------------|--------------------------------|-----------------|------|--|
|  | General               | Public<br>Library | Solid<br>Waste /<br>Sanitation | Drug<br>Control |      |  |
| <u>Fees Received From County Officials</u>     |                       |                   |                                |                 |      |  |
| <u>Fees In-Lieu-of Salary</u>                  |                       |                   |                                |                 |      |  |
| County Clerk                                   | \$ 213,340            | \$ 0              | \$ 0                           | \$ 0            | \$ 0 | 0  |
| Circuit Court Clerk                            | 32,740                | 0                 | 0                              | 0               | 0    | 0  |
| General Sessions Court Clerk                   | 87,075                | 0                 | 0                              | 0               | 0    | 0  |
| Clerk and Master                               | 56,514                | 0                 | 0                              | 0               | 0    | 0  |
| Register                                       | 61,101                | 0                 | 0                              | 0               | 0    | 0  |
| Sheriff  | 7,984                 | 0                 | 0                              | 0               | 0    | 0  |
| Trustee  | 270,386               | 0                 | 0                              | 0               | 0    | 0  |
| Total Fees Received From County Officials      | \$ 729,140            | \$ 0              | \$ 0                           | \$ 0            | \$ 0 | 0  |
| <u>State of Tennessee</u>                      |                       |                   |                                |                 |      |  |
| <u>General Government Grants</u>               |                       |                   |                                |                 |      |  |
| Juvenile Services Program                      | \$ 9,000              | \$ 0              | \$ 0                           | \$ 0            | \$ 0 | 0  |
| <u>Public Safety Grants</u>                    |                       |                   |                                |                 |      |  |
| Law Enforcement Training Programs              | 13,600                | 0                 | 0                              | 0               | 0    | 0  |
| <u>Health and Welfare Grants</u>               |                       |                   |                                |                 |      |  |
| Health Department Programs                     | 35,714                | 0                 | 0                              | 0               | 0    | 0  |
| <u>Public Works Grants</u>                     |                       |                   |                                |                 |      |  |
| Bridge Program                                 | 0                     | 0                 | 0                              | 0               | 0    | 0  |
| State Aid Program                              | 0                     | 0                 | 0                              | 0               | 0    | 0  |
| Litter Program                                 | 0                     | 0                 | 37,746                         | 0               | 0    | 0  |
| <u>Other State Revenues</u>                    |                       |                   |                                |                 |      |  |
| Beer Tax                                       | 0                     | 0                 | 19,200                         | 0               | 0    | 0  |
| Vehicle Certificate of Title Fees              | 6,452                 | 0                 | 0                              | 0               | 0    | 0  |
| Alcoholic Beverage Tax                         | 0                     | 0                 | 53,721                         | 0               | 0    | 0  |
| Opioid Settlement Funds - TN Abatement Council | 68,026                | 0                 | 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 (Cont.)</u>            |                       |                   |                          |              |                                |
| <u>Other State Revenues (Cont.)</u>          |                       |                   |                          |              |                                |
| State Revenue Sharing - T.V.A.               | \$ 0                  | \$ 100,000        | \$ 214,485               | \$ 0         | \$ 0                           |
| State Revenue Sharing - Telecommunications   | 23,598                | 0                 | 0                        | 0            | 0                              |
| State Shared Sports Gaming Privilege Tax     | 17,574                | 0                 | 0                        | 0            | 0                              |
| Prisoner Transportation                      | 6,868                 | 0                 | 0                        | 0            | 0                              |
| Contracted Prisoner Boarding                 | 531,994               | 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                           | 0                     | 1,565             | 2,500                    | 0            | 0                              |
| Other State Revenues                         | 166                   | 0                 | 0                        | 0            | 0                              |
| <b>Total State of Tennessee</b>              | <b>\$ 728,156</b>     | <b>\$ 101,565</b> | <b>\$ 327,652</b>        | <b>\$ 0</b>  | <b>\$ 0</b>                    |
| <u>Federal Government</u>                    |                       |                   |                          |              |                                |
| <u>Federal Through State</u>                 |                       |                   |                          |              |                                |
| Community Development                        | \$ 5,417              | \$ 0              | \$ 0                     | \$ 0         | \$ 0                           |
| Civil Defense Reimbursement                  | 13,782                | 0                 | 0                        | 0            | 0                              |
| Other Federal through State                  | 46,179                | 1,847             | 0                        | 0            | 0                              |
| <u>Direct Federal Revenue</u>                |                       |                   |                          |              |                                |
| American Rescue Plan Act Grant #6            | 3,359,739             | 0                 | 0                        | 0            | 0                              |
| Other Direct Federal Revenue                 | 2,600                 | 0                 | 0                        | 0            | 0                              |
| <b>Total Federal Government</b>              | <b>\$ 3,427,717</b>   | <b>\$ 1,847</b>   | <b>\$ 0</b>              | <b>\$ 0</b>  | <b>\$ 0</b>                    |
| <u>Other Governments and Citizens Groups</u> |                       |                   |                          |              |                                |
| <u>Other Governments</u>                     |                       |                   |                          |              |                                |
| Contributions                                | \$ 76                 | \$ 10,712         | \$ 0                     | \$ 0         | \$ 0                           |
| Contracted Services                          | 226,635               | 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<br>Library     | Solid<br>Waste /<br>Sanitation | Drug<br>Control      | Constitu -<br>tional<br>Officers -<br>Fees |
| <u>Other Governments and Citizens Groups (Cont.)</u> |                          |                       |                                |                      |  |
| <u>Other</u>   |                          |                       |                                |                      |  |
| Other  | \$ 57,500                | \$ 0                  | \$ 0                           | \$ 0                 | \$ 0                                       |
| Opioid Settlement Funds - Past Remediation           | 33,889                   | 0                     | 0                              | 0                    | 0  |
| Total Other Governments and Citizens Groups          | <u>\$ 318,100</u>        | <u>\$ 10,712</u>      | <u>\$ 0</u>                    | <u>\$ 0</u>          | <u>\$ 0</u>                                |
| <br>Total  | <br><u>\$ 10,768,880</u> | <br><u>\$ 147,957</u> | <br><u>\$ 2,023,868</u>        | <br><u>\$ 16,042</u> | <br><u>\$ 2,310</u>                        |

(Continued)

Exhibit I-6

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

|  | Special<br>Revenue<br>Fund   | Debt<br>Service<br>Fund    | Permanent<br>Fund |                     |
|--|------------------------------|----------------------------|-------------------|---------------------|
|  | Highway /<br>Public<br>Works | General<br>Debt<br>Service | Endowment         | Total               |
| <u>Local Taxes</u>                                       |                              |                            |                   |                     |
| <u>County Property Taxes</u>                             |                              |                            |                   |                     |
| Current Property Tax                                     | \$ 51,894                    | \$ 51,894                  | \$ 0              | \$ 4,570,325        |
| Discount on Property Taxes                               | (587)                        | (587)                      | 0                 | (51,664)            |
| Trustee's Collections - Prior Year                       | 1,424                        | 1,422                      | 0                 | 124,124             |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 291                          | 352                        | 0                 | 24,687              |
| Interest and Penalty                                     | 266                          | 276                        | 0                 | 23,861              |
| Payments in-Lieu-of Taxes - T.V.A.                       | 3,635                        | 0                          | 0                 | 3,635               |
| Payments in-Lieu-of Taxes - Other                        | 38                           | 38                         | 0                 | 3,342               |
| <u>County Local Option Taxes</u>                         |                              |                            |                   |                     |
| Local Option Sales Tax                                   | 0                            | 0                          | 0                 | 559,036             |
| Hotel/Motel Tax  | 0                            | 0                          | 0                 | 30,183              |
| Wheel Tax  | 0                            | 680,699                    | 0                 | 893,955             |
| Litigation Tax - General                                 | 0                            | 0                          | 0                 | 38,476              |
| Litigation Tax - Special Purpose                         | 0                            | 0                          | 0                 | 5,316               |
| Litigation Tax - Jail, Workhouse, or Courthouse          | 0                            | 14,673                     | 0                 | 14,673              |
| Litigation Tax - Courthouse Security                     | 0                            | 0                          | 0                 | 133                 |
| Business Tax   | 0                            | 0                          | 0                 | 176,917             |
| <u>Statutory Local Taxes</u>                             |                              |                            |                   |                     |
| Bank Excise Tax  | 0                            | 0                          | 0                 | 108,877             |
| Wholesale Beer Tax                                       | 0                            | 0                          | 0                 | 39,813              |
| <b>Total Local Taxes</b>                                 | <b>\$ 56,961</b>             | <b>\$ 748,767</b>          | <b>\$ 0</b>       | <b>\$ 6,565,689</b> |
| <u>Licenses and Permits</u>                              |                              |                            |                   |                     |
| <u>Licenses</u>  |                              |                            |                   |                     |
| Cable TV Franchise                                       | \$ 0                         | \$ 0                       | \$ 0              | \$ 18,496           |

(Continued)

Exhibit I-6

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

|  | Special<br>Revenue<br>Fund   | Debt<br>Service<br>Fund    | Permanent<br>Fund |                  |
|--|------------------------------|----------------------------|-------------------|------------------|
|  | Highway /<br>Public<br>Works | General<br>Debt<br>Service | Endowment         | Total            |
| <u>Licenses and Permits (Cont.)</u>      |                              |                            |                   |                  |
| <u>Permits</u>                           |                              |                            |                   |                  |
| Building Permits                         | \$ 0                         | \$ 0                       | \$ 0              | \$ 35,020        |
| Other Permits                            | 0                            | 0                          | 0                 | 1,050            |
| Total Licenses and Permits               | <u>\$ 0</u>                  | <u>\$ 0</u>                | <u>\$ 0</u>       | <u>\$ 54,566</u> |
| <u>Fines, Forfeitures, and Penalties</u> |                              |                            |                   |                  |
| <u>Circuit Court</u>                     |                              |                            |                   |                  |
| Fines                                    | \$ 0                         | \$ 0                       | \$ 0              | \$ 2,422         |
| Officers Costs                           | 0                            | 0                          | 0                 | 5,206            |
| Drug Control Fines                       | 0                            | 0                          | 0                 | 1,406            |
| Drug Court Fees                          | 0                            | 0                          | 0                 | 482              |
| Jail Fees                                | 0                            | 0                          | 0                 | 667              |
| DUI Treatment Fines                      | 0                            | 0                          | 0                 | 428              |
| Data Entry Fee - Circuit Court           | 0                            | 0                          | 0                 | 674              |
| Victims Assistance Assessments           | 0                            | 0                          | 0                 | 1,202            |
| <u>General Sessions Court</u>            |                              |                            |                   |                  |
| Fines                                    | 0                            | 0                          | 0                 | 5,777            |
| Officers Costs                           | 0                            | 0                          | 0                 | 20,715           |
| Game and Fish Fines                      | 0                            | 0                          | 0                 | 45               |
| Drug Control Fines                       | 0                            | 0                          | 0                 | 11,822           |
| Drug Court Fees                          | 0                            | 0                          | 0                 | 6,253            |
| Jail Fees                                | 0                            | 0                          | 0                 | 7,417            |
| DUI Treatment Fines                      | 0                            | 0                          | 0                 | 2,575            |
| Data Entry Fee - General Sessions Court  | 0                            | 0                          | 0                 | 5,149            |
| Courtroom Security Fee                   | 0                            | 0                          | 0                 | 4                |
| Victims Assistance Assessments           | 0                            | 0                          | 0                 | 9,654            |

(Continued)

Exhibit I-6

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

|   | Special<br>Revenue<br>Fund   | Debt<br>Service<br>Fund    | Permanent<br>Fund |                  |
|---|------------------------------|----------------------------|-------------------|------------------|
|   | Highway /<br>Public<br>Works | General<br>Debt<br>Service | Endowment         | Total            |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u>  |                              |                            |                   |                  |
| <u>Juvenile Court</u>                             |                              |                            |                   |                  |
| Fines   | \$ 0                         | \$ 0                       | \$ 0              | \$ 24            |
| Officers Costs                                    | 0                            | 0                          | 0                 | 2,014            |
| Data Entry Fee - Juvenile Court                   | 0                            | 0                          | 0                 | 349              |
| <u>Chancery Court</u>                             |                              |                            |                   |                  |
| Officers Costs                                    | 0                            | 0                          | 0                 | 304              |
| Data Entry Fee - Chancery Court                   | 0                            | 0                          | 0                 | 1,244            |
| <u>Other Fines, Forfeitures, and Penalties</u>    |                              |                            |                   |                  |
| Proceeds from Confiscated Property                | 0                            | 0                          | 0                 | 6,500            |
| Other Fines, Forfeitures, and Penalties           | 0                            | 0                          | 0                 | 950              |
| <b>Total Fines, Forfeitures, and Penalties</b>    | <b>\$ 0</b>                  | <b>\$ 0</b>                | <b>\$ 0</b>       | <b>\$ 93,283</b> |
| <u>Charges for Current Services</u>               |                              |                            |                   |                  |
| <u>General Service Charges</u>                    |                              |                            |                   |                  |
| Commercial and Industrial Waste Collection Charge | \$ 0                         | \$ 0                       | \$ 0              | \$ 36,959        |
| Convenience Waste Centers Collection Charge       | 0                            | 0                          | 0                 | 56,362           |
| Solid Waste Disposal Fee                          | 0                            | 0                          | 0                 | 555,331          |
| Surcharge - Waste Tire Disposal                   | 0                            | 0                          | 0                 | 17,537           |
| Service Charges                                   | 0                            | 0                          | 0                 | 4,232            |
| <u>Fees</u>                                       |                              |                            |                   |                  |
| Copy Fees   | 0                            | 0                          | 0                 | 5                |
| Library Fees                                      | 0                            | 0                          | 0                 | 11,852           |
| Greenbelt Late Application Fee                    | 0                            | 0                          | 0                 | 350              |
| Telephone Commissions                             | 0                            | 0                          | 0                 | 75,341           |
| Additional Fees - Titling and Registration        | 0                            | 0                          | 0                 | 14,042           |
| Constitutional Officers' Fees and Commissions     | 0                            | 0                          | 0                 | 2,310            |

(Continued)

Exhibit I-6

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

|   | Special<br>Revenue<br>Fund   | Debt<br>Service<br>Fund    | Permanent<br>Fund |                   |
|---|------------------------------|----------------------------|-------------------|-------------------|
|   | Highway /<br>Public<br>Works | General<br>Debt<br>Service | Endowment         | Total             |
| <u>Charges for Current Services (Cont.)</u>               |                              |                            |                   |                   |
| <u>Fees (Cont.)</u>                                       |                              |                            |                   |                   |
| Data Processing Fee - Register                            | \$ 0                         | \$ 0                       | \$ 0              | \$ 4,582          |
| Data Processing Fee - Sheriff                             | 0                            | 0                          | 0                 | 1,999             |
| Sexual Offender Registration Fee - Sheriff                | 0                            | 0                          | 0                 | 3,600             |
| Data Processing Fee - County Clerk                        | 0                            | 0                          | 0                 | 1,499             |
| <u>Education Charges</u>                                  |                              |                            |                   |                   |
| Other Charges for Services                                | 0                            | 0                          | 0                 | 131,042           |
| Total Charges for Current Services                        | <u>\$ 0</u>                  | <u>\$ 0</u>                | <u>\$ 0</u>       | <u>\$ 917,043</u> |
| <u>Other Local Revenues</u>                               |                              |                            |                   |                   |
| <u>Recurring Items</u>                                    |                              |                            |                   |                   |
| Investment Income   | \$ 31,244                    | \$ 0                       | \$ 0              | \$ 142,028        |
| Lease/Rentals   | 0                            | 0                          | 0                 | 7,515             |
| Net Increase/Decrease in Fair Market Value of Investments | 0                            | 0                          | 19,938            | 19,938            |
| Sale of Maps  | 0                            | 0                          | 0                 | 1,950             |
| Sale of Recycled Materials                                | 0                            | 0                          | 0                 | 327,562           |
| Miscellaneous Refunds                                     | 32,041                       | 0                          | 0                 | 63,562            |
| <u>Nonrecurring Items</u>                                 |                              |                            |                   |                   |
| Sale of Equipment   | 148,830                      | 0                          | 0                 | 157,155           |
| Contributions and Gifts                                   | 0                            | 0                          | 0                 | 1,300             |
| <u>Other Local Revenues</u>                               |                              |                            |                   |                   |
| Other Local Revenues                                      | 11,959                       | 0                          | 0                 | 12,317            |
| Total Other Local Revenues                                | <u>\$ 224,074</u>            | <u>\$ 0</u>                | <u>\$ 19,938</u>  | <u>\$ 733,327</u> |

(Continued)

Exhibit I-6

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

|  | Special<br>Revenue<br>Fund   | Debt<br>Service<br>Fund    | Permanent<br>Fund |                   |
|--|------------------------------|----------------------------|-------------------|-------------------|
|  | Highway /<br>Public<br>Works | General<br>Debt<br>Service | Endowment         | Total             |
| <u>Fees Received From County Officials</u>       |                              |                            |                   |                   |
| <u>Fees In-Lieu-of Salary</u>                    |                              |                            |                   |                   |
| County Clerk                                     | \$ 0                         | \$ 0                       | \$ 0              | \$ 213,340        |
| Circuit Court Clerk                              | 0                            | 0                          | 0                 | 32,740            |
| General Sessions Court Clerk                     | 0                            | 0                          | 0                 | 87,075            |
| Clerk and Master                                 | 0                            | 0                          | 0                 | 56,514            |
| Register   | 0                            | 0                          | 0                 | 61,101            |
| Sheriff  | 0                            | 0                          | 0                 | 7,984             |
| Trustee  | 0                            | 0                          | 0                 | 270,386           |
| <b>Total Fees Received From County Officials</b> | <b>\$ 0</b>                  | <b>\$ 0</b>                | <b>\$ 0</b>       | <b>\$ 729,140</b> |
| <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                 | 13,600            |
| <u>Health and Welfare Grants</u>                 |                              |                            |                   |                   |
| Health Department Programs                       | 0                            | 0                          | 0                 | 35,714            |
| <u>Public Works Grants</u>                       |                              |                            |                   |                   |
| Bridge Program                                   | 62,367                       | 0                          | 0                 | 62,367            |
| State Aid Program                                | 26,565                       | 0                          | 0                 | 26,565            |
| Litter Program                                   | 0                            | 0                          | 0                 | 37,746            |
| <u>Other State Revenues</u>                      |                              |                            |                   |                   |
| Beer Tax   | 0                            | 0                          | 0                 | 19,200            |
| Vehicle Certificate of Title Fees                | 0                            | 0                          | 0                 | 6,452             |
| Alcoholic Beverage Tax                           | 0                            | 0                          | 0                 | 53,721            |
| Opioid Settlement Funds - TN Abatement Council   | 0                            | 0                          | 0                 | 68,026            |

(Continued)

Exhibit I-6

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

|  | Special<br>Revenue<br>Fund   | Debt<br>Service<br>Fund    | Permanent<br>Fund |                     |
|--|------------------------------|----------------------------|-------------------|---------------------|
|  | Highway /<br>Public<br>Works | General<br>Debt<br>Service | Endowment         | Total               |
| <u>State of Tennessee (Cont.)</u>            |                              |                            |                   |                     |
| <u>Other State Revenues (Cont.)</u>          |                              |                            |                   |                     |
| State Revenue Sharing - T.V.A.               | \$ 0                         | \$ 2,835                   | \$ 0              | \$ 317,320          |
| State Revenue Sharing - Telecommunications   | 0                            | 0                          | 0                 | 23,598              |
| State Shared Sports Gaming Privilege Tax     | 0                            | 0                          | 0                 | 17,574              |
| Prisoner Transportation                      | 0                            | 0                          | 0                 | 6,868               |
| Contracted Prisoner Boarding                 | 0                            | 0                          | 0                 | 531,994             |
| Gasoline and Motor Fuel Tax                  | 2,127,620                    | 0                          | 0                 | 2,127,620           |
| Petroleum Special Tax                        | 11,410                       | 0                          | 0                 | 11,410              |
| Registrar's Salary Supplement                | 0                            | 0                          | 0                 | 15,164              |
| Other State Grants                           | 0                            | 0                          | 0                 | 4,065               |
| Other State Revenues                         | 19,433                       | 0                          | 0                 | 19,599              |
| Total State of Tennessee                     | <u>\$ 2,247,395</u>          | <u>\$ 2,835</u>            | <u>\$ 0</u>       | <u>\$ 3,407,603</u> |
| <u>Federal Government</u>                    |                              |                            |                   |                     |
| <u>Federal Through State</u>                 |                              |                            |                   |                     |
| Community Development                        | \$ 0                         | \$ 0                       | \$ 0              | \$ 5,417            |
| Civil Defense Reimbursement                  | 0                            | 0                          | 0                 | 13,782              |
| Other Federal through State                  | 0                            | 0                          | 0                 | 48,026              |
| <u>Direct Federal Revenue</u>                |                              |                            |                   |                     |
| American Rescue Plan Act Grant #6            | 0                            | 0                          | 0                 | 3,359,739           |
| Other Direct Federal Revenue                 | 0                            | 0                          | 0                 | 2,600               |
| Total Federal Government                     | <u>\$ 0</u>                  | <u>\$ 0</u>                | <u>\$ 0</u>       | <u>\$ 3,429,564</u> |
| <u>Other Governments and Citizens Groups</u> |                              |                            |                   |                     |
| <u>Other Governments</u>                     |                              |                            |                   |                     |
| Contributions                                | \$ 0                         | \$ 0                       | \$ 0              | \$ 10,788           |
| Contracted Services                          | 0                            | 0                          | 0                 | 226,635             |

(Continued)



Exhibit I-6

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

|  | Special<br>Revenue<br>Fund   | Debt<br>Service<br>Fund    | Permanent<br>Fund    |                          |
|--|------------------------------|----------------------------|----------------------|--------------------------|
|  | Highway /<br>Public<br>Works | General<br>Debt<br>Service | Endowment            | Total                    |
| <hr/>  |                              |                            |                      |                          |
| <u>Other Governments and Citizens Groups (Cont.)</u> |                              |                            |                      |                          |
| <u>Other</u>   |                              |                            |                      |                          |
| Other  | \$ 0                         | \$ 0                       | \$ 0                 | \$ 57,500                |
| Opioid Settlement Funds - Past Remediation           | 0                            | 0                          | 0                    | 33,889                   |
| Total Other Governments and Citizens Groups          | <u>\$ 0</u>                  | <u>\$ 0</u>                | <u>\$ 0</u>          | <u>\$ 328,812</u>        |
| <br>Total  | <br><u>\$ 2,528,430</u>      | <br><u>\$ 751,602</u>      | <br><u>\$ 19,938</u> | <br><u>\$ 16,259,027</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, 2023

|  | Special Revenue Funds        |                               |                      |                    | Capital<br>Projects<br>Fund      | Total               |
|--|------------------------------|-------------------------------|----------------------|--------------------|----------------------------------|---------------------|
|  | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Internal<br>School | Education<br>Capital<br>Projects |                     |
| <u>Local Taxes</u>                                       |                              |                               |                      |                    |                                  |                     |
| <u>County Property Taxes</u>                             |                              |                               |                      |                    |                                  |                     |
| Current Property Tax                                     | \$ 1,854,024                 | \$ 0                          | \$ 0                 | \$ 0               | \$ 0                             | \$ 1,854,024        |
| Discount on Property Taxes                               | 11                           | 0                             | 0                    | 0                  | 0                                | 11                  |
| Trustee's Collections - Prior Year                       | 52,826                       | 0                             | 0                    | 0                  | 0                                | 52,826              |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 16,491                       | 0                             | 0                    | 0                  | 0                                | 16,491              |
| Interest and Penalty                                     | 10,198                       | 0                             | 0                    | 0                  | 0                                | 10,198              |
| Payments in-Lieu-of Taxes - T.V.A.                       | 137,121                      | 0                             | 0                    | 0                  | 0                                | 137,121             |
| Payments in-Lieu-of Taxes - Other                        | 1,371                        | 0                             | 0                    | 0                  | 0                                | 1,371               |
| <u>County Local Option Taxes</u>                         |                              |                               |                      |                    |                                  |                     |
| Local Option Sales Tax                                   | 1,744,801                    | 0                             | 0                    | 0                  | 705,000                          | 2,449,801           |
| Total Local Taxes  | <u>\$ 3,816,843</u>          | <u>\$ 0</u>                   | <u>\$ 0</u>          | <u>\$ 0</u>        | <u>\$ 705,000</u>                | <u>\$ 4,521,843</u> |
| <u>Licenses and Permits</u>                              |                              |                               |                      |                    |                                  |                     |
| <u>Licenses</u>  |                              |                               |                      |                    |                                  |                     |
| Marriage Licenses  | \$ 930                       | \$ 0                          | \$ 0                 | \$ 0               | \$ 0                             | \$ 930              |
| Total Licenses and Permits                               | <u>\$ 930</u>                | <u>\$ 0</u>                   | <u>\$ 0</u>          | <u>\$ 0</u>        | <u>\$ 0</u>                      | <u>\$ 930</u>       |
| <u>Charges for Current Services</u>                      |                              |                               |                      |                    |                                  |                     |
| <u>Education Charges</u>                                 |                              |                               |                      |                    |                                  |                     |
| Tuition - Regular Day Students                           | \$ 61,363                    | \$ 0                          | \$ 0                 | \$ 0               | \$ 0                             | \$ 61,363           |
| Tuition - Summer School                                  | 25                           | 0                             | 0                    | 0                  | 0                                | 25                  |
| Lunch Payments - Children                                | 0                            | 0                             | 236,517              | 0                  | 0                                | 236,517             |
| Lunch Payments - Adults                                  | 0                            | 0                             | 20,430               | 0                  | 0                                | 20,430              |
| Income from Breakfast                                    | 0                            | 0                             | 1                    | 0                  | 0                                | 1                   |
| A la Carte Sales   | 0                            | 0                             | 39,366               | 0                  | 0                                | 39,366              |

(Continued)

Exhibit I-7

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

|   | Special Revenue Funds        |                               |                      |                    | Capital<br>Projects<br>Fund      | Total         |
|---|------------------------------|-------------------------------|----------------------|--------------------|----------------------------------|---------------|
|   | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Internal<br>School | Education<br>Capital<br>Projects |               |
| <u>Charges for Current Services (Cont.)</u> |                              |                               |                      |                    |                                  |               |
| <u>Education Charges (Cont.)</u>            |                              |                               |                      |                    |                                  |               |
| Receipts from Individual Schools            | \$ 9,243                     | \$ 0                          | \$ 0                 | \$ 0               | \$ 0                             | \$ 9,243      |
| Total Charges for Current Services          | \$ 70,631                    | \$ 0                          | \$ 296,314           | \$ 0               | \$ 0                             | \$ 366,945    |
| <u>Other Local Revenues</u>                 |                              |                               |                      |                    |                                  |               |
| <u>Recurring Items</u>                      |                              |                               |                      |                    |                                  |               |
| Investment Income                           | \$ 156,326                   | \$ 0                          | \$ 18,511            | \$ 0               | \$ 0                             | \$ 174,837    |
| Lease/Rentals                               | 19,802                       | 0                             | 0                    | 0                  | 0                                | 19,802        |
| Miscellaneous Refunds                       | 16,872                       | 0                             | 16,127               | 0                  | 0                                | 32,999        |
| <u>Nonrecurring Items</u>                   |                              |                               |                      |                    |                                  |               |
| Sale of Equipment                           | 5,450                        | 0                             | 0                    | 0                  | 0                                | 5,450         |
| Damages Recovered from Individuals          | 792                          | 0                             | 0                    | 0                  | 0                                | 792           |
| Contributions and Gifts                     | 5,906                        | 0                             | 0                    | 0                  | 0                                | 5,906         |
| <u>Other Local Revenues</u>                 |                              |                               |                      |                    |                                  |               |
| Other Local Revenues                        | 0                            | 0                             | 0                    | 793,732            | 0                                | 793,732       |
| Total Other Local Revenues                  | \$ 205,148                   | \$ 0                          | \$ 34,638            | \$ 793,732         | \$ 0                             | \$ 1,033,518  |
| <u>State of Tennessee</u>                   |                              |                               |                      |                    |                                  |               |
| <u>State Education Funds</u>                |                              |                               |                      |                    |                                  |               |
| Basic Education Program                     | \$ 19,124,934                | \$ 0                          | \$ 0                 | \$ 0               | \$ 0                             | \$ 19,124,934 |
| Early Childhood Education                   | 231,976                      | 0                             | 0                    | 0                  | 0                                | 231,976       |
| School Food Service                         | 0                            | 0                             | 11,997               | 0                  | 0                                | 11,997        |
| Driver Education                            | 11,673                       | 0                             | 0                    | 0                  | 0                                | 11,673        |
| Other State Education Funds                 | 399,284                      | 0                             | 0                    | 0                  | 0                                | 399,284       |
| Coordinated School Health                   | 90,000                       | 0                             | 0                    | 0                  | 0                                | 90,000        |

(Continued)

Exhibit I-7

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

|  | Special Revenue Funds        |                               |                      |                    | Capital<br>Projects<br>Fund      | Total                |
|--|------------------------------|-------------------------------|----------------------|--------------------|----------------------------------|----------------------|
|  | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Internal<br>School | Education<br>Capital<br>Projects |                      |
| <u>State of Tennessee (Cont.)</u>                |                              |                               |                      |                    |                                  |                      |
| <u>State Education Funds (Cont.)</u>             |                              |                               |                      |                    |                                  |                      |
| Family Resource Centers                          | \$ 29,104                    | \$ 0                          | \$ 0                 | \$ 0               | \$ 0                             | \$ 29,104            |
| Career Ladder Program                            | 27,466                       | 0                             | 0                    | 0                  | 0                                | 27,466               |
| <u>Other State Revenues</u>                      |                              |                               |                      |                    |                                  |                      |
| State Revenue Sharing - Telecommunications       | 162                          | 0                             | 0                    | 0                  | 0                                | 162                  |
| Other State Grants                               | 95,158                       | 0                             | 0                    | 0                  | 0                                | 95,158               |
| Safe Schools                                     | 69,369                       | 0                             | 0                    | 0                  | 0                                | 69,369               |
| Total State of Tennessee                         | <u>\$ 20,079,126</u>         | <u>\$ 0</u>                   | <u>\$ 11,997</u>     | <u>\$ 0</u>        | <u>\$ 0</u>                      | <u>\$ 20,091,123</u> |
| <u>Federal Government</u>                        |                              |                               |                      |                    |                                  |                      |
| <u>Federal Through State</u>                     |                              |                               |                      |                    |                                  |                      |
| USDA School Lunch Program                        | \$ 0                         | \$ 0                          | \$ 828,115           | \$ 0               | \$ 0                             | \$ 828,115           |
| USDA - Commodities                               | 0                            | 0                             | 127,182              | 0                  | 0                                | 127,182              |
| Breakfast  | 0                            | 0                             | 366,494              | 0                  | 0                                | 366,494              |
| USDA - Other                                     | 0                            | 0                             | 161,349              | 0                  | 0                                | 161,349              |
| Vocational Education - Basic Grants to States    | 0                            | 56,881                        | 0                    | 0                  | 0                                | 56,881               |
| Title I Grants to Local Education Agencies       | 0                            | 711,725                       | 0                    | 0                  | 0                                | 711,725              |
| Special Education - Grants to States             | 0                            | 567,204                       | 0                    | 0                  | 0                                | 567,204              |
| Special Education Preschool Grants               | 0                            | 13,631                        | 0                    | 0                  | 0                                | 13,631               |
| Eisenhower Professional Development State Grants | 0                            | 76,734                        | 0                    | 0                  | 0                                | 76,734               |
| COVID-19 Grant B                                 | 0                            | 603,672                       | 0                    | 0                  | 0                                | 603,672              |
| COVID-19 Grant D                                 | 0                            | 55,000                        | 0                    | 0                  | 0                                | 55,000               |
| COVID-19 Grant E                                 | 0                            | 2,729                         | 0                    | 0                  | 0                                | 2,729                |
| American Rescue Plan Act Grant #1                | 0                            | 1,370,199                     | 0                    | 0                  | 0                                | 1,370,199            |
| American Rescue Plan Act Grant #2                | 0                            | 63,572                        | 0                    | 0                  | 0                                | 63,572               |

(Continued)

Exhibit I-7

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

|  | Special Revenue Funds        |                               |                      |                    | Capital<br>Projects<br>Fund      | Total                |
|--|------------------------------|-------------------------------|----------------------|--------------------|----------------------------------|----------------------|
|  | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Internal<br>School | Education<br>Capital<br>Projects |                      |
| <u>Federal Government (Cont.)</u>            |                              |                               |                      |                    |                                  |                      |
| <u>Federal Through State (Cont.)</u>         |                              |                               |                      |                    |                                  |                      |
| American Rescue Plan Act Grant #3            | \$ 0                         | \$ 1,488                      | \$ 0                 | \$ 0               | \$ 0                             | \$ 1,488             |
| Other Federal through State                  | 82,083                       | 283,691                       | 0                    | 0                  | 0                                | 365,774              |
| Total Federal Government                     | <u>\$ 82,083</u>             | <u>\$ 3,806,526</u>           | <u>\$ 1,483,140</u>  | <u>\$ 0</u>        | <u>\$ 0</u>                      | <u>\$ 5,371,749</u>  |
| <u>Other Governments and Citizens Groups</u> |                              |                               |                      |                    |                                  |                      |
| <u>Other</u>                                 |                              |                               |                      |                    |                                  |                      |
| Other  | \$ 10,900                    | \$ 0                          | \$ 0                 | \$ 0               | \$ 0                             | \$ 10,900            |
| Total Other Governments and Citizens Groups  | <u>\$ 10,900</u>             | <u>\$ 0</u>                   | <u>\$ 0</u>          | <u>\$ 0</u>        | <u>\$ 0</u>                      | <u>\$ 10,900</u>     |
| Total  | <u>\$ 24,265,661</u>         | <u>\$ 3,806,526</u>           | <u>\$ 1,826,089</u>  | <u>\$ 793,732</u>  | <u>\$ 705,000</u>                | <u>\$ 31,397,008</u> |

Exhibit I-8

Chester County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2023

General Fund

General Government

County Commission

|                                  |    |        |        |
|----------------------------------|----|--------|--------|
| Board and Committee Members Fees | \$ | 28,315 |        |
| Social Security                  |    | 2,083  |        |
| Unemployment Compensation        |    | 8      |        |
| Dues and Memberships             |    | 1,300  |        |
| Travel                           |    | 145    |        |
|                                  |    | <hr/>  |        |
| Total County Commission          | \$ |        | 31,851 |

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   | \$ | 975   |       |
| Social Security                    |    | 75    |       |
| Unemployment Compensation          |    | 2     |       |
|                                    |    | <hr/> |       |
| Total Budget and Finance Committee |    |       | 1,052 |

County Mayor/Executive

|   |    |         |         |
|---|----|---------|---------|
| County Official/Administrative Officer    | \$ | 104,575 |         |
| Assistant(s)                              |    | 32,072  |         |
| Part-time Personnel                       |    | 1,830   |         |
| Longevity Pay                             |    | 150     |         |
| Social Security                           |    | 9,837   |         |
| Pensions                                  |    | 6,331   |         |
| Medical Insurance                         |    | 16,656  |         |
| Unemployment Compensation                 |    | 35      |         |
| Communication                             |    | 9,238   |         |
| Dues and Memberships                      |    | 2,637   |         |
| Legal Notices, Recording, and Court Costs |    | 2,560   |         |
| Printing, Stationery, and Forms           |    | 1,812   |         |
| Travel                                    |    | 2,877   |         |
| Office Supplies                           |    | 2,998   |         |
| Data Processing Equipment                 |    | 3,722   |         |
|   |    | <hr/>   |         |
| Total County Mayor/Executive              |    |         | 197,330 |

County Attorney

|                       |    |        |        |
|-----------------------|----|--------|--------|
| Legal Services        | \$ | 16,788 |        |
| Total County Attorney |    |        | 16,788 |

Election Commission

|  |    |        |  |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 75,930 |  |
| Clerical Personnel                     |    | 38,209 |  |
| Longevity Pay                          |    | 200    |  |
| Election Commission                    |    | 7,556  |  |
| Election Workers                       |    | 25,325 |  |
| Social Security                        |    | 8,711  |  |
| Pensions                               |    | 3,690  |  |

(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.)

|   |    |        |            |
|---|----|--------|------------|
| Medical Insurance                           | \$ | 5,789  |            |
| Unemployment Compensation                   |    | 102    |            |
| Communication                               |    | 1,771  |            |
| Data Processing Services                    |    | 28,382 |            |
| Dues and Memberships                        |    | 376    |            |
| Legal Notices, Recording, and Court Costs   |    | 6,131  |            |
| Maintenance and Repair Services - Equipment |    | 3,481  |            |
| Printing, Stationery, and Forms             |    | 1,829  |            |
| Travel                                      |    | 4,640  |            |
| Office Supplies                             |    | 6,773  |            |
| Other Supplies and Materials                |    | 4,312  |            |
| Building Construction                       |    | 67,144 |            |
| Office Equipment                            |    | 1,470  |            |
| Total Election Commission                   |    |        | \$ 291,821 |

Register of Deeds

|   |    |        |         |
|---|----|--------|---------|
| County Official/Administrative Officer    | \$ | 82,396 |         |
| Clerical Personnel                        |    | 32,072 |         |
| Longevity Pay                             |    | 200    |         |
| Social Security                           |    | 8,546  |         |
| Pensions                                  |    | 5,587  |         |
| Medical Insurance                         |    | 7,867  |         |
| Unemployment Compensation                 |    | 28     |         |
| Communication                             |    | 283    |         |
| Data Processing Services                  |    | 4,213  |         |
| Dues and Memberships                      |    | 745    |         |
| Legal Notices, Recording, and Court Costs |    | 45     |         |
| Travel                                    |    | 1,053  |         |
| Data Processing Supplies                  |    | 102    |         |
| Office Supplies                           |    | 4,204  |         |
| Total Register of Deeds                   |    |        | 147,341 |

Planning

|  |    |        |  |
|--|----|--------|--|
| Supervisor/Director                        | \$ | 49,216 |  |
| Longevity Pay                              |    | 150    |  |
| Social Security                            |    | 3,776  |  |
| Pensions                                   |    | 2,426  |  |
| Unemployment Compensation                  |    | 28     |  |
| Communication                              |    | 794    |  |
| Consultants                                |    | 8,000  |  |
| Contracts with Other Public Agencies       |    | 792    |  |
| Data Processing Services                   |    | 4,255  |  |
| Dues and Memberships                       |    | 25     |  |
| Legal Notices, Recording, and Court Costs  |    | 735    |  |
| Maintenance and Repair Services - Vehicles |    | 1,067  |  |
| Printing, Stationery, and Forms            |    | 3,214  |  |
| Gasoline                                   |    | 606    |  |

(Continued)

Exhibit I-8

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

|                       |    |       |           |
|-----------------------|----|-------|-----------|
| Office Supplies       | \$ | 1,080 |           |
| Uniforms              |    | 1,478 |           |
| Other Charges         |    | 226   |           |
| Maintenance Equipment |    | 1,402 |           |
| Office Equipment      |    | 1,127 |           |
| Total Planning        |    |       | \$ 80,397 |

County Buildings

|  |    |         |         |
|--|----|---------|---------|
| Salary Supplements                                 | \$ | 4,319   |         |
| Custodial Personnel                                |    | 21,115  |         |
| Maintenance Personnel                              |    | 99,462  |         |
| Longevity Pay                                      |    | 1,925   |         |
| Overtime Pay                                       |    | 27,726  |         |
| Social Security                                    |    | 11,584  |         |
| Pensions   |    | 6,482   |         |
| Medical Insurance                                  |    | 13,656  |         |
| Unemployment Compensation                          |    | 85      |         |
| Communication                                      |    | 20,410  |         |
| Maintenance and Repair Services - Buildings        |    | 142,100 |         |
| Maintenance and Repair Services - Equipment        |    | 6,282   |         |
| Maintenance and Repair Services - Office Equipment |    | 20,274  |         |
| Maintenance and Repair Services - Vehicles         |    | 1,562   |         |
| Pest Control                                       |    | 1,103   |         |
| Rentals  |    | 250     |         |
| Travel   |    | 1,886   |         |
| Custodial Supplies                                 |    | 4,782   |         |
| Electricity  |    | 35,152  |         |
| Gasoline   |    | 2,948   |         |
| Natural Gas  |    | 7,316   |         |
| Water and Sewer                                    |    | 6,516   |         |
| Building and Contents Insurance                    |    | 118,459 |         |
| Building Improvements                              |    | 16,397  |         |
| Maintenance Equipment                              |    | 144     |         |
| Total County Buildings                             |    |         | 571,935 |

Other Facilities

|   |    |        |        |
|---|----|--------|--------|
| Communication                               | \$ | 4,417  |        |
| Maintenance and Repair Services - Buildings |    | 73,417 |        |
| Pest Control                                |    | 370    |        |
| Electricity                                 |    | 9,760  |        |
| Water and Sewer                             |    | 1,108  |        |
| Total Other Facilities                      |    |        | 89,072 |

Other General Administration

|   |    |        |  |
|---|----|--------|--|
| Contributions                             | \$ | 400    |  |
| Dues and Memberships                      |    | 14,448 |  |
| Legal Notices, Recording, and Court Costs |    | 900    |  |

(Continued)



Exhibit I-8

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration (Cont.)

|                                    |    |        |           |
|------------------------------------|----|--------|-----------|
| Postal Charges                     | \$ | 17,557 |           |
| Vehicle and Equipment Insurance    |    | 12     |           |
| Workers' Compensation Insurance    |    | 412    |           |
| Other Charges                      |    | 219    |           |
| Total Other General Administration |    |        | \$ 33,948 |

Finance

Accounting and Budgeting

|  |    |        |         |
|--|----|--------|---------|
| Supervisor/Director                            | \$ | 66,055 |         |
| Clerical Personnel                             |    | 34,062 |         |
| Part-time Personnel                            |    | 13,291 |         |
| Educational Incentive - Other County Employees |    | 1,500  |         |
| Social Security                                |    | 8,553  |         |
| Pensions                                       |    | 5,544  |         |
| Medical Insurance                              |    | 12,395 |         |
| Unemployment Compensation                      |    | 133    |         |
| Communication                                  |    | 1,636  |         |
| Data Processing Services                       |    | 29,733 |         |
| Dues and Memberships                           |    | 2,513  |         |
| Printing, Stationery, and Forms                |    | 1,087  |         |
| Travel   |    | 349    |         |
| Office Supplies                                |    | 3,376  |         |
| Data Processing Equipment                      |    | 5,501  |         |
| Total Accounting and Budgeting                 |    |        | 185,728 |

Property Assessor's Office

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer         | \$ | 82,396 |         |
| Clerical Personnel                             |    | 53,856 |         |
| Part-time Personnel                            |    | 11,276 |         |
| Educational Incentive - Official/Admin Officer |    | 1,500  |         |
| Longevity Pay                                  |    | 350    |         |
| Social Security                                |    | 11,084 |         |
| Pensions                                       |    | 6,621  |         |
| Medical Insurance                              |    | 14,006 |         |
| Unemployment Compensation                      |    | 101    |         |
| Audit Services                                 |    | 6,760  |         |
| Communication                                  |    | 1,038  |         |
| Data Processing Services                       |    | 29,597 |         |
| Dues and Memberships                           |    | 1,400  |         |
| Legal Notices, Recording, and Court Costs      |    | 185    |         |
| Printing, Stationery, and Forms                |    | 873    |         |
| Travel   |    | 3,587  |         |
| Office Supplies                                |    | 685    |         |
| Office Equipment                               |    | 6,669  |         |
| Total Property Assessor's Office               |    |        | 231,984 |

(Continued)

Exhibit I-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

|  |    |        |            |
|--|----|--------|------------|
| County Official/Administrative Officer         | \$ | 82,396 |            |
| Clerical Personnel                             |    | 80,864 |            |
| Educational Incentive - Official/Admin Officer |    | 1,500  |            |
| Educational Incentive - Other County Employees |    | 3,000  |            |
| Longevity Pay                                  |    | 2,925  |            |
| Social Security                                |    | 13,875 |            |
| Pensions                                       |    | 7,630  |            |
| Medical Insurance                              |    | 22,459 |            |
| Unemployment Compensation                      |    | 95     |            |
| Data Processing Services                       |    | 17,545 |            |
| Dues and Memberships                           |    | 1,845  |            |
| Maintenance and Repair Services - Equipment    |    | 9,794  |            |
| Printing, Stationery, and Forms                |    | 10,680 |            |
| Travel   |    | 631    |            |
| Office Supplies                                |    | 3,460  |            |
| Total County Trustee's Office                  |    |        | \$ 258,699 |

County Clerk's Office

|  |    |         |         |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 82,396  |         |
| Clerical Personnel                     |    | 125,681 |         |
| Longevity Pay                          |    | 1,988   |         |
| Social Security                        |    | 15,749  |         |
| Pensions                               |    | 10,305  |         |
| Medical Insurance                      |    | 24,830  |         |
| Unemployment Compensation              |    | 112     |         |
| Communication                          |    | 1,753   |         |
| Data Processing Services               |    | 8,665   |         |
| Dues and Memberships                   |    | 745     |         |
| Office Supplies                        |    | 2,987   |         |
| Total County Clerk's Office            |    |         | 275,211 |

Other Finance

|                                      |    |       |       |
|--------------------------------------|----|-------|-------|
| Contracts with Other Public Agencies | \$ | 7,283 |       |
| Total Other Finance                  |    |       | 7,283 |

Administration of Justice

Circuit Court

|  |    |         |
|--|----|---------|
| County Official/Administrative Officer         | \$ | 82,396  |
| Clerical Personnel                             |    | 128,289 |
| Part-time Personnel                            |    | 18,906  |
| Educational Incentive - Official/Admin Officer |    | 1,500   |
| Educational Incentive - Other County Employees |    | 4,500   |
| Longevity Pay                                  |    | 5,275   |
| Jury and Witness Expense                       |    | 8,248   |
| Social Security                                |    | 17,822  |
| Pensions                                       |    | 10,329  |
| Medical Insurance                              |    | 25,877  |

(Continued)

Exhibit I-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

|  |    |        |            |
|--|----|--------|------------|
| Unemployment Compensation                          | \$ | 153    |            |
| Communication                                      |    | 1,071  |            |
| Data Processing Services                           |    | 17,952 |            |
| Dues and Memberships                               |    | 1,045  |            |
| Legal Notices, Recording, and Court Costs          |    | 244    |            |
| Maintenance and Repair Services - Office Equipment |    | 364    |            |
| Travel   |    | 230    |            |
| Food Supplies                                      |    | 361    |            |
| Office Supplies                                    |    | 3,524  |            |
| Office Equipment                                   |    | 6,363  |            |
| Total Circuit Court                                |    |        | \$ 334,449 |

General Sessions Court

|                                 |    |         |         |
|---------------------------------|----|---------|---------|
| Judge(s)                        | \$ | 103,130 |         |
| Social Security                 |    | 7,059   |         |
| Pensions                        |    | 5,013   |         |
| Medical Insurance               |    | 5,257   |         |
| Unemployment Compensation       |    | 56      |         |
| Contracts with Private Agencies |    | 1,952   |         |
| Dues and Memberships            |    | 399     |         |
| Office Supplies                 |    | 868     |         |
| Office Equipment                |    | 2,508   |         |
| Total General Sessions Court    |    |         | 126,242 |

Chancery Court

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer         | \$ | 82,396 |         |
| Clerical Personnel                             |    | 96,217 |         |
| Educational Incentive - Official/Admin Officer |    | 1,500  |         |
| Educational Incentive - Other County Employees |    | 1,500  |         |
| Longevity Pay                                  |    | 4,850  |         |
| Social Security                                |    | 13,724 |         |
| Pensions                                       |    | 8,748  |         |
| Medical Insurance                              |    | 23,602 |         |
| Unemployment Compensation                      |    | 84     |         |
| Communication                                  |    | 767    |         |
| Data Processing Services                       |    | 20,812 |         |
| Dues and Memberships                           |    | 1,935  |         |
| Legal Notices, Recording, and Court Costs      |    | 45     |         |
| Postal Charges                                 |    | 460    |         |
| Travel   |    | 3,576  |         |
| Office Supplies                                |    | 3,422  |         |
| Office Equipment                               |    | 1,639  |         |
| Total Chancery Court                           |    |        | 265,277 |

Public Safety

Sheriff's Department

|  |    |        |  |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 99,593 |  |
|--|----|--------|--|

(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.)

|  |    |         |              |
|--|----|---------|--------------|
| Assistant(s)                               | \$ | 35,919  |              |
| Supervisor/Director                        |    | 62,263  |              |
| Deputy(ies)                                |    | 454,002 |              |
| Investigator(s)                            |    | 143,629 |              |
| Salary Supplements                         |    | 13,600  |              |
| Dispatchers/Radio Operators                |    | 276,435 |              |
| Secretary(ies)                             |    | 33,396  |              |
| Part-time Personnel                        |    | 30,200  |              |
| School Resource Officer                    |    | 150,005 |              |
| Longevity Pay                              |    | 16,175  |              |
| Overtime Pay                               |    | 75,095  |              |
| Other Salaries and Wages                   |    | 54,876  |              |
| In-service Training                        |    | 4,087   |              |
| Social Security                            |    | 108,781 |              |
| Pensions                                   |    | 68,263  |              |
| Medical Insurance                          |    | 134,092 |              |
| Unemployment Compensation                  |    | 893     |              |
| Communication                              |    | 36,584  |              |
| Consultants                                |    | 10,950  |              |
| Contracts with Government Agencies         |    | 5,614   |              |
| Contributions                              |    | 287     |              |
| Data Processing Services                   |    | 26      |              |
| Dues and Memberships                       |    | 1,605   |              |
| Maintenance and Repair Services - Vehicles |    | 17,503  |              |
| Pest Control                               |    | 365     |              |
| Towing Services                            |    | 340     |              |
| Travel                                     |    | 9,952   |              |
| Other Contracted Services                  |    | 2,100   |              |
| Custodial Supplies                         |    | 2,936   |              |
| Gasoline                                   |    | 65,414  |              |
| Law Enforcement Supplies                   |    | 4,595   |              |
| Office Supplies                            |    | 4,125   |              |
| Tires and Tubes                            |    | 4,144   |              |
| Uniforms                                   |    | 10,000  |              |
| Other Supplies and Materials               |    | 3,041   |              |
| Workers' Compensation Insurance            |    | 17,444  |              |
| Data Processing Equipment                  |    | 7,500   |              |
| Law Enforcement Equipment                  |    | 12,914  |              |
| Motor Vehicles                             |    | 90,840  |              |
| Office Equipment                           |    | 1,871   |              |
| Total Sheriff's Department                 |    |         | \$ 2,071,454 |

Jail

|                     |    |         |
|---------------------|----|---------|
| Guards              | \$ | 773,049 |
| Secretary(ies)      |    | 36,543  |
| Cafeteria Personnel |    | 74,561  |
| Longevity Pay       |    | 6,525   |

(Continued)

Exhibit I-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

|   |    |         |              |
|---|----|---------|--------------|
| Overtime Pay                                | \$ | 80,718  |              |
| Other Salaries and Wages                    |    | 2,554   |              |
| In-service Training                         |    | 5,294   |              |
| Social Security                             |    | 70,864  |              |
| Pensions                                    |    | 46,340  |              |
| Medical Insurance                           |    | 123,131 |              |
| Unemployment Compensation                   |    | 710     |              |
| Communication                               |    | 3,892   |              |
| Maintenance and Repair Services - Buildings |    | 39,990  |              |
| Maintenance and Repair Services - Equipment |    | 1,958   |              |
| Medical and Dental Services                 |    | 206,141 |              |
| Travel                                      |    | 1,577   |              |
| Other Contracted Services                   |    | 11,995  |              |
| Custodial Supplies                          |    | 11,352  |              |
| Food Preparation Supplies                   |    | 2,950   |              |
| Food Supplies                               |    | 106,483 |              |
| Office Supplies                             |    | 3,146   |              |
| Prisoners Clothing                          |    | 218     |              |
| Uniforms                                    |    | 14,000  |              |
| Utilities                                   |    | 90,512  |              |
| Other Supplies and Materials                |    | 9,456   |              |
| Total Jail                                  |    |         | \$ 1,723,959 |

Juvenile Services

|                                      |    |        |         |
|--------------------------------------|----|--------|---------|
| Youth Service Officer(s)             | \$ | 80,474 |         |
| Longevity Pay                        |    | 750    |         |
| Social Security                      |    | 5,942  |         |
| Pensions                             |    | 3,967  |         |
| Medical Insurance                    |    | 13,656 |         |
| Unemployment Compensation            |    | 56     |         |
| Communication                        |    | 3,029  |         |
| Contracts with Other Public Agencies |    | 1,463  |         |
| Dues and Memberships                 |    | 30     |         |
| Travel                               |    | 848    |         |
| Office Supplies                      |    | 2,106  |         |
| Utilities                            |    | 1,082  |         |
| Total Juvenile Services              |    |        | 113,403 |

Fire Prevention and Control

|                           |    |        |  |
|---------------------------|----|--------|--|
| Supervisor/Director       | \$ | 42,816 |  |
| Foremen                   |    | 29,174 |  |
| Laborers                  |    | 38,388 |  |
| In-service Training       |    | 210    |  |
| Social Security           |    | 8,306  |  |
| Pensions                  |    | 5,442  |  |
| Medical Insurance         |    | 7,867  |  |
| Unemployment Compensation |    | 93     |  |

(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.)

|   |    |        |         |
|---|----|--------|---------|
| Communication                               | \$ | 6,889  |         |
| Dues and Memberships                        |    | 900    |         |
| Maintenance and Repair Services - Buildings |    | 1,617  |         |
| Maintenance and Repair Services - Equipment |    | 5,927  |         |
| Maintenance and Repair Services - Vehicles  |    | 19,528 |         |
| Pest Control                                |    | 428    |         |
| Gasoline                                    |    | 8,409  |         |
| Office Supplies                             |    | 4,001  |         |
| Periodicals                                 |    | 21     |         |
| Tires and Tubes                             |    | 20     |         |
| Uniforms                                    |    | 20,568 |         |
| Medical Claims                              |    | 861    |         |
| Vehicle and Equipment Insurance             |    | 32,872 |         |
| Workers' Compensation Insurance             |    | 7,090  |         |
| Motor Vehicles                              |    | 87,720 |         |
| Other Equipment                             |    | 5,128  |         |
| Total Fire Prevention and Control           | \$ |        | 334,275 |

Civil Defense

|   |    |        |        |
|---|----|--------|--------|
| Supervisor/Director                         | \$ | 48,128 |        |
| Social Security                             |    | 3,676  |        |
| Pensions                                    |    | 2,323  |        |
| Medical Insurance                           |    | 470    |        |
| Unemployment Compensation                   |    | 57     |        |
| Communication                               |    | 4,778  |        |
| Data Processing Services                    |    | 300    |        |
| Dues and Memberships                        |    | 80     |        |
| Maintenance and Repair Services - Buildings |    | 313    |        |
| Maintenance and Repair Services - Equipment |    | 444    |        |
| Maintenance and Repair Services - Vehicles  |    | 721    |        |
| Travel                                      |    | 1,505  |        |
| Gasoline                                    |    | 2,158  |        |
| Office Supplies                             |    | 1,313  |        |
| Other Equipment                             |    | 4,357  |        |
| Total Civil Defense                         |    |        | 70,623 |

Rescue Squad

|                                 |    |        |        |
|---------------------------------|----|--------|--------|
| Contributions                   | \$ | 2,500  |        |
| Vehicle and Equipment Insurance |    | 7,809  |        |
| Other Equipment                 |    | 19,474 |        |
| Total Rescue Squad              |    |        | 29,783 |

County Coroner/Medical Examiner

|                                       |    |        |        |
|---------------------------------------|----|--------|--------|
| Other Per Diem and Fees               | \$ | 26,650 |        |
| Total County Coroner/Medical Examiner |    |        | 26,650 |

(Continued)

Exhibit I-8

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

|   |    |        |           |
|---|----|--------|-----------|
| Communication                               | \$ | 1,989  |           |
| Contracts with Government Agencies          |    | 11,701 |           |
| Dues and Memberships                        |    | 415    |           |
| Janitorial Services                         |    | 4,920  |           |
| Maintenance and Repair Services - Buildings |    | 1,075  |           |
| Pest Control                                |    | 374    |           |
| Postal Charges                              |    | 102    |           |
| Custodial Supplies                          |    | 1,249  |           |
| Drugs and Medical Supplies                  |    | 392    |           |
| Office Supplies                             |    | 970    |           |
| Utilities                                   |    | 10,155 |           |
| Total Local Health Center                   |    |        | \$ 33,342 |

Other Local Health Services

|                                   |    |        |        |
|-----------------------------------|----|--------|--------|
| Clerical Personnel                | \$ | 42,085 |        |
| Social Security                   |    | 3,219  |        |
| Pensions                          |    | 2,075  |        |
| Unemployment Compensation         |    | 28     |        |
| Travel                            |    | 1,967  |        |
| Total Other Local Health Services |    |        | 49,374 |

General Welfare Assistance

|                                  |    |       |       |
|----------------------------------|----|-------|-------|
| Contributions                    | \$ | 2,400 |       |
| Total General Welfare Assistance |    |       | 2,400 |

Sanitation Education/Information

|  |    |     |     |
|--|----|-----|-----|
| Guards                                 | \$ | 525 |     |
| Social Security                        |    | 38  |     |
| Pensions                               |    | 26  |     |
| Medical Insurance                      |    | 90  |     |
| Unemployment Compensation              |    | 1   |     |
| Total Sanitation Education/Information |    |     | 680 |

Convenience Centers

|                           |    |    |    |
|---------------------------|----|----|----|
| Electricity               | \$ | 12 |    |
| Total Convenience Centers |    |    | 12 |

Social, Cultural, and Recreational Services

Senior Citizens Assistance

|                                  |    |        |        |
|----------------------------------|----|--------|--------|
| Contributions                    | \$ | 20,000 |        |
| Total Senior Citizens Assistance |    |        | 20,000 |

Libraries

|                 |    |     |     |
|-----------------|----|-----|-----|
| Electricity     | \$ | 327 |     |
| Total Libraries |    |     | 327 |

(Continued)

Exhibit I-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational

|  |            |            |
|--|------------|------------|
| Contributions                                  | \$ 323,019 |            |
| Total Other Social, Cultural, and Recreational |            | \$ 323,019 |

Agriculture and Natural Resources

Agricultural Extension Service

|                                      |           |        |
|--------------------------------------|-----------|--------|
| Salary Supplements                   | \$ 29,601 |        |
| Extension Service Medicare           | 7,986     |        |
| Travel                               | 3,590     |        |
| Office Supplies                      | 1,402     |        |
| Total Agricultural Extension Service |           | 42,579 |

Soil Conservation

|                           |          |       |
|---------------------------|----------|-------|
| Secretary(ies)            | \$ 4,953 |       |
| Social Security           | 379      |       |
| Unemployment Compensation | 20       |       |
| Total Soil Conservation   |          | 5,352 |

Flood Control

|                     |          |       |
|---------------------|----------|-------|
| Contributions       | \$ 8,275 |       |
| Total Flood Control |          | 8,275 |

Other Operations

Tourism

|               |        |     |
|---------------|--------|-----|
| Contributions | \$ 750 |     |
| Total Tourism |        | 750 |

Industrial Development

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

Veterans' Services

|  |           |        |
|--|-----------|--------|
| County Official/Administrative Officer | \$ 23,493 |        |
| Longevity Pay                          | 525       |        |
| Social Security                        | 1,837     |        |
| Unemployment Compensation              | 28        |        |
| Communication                          | 1,204     |        |
| Office Supplies                        | 481       |        |
| Total Veterans' Services               |           | 27,568 |

Other Charges

|                      |           |        |
|----------------------|-----------|--------|
| Other Capital Outlay | \$ 26,162 |        |
| Total Other Charges  |           | 26,162 |

Employee Benefits

|                         |           |        |
|-------------------------|-----------|--------|
| Life Insurance          | \$ 10,140 |        |
| Medical Insurance       | 20,222    |        |
| Total Employee Benefits |           | 30,362 |

(Continued)



Exhibit I-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

|                      |    |         |            |
|----------------------|----|---------|------------|
| Social Security      | \$ | 928     |            |
| Trustee's Commission |    | 106,530 |            |
| Other Charges        |    | 59,120  |            |
| Total Miscellaneous  |    |         | \$ 166,578 |

Total General Fund

\$ 8,279,335

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

|   |    |        |            |
|---|----|--------|------------|
| County Official/Administrative Officer      | \$ | 32,989 |            |
| Part-time Personnel                         |    | 38,279 |            |
| Longevity Pay                               |    | 1,312  |            |
| Social Security                             |    | 5,451  |            |
| Pensions                                    |    | 1,626  |            |
| Medical Insurance                           |    | 3,410  |            |
| Unemployment Compensation                   |    | 224    |            |
| Communication                               |    | 6,638  |            |
| Dues and Memberships                        |    | 942    |            |
| Maintenance and Repair Services - Buildings |    | 1,127  |            |
| Postal Charges                              |    | 660    |            |
| Travel                                      |    | 1,086  |            |
| Custodial Supplies                          |    | 2,548  |            |
| Electricity                                 |    | 6,251  |            |
| Library Books/Media                         |    | 5,377  |            |
| Natural Gas                                 |    | 1,003  |            |
| Office Supplies                             |    | 10,900 |            |
| Water and Sewer                             |    | 640    |            |
| Other Supplies and Materials                |    | 3,404  |            |
| Building Construction                       |    | 35,818 |            |
| Other Equipment                             |    | 10,257 |            |
| Total Libraries                             |    |        | \$ 169,942 |

Other Social, Cultural, and Recreational

|  |    |        |        |
|--|----|--------|--------|
| Data Processing Services                       | \$ | 2,621  |        |
| Printing, Stationery, and Forms                |    | 2,786  |        |
| Library Books/Media                            |    | 10,810 |        |
| Total Other Social, Cultural, and Recreational |    |        | 16,217 |

Other Operations

Miscellaneous

|                      |    |       |       |
|----------------------|----|-------|-------|
| Trustee's Commission | \$ | 1,000 |       |
| Total Miscellaneous  |    |       | 1,000 |

Total Public Library Fund

187,159

(Continued)

Exhibit I-8

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

|  |    |        |           |
|--|----|--------|-----------|
| Clerical Personnel                     | \$ | 610    |           |
| Part-time Personnel                    |    | 11,231 |           |
| Social Security                        |    | 884    |           |
| Pensions                               |    | 554    |           |
| Medical Insurance                      |    | 1,155  |           |
| Unemployment Compensation              |    | 32     |           |
| Travel                                 |    | 1,473  |           |
| Instructional Supplies and Materials   |    | 8,839  |           |
| Total Sanitation Education/Information |    |        | \$ 24,778 |

Convenience Centers

|  |    |         |         |
|--|----|---------|---------|
| Supervisor/Director                            | \$ | 69,261  |         |
| Foremen  |    | 47,253  |         |
| Mechanic(s)                                    |    | 41,629  |         |
| Laborers                                       |    | 117,523 |         |
| Part-time Personnel                            |    | 22,062  |         |
| Educational Incentive - Other County Employees |    | 1,500   |         |
| Longevity Pay                                  |    | 5,560   |         |
| Overtime Pay                                   |    | 4,191   |         |
| Other Salaries and Wages                       |    | 1,601   |         |
| In-service Training                            |    | 689     |         |
| Social Security                                |    | 24,631  |         |
| Pensions                                       |    | 8,871   |         |
| Medical Insurance                              |    | 23,749  |         |
| Unemployment Compensation                      |    | 549     |         |
| Communication                                  |    | 10,455  |         |
| Dues and Memberships                           |    | 4,646   |         |
| Maintenance and Repair Services - Buildings    |    | 14,105  |         |
| Maintenance and Repair Services - Equipment    |    | 10,137  |         |
| Maintenance and Repair Services - Vehicles     |    | 2,567   |         |
| Pest Control                                   |    | 496     |         |
| Postal Charges                                 |    | 148     |         |
| Travel   |    | 4,735   |         |
| Custodial Supplies                             |    | 3,640   |         |
| Electricity                                    |    | 3,658   |         |
| Food Supplies                                  |    | 3,664   |         |
| Natural Gas                                    |    | 377     |         |
| Office Supplies                                |    | 4,342   |         |
| Uniforms                                       |    | 14,647  |         |
| Water and Sewer                                |    | 1,216   |         |
| Gravel and Chert                               |    | 1,847   |         |
| Chemicals                                      |    | 1,072   |         |
| Other Charges                                  |    | 18,499  |         |
| Maintenance Equipment                          |    | 11,197  |         |
| Motor Vehicles                                 |    | 4,449   |         |
| Solid Waste Equipment                          |    | 1,020   |         |
| Other Equipment                                |    | 50,018  |         |
| Total Convenience Centers                      |    |         | 536,004 |

(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

|   |    |         |            |
|---|----|---------|------------|
| Supervisor/Director                         | \$ | 10,766  |            |
| Foremen                                     |    | 52,456  |            |
| Mechanic(s)                                 |    | 33,861  |            |
| Truck Drivers                               |    | 30,614  |            |
| Laborers                                    |    | 90,953  |            |
| Clerical Personnel                          |    | 20,789  |            |
| Part-time Personnel                         |    | 9,523   |            |
| Longevity Pay                               |    | 822     |            |
| Overtime Pay                                |    | 7,100   |            |
| Social Security                             |    | 16,816  |            |
| Pensions                                    |    | 8,371   |            |
| Medical Insurance                           |    | 29,610  |            |
| Unemployment Compensation                   |    | 298     |            |
| Advertising                                 |    | 3,171   |            |
| Contracts with Government Agencies          |    | 23,623  |            |
| Contracts with Private Agencies             |    | 4,174   |            |
| Contributions                               |    | 210     |            |
| Maintenance and Repair Services - Buildings |    | 4,397   |            |
| Maintenance and Repair Services - Equipment |    | 33,928  |            |
| Maintenance and Repair Services - Vehicles  |    | 1,422   |            |
| Rentals                                     |    | 505     |            |
| Travel                                      |    | 1,254   |            |
| Electricity                                 |    | 15,966  |            |
| Food Supplies                               |    | 8,420   |            |
| Instructional Supplies and Materials        |    | 556     |            |
| Propane Gas                                 |    | 2,163   |            |
| Wire  |    | 10,390  |            |
| Other Supplies and Materials                |    | 1,208   |            |
| Other Charges                               |    | 1,648   |            |
| Plant Operation Equipment                   |    | 1,658   |            |
| Solid Waste Equipment                       |    | 316,526 |            |
| Other Equipment                             |    | 61,175  |            |
| Total Recycling Center                      |    |         | \$ 804,373 |

Compost Waste Center

|                            |    |       |       |
|----------------------------|----|-------|-------|
| Other Salaries and Wages   | \$ | 8,000 |       |
| Total Compost Waste Center |    |       | 8,000 |

Other Waste Disposal

|                     |    |        |  |
|---------------------|----|--------|--|
| Truck Drivers       | \$ | 32,254 |  |
| Attendants          |    | 35,690 |  |
| Part-time Personnel |    | 8,224  |  |
| Longevity Pay       |    | 931    |  |
| Overtime Pay        |    | 314    |  |
| Social Security     |    | 5,591  |  |
| Pensions            |    | 3,174  |  |
| Medical Insurance   |    | 8,174  |  |

(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.)

Other Waste Disposal (Cont.)

|   |    |         |            |
|---|----|---------|------------|
| Unemployment Compensation                   | \$ | 134     |            |
| Contracts with Government Agencies          |    | 343,379 |            |
| Contracts with Other Public Agencies        |    | 17,936  |            |
| Maintenance and Repair Services - Equipment |    | 4,939   |            |
| Maintenance and Repair Services - Vehicles  |    | 7,155   |            |
| Towing Services                             |    | 2,459   |            |
| Diesel Fuel                                 |    | 44,272  |            |
| Equipment Parts - Heavy                     |    | 1,075   |            |
| Equipment and Machinery Parts               |    | 120     |            |
| Gasoline                                    |    | 7,679   |            |
| Tires and Tubes                             |    | 9,557   |            |
| Other Construction                          |    | 49,588  |            |
| Total Other Waste Disposal                  |    |         | \$ 582,645 |

Postclosure Care Costs

|   |    |       |       |
|---|----|-------|-------|
| Landfill Closure/Postclosure Care Costs | \$ | 4,392 |       |
| Total Postclosure Care Costs            |    |       | 4,392 |

Other Operations

Other Charges

|                                 |    |       |       |
|---------------------------------|----|-------|-------|
| Workers' Compensation Insurance | \$ | 4,000 |       |
| Total Other Charges             |    |       | 4,000 |

Miscellaneous

|                      |    |        |        |
|----------------------|----|--------|--------|
| Trustee's Commission | \$ | 19,865 |        |
| Total Miscellaneous  |    |        | 19,865 |

Total Solid Waste/Sanitation Fund \$ 1,984,057

Drug Control Fund

Administration of Justice

Drug Court

|                      |    |       |          |
|----------------------|----|-------|----------|
| Dues and Memberships | \$ | 1,952 |          |
| Total Drug Court     |    |       | \$ 1,952 |

Public Safety

Drug Enforcement

|  |    |        |        |
|--|----|--------|--------|
| Confidential Drug Enforcement Payments | \$ | 13,000 |        |
| Total Drug Enforcement                 |    |        | 13,000 |

Other Operations

Miscellaneous

|                      |    |     |     |
|----------------------|----|-----|-----|
| Trustee's Commission | \$ | 153 |     |
| Total Miscellaneous  |    |     | 153 |

Total Drug Control Fund 15,105

(Continued)

Exhibit I-8

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

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

|   |          |                 |
|---|----------|-----------------|
| Constitutional Officers' Operating Expenses | \$ 2,310 |                 |
| Total Chancery Court                        |          | <u>\$ 2,310</u> |

Total Constitutional Officers - Fees Fund \$ 2,310

Highway/Public Works Fund

Highways

Administration

|  |           |                   |
|--|-----------|-------------------|
| County Official/Administrative Officer         | \$ 90,636 |                   |
| Assistant(s)                                   | 48,494    |                   |
| Accountants/Bookkeepers                        | 21,629    |                   |
| Educational Incentive - Other County Employees | 3,000     |                   |
| Longevity Pay                                  | 550       |                   |
| Dues and Memberships                           | 3,458     |                   |
| Pest Control                                   | 360       |                   |
| Postal Charges                                 | 240       |                   |
| Travel   | 605       |                   |
| Office Supplies                                | 2,254     |                   |
| Other Charges                                  | 26,487    |                   |
| Total Administration                           |           | <u>\$ 197,713</u> |

Highway and Bridge Maintenance

|                                      |           |                |
|--------------------------------------|-----------|----------------|
| Foremen                              | \$ 45,760 |                |
| Equipment Operators                  | 104,328   |                |
| Truck Drivers                        | 155,650   |                |
| Laborers                             | 131,538   |                |
| Longevity Pay                        | 6,900     |                |
| Overtime Pay                         | 8,558     |                |
| Other Salaries and Wages             | 1,333     |                |
| Other Contracted Services            | 40,156    |                |
| Asphalt - Liquid                     | 82,573    |                |
| Crushed Stone                        | 42,852    |                |
| Fertilizer, Lime, and Seed           | 442       |                |
| Pipe                                 | 16,620    |                |
| Road Signs                           | 5,342     |                |
| Small Tools                          | 127       |                |
| Wood Products                        | 20,819    |                |
| Gravel and Chert                     | 21,594    |                |
| Other Supplies and Materials         | 74,195    |                |
| Total Highway and Bridge Maintenance |           | <u>758,787</u> |

Operation and Maintenance of Equipment

|   |           |  |
|---|-----------|--|
| Mechanic(s)                                 | \$ 39,406 |  |
| Overtime Pay                                | 780       |  |
| Maintenance and Repair Services - Equipment | 8,140     |  |
| Diesel Fuel                                 | 67,636    |  |
| Equipment and Machinery Parts               | 58,391    |  |

(Continued)

Exhibit I-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

|  |    |        |            |
|--|----|--------|------------|
| Garage Supplies                              | \$ | 2,688  |            |
| Gasoline                                     |    | 18,894 |            |
| Lubricants                                   |    | 120    |            |
| Tires and Tubes                              |    | 9,504  |            |
| Total Operation and Maintenance of Equipment |    |        | \$ 205,559 |

Other Charges

|                                 |    |        |        |
|---------------------------------|----|--------|--------|
| Communication                   | \$ | 5,756  |        |
| Laundry Service                 |    | 1,693  |        |
| Electricity                     |    | 6,725  |        |
| Natural Gas                     |    | 1,728  |        |
| Water and Sewer                 |    | 636    |        |
| Trustee's Commission            |    | 22,580 |        |
| Vehicle and Equipment Insurance |    | 29,314 |        |
| Total Other Charges             |    |        | 68,432 |

Employee Benefits

|                                  |    |         |         |
|----------------------------------|----|---------|---------|
| Social Security                  | \$ | 49,221  |         |
| Pensions                         |    | 30,600  |         |
| Employee and Dependent Insurance |    | 127,680 |         |
| Unemployment Compensation        |    | 4,406   |         |
| Uniforms                         |    | 7,641   |         |
| Workers' Compensation Insurance  |    | 44,792  |         |
| Total Employee Benefits          |    |         | 264,340 |

Capital Outlay

|                      |    |           |                  |
|----------------------|----|-----------|------------------|
| Engineering Services | \$ | 350       |                  |
| Bridge Construction  |    | 88,130    |                  |
| Highway Equipment    |    | 1,228,724 |                  |
| State Aid Projects   |    | 27,135    |                  |
| Total Capital Outlay |    |           | <u>1,344,339</u> |

Total Highway/Public Works Fund \$ 2,839,170

General Debt Service Fund

Principal on Debt

General Government

|                          |    |         |            |
|--------------------------|----|---------|------------|
| Principal on Bonds       | \$ | 420,000 |            |
| Principal on Notes       |    | 139,000 |            |
| Total General Government |    |         | \$ 559,000 |

Interest on Debt

General Government

|                          |    |         |         |
|--------------------------|----|---------|---------|
| Interest on Bonds        | \$ | 176,237 |         |
| Interest on Notes        |    | 18,805  |         |
| Total General Government |    |         | 195,042 |

(Continued)

Exhibit I-8

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

|   |              |                      |
|---|--------------|----------------------|
| <u>General Debt Service Fund (Cont.)</u>      |              |                      |
| <u>Other Debt Service</u>                     |              |                      |
| <u>General Government</u>                     |              |                      |
| Bank Charges                                  | \$ 4,152     |                      |
| Trustee's Commission                          | <u>7,429</u> |                      |
| Total General Government                      |              | <u>\$ 11,581</u>     |
| Total General Debt Service Fund               |              | <u>\$ 765,623</u>    |
| Total Governmental Funds - Primary Government |              | <u>\$ 14,072,759</u> |

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, 2023

General Purpose School Fund

Instruction

Regular Instruction Program

|   |              |               |
|---|--------------|---------------|
| Teachers                                    | \$ 8,399,650 |               |
| Career Ladder Program                       | 14,000       |               |
| Career Ladder Extended Contracts            | 15,060       |               |
| Educational Assistants                      | 217,429      |               |
| Other Salaries and Wages                    | 1,303        |               |
| Non-certified Substitute Teachers           | 171,498      |               |
| Social Security                             | 501,894      |               |
| Pensions                                    | 717,319      |               |
| Life Insurance                              | 2,193        |               |
| Medical Insurance                           | 1,082,058    |               |
| Employer Medicare                           | 118,020      |               |
| Maintenance and Repair Services - Equipment | 20,465       |               |
| Other Contracted Services                   | 37,511       |               |
| Instructional Supplies and Materials        | 242,546      |               |
| Textbooks - Bound                           | 9,059        |               |
| Other Charges                               | 480          |               |
| Regular Instruction Equipment               | 93,219       |               |
| Total Regular Instruction Program           |              | \$ 11,643,704 |

Special Education Program

|                                      |            |           |
|--------------------------------------|------------|-----------|
| Teachers                             | \$ 807,622 |           |
| Career Ladder Program                | 1,000      |           |
| Educational Assistants               | 578,202    |           |
| Speech Pathologist                   | 40,843     |           |
| Other Salaries and Wages             | 3,646      |           |
| Non-certified Substitute Teachers    | 9,536      |           |
| Social Security                      | 81,881     |           |
| Pensions                             | 99,320     |           |
| Life Insurance                       | 239        |           |
| Medical Insurance                    | 217,788    |           |
| Employer Medicare                    | 19,149     |           |
| Evaluation and Testing               | 1,578      |           |
| Other Contracted Services            | 1,160      |           |
| Instructional Supplies and Materials | 5,170      |           |
| Other Supplies and Materials         | 3,378      |           |
| Other Charges                        | 1,087      |           |
| Special Education Equipment          | 1,649      |           |
| Total Special Education Program      |            | 1,873,248 |

Career and Technical Education Program

|                                   |            |
|-----------------------------------|------------|
| Teachers                          | \$ 457,181 |
| Career Ladder Program             | 600        |
| Non-certified Substitute Teachers | 5,380      |
| Social Security                   | 25,449     |
| Pensions                          | 34,944     |
| Life Insurance                    | 128        |

(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.)

Career and Technical Education Program (Cont.)

|  |    |        |            |
|--|----|--------|------------|
| Medical Insurance                            | \$ | 30,601 |            |
| Employer Medicare                            |    | 6,429  |            |
| Instructional Supplies and Materials         |    | 16,626 |            |
| Other Supplies and Materials                 |    | 31,229 |            |
| In Service/Staff Development                 |    | 2,000  |            |
| Vocational Instruction Equipment             |    | 2,439  |            |
| Total Career and Technical Education Program |    |        | \$ 613,006 |

Student Body Education Program

|                                      |    |        |        |
|--------------------------------------|----|--------|--------|
| Other Salaries and Wages             | \$ | 3,590  |        |
| Social Security                      |    | 213    |        |
| Pensions                             |    | 191    |        |
| Employer Medicare                    |    | 50     |        |
| Other Charges                        |    | 89,872 |        |
| Total Student Body Education Program |    |        | 93,916 |

Support Services

Attendance

|                     |    |        |        |
|---------------------|----|--------|--------|
| Supervisor/Director | \$ | 28,006 |        |
| Clerical Personnel  |    | 2,600  |        |
| Social Security     |    | 1,777  |        |
| Pensions            |    | 2,390  |        |
| Medical Insurance   |    | 2,672  |        |
| Employer Medicare   |    | 387    |        |
| Total Attendance    |    |        | 37,832 |

Health Services

|                              |    |        |         |
|------------------------------|----|--------|---------|
| Supervisor/Director          | \$ | 49,250 |         |
| Medical Personnel            |    | 91,478 |         |
| Other Salaries and Wages     |    | 21,579 |         |
| Social Security              |    | 9,709  |         |
| Pensions                     |    | 8,151  |         |
| Life Insurance               |    | 1      |         |
| Medical Insurance            |    | 10,979 |         |
| Employer Medicare            |    | 2,271  |         |
| Communication                |    | 338    |         |
| Travel                       |    | 915    |         |
| Drugs and Medical Supplies   |    | 3,907  |         |
| Other Supplies and Materials |    | 15,293 |         |
| In Service/Staff Development |    | 1,068  |         |
| Total Health Services        |    |        | 214,939 |

Other Student Support

|                    |    |         |  |
|--------------------|----|---------|--|
| Guidance Personnel | \$ | 335,773 |  |
| Social Security    |    | 20,060  |  |
| Pensions           |    | 28,265  |  |

(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.)

Other Student Support (Cont.)

|                                    |    |        |            |
|------------------------------------|----|--------|------------|
| Life Insurance                     | \$ | 96     |            |
| Medical Insurance                  |    | 15,825 |            |
| Employer Medicare                  |    | 4,691  |            |
| Contracts with Government Agencies |    | 57,500 |            |
| Evaluation and Testing             |    | 8,918  |            |
| Other Supplies and Materials       |    | 1,969  |            |
| Total Other Student Support        |    |        | \$ 473,097 |

Regular Instruction Program

|                                   |    |         |         |
|-----------------------------------|----|---------|---------|
| Supervisor/Director               | \$ | 300,507 |         |
| Career Ladder Program             |    | 5,000   |         |
| Librarians                        |    | 164,931 |         |
| Clerical Personnel                |    | 30,009  |         |
| Other Salaries and Wages          |    | 1,000   |         |
| Social Security                   |    | 29,141  |         |
| Pensions                          |    | 41,978  |         |
| Life Insurance                    |    | 10      |         |
| Medical Insurance                 |    | 42,518  |         |
| Employer Medicare                 |    | 6,844   |         |
| Travel                            |    | 9,208   |         |
| Other Contracted Services         |    | 120,850 |         |
| Library Books/Media               |    | 42,756  |         |
| Other Supplies and Materials      |    | 1,661   |         |
| In Service/Staff Development      |    | 13,141  |         |
| Other Equipment                   |    | 3,043   |         |
| Total Regular Instruction Program |    |         | 812,597 |

Special Education Program

|                                 |    |        |         |
|---------------------------------|----|--------|---------|
| Supervisor/Director             | \$ | 36,963 |         |
| Psychological Personnel         |    | 62,021 |         |
| Secretary(ies)                  |    | 7,550  |         |
| Other Salaries and Wages        |    | 28,307 |         |
| Social Security                 |    | 7,801  |         |
| Pensions                        |    | 8,038  |         |
| Medical Insurance               |    | 14,482 |         |
| Employer Medicare               |    | 1,824  |         |
| Travel                          |    | 523    |         |
| Other Contracted Services       |    | 85,832 |         |
| Other Supplies and Materials    |    | 3,982  |         |
| In Service/Staff Development    |    | 4,179  |         |
| Administration Equipment        |    | 14,332 |         |
| Total Special Education Program |    |        | 275,834 |

Technology

|                          |    |         |
|--------------------------|----|---------|
| Supervisor/Director      | \$ | 51,000  |
| Other Salaries and Wages |    | 128,016 |

(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.)

Technology (Cont.)

|   |    |         |            |
|---|----|---------|------------|
| Social Security                             | \$ | 9,125   |            |
| Pensions                                    |    | 9,658   |            |
| Medical Insurance                           |    | 11,050  |            |
| Employer Medicare                           |    | 2,504   |            |
| Maintenance and Repair Services - Equipment |    | 298     |            |
| Internet Connectivity                       |    | 41,132  |            |
| Travel                                      |    | 15      |            |
| Other Contracted Services                   |    | 90,488  |            |
| Software                                    |    | 13,519  |            |
| Other Supplies and Materials                |    | 25,847  |            |
| In Service/Staff Development                |    | 925     |            |
| Other Equipment                             |    | 303,731 |            |
| Total Technology                            |    |         | \$ 687,308 |

Adult Programs

|                                      |    |        |        |
|--------------------------------------|----|--------|--------|
| Supervisor/Director                  | \$ | 21,138 |        |
| Social Security                      |    | 1,311  |        |
| Pensions                             |    | 1,042  |        |
| Employer Medicare                    |    | 306    |        |
| Instructional Supplies and Materials |    | 1,000  |        |
| Other Supplies and Materials         |    | 8,585  |        |
| Other Charges                        |    | 1,803  |        |
| Total Adult Programs                 |    |        | 35,185 |

Board of Education

|  |    |         |         |
|--|----|---------|---------|
| Other Salaries and Wages                   | \$ | 16,525  |         |
| Social Security                            |    | 1,024   |         |
| Unemployment Compensation                  |    | 6,632   |         |
| Employer Medicare                          |    | 240     |         |
| Audit Services                             |    | 14,090  |         |
| Dues and Memberships                       |    | 14,127  |         |
| Legal Services                             |    | 4,663   |         |
| Travel                                     |    | 4,713   |         |
| Other Contracted Services                  |    | 34,306  |         |
| Liability Insurance                        |    | 49,564  |         |
| Trustee's Commission                       |    | 86,916  |         |
| Workers' Compensation Insurance            |    | 170,200 |         |
| In Service/Staff Development               |    | 3,071   |         |
| Criminal Investigation of Applicants - TBI |    | 972     |         |
| Other Charges                              |    | 77,112  |         |
| Total Board of Education                   |    |         | 484,155 |

Director of Schools

|  |    |         |  |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 118,370 |  |
| Career Ladder Program                  |    | 1,000   |  |
| Clerical Personnel                     |    | 33,651  |  |

(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.)

Director of Schools (Cont.)

|                           |    |        |            |
|---------------------------|----|--------|------------|
| Other Salaries and Wages  | \$ | 3,677  |            |
| Social Security           |    | 9,590  |            |
| Pensions                  |    | 12,048 |            |
| Life Insurance            |    | 1      |            |
| Employer Medicare         |    | 2,271  |            |
| Communication             |    | 8,401  |            |
| Dues and Memberships      |    | 3,220  |            |
| Postal Charges            |    | 2,684  |            |
| Travel                    |    | 910    |            |
| Other Contracted Services |    | 3,731  |            |
| Office Supplies           |    | 2,326  |            |
| Other Charges             |    | 3,299  |            |
| Administration Equipment  |    | 2,230  |            |
| Total Director of Schools |    |        | \$ 207,409 |

Office of the Principal

|                               |    |         |           |
|-------------------------------|----|---------|-----------|
| Principals                    | \$ | 498,264 |           |
| Career Ladder Program         |    | 3,000   |           |
| Assistant Principals          |    | 386,994 |           |
| Secretary(ies)                |    | 343,110 |           |
| Other Salaries and Wages      |    | 34,325  |           |
| Social Security               |    | 72,222  |           |
| Pensions                      |    | 94,239  |           |
| Life Insurance                |    | 191     |           |
| Medical Insurance             |    | 172,812 |           |
| Employer Medicare             |    | 16,895  |           |
| Communication                 |    | 35,508  |           |
| Travel                        |    | 243     |           |
| In Service/Staff Development  |    | 8,464   |           |
| Other Charges                 |    | 59,443  |           |
| Administration Equipment      |    | 2,503   |           |
| Total Office of the Principal |    |         | 1,728,213 |

Fiscal Services

|                              |    |         |         |
|------------------------------|----|---------|---------|
| Accountants/Bookkeepers      | \$ | 153,340 |         |
| Social Security              |    | 9,184   |         |
| Pensions                     |    | 7,560   |         |
| Medical Insurance            |    | 6,060   |         |
| Employer Medicare            |    | 2,148   |         |
| Travel                       |    | 834     |         |
| Other Contracted Services    |    | 28,630  |         |
| Data Processing Supplies     |    | 2,064   |         |
| Office Supplies              |    | 463     |         |
| In Service/Staff Development |    | 1,819   |         |
| Other Charges                |    | 384     |         |
| Administration Equipment     |    | 12,309  |         |
| Total Fiscal Services        |    |         | 224,795 |

(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.)

Human Services/Personnel

|                                |    |        |           |
|--------------------------------|----|--------|-----------|
| Supervisor/Director            | \$ | 58,318 |           |
| Social Security                |    | 3,612  |           |
| Pensions                       |    | 2,875  |           |
| Employer Medicare              |    | 845    |           |
| In Service/Staff Development   |    | 545    |           |
| Administration Equipment       |    | 350    |           |
| Total Human Services/Personnel |    |        | \$ 66,545 |

Operation of Plant

|                                 |    |         |           |
|---------------------------------|----|---------|-----------|
| Supervisor/Director             | \$ | 24,799  |           |
| Custodial Personnel             |    | 432,735 |           |
| Other Salaries and Wages        |    | 3,566   |           |
| Social Security                 |    | 26,077  |           |
| Pensions                        |    | 22,265  |           |
| Medical Insurance               |    | 76,452  |           |
| Employer Medicare               |    | 6,157   |           |
| Travel                          |    | 1,476   |           |
| Disposal Fees                   |    | 13,099  |           |
| Other Contracted Services       |    | 11,555  |           |
| Custodial Supplies              |    | 187,445 |           |
| Electricity                     |    | 573,373 |           |
| Natural Gas                     |    | 90,998  |           |
| Water and Sewer                 |    | 38,166  |           |
| Other Supplies and Materials    |    | 905     |           |
| Boiler Insurance                |    | 3,500   |           |
| Building and Contents Insurance |    | 116,000 |           |
| Plant Operation Equipment       |    | 3,290   |           |
| Total Operation of Plant        |    |         | 1,631,858 |

Maintenance of Plant

|   |    |         |         |
|---|----|---------|---------|
| Supervisor/Director                         | \$ | 61,498  |         |
| Maintenance Personnel                       |    | 146,047 |         |
| Other Salaries and Wages                    |    | 10,037  |         |
| Social Security                             |    | 12,326  |         |
| Pensions                                    |    | 12,811  |         |
| Medical Insurance                           |    | 25,000  |         |
| Employer Medicare                           |    | 2,889   |         |
| Maintenance and Repair Services - Buildings |    | 99,794  |         |
| Maintenance and Repair Services - Equipment |    | 43,928  |         |
| Travel                                      |    | 2,009   |         |
| Other Contracted Services                   |    | 250,329 |         |
| Other Supplies and Materials                |    | 205,527 |         |
| Administration Equipment                    |    | 11,869  |         |
| Maintenance Equipment                       |    | 4,680   |         |
| Total Maintenance of Plant                  |    |         | 888,744 |

(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

|  |    |           |              |
|--|----|-----------|--------------|
| Supervisor/Director                        | \$ | 4,549     |              |
| Bus Drivers                                |    | 1,935     |              |
| Other Salaries and Wages                   |    | 11,856    |              |
| Social Security                            |    | 1,092     |              |
| Pensions                                   |    | 549       |              |
| Medical Insurance                          |    | 1,029     |              |
| Employer Medicare                          |    | 255       |              |
| Contracts with Private Agencies            |    | 21,028    |              |
| Maintenance and Repair Services - Vehicles |    | 3,104     |              |
| Other Contracted Services                  |    | 1,136,615 |              |
| Diesel Fuel                                |    | 5,000     |              |
| Gasoline                                   |    | 131,789   |              |
| Other Supplies and Materials               |    | 1,700     |              |
| Vehicle and Equipment Insurance            |    | 30,000    |              |
| Total Transportation                       |    |           | \$ 1,350,501 |

Operation of Non-Instructional Services

Community Services

|                          |    |     |     |
|--------------------------|----|-----|-----|
| Other Charges            | \$ | 500 |     |
| Total Community Services |    |     | 500 |

Early Childhood Education

|                                      |    |        |         |
|--------------------------------------|----|--------|---------|
| Teachers                             | \$ | 92,556 |         |
| Educational Assistants               |    | 40,622 |         |
| Social Security                      |    | 8,172  |         |
| Pensions                             |    | 9,349  |         |
| Life Insurance                       |    | 17     |         |
| Medical Insurance                    |    | 3,984  |         |
| Employer Medicare                    |    | 1,911  |         |
| Travel                               |    | 236    |         |
| Other Contracted Services            |    | 2,780  |         |
| Food Supplies                        |    | 1,724  |         |
| Instructional Supplies and Materials |    | 22,877 |         |
| Other Supplies and Materials         |    | 7,320  |         |
| In Service/Staff Development         |    | 12     |         |
| Other Charges                        |    | 416    |         |
| Other Equipment                      |    | 12,443 |         |
| Total Early Childhood Education      |    |        | 204,419 |

Capital Outlay

Regular Capital Outlay

|                              |    |         |         |
|------------------------------|----|---------|---------|
| Building Improvements        | \$ | 89,410  |         |
| Other Capital Outlay         |    | 132,353 |         |
| Total Regular Capital Outlay |    |         | 221,763 |

Total General Purpose School Fund \$ 23,769,568

(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                             | \$ | 317,411 |              |
| Educational Assistants               |    | 245,576 |              |
| Social Security                      |    | 27,956  |              |
| Pensions                             |    | 16,480  |              |
| Medical Insurance                    |    | 7,297   |              |
| Employer Medicare                    |    | 7,876   |              |
| Other Contracted Services            |    | 68,184  |              |
| Instructional Supplies and Materials |    | 209,302 |              |
| Textbooks - Bound                    |    | 232,399 |              |
| Other Supplies and Materials         |    | 2,229   |              |
| Regular Instruction Equipment        |    | 206,225 |              |
| Total Regular Instruction Program    |    |         | \$ 1,340,935 |

Special Education Program

|                                      |    |         |         |
|--------------------------------------|----|---------|---------|
| Teachers                             | \$ | 118,767 |         |
| Educational Assistants               |    | 141,959 |         |
| Speech Pathologist                   |    | 144,388 |         |
| Other Salaries and Wages             |    | 73,638  |         |
| Social Security                      |    | 27,364  |         |
| Pensions                             |    | 35,375  |         |
| Medical Insurance                    |    | 47,325  |         |
| Employer Medicare                    |    | 6,400   |         |
| Evaluation and Testing               |    | 2,776   |         |
| Other Contracted Services            |    | 21,008  |         |
| Instructional Supplies and Materials |    | 7,321   |         |
| Other Supplies and Materials         |    | 2,221   |         |
| Special Education Equipment          |    | 1,341   |         |
| Total Special Education Program      |    |         | 629,883 |

Career and Technical Education Program

|  |    |        |        |
|--|----|--------|--------|
| Instructional Supplies and Materials         | \$ | 16,750 |        |
| Other Supplies and Materials                 |    | 8,498  |        |
| Vocational Instruction Equipment             |    | 13,645 |        |
| Total Career and Technical Education Program |    |        | 38,893 |

Support Services

Health Services

|                            |    |        |         |
|----------------------------|----|--------|---------|
| Medical Personnel          | \$ | 46,648 |         |
| Social Security            |    | 2,874  |         |
| Pensions                   |    | 192    |         |
| Employer Medicare          |    | 672    |         |
| Other Contracted Services  |    | 42,000 |         |
| Drugs and Medical Supplies |    | 26,968 |         |
| Health Equipment           |    | 44,393 |         |
| Total Health Services      |    |        | 163,747 |

(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

|                              |    |        |         |
|------------------------------|----|--------|---------|
| Guidance Personnel           | \$ | 46,358 |         |
| Other Salaries and Wages     |    | 5,720  |         |
| Social Security              |    | 2,798  |         |
| Pensions                     |    | 2,687  |         |
| Medical Insurance            |    | 12,071 |         |
| Employer Medicare            |    | 654    |         |
| Travel                       |    | 10,000 |         |
| Other Supplies and Materials |    | 9,894  |         |
| In Service/Staff Development |    | 3,625  |         |
| Other Charges                |    | 8,499  |         |
| Total Other Student Support  | \$ |        | 102,306 |

Regular Instruction Program

|                                   |    |         |         |
|-----------------------------------|----|---------|---------|
| Supervisor/Director               | \$ | 42,330  |         |
| Other Salaries and Wages          |    | 21,881  |         |
| Social Security                   |    | 1,395   |         |
| Pensions                          |    | 1,876   |         |
| Employer Medicare                 |    | 1,149   |         |
| Travel                            |    | 4,044   |         |
| Other Contracted Services         |    | 113,100 |         |
| In Service/Staff Development      |    | 62,879  |         |
| Total Regular Instruction Program |    |         | 248,654 |

Special Education Program

|                                 |    |        |        |
|---------------------------------|----|--------|--------|
| Secretary(ies)                  | \$ | 25,645 |        |
| Other Salaries and Wages        |    | 24,262 |        |
| Social Security                 |    | 1,447  |        |
| Pensions                        |    | 1,266  |        |
| Medical Insurance               |    | 5,808  |        |
| Employer Medicare               |    | 690    |        |
| Contracts with Private Agencies |    | 11,490 |        |
| Other Supplies and Materials    |    | 2,219  |        |
| In Service/Staff Development    |    | 2,721  |        |
| Other Equipment                 |    | 7,206  |        |
| Total Special Education Program |    |        | 82,754 |

Career and Technical Education Program

|  |    |       |       |
|--|----|-------|-------|
| In Service/Staff Development                 | \$ | 4,364 |       |
| Total Career and Technical Education Program |    |       | 4,364 |

Operation of Plant

|                              |    |       |       |
|------------------------------|----|-------|-------|
| Other Supplies and Materials | \$ | 4,995 |       |
| Total Operation of Plant     |    |       | 4,995 |

Maintenance of Plant

|   |    |       |       |
|---|----|-------|-------|
| Maintenance and Repair Services - Buildings | \$ | 1,419 |       |
| Total Maintenance of Plant                  |    |       | 1,419 |

(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.)

Transportation

|                               |    |                  |           |
|-------------------------------|----|------------------|-----------|
| Other Contracted Services     | \$ | 72,335           |           |
| Diesel Fuel                   |    | 20,000           |           |
| Equipment and Machinery Parts |    | 9,360            |           |
| Gasoline                      |    | 500              |           |
| Tires and Tubes               |    | 3,440            |           |
| Transportation Equipment      |    | <u>1,183,701</u> |           |
| Total Transportation          | \$ |                  | 1,289,336 |

Operation of Non-Instructional Services

Food Service

|                              |    |               |        |
|------------------------------|----|---------------|--------|
| Cafeteria Personnel          | \$ | 4,706         |        |
| Social Security              |    | 292           |        |
| Employer Medicare            |    | 68            |        |
| Food Preparation Supplies    |    | 5,950         |        |
| Other Supplies and Materials |    | 3,192         |        |
| Food Service Equipment       |    | <u>19,529</u> |        |
| Total Food Service           |    |               | 33,737 |

Capital Outlay

Regular Capital Outlay

|                              |    |                |                |
|------------------------------|----|----------------|----------------|
| Building Improvements        | \$ | <u>259,432</u> |                |
| Total Regular Capital Outlay |    |                | <u>259,432</u> |

Total School Federal Projects Fund \$ 4,200,455

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

|   |    |         |  |
|---|----|---------|--|
| Supervisor/Director                         | \$ | 51,500  |  |
| Accountants/Bookkeepers                     |    | 8,984   |  |
| Clerical Personnel                          |    | 705     |  |
| Cafeteria Personnel                         |    | 451,917 |  |
| Other Salaries and Wages                    |    | 3,856   |  |
| Social Security                             |    | 29,774  |  |
| Pensions                                    |    | 21,240  |  |
| Medical Insurance                           |    | 60,847  |  |
| Unemployment Compensation                   |    | 416     |  |
| Employer Medicare                           |    | 7,096   |  |
| Communication                               |    | 1,877   |  |
| Maintenance and Repair Services - Equipment |    | 9,242   |  |
| Transportation - Other than Students        |    | 11,655  |  |
| Travel                                      |    | 1,506   |  |
| Other Contracted Services                   |    | 25,225  |  |
| Food Supplies                               |    | 601,054 |  |
| Office Supplies                             |    | 2,528   |  |
| Uniforms                                    |    | 7,784   |  |

(Continued)

Exhibit I-9

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

|   |                             |                      |
|---|-----------------------------|----------------------|
| <u>Central Cafeteria Fund (Cont.)</u>                       |                             |                      |
| <u>Operation of Non-Instructional Services (Cont.)</u>      |                             |                      |
| <u>Food Service (Cont.)</u>                                 |                             |                      |
| USDA - Commodities  | \$ 127,182                  |                      |
| Other Supplies and Materials                                | 59,285                      |                      |
| In Service/Staff Development                                | 9,915                       |                      |
| Other Charges   | 9,965                       |                      |
| Food Service Equipment                                      | 184,089                     |                      |
| Transportation Equipment                                    | 30,051                      |                      |
| Total Food Service  | <u>                    </u> | \$ 1,717,693         |
| Total Central Cafeteria Fund                                |                             | \$ 1,717,693         |
| <u>Internal School Fund</u>                                 |                             |                      |
| <u>Operation of Non-Instructional Services</u>              |                             |                      |
| <u>Community Services</u>                                   |                             |                      |
| Other Charges   | \$ 758,523                  |                      |
| Total Community Services                                    | <u>                    </u> | \$ 758,523           |
| Total Internal School Fund                                  |                             | 758,523              |
| <u>Education Capital Projects Fund</u>                      |                             |                      |
| <u>Support Services</u>                                     |                             |                      |
| <u>Board of Education</u>                                   |                             |                      |
| Trustee's Commission  | \$ 6,500                    |                      |
| Total Board of Education                                    | <u>                    </u> | \$ 6,500             |
| <u>Capital Projects</u>                                     |                             |                      |
| <u>Education Capital Projects</u>                           |                             |                      |
| Building Improvements                                       | \$ 378,484                  |                      |
| Other Capital Outlay  | 463,247                     |                      |
| Total Education Capital Projects                            | <u>                    </u> | 841,731              |
| Total Education Capital Projects Fund                       |                             | <u>848,231</u>       |
| Total Governmental Funds - Chester County School Department |                             | <u>\$ 31,294,470</u> |

# SINGLE AUDIT SECTION



JASON E. MUMPOWER  
*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, 2023, 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 September 21, 2023. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Chester County School Department (a discretely presented component unit), as described in our report on Chester County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chester County's internal control. Accordingly, we do not express an opinion on the effectiveness of Chester County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the following deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a material weakness: 2023-001.

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. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be significant deficiencies: 2023-004(A-C) and 2023-005.

## **Report on 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2023-002, 2023-003, and 2023-004(D).

## **Chester County's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Chester County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Chester County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

## Purpose of this Report

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

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

September 21, 2023

JEM/gc



JASON E. MUMPOWER  
*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**

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

We have audited Chester County's compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

In our opinion, Chester County complied, in all material respects, with the 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, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Chester County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to

provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Chester County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Chester County's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Chester County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Chester County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Chester County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Chester County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Chester County's internal control over compliance. Accordingly, no such opinion is expressed.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2023, and the related notes to the financial statements, which collectively comprise Chester County's basic financial statements. We issued our report thereon dated September 21, 2023, 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,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

September 21, 2023

JEM/gc

Chester County, Tennessee, and the Chester County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7)  
For the Year-Ended June 30, 2023

| Federal/Pass-Through Agency/State<br>Grantor Program Title   | Federal<br>Assistance<br>Listing<br>Number | Pass-through<br>Entity Identifying<br>Number | Expenditures        |
|--|--|--|---------------------|
| U.S. Department of Agriculture:  |  |  |                     |
| Passed-through State Department of Education:  |  |  |                     |
| Child Nutrition Cluster: (4)   |  |  |                     |
| School Breakfast Program   | 10.553                                     | N/A  | \$ 366,494          |
| National School Lunch Program  | 10.555                                     | N/A  | 828,115 (6)         |
| Summer Food Service Program for Children   | 10.559                                     | N/A  | 161,349             |
| Passed-through State Department of Agriculture:  |  |  |                     |
| Child Nutrition Cluster: (4)   |  |  |                     |
| National School Lunch Program (Commodities - Noncash Assistance)   | 10.555                                     | N/A  | 127,182 (6)         |
| Passed-through State Department of Health:   |  |  |                     |
| Special Supplemental Nutrition Program for Women, Infants, and Children  | 10.557                                     | GG-23-76082-00                               | 5,647               |
| Total U.S. Department of Agriculture   |  |  | <u>\$ 1,488,787</u> |
| U.S. Department of Housing and Urban Development:  |  |  |                     |
| Passed-through State Department of Economic and Community Development:   |  |  |                     |
| Community Development Block Grants/State's Program   | 14.228                                     | 33004-16523                                  | \$ 5,417            |
| Total U.S. Department of Housing and Urban Development   |  |  | <u>\$ 5,417</u>     |
| U.S. Department of the Treasury:   |  |  |                     |
| Direct Program:  |  |  |                     |
| COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)   | 21.027                                     | N/A  | \$ 3,359,739        |
| Total U.S. Department of the Treasury  |  |  | <u>\$ 3,359,739</u> |
| U.S. National Foundation on the Arts and the Humanities:   |  |  |                     |
| Passed-through Tennessee Secretary of State:   |  |  |                     |
| Grants to States   | 45.310                                     | 30501-00123-11                               | \$ 1,847            |
| Total U.S. National Foundation on the Arts and the Humanities  |  |  | <u>\$ 1,847</u>     |
| U.S. Department of Education:  |  |  |                     |
| Passed-through State Department of Education:  |  |  |                     |
| Title I Grants to Local Educational Agencies   | 84.010                                     | N/A  | \$ 691,406          |
| Title I State Agency Program for Neglected and Delinquent Children and Youth   | 84.013                                     | N/A  | 20,571              |
| Special Education Cluster: (4)   |  |  |                     |
| Special Education - Grants to States   | 84.027                                     | N/A  | 568,301 (6)         |
| COVID 19 - Special Education - Grants to States (ARP)  | 84.027X                                    | N/A  | 63,572 (6)          |
| Special Education - Preschool Grants   | 84.173                                     | N/A  | 13,640 (6)          |
| COVID 19 - Special Education - Preschool Grants (ARP)  | 84.173X                                    | N/A  | 1,488 (6)           |
| Career and Technical Education - Basic Grants to States  | 84.048                                     | N/A  | 56,881              |
| Rehabilitation Services - Vocational Rehabilitation Grants to States   | 84.126                                     | N/A  | 37,980              |
| Supporting Effective Instruction State Grants  | 84.367                                     | N/A  | 77,219              |
| Consolidated Grant to the Outlying Areas   | 84.403                                     | N/A  | 58,933              |
| COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER GEER) | 84.425C                                    | N/A  | 2,729 (6)           |
| COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER I)    | 84.425D                                    | N/A  | 133,876 (6)         |
| COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER II)   | 84.425D                                    | N/A  | 612,819 (6)         |
| COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER ARP)  | 84.425U                                    | N/A  | 1,668,753 (6)       |
| Passed Through State Department of Human Services:   |  |  |                     |
| Rehabilitation Services - Vocational Rehabilitation Grants to States   | 84.126                                     | N/A  | 101,991             |
| Total U.S. Department of Education   |  |  | <u>\$ 4,110,159</u> |
| U.S. Department of Health and Human Services:  |  |  |                     |
| Passed Through State Department of Health:   |  |  |                     |
| Family Planning Services   | 93.217                                     | GG-23-76082-00                               | \$ 1,156            |
| Maternal and Child Health Services Block Grant to the States   | 93.994                                     | GG-23-76082-00                               | 1,640               |
| Passed Through State Department of Education:  |  |  |                     |
| COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ARP)  | 93.323                                     | (5)  | 266,313             |
| COVID 19 - Temporary Assistance for Needy Families   | 93.558                                     | (5)  | 43,066              |
| Total U.S. Department of Health and Human Services   |  |  | <u>\$ 312,175</u>   |

(Continued)

Chester County, Tennessee, and the Chester County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (Cont.)

| Federal/Pass-Through Agency/State<br>Grantor Program Title | Federal<br>Assistance<br>Listing<br>Number | Pass-through<br>Entity Identifying<br>Number | Expenditures        |
|--|--|--|---------------------|
| U.S. Department of Homeland Security:                      |  |  |                     |
| Passed Through Tennessee Department of Military:           |  |  |                     |
| Emergency Management Performance Grants                    | 97.042                                     | (5)  | \$ 13,782           |
| Staffing for Adequate Fire and Emergency Response (SAFER)  | 97.083                                     | EMW-2020-FF-00546                            | 46,179              |
| Total U.S. Department of Homeland Security                 |  |  | <u>\$ 59,961</u>    |
| Total Expenditures of Federal Grants                       |  |  | <u>\$ 9,338,085</u> |

| <u>State Grants</u>  | Contract<br>Number | Expenditures      |
|--|--------------------|-------------------|
| Training Opportunities for the Public (TOP) Grant - Tennessee Secretary of State                 | N/A (5)            | \$ 1,565          |
| Coordinated School Health - State Department of Education  | N/A (5)            | 90,000            |
| Early Childhood Education - State Department of Education  | N/A (5)            | 231,976           |
| Family Resource Center - State Department of Education   | N/A (5)            | 29,104            |
| COVID 19 - Learning Camps Transportation - State Department of Education                         | N/A (5)            | 19,521            |
| Safe Schools - State Department of Education   | N/A (5)            | 69,369            |
| COVID 19 - Summer Learning Camps - State Department of Education                                 | N/A (5)            | 109,676           |
| Local Health Services - State Department of Health   | N/A GG-23-76082-00 | 27,271            |
| State Supplement - State Department of Mental Health and Substance Abuse Services                | N/A (5)            |                   |
| Supporting Postsecondary Access in Rural Counties (SPARC) - State Higher<br>Education Commission | N/A (5)            | 95,158            |
| Opioid Settlement Funds - Tennessee Abatement Council  | N/A (5)            | 68,026            |
| State Supplement - State Commission on Children and Youth  | N/A (5)            | 9,000             |
| Litter Program - State Department of Transportation  | N/A (5)            | <u>37,746</u>     |
| Total State Grants   |                    | <u>\$ 788,412</u> |

FAL = Federal Assistance Listing  
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 \$1,483,140; Special Education Cluster total \$647,001.
- (5) Information not available.
- (6) Total for FAL No. 10.555 is \$955,297; Total for FAL No. 84.027 is \$631,873; Total for FAL No. 84.173 is \$15,128;  
Total for FAL No. 84.425 is \$2,418,177.
- (7) CONSOLIDATED ADMINISTRATION

| Program Title                                | Federal<br>Assistance<br>Listing<br>Number | Amount<br>Provided to<br>Consolidated<br>Administration |
|--|--|---|
| Title I Grants to Local Educational Agencies | 84.010                                     | <u>\$ 25,322</u>  |

Chester County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2023

*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 uncorrected. 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, 2023.

***Prior-year Financial Statement Findings***

| Fiscal Year   | Page Number | Finding Number | Title of Finding  | FAL Number | Current Status  |
|---|-------------|----------------|---|------------|---|
| <b><u>OFFICE OF COUNTY MAYOR</u></b>  |             |                |   |            |   |
| 2022  | 199         | 2022-001       | The General and General Debt Service funds required material audit adjustments for proper financial statement presentation. | N/A        | Not Corrected - See Explanation on Corrective Action Plan |
| 2022  | 200         | 2022-002       | The office had deficiencies in budget operations.   | N/A        | Not Corrected - See Explanation on Corrective Action Plan |
| <b><u>OFFICE OF ROAD SUPERVISOR</u></b>   |             |                |   |            |   |
| 2022  | 201         | 2022-003       | Duties were not segregated adequately.  | N/A        | Corrected   |
| <b><u>OFFICE OF TRUSTEE</u></b>   |             |                |   |            |   |
| 2022  | 201         | 2022-004       | The office did not review its software audit logs.  | N/A        | Corrected   |
| <b><u>OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK</u></b>                       |             |                |   |            |   |
| 2022  | 202         | 2022-005       | The office did not review a list of voided transactions.  | N/A        | Corrected   |
| <b><u>OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND CLERK AND MASTER</u></b> |             |                |   |            |   |
| 2022  | 203         | 2022-006       | The offices had deficiencies in computer system backup procedures.  | 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, 2023**

---

**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? **YES**
  - \* Significant deficiency identified? **YES**
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:
  - \* Assistance Listing Number: 21.027      COVID 19 - Coronavirus State and Local Fiscal Recovery Funds (ARP)
  - \* Assistance Listing Number: 84.425      COVID 19 - Education Stabilization Fund
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**

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plan, whether related to the financial statements or federal awards, is presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

### **OFFICE OF COUNTY MAYOR**

#### **FINDING 2023-001**

#### **THE GENERAL AND SOLID WASTE/SANITATION FUNDS REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2023, certain general ledger account balances in the General and Solid Waste/Sanitation funds were not materially correct, and audit adjustments for accounts receivable, related deferred revenues, accounts payables, and restricted account balances totaling \$436,342 and \$157,962, respectively, were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Chester County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight, management's failure to correct the finding noted in the prior year audit report, and management's failure to implement their corrective action plan. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

#### **RECOMMENDATION**

Chester County should have appropriate processes in place to ensure its general ledgers are materially correct.

#### **MANAGEMENT'S RESPONSE – COUNTY MAYOR AND ACCOUNTING AND BUDGET DIRECTOR**

We concur with this finding.

---

FINDING 2023-002

**THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

(Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations of the office. These deficiencies exist because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures. In addition, the deficiencies are the result of a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

- A. Expenditures exceeded total appropriations approved by the county commission in the Drug Control Fund by \$1,596.
- B. Expenditures exceeded appropriations approved by the county commission in four of 47 major appropriation categories (the legal level of control) in the General Fund, in one of three major appropriation categories of the Public Library Fund, in one of eight major appropriation categories of the Solid Waste/Sanitation Fund, and in one of three major appropriation categories of the General Debt Service Fund as reflected in the following table:

| <u>Fund/Major Appropriation Category</u>                | <u>Amount<br/>Overspent</u> |
|---|-----------------------------|
| General:  |                             |
| Public Health and Welfare - Sanitation                  |                             |
| Education/Information                                   | \$ 680                      |
| Public Health and Welfare - Convenience Centers         | 12                          |
| Social, Cultural, and Recreational Services - Libraries | 327                         |
| Other Operations - Miscellaneous                        | 27,028                      |
| Public Library:   |                             |
| Other Operations - Miscellaneous                        | 250                         |
| Solid Waste/Sanitation:                                 |                             |
| Other Operations - Miscellaneous                        | 365                         |
| General Debt Service:                                   |                             |
| Other Debt Service - General Government                 | 81                          |

- C. Salaries exceeded appropriations in five of 94 salary line-items of the General Fund by amounts ranging from \$525 to \$3,928 and in six of 28 salary line-items of the Solid Waste/Sanitation Fund by amounts ranging from \$456 to \$12,304. The budget resolution approved by the county commission states that the salary, wages, or enumeration of each official, employee, or agent of the county shall not exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.



Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission.

MANAGEMENT’S RESPONSE – COUNTY MAYOR AND ACCOUNTING AND BUDGET DIRECTOR

We concur with this finding.

---

FINDING 2023-003

**ACCOUNTING RECORDS FOR CAPITAL ASSETS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2023**

(Noncompliance Under *Government Auditing Standards*)

Capital assets accounting records were not closed and available for audit by August 31, 2023, as required by Section 9-2-102, *Tennessee Code Annotated*. This statute provides that records should be available for audit no later than two months after the close of the June 30 fiscal year. The capital assets accounting records were made available to auditors on September 11, 2023. The failure to maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of accounting controls, and increases the risk that errors will not be discovered and corrected timely. This deficiency can be attributed to a lack of management oversight.

RECOMMENDATION

Management should close its capital assets accounting records for the fiscal year ended June 30 and have those records available for audit by the following August 31.

MANAGEMENT’S RESPONSE – COUNTY MAYOR AND ACCOUNTING AND BUDGET DIRECTOR

We concur with this finding.

---

FINDING 2023-004

**THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES**

(A. through C. - Internal Control – Significant Deficiency Under *Government Auditing Standards*); D. – Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 65 disbursements totaling \$539,989 from a population of 3,154 vendor checks totaling \$8,262,985. Our examination revealed the following deficiencies, which are the result of a lack of management oversight, a lack of understanding of internal controls and sound business practices, and a failure to follow county policy.

- A. In four of 63 instances, the office was unable to present proper documentation to support the purchases. Sound business practices dictate that proper documentation should be on file to support all purchases. The failure to maintain adequate documentation increases the risks of unauthorized purchases.
- B. In 11 of 32 applicable instances, purchase orders were either not issued or were issued after the purchases were made. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. The failure to properly issue purchase orders increases the risks of unauthorized purchases.
- C. In 12 of 63 applicable instances, invoices were paid without documentation that goods had been received and/or services has been rendered. The lack of documentation weakens controls over the purchasing process and increases the risks of paying for something that was never received.
- D. During the year, the maintenance supervisor received a travel allowance of \$3,000 in his paychecks. The county travel policy states, “Mileage should be computed to/from the employee’s workstation or residence, whichever is shorter. A MapQuest or Google map printout should be provided for mileage. Reimbursement for the use of personally owned vehicles is set at the State of Tennessee allowable mileage rate in effect at the time of the travel.” There is no provision in the travel policy for a travel allowance.

RECOMMENDATION

Adequate documentation should be maintained to support all disbursements, should be on file for audit inspection, and should include documentation that goods have been received or services have been rendered. The office should issue purchase orders for all applicable purchases before purchases are made to strengthen internal controls over the purchasing procedures and to document purchasing commitments. Travel allowances should not be made. Travel reimbursements should be made in compliance with the county’s established policy.

MANAGEMENT’S RESPONSE – COUNTY MAYOR AND ACCOUNTING AND BUDGET DIRECTOR

We concur with this finding.

---

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2023-005

**APPROPRIATIONS EXCEEDED ESTIMATED  
AVAILABLE FUNDING IN THE CENTRAL CAFETERIA  
FUND**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The budget and subsequent amendments approved by the county commission for the Central Cafeteria Fund resulted in appropriations exceeding estimated available funding by \$290,709. Sound budgetary principles dictate that appropriations should be held within estimated available funding. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

Appropriations that exceed estimated available funding should not be submitted to the county commission, and the county commission should not approve such appropriations.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

We concur with the finding that the BUDGETED appropriations exceeded the ESTIMATED available funding. We would like to state that the actual ending fund balance was not exceeded and had an ending balance of \$1,400,644.

### **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, 2023.

**Chester County, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2023**

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as 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). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

| Finding<br>Number | Title of Finding | Corrective Action<br>Plan Page Number |
|-------------------|------------------|---------------------------------------|
|-------------------|------------------|---------------------------------------|

**OFFICE OF COUNTY MAYOR**

|          |   |     |
|----------|---|-----|
| 2023-001 | The General and Solid Waste/Sanitation funds required material audit adjustments for proper financial statement presentation. | 206 |
| 2023-002 | The office had deficiencies in budget operations.   | 207 |
| 2023-003 | Accounting records for capital assets were not closed and available for audit by August 31, 2023.                             | 208 |
| 2023-004 | The office had deficiencies in purchasing procedures.   | 209 |

**OFFICE OF DIRECTOR OF SCHOOLS**

|          |  |     |
|----------|--|-----|
| 2023-005 | Appropriations exceeded estimated available funding in the Central Cafeteria Fund. | 210 |
|----------|--|-----|



*Barry Hutchinson, Mayor*

*Chester County, Tennessee*

## **Management Response**

**FINDING**                    **THE GENERAL AND SOLID WASTE/SANITATION FUNDS REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**

**Response and Corrective Action Plan Prepared by:**  
Gary Irwin, Accounting and Budget Director

**Person Responsible for Implementing the Corrective Action:**  
Gary Irwin, Accounting and Budget Director

**Anticipated Completion Date of Corrective Action:**  
June 30, 2024

**Repeat Finding:**  
Yes

**Reason Corrective Action was Not Taken in the Prior Year:**  
We attempted to correct the finding from the prior year, but material adjustments were still required due to several errors between funds.

**Planned Corrective Action:**  
We will monitor accounts and transactions closely to ensure accurate accounting records.

During the audit field work, the auditor realized the audit adjustment forms for the 2022-2023 audit duplicated the instructions to write checks from one fund to another, thus resulting in some of the needed material adjustments for the year ending June 30, 2023. The auditor brought this to the attention of the finance director. In the future, the finance director will try to ensure such instructions are not duplicated.



*Barry Hutcherson, Mayor*

*Chester County, Tennessee*

FINDING

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

**Response and Corrective Action Plan Prepared by:**

Gary Irwin, Accounting and Budget Director

**Person Responsible for Implementing the Corrective Action:**

Gary Irwin, Accounting and Budget Director

**Anticipated Completion Date of Corrective Action:**

June 30, 2024

**Repeat Finding:**

Yes

**Reason Corrective Action was Not Taken in the Prior Year:**

We attempted to correct the finding in the prior year; however, there were still some accounts that were over budget.

**Planned Corrective Action:**

We will monitor budgeted amounts closely by reviewing regularly and have better communication with officials and department heads concerning overtime and hours. Payroll will be instructed to monitor percentage breakdowns in salary line items to ensure accuracy.



*Barry Hutcherson, Mayor*

*Chester County, Tennessee*

FINDING

ACCOUNTING RECORDS FOR CAPITAL ASSETS WERE  
NOT CLOSED AND AVAILABLE FOR AUDIT BY  
AUGUST 31, 2023

**Response and Corrective Action Plan Prepared by:**  
Gary Irwin, Accounting and Budget Director

**Person Responsible for Implementing the Corrective Action:**  
Gary Irwin, Accounting and Budget Director

**Anticipated Completion Date of Corrective Action:**  
August 31, 2024

**Repeat Finding:**  
No

**Reason Corrective Action was Not Taken in the Prior Year:**  
N/A

**Planned Corrective Action:**  
We will work to ensure that all accounting records are closed within two months of the close of the fiscal year.





*Barry Hutcherson, Mayor*

*Chester County, Tennessee*

FINDING

**THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES**

**Response and Corrective Action Plan Prepared by:**  
Gary Irwin, Accounting and Budget Director

**Person Responsible for Implementing the Corrective Action:**  
Gary Irwin, Accounting and Budget Director

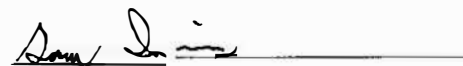
**Anticipated Completion Date of Corrective Action:**  
June 30, 2024

**Repeat Finding:**  
No

**Reason Corrective Action was Not Taken in the Prior Year:**  
N/A

**Planned Corrective Action:**  
We will work with the other county departments to ensure that purchase orders are issued prior to a purchase being made and to ensure that all proper supporting documentation is maintained. We will adhere to the county's travel policy.

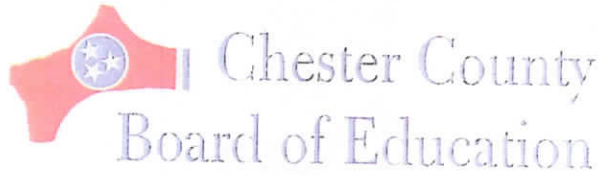
  
Barry Hutcherson, County Mayor

  
Gary Irwin, Accounts and Budget Director

Sheae Connor, Chairman  
432 Magnolia Lane  
Henderson, TN 38340

Becky Hutcherson  
45 Deer Creek Cove  
Henderson, TN 38340

Clay Rodgers  
1175 Holly Springs Rd.  
Henderson, TN 38340



970 East Main • Henderson, TN 38340  
Phone: 731-989-5134  
Fax: 731-989-4755

Ben Cupples, Vice Chairman  
460 Old Friendship Rd.  
Finger, TN 38344

Jeff Harris  
3625 Wilson School Rd.  
Henderson, TN 38340

Brandy Cherry  
3715 Cash School Rd.  
Enville, TN 38342

Troy Kilzer, II Superintendent

**Corrective Action Plan**

**FINDING**

**APPROPRIATIONS EXCEEDED ESTIMATED  
AVAILABLE FUNDING IN THE CENTRAL CAFETERIA  
FUND**

**Response and Corrective Action Plan Prepared by:**  
Troy Kilzer II, Director of Schools

**Person Responsible for Implementing the Corrective Action:**  
Stacy Keen, Finance Supervisor

**Anticipated Completion Date of Corrective Action:**  
June 30, 2024

**Repeat Finding:**  
No

**Reason Corrective Action was Not Taken in the Prior Year:**  
N/A

**Planned Corrective Action:**  
Budget amendments will be monitored closely to prevent appropriations from exceeding estimate available funding.

Signature:

A handwritten signature in blue ink, which appears to read "Troy Kilzer II", is written over a horizontal line.

## **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.