

**ANNUAL FINANCIAL REPORT**  
**HENDERSON COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2020**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



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

***COMPTROLLER OF THE TREASURY  
JUSTIN P. WILSON***

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

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

***AMANDA MARCH, CPA, CFE  
Senior Auditor***

***VICKY BARBER, CFE  
TWYLA PRATT, CISA  
State Auditors***

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)

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# ***Summary of Audit Findings***

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

## ***Scope***

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

## ***Results***

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

Our audit resulted in no findings.

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# INTRODUCTORY SECTION

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# Henderson County Officials

## June 30, 2020

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### **Officials**

Eddie Bray, County Mayor  
Steve Vineyard, Road Supervisor  
Steve Wilkinson, Director of Schools  
John Cavness, Trustee  
Gary Pope, Assessor of Property  
Carolyn Holmes, County Clerk  
Beverly Dunaway, Circuit, General Sessions, and Juvenile Courts Clerk  
Leigh Milam, Clerk and Master  
Doug Bartholomew, Register of Deeds  
Brian Duke, Sheriff  
Lee Wilkinson, Finance Director

### **Board of County Commissioners**

Eddie Bray, County Mayor, Chairman  
Terry Allen  
Andy Anderson  
Todd Beecham  
Celia Barrow  
Shana Duke  
Jeff James  
Mike Lefler

Tommy Page  
Wanda Powers  
Timothy Rogers  
Joe Ross  
Blake Stanfill  
Harold Tyler  
Aaron Wood

### **Board of Education**

Tommy Gordon, Chairman  
Jeff Camper  
Steve Crownover  
Bobby Harrington  
David Leslie  
Daniel Lewis  
Dennis McDaniel

### **Financial Management Committee**

Timothy Rogers, Chairman  
Celia Barrow  
Todd Beecham  
Aaron Wood  
Eddie Bray, County Mayor  
Steve Vineyard, Road Supervisor  
Steve Wilkinson, Director of Schools

### **Audit Committee**

Tommy Page, Chairman  
Aaron Wood  
Dennis Ray McDaniel



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## FINANCIAL SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

## Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

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

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

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

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

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

### ***Other Matters***

#### *Required Supplementary Information*

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

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

### *Supplementary and Other Information*

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

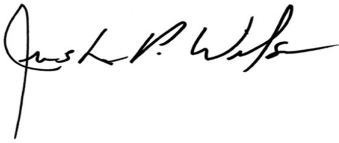
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Henderson County School Department (a discretely presented component unit), schedule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

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2020, on our consideration of Henderson 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 Henderson 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 Henderson County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 30, 2020

JPW/yu

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

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

	Primary Governmental Activities	Component Unit Henderson County School Department
<u>ASSETS</u>		
Cash	\$ 3,403	\$ 0
Equity in Pooled Cash and Investments	8,150,855	11,203,610
Accounts Receivable	62,452	178
Due from Other Governments	613,597	883,543
Due from Component Units	1,094,894	0
Property Taxes Receivable	6,867,723	3,467,928
Allowance for Uncollectible Property Taxes	(111,053)	(58,002)
Net Pension Asset - Agent Plan	2,035,691	1,573,691
Net Pension Asset - Teacher Retirement Plan	0	130,236
Net Pension Asset - Teacher Legacy Retirement Plan	0	4,314,264
Cash Shortage	1,669	0
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	112,827
Capital Assets:		
Assets Not Depreciated:		
Land	2,127,209	1,151,661
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	11,396,308	14,531,926
Infrastructure	2,647,481	59,350
Other Capital Assets	3,405,543	700,355
Total Assets	<u>\$ 38,295,772</u>	<u>\$ 38,071,567</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 114,031	\$ 0
Pension Changes in Experience	64,411	243,287
Pension Changes in Assumptions	152,753	688,807
Pension Changes in Proportion	0	148,577
Pension Contributions after Measurement Date	262,784	1,632,431
OPEB Changes in Experience	16,605	551,165
OPEB Changes in Assumptions	17,888	50,638
OPEB Changes in Proportion	0	40,429
OPEB Contributions after Measurement Date	5,425	87,358
Total Deferred Outflows of Resources	<u>\$ 633,897</u>	<u>\$ 3,442,692</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 396	\$ 2,949
Payroll Deductions Payable	12,052	645,484
Accrued Interest Payable	132,290	0
Due to Primary Government	0	1,094,894
Noncurrent Liabilities:		
Due Within One Year - Debt	2,033,016	0
Due Within One Year - Other	212,310	0
Due in More Than One Year - Debt	17,778,549	0
Due in More Than One Year - Other	340,853	2,534,017
Total Liabilities	<u>\$ 20,509,466</u>	<u>\$ 4,277,344</u>

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Henderson County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 6,520,773	\$ 3,294,944
Pension Changes in Experience	252,762	2,805,561
Pension Changes in Investment Earnings	149,954	1,327,758
Pension Changes in Proportion	0	13,968
OPEB Changes in Experience	85,076	612,267
OPEB Changes in Assumptions	0	270,086
OPEB Changes in Proportion	8,328	62,011
Total Deferred Inflows of Resources	<u>\$ 7,016,893</u>	<u>\$ 8,386,595</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 6,494,724	\$ 16,443,292
Restricted for:		
General Government	43,362	0
Finance	47,560	0
Administration of Justice	681,878	0
Public Safety	398,993	0
Public Health and Welfare	174,612	0
Highway/Public Works	1,006,031	0
Debt Service	109,206	0
Education	0	72,226
Operation of Non-instructional Services	0	1,223,185
Pensions	2,035,691	6,018,191
Hybrid Retirement Stabilization Funds	0	112,827
Unrestricted	<u>411,253</u>	<u>4,980,599</u>
Total Net Position	<u>\$ 11,403,310</u>	<u>\$ 28,850,320</u>

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



Exhibit B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Governmental	Henderson County School Department
					Total Governmental Activities	
Primary Government:						
Governmental Activities:						
General Government	\$ 2,337,904	\$ 277,208	\$ 109,911	\$ 0	\$ (1,950,785)	\$ 0
Finance	1,318,166	414,052	0	0	(904,114)	0
Administration of Justice	1,278,268	1,556,728	22,084	0	300,544	0
Public Safety	6,660,875	1,866,786	218,739	0	(4,575,350)	0
Public Health and Welfare	877,306	165,031	86,327	0	(625,948)	0
Social, Cultural, and Recreational Services	79,668	0	0	0	(79,668)	0
Agriculture and Natural Resources	99,199	0	0	0	(99,199)	0
Highways	2,719,727	16,500	2,523,643	191,649	12,065	0
Interest on Long-term Debt	684,442	0	546,610	0	(137,832)	0
<b>Total Primary Government</b>	<b>\$ 16,055,555</b>	<b>\$ 4,296,305</b>	<b>\$ 3,507,314</b>	<b>\$ 191,649</b>	<b>\$ (8,060,287)</b>	<b>\$ 0</b>
Component Unit:						
Henderson County School Department	\$ 36,604,059	\$ 419,411	\$ 5,156,520	\$ 35,000	\$ 0	\$ (30,993,128)
<b>Total Component Unit</b>	<b>\$ 36,604,059</b>	<b>\$ 419,411</b>	<b>\$ 5,156,520</b>	<b>\$ 35,000</b>	<b>\$ 0</b>	<b>\$ (30,993,128)</b>

(Continued)

Exhibit B

Henderson County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Total Governmental Activities	Henderson County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 5,365,060	\$ 3,395,180
Property Taxes Levied for Debt Service					915,337	0
Local Option Sales Taxes					211,271	3,882,659
Hotel/Motel Tax					127,189	0
Wheel Tax					983,167	0
Litigation Taxes					212,913	0
Business Tax					289,714	0
Fire Tax					471,435	0
Other Local Taxes					97,599	2,449
Grants and Contributions Not Restricted to Specific Programs					176,812	24,941,954
Unrestricted Investment Income					158,356	13,907
Miscellaneous					57,500	346,955
Gain on Disposal of Capital Assets					99,083	
<b>Total General Revenues</b>					<b>\$ 9,165,436</b>	<b>\$ 32,583,104</b>
Change in Net Position					\$ 1,105,149	\$ 1,589,976
Net Position, July 1, 2019					10,298,161	27,260,344
Net Position, June 30, 2020					<u>\$ 11,403,310</u>	<u>\$ 28,850,320</u>

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 3,403	\$ 3,403
Equity in Pooled Cash and Investments	4,712,195	1,075,722	1,321,075	1,041,863	8,150,855
Accounts Receivable	32,823	16,542	10,136	2,951	62,452
Due from Other Governments	206,290	390,464	0	16,843	613,597
Due from Other Funds	3,480	0	0	0	3,480
Property Taxes Receivable	5,207,313	249,607	934,841	475,962	6,867,723
Allowance for Uncollectible Property Taxes	(83,283)	(4,174)	(15,636)	(7,960)	(111,053)
Cash Shortage	1,669	0	0	0	1,669
Total Assets	\$ 10,080,487	\$ 1,728,161	\$ 2,250,416	\$ 1,533,062	\$ 15,592,126
<u>LIABILITIES</u>					
Accounts Payable	\$ 396	\$ 0	\$ 0	\$ 0	\$ 396
Payroll Deductions Payable	12,052	0	0	0	12,052
Due to Other Funds	0	0	0	3,480	3,480
Total Liabilities	\$ 12,448	\$ 0	\$ 0	\$ 3,480	\$ 15,928
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 4,943,185	\$ 237,157	\$ 888,210	\$ 452,221	\$ 6,520,773
Deferred Delinquent Property Taxes	167,464	7,711	28,879	14,704	218,758
Other Deferred/Unavailable Revenue	48,276	195,000	0	7,000	250,276
Total Deferred Inflows of Resources	\$ 5,158,925	\$ 439,868	\$ 917,089	\$ 473,925	\$ 6,989,807

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 43,362	\$ 0	\$ 0	\$ 0	\$ 43,362
Restricted for Finance	47,560	0	0	0	47,560
Restricted for Administration of Justice	681,878	0	0	0	681,878
Restricted for Public Safety	378,113	0	0	20,880	398,993
Restricted for Public Health and Welfare	152,908	0	0	0	152,908
Restricted for Highways/Public Works	0	816,507	0	0	816,507
Restricted for Debt Service	0	0	0	98,586	98,586
Committed:					
Committed for General Government	406,811	0	0	0	406,811
Committed for Public Health and Welfare	0	0	0	416,905	416,905
Committed for Other Operations	102,478	0	0	0	102,478
Committed for Highways/Public Works	0	471,786	0	0	471,786
Committed for Debt Service	0	0	1,333,327	519,286	1,852,613
Unassigned	3,096,004	0	0	0	3,096,004
Total Fund Balances	<u>\$ 4,909,114</u>	<u>\$ 1,288,293</u>	<u>\$ 1,333,327</u>	<u>\$ 1,055,657</u>	<u>\$ 8,586,391</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,080,487</u>	<u>\$ 1,728,161</u>	<u>\$ 2,250,416</u>	<u>\$ 1,533,062</u>	<u>\$ 15,592,126</u>

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

Exhibit C-2

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

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	8,586,391
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,127,209	
Add: buildings and improvements net of accumulated depreciation		11,396,308	
Add: infrastructure net of accumulated depreciation		2,647,481	
Add: other capital assets net of accumulated depreciation		<u>3,405,543</u>	19,576,541
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other loan payable	\$	(1,094,894)	
Add: debt to be contributed by the school department		1,094,894	
Less: bonds payable		(17,745,000)	
Less: capital lease payable		(9,552)	
Add: deferred amount on refunding		114,031	
Less: compensated absences payable		(241,302)	
Less: landfill closure/postclosure care costs		(78,417)	
Less: net OPEB liability		(193,002)	
Less: accrued interest payable		(132,290)	
Less: other deferred revenue - premium on debt		(962,119)	
Less: other deferred revenue - Henderson County Judges, Officials, and Executives Agent Plan		<u>(40,442)</u>	(19,288,093)
(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	\$	479,948	
Less: deferred inflows of resources related to pensions		(402,716)	
Add: deferred outflows of resources related to OPEB		39,918	
Less: deferred inflows of resources related to OPEB		<u>(93,404)</u>	23,746
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - Henderson County Employees Agent Plan			2,035,691
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			<u>469,034</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>11,403,310</u></u>

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 5,902,213	\$ 242,799	\$ 1,892,714	\$ 564,823	\$ 8,602,549
Licenses and Permits	1,235	0	0	0	1,235
Fines, Forfeitures, and Penalties	608,923	0	0	9,563	618,486
Charges for Current Services	120,463	0	0	456,096	576,559
Other Local Revenues	369,043	24,042	66,634	166,370	626,089
Fees Received From County Officials	1,049,694	0	0	0	1,049,694
State of Tennessee	1,889,621	2,691,942	0	0	4,581,563
Federal Government	93,484	0	0	0	93,484
Other Governments and Citizens Groups	576,057	0	103,968	400,510	1,080,535
Total Revenues	\$ 10,610,733	\$ 2,958,783	\$ 2,063,316	\$ 1,597,362	\$ 17,230,194
<u>Expenditures</u>					
Current:					
General Government	\$ 1,438,051	\$ 0	\$ 0	\$ 0	\$ 1,438,051
Finance	920,865	0	0	373,168	1,294,033
Administration of Justice	746,550	0	0	307,755	1,054,305
Public Safety	5,502,890	0	0	27,291	5,530,181
Public Health and Welfare	93,578	0	0	816,107	909,685
Social, Cultural, and Recreational Services	77,385	0	0	0	77,385
Agriculture and Natural Resources	93,129	0	0	0	93,129
Other Operations	1,293,668	0	0	0	1,293,668
Highways	0	2,563,015	0	0	2,563,015
Debt Service:					
Principal on Debt	0	92,093	1,882,252	300,000	2,274,345
Interest on Debt	0	1,154	483,649	100,510	585,313
Other Debt Service	0	1,360	31,245	88,044	120,649
Total Expenditures	\$ 10,166,116	\$ 2,657,622	\$ 2,397,146	\$ 2,012,875	\$ 17,233,759

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ 444,617	\$ 301,161	\$ (333,830)	\$ (415,513)	\$ (3,565)
<u>Other Financing Sources (Uses)</u>					
Refunding Debt Issued	\$ 0	\$ 0	\$ 0	\$ 2,785,000	\$ 2,785,000
Premiums on Debt Sold	0	0	0	300,434	300,434
Proceeds from Sale of Capital Assets	0	0	499,700	0	499,700
Insurance Recovery	34,650	2,770	0	0	37,420
Transfers In	0	0	50,000	0	50,000
Transfers Out	(50,000)	0	0	0	(50,000)
Payments to Refunded Debt Escrow Agent	0	0	0	(2,998,217)	(2,998,217)
Total Other Financing Sources (Uses)	\$ (15,350)	\$ 2,770	\$ 549,700	\$ 87,217	\$ 624,337
Net Change in Fund Balances	\$ 429,267	\$ 303,931	\$ 215,870	\$ (328,296)	\$ 620,772
Fund Balance, July 1, 2019	4,479,847	984,362	1,117,457	1,383,953	7,965,619
Fund Balance, June 30, 2020	\$ 4,909,114	\$ 1,288,293	\$ 1,333,327	\$ 1,055,657	\$ 8,586,391

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$	620,772
(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	\$	375,534	
Less: current-year depreciation expense		<u>(1,520,400)</u>	(1,144,866)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			
Less: gain on sale of capital assets			(400,617)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$	469,034	
Less: deferred delinquent property taxes and other deferred June 30, 2019		<u>(679,739)</u>	(210,705)
(4) The issuance of long-term debt (e.g., bonds, leases and other loans) 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.			
Less: refunding bond proceeds	\$	(2,785,000)	
Less: change in premium on debt issuances		(196,585)	
Less: change in deferred amount on refunding debt		(33,847)	
Add: principal payments on bonds		2,095,000	
Add: refunded principal on bonds		2,975,000	
Add: principal payments on capital leases		92,093	
Add: principal payments on other loan		87,252	
Less: contributions from the school department for the other loan		<u>(87,252)</u>	2,146,661
(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	\$	(16,529)	
Change in landfill closure/postclosure care costs		1,113	
Change in compensated absences payable		(32,366)	
Change in net OPEB liability		30,233	
Change in deferred outflows related to OPEB		8,043	
Change in deferred inflows related to OPEB		(62,656)	
Change in net pension asset - Henderson County Employees Agent Plan		191,631	
Change in net pension liability - Henderson County Judges, Officials, and Executives Agent Plan		38,079	
Change in deferred outflows related to pensions		(26,811)	
Change in deferred inflows related to pensions		<u>(36,833)</u>	93,904
Change in net position of governmental activities (Exhibit B)			<u>\$ 1,105,149</u>

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



Exhibit C-5

Henderson County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 5,902,213	\$ 0	\$ 5,902,213	\$ 5,685,477	\$ 5,745,477	\$ 156,736
Licenses and Permits	1,235	0	1,235	1,500	1,500	(265)
Fines, Forfeitures, and Penalties	608,923	0	608,923	529,900	529,900	79,023
Charges for Current Services	120,463	0	120,463	136,300	136,300	(15,837)
Other Local Revenues	369,043	0	369,043	312,500	332,840	36,203
Fees Received From County Officials	1,049,694	0	1,049,694	435,000	947,518	102,176
State of Tennessee	1,889,621	0	1,889,621	1,475,785	1,500,785	388,836
Federal Government	93,484	0	93,484	62,000	80,295	13,189
Other Governments and Citizens Groups	576,057	0	576,057	300,000	472,660	103,397
<b>Total Revenues</b>	<b>\$ 10,610,733</b>	<b>\$ 0</b>	<b>\$ 10,610,733</b>	<b>\$ 8,938,462</b>	<b>\$ 9,747,275</b>	<b>\$ 863,458</b>
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 111,245	\$ 0	\$ 111,245	\$ 111,710	\$ 111,710	\$ 465
Board of Equalization	4,993	0	4,993	1,500	12,200	7,207
County Mayor/Executive	165,315	0	165,315	173,139	174,639	9,324
County Attorney	12,872	0	12,872	14,695	14,695	1,823
Election Commission	186,815	0	186,815	203,332	210,832	24,017
Register of Deeds	143,902	0	143,902	164,521	164,521	20,619
County Buildings	812,909	0	812,909	767,300	937,300	124,391
<u>Finance</u>						
Accounting and Budgeting	369,659	0	369,659	373,189	382,189	12,530
Property Assessor's Office	257,846	0	257,846	290,231	297,631	39,785
County Trustee's Office	137,953	0	137,953	40,300	177,134	39,181
County Clerk's Office	155,407	0	155,407	42,750	190,034	34,627

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Administration of Justice</u>						
Circuit Court	\$ 198,766	\$ 0	\$ 198,766	\$ 46,150	\$ 274,550	\$ 75,784
General Sessions Court	268,347	0	268,347	283,410	283,410	15,063
Drug Court	3,938	0	3,938	10,000	10,000	6,062
Chancery Court	220,747	0	220,747	217,947	225,147	4,400
Juvenile Court	54,752	0	54,752	69,120	69,120	14,368
<u>Public Safety</u>						
Sheriff's Department	2,182,832	0	2,182,832	2,222,085	2,400,885	218,053
Administration of the Sexual Offender Registry	2,891	0	2,891	3,800	3,800	909
Workhouse	2,144,595	0	2,144,595	2,079,950	2,379,950	235,355
Fire Prevention and Control	295,922	0	295,922	316,456	376,456	80,534
Civil Defense	133,103	0	133,103	178,339	178,339	45,236
Rescue Squad	15,000	0	15,000	15,000	15,000	0
County Coroner/Medical Examiner	84,495	0	84,495	58,015	88,015	3,520
Other Public Safety	644,052	0	644,052	611,394	681,394	37,342
<u>Public Health and Welfare</u>						
Local Health Center	28,211	0	28,211	83,453	83,453	55,242
Alcohol and Drug Programs	0	0	0	10,500	10,500	10,500
Other Local Health Services	3,000	0	3,000	7,000	7,000	4,000
Appropriation to State	11,420	0	11,420	11,420	11,420	0
Aid to Dependent Children	0	0	0	700	600	600
Sanitation Education/Information	92	0	92	0	100	8
Waste Pickup	50,855	0	50,855	49,200	53,700	2,845
<u>Social, Cultural, and Recreational Services</u>						
Adult Activities	3,610	0	3,610	5,808	5,808	2,198
Senior Citizens Assistance	17,500	0	17,500	17,500	17,500	0

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Social, Cultural, and Recreational Services (Cont.)</u>						
Libraries	\$ 44,000	\$ 0	\$ 44,000	\$ 44,000	\$ 44,000	\$ 0
Other Social, Cultural, and Recreational	12,275	0	12,275	28,500	28,500	16,225
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	42,766	0	42,766	75,225	75,225	32,459
Soil Conservation	17,577	0	17,577	20,010	20,010	2,433
Flood Control	32,786	0	32,786	35,000	55,000	22,214
<u>Other Operations</u>						
Tourism	27,317	0	27,317	21,500	31,500	4,183
Industrial Development	573,508	(235,527)	337,981	24,750	599,750	261,769
Veterans' Services	56,969	0	56,969	67,525	67,525	10,556
Other Charges	429,356	0	429,356	460,000	450,000	20,644
Employee Benefits	0	0	0	25,000	25,000	25,000
COVID-19 Grant #1	18,295	0	18,295	0	18,295	0
Miscellaneous	188,223	0	188,223	204,000	204,000	15,777
<b>Total Expenditures</b>	<b>\$ 10,166,116</b>	<b>\$ (235,527)</b>	<b>\$ 9,930,589</b>	<b>\$ 9,485,424</b>	<b>\$ 11,467,837</b>	<b>\$ 1,537,248</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 444,617	\$ 235,527	\$ 680,144	\$ (546,962)	\$ (1,720,562)	\$ 2,400,706
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 34,650	\$ 0	\$ 34,650	\$ 0	\$ 0	\$ 34,650
Transfers In	0	0	0	138,000	0	0
Transfers Out	(50,000)	0	(50,000)	0	(50,000)	0
<b>Total Other Financing Sources</b>	<b>\$ (15,350)</b>	<b>\$ 0</b>	<b>\$ (15,350)</b>	<b>\$ 138,000</b>	<b>\$ (50,000)</b>	<b>\$ 34,650</b>

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 429,267	\$ 235,527	\$ 664,794	\$ (408,962)	\$ (1,770,562)	\$ 2,435,356
Fund Balance, July 1, 2019	4,479,847	(235,527)	4,244,320	3,100,000	3,100,000	1,144,320
Fund Balance, June 30, 2020	\$ 4,909,114	\$ 0	\$ 4,909,114	\$ 2,691,038	\$ 1,329,438	\$ 3,579,676

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

Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 242,799	\$ 244,600	\$ 244,600	\$ (1,801)
Other Local Revenues	24,042	5,500	5,500	18,542
State of Tennessee	2,691,942	2,860,541	3,360,541	(668,599)
Total Revenues	<u>\$ 2,958,783</u>	<u>\$ 3,110,641</u>	<u>\$ 3,610,641</u>	<u>\$ (651,858)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 199,160	\$ 241,095	\$ 241,095	\$ 41,935
Highway and Bridge Maintenance	1,473,502	1,708,500	1,708,500	234,998
Operation and Maintenance of Equipment	381,509	550,000	550,000	168,491
Other Charges	146,721	162,500	162,500	15,779
Employee Benefits	18,226	51,000	51,000	32,774
Capital Outlay	343,897	861,000	1,366,393	1,022,496
<u>Principal on Debt</u>				
Highways and Streets	92,093	0	92,093	0
<u>Interest on Debt</u>				
Highways and Streets	1,154	0	1,154	0
<u>Other Debt Service</u>				
Highways and Streets	1,360	0	1,360	0
Total Expenditures	<u>\$ 2,657,622</u>	<u>\$ 3,574,095</u>	<u>\$ 4,174,095</u>	<u>\$ 1,516,473</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 301,161</u>	<u>\$ (463,454)</u>	<u>\$ (563,454)</u>	<u>\$ 864,615</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 2,770	\$ 0	\$ 0	\$ 2,770
Total Other Financing Sources	<u>\$ 2,770</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,770</u>
Net Change in Fund Balance	\$ 303,931	\$ (463,454)	\$ (563,454)	\$ 867,385
Fund Balance, July 1, 2019	<u>984,362</u>	<u>750,000</u>	<u>750,000</u>	<u>234,362</u>
Fund Balance, June 30, 2020	<u>\$ 1,288,293</u>	<u>\$ 286,546</u>	<u>\$ 186,546</u>	<u>\$ 1,101,747</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,073,690
Equity in Pooled Cash and Investments	76,624
Accounts Receivable	4,093
Due from Other Governments	835,345
Taxes Receivable	488,301
Allowance for Uncollectible Taxes	<u>(8,166)</u>
Total Assets	<u>\$ 2,469,887</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 1,392,186
Due to Litigants, Heirs, and Others	<u>1,077,701</u>
Total Liabilities	<u>\$ 2,469,887</u>

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

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**HENDERSON COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Henderson 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 Henderson County:

**A. Reporting Entity**

Henderson County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Henderson County (the primary government) and its component units. The financial statements of the Henderson County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this 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 Henderson County School Department operates the public school system in the county, and the voters of Henderson 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 Henderson County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Henderson County, and the Henderson 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 Henderson County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Henderson 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 Henderson County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Henderson County Emergency  
Communications District  
170 Justice Center Drive, Suite D  
Lexington, TN 38351

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Henderson 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 Henderson 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.

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

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

Fund financial statements of Henderson 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; however, Henderson County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

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. Henderson County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable

(reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

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

Henderson 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.

**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 of this fund.

**General Debt Service Fund** – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, Henderson County reports the following fund type:

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

The discretely presented Henderson 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 Transportation Fund** – This special revenue fund is used to account for the transportation of students. Local taxes are the foundational revenues of this fund.

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 Henderson 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 General and General Debt Service funds. Henderson County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

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

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment

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

No investments required to be reported at fair value were held at the balance sheet date.

## **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 .87 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 Henderson 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 Henderson County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Henderson County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

**4. Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$25,000 or more and an estimated useful life of more than one year. 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>
Buildings and Improvements	25
Other Capital Assets	5 -15
Infrastructure:	
Roads	10 - 20
Bridges	15 - 30

**5. Deferred Outflows/Inflows of Resources**

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

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

**6. Compensated Absences**

It is the county's policy to permit employees to accumulate earned but unused vacation leave, which will be paid upon separation from county service. All vacation pay is accrued when incurred in the government-wide financial statements for the county. 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 granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

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

**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, landfill postclosure care costs, other postemployment benefits, and pension liabilities 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.

The government-wide Statement of Net Position reports \$4,497,333 of restricted net position, of which \$133,744 is restricted by enabling legislation.

As of June 30, 2020, Henderson County had \$6,378,894 in outstanding debt for capital purposes for the discretely presented Henderson County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Lexington School System) based on an average daily attendance proration. This debt is a liability of Henderson County, but the capital assets acquired are reported in the financial statements of the school department and the City of Lexington School System. Therefore, Henderson 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 finance 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.

**9. Minimum Fund Balance Policy**

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum policy exists and consists of the sum of committed, assigned, and unassigned fund balance:

General and General Purpose School funds – ten percent of current year appropriations.

**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 Henderson County’s participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Henderson County’s fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

**Discretely Presented Henderson 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 Henderson County. For this purpose, Henderson County recognizes benefit payments when due and payable in accordance with benefit terms. Henderson County's OPEB plan is not administered through a trust.

**Discretely Presented Henderson 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 Henderson 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 Henderson County School Department**

Exhibit I-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 Henderson County School Department**

Exhibit I-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), which is 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, County Mayor, County Attorney, etc.). Management may make revisions within major categories, but only the county commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The

difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2020, the Henderson County School Department had outstanding encumbrances in the General Purpose School Fund of \$983,961.

**B. Cash Shortage – Prior Year**

The audit of Henderson County for the 2016-2017 year reported a cash shortage of \$14,419 in the finance department. An investigation disclosed that the former deputy finance director improperly paid herself \$14,419 in salary payments for the period July 1, 2016, through March 20, 2017. As of June 30, 2020, the former deputy finance director has paid \$12,750, leaving an unpaid shortage of \$1,669.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Henderson County and the Henderson 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 reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

**Deposits**

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

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount

of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

### **Investments**

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool, the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The county had no pooled and nonpooled investments as of June 30, 2020.

### **B. TCRS Stabilization Trust**

**Legal Provisions.** The Henderson 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 Henderson County School Department may not impose any restrictions on investments placed by the trust on their behalf.

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

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2020, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

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

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

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

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

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

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

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

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



Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 34,976
Developed Market International Equity	N/A	N/A	15,796
Emerging Market International Equity	N/A	N/A	4,513
U.S. Fixed Income	N/A	N/A	22,565
Real Estate	N/A	N/A	11,284
Short-term Securities	N/A	N/A	1,128
NAV - Private Equity and Strategic Lending	N/A	N/A	22,565
 Total			\$ 112,827

Investment by Fair Value Level	Fair Value 6-30-20	Fair Value Measurements Using			NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 34,976	\$ 34,976	\$ 0	\$ 0	0
Developed Market International Equity	15,796	15,796	0	0	0
Emerging Market International Equity	4,513	4,513	0	0	0
U.S. Fixed Income	22,565	0	22,565	0	0
Real Estate	11,284	0	0	11,284	0
Short-term Securities	1,128	0	1,128	0	0
Private Equity and Strategic Lending	22,565	0	0	0	22,565
 Total	\$ 112,827	\$ 55,285	\$ 23,693	\$ 11,284	\$ 22,565

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

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

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

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

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

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

**C. Capital Assets**

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

## Primary Government

### Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets				
Not Depreciated:				
Land	\$ 2,527,826	\$ 0	\$ 400,617	\$ 2,127,209
Total Capital Assets				
Not Depreciated	\$ 2,527,826	\$ 0	\$ 400,617	\$ 2,127,209
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 19,110,162	\$ 0	\$ 0	\$ 19,110,162
Infrastructure	4,582,162	190,145	0	4,772,307
Other Capital Assets	10,302,969	185,389	26,500	10,461,858
Total Capital Assets				
Depreciated	\$ 33,995,293	\$ 375,534	\$ 26,500	\$ 34,344,327
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 7,018,664	\$ 695,190	\$ 0	\$ 7,713,854
Infrastructure	1,937,659	187,167	0	2,124,826
Other Capital Assets	6,444,772	638,043	26,500	7,056,315
Total Accumulated				
Depreciation	\$ 15,401,095	\$ 1,520,400	\$ 26,500	\$ 16,894,995
Total Capital Assets				
Depreciated, Net	\$ 18,594,198	\$ (1,144,866)	\$ 0	\$ 17,449,332
Governmental Activities				
Capital Assets, Net	\$ 21,122,024	\$ (1,144,866)	\$ 400,617	\$ 19,576,541

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

### Governmental Activities:

General Government	\$ 66,393
Administration of Justice	142,737
Public Safety	819,165
Public Health and Welfare	40,632
Social, Cultural, and Recreational Services	281
Highway/Public Works	451,192
Total Depreciation Expense - Governmental Activities	<u>\$ 1,520,400</u>

**Discretely Presented Henderson County School Department**

**Governmental Activities:**

	Balance 7-1-19	Increases	Balance 6-30-20
Capital Assets Not Depreciated:			
Land	\$ 1,151,661	\$ 0	\$ 1,151,661
Total Capital Assets Not Depreciated	<u>\$ 1,151,661</u>	<u>\$ 0</u>	<u>\$ 1,151,661</u>
Capital Assets Depreciated:			
Building and Improvements	\$ 47,517,044	\$ 38,868	\$ 47,555,912
Infrastructure	99,606	0	99,606
Other Capital Assets	2,514,166	53,659	2,567,825
Total Capital Assets Depreciated	<u>\$ 50,130,816</u>	<u>\$ 92,527</u>	<u>\$ 50,223,343</u>
Less Accumulated Depreciation For:			
Building and Improvements	\$ 31,666,052	\$ 1,357,934	\$ 33,023,986
Infrastructure	35,275	4,981	40,256
Other Capital Assets	1,749,065	118,405	1,867,470
Total Accumulated Depreciation	<u>\$ 33,450,392</u>	<u>\$ 1,481,320</u>	<u>\$ 34,931,712</u>
Total Capital Assets Depreciated, Net	<u>\$ 16,680,424</u>	<u>\$ (1,388,793)</u>	<u>\$ 15,291,631</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,832,085</u>	<u>\$ (1,388,793)</u>	<u>\$ 16,443,292</u>

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

**Governmental Activities:**

Instruction	\$ 1,008,683
Support Services	318,645
Operation of Noninstructional Services	<u>153,992</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,481,320</u>

**D. Construction Commitments**

At June 30, 2020, the discretely presented school department's General Purpose School Fund had uncompleted construction contracts of approximately \$983,961 for a new band building at a high school. Funding has been received for these future expenditures.

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

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

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 3,480

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

**Due to/from Primary Government and Component Unit:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
	Component Unit:	
Primary Government:	School Department:	
Governmental Activities	Governmental Activities	\$ 1,094,894

The Due to the Primary Government from the school department is the balance of the other loan payable issued by the county for the school department. The school department has agreed to contribute the funds necessary to retire the debt.

**Interfund Transfers:**

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

**Primary Government**

Transfer Out	<u>Transfer In</u> General Debt Service Fund	Purpose
General Fund	\$ <u>50,000</u>	Debt retirement
Total	\$ <u><u>50,000</u></u>	

**Discretely Presented Henderson County School Department**

Transfer Out	<u>Transfer In</u> School Transportation Fund	Purpose
General Purpose School Fund	\$ <u>100,000</u>	Operations
Total	\$ <u><u>100,000</u></u>	

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.

**F. Capital Lease**

On July 28, 2017, Henderson County entered into a three-year lease-purchase agreement for a freightliner. The terms of the agreement require total lease payments of \$166,250 plus interest of 2.39 percent. Title to the equipment transfers to Henderson County at the end of the lease period. The Highway/Public Works Fund is making the lease payments.

The assets acquired through the capital lease are as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 166,250
Less: Accumulated Depreciation	<u>(96,979)</u>
Total Book Value	<u>\$ 69,271</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2021	<u>\$ 9,580</u>
Total Minimum Lease Payments	\$ 9,580
Less: Amount Representing Interest	<u>(28)</u>
Present Value of Minimum Lease Payments	<u>\$ 9,552</u>

**G. Long-term Debt**

**Primary Government**

**General Obligation Bonds and Other Loan**

Henderson 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 15 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2020, will be retired from the General Debt Service and Rural Debt Service funds.

Direct Borrowing and Direct Placements - Henderson County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Other loans outstanding were issued for original terms of up to 21 years. Repayment terms are generally structured

with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

General obligation bonds, the other loan, and the capital lease outstanding as of June 30, 2020, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
General Obligation Bonds	2.5 to 3.05%	4-1-33	\$ 2,310,000	\$ 2,310,000
General Obligation Bonds - Refunding	1 to 5	4-1-29	21,620,000	15,435,000
Direct Borrowing and Direct Placement:				
Other Loan	1.38	12-31-31	1,800,582	1,094,894
Capital Lease	2.39	7-28-20	166,250	9,552

In prior years, Henderson County entered into an agreement with the State of Tennessee to receive funding from the state revolving loan fund program. Under this agreement, the program loaned \$1,800,582 to the Henderson County School Department for wastewater facility improvements at four elementary schools. The loan is repayable at a 1.38 percent interest rate. In addition, the county pays an administrative fee in connection with this loan.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 1,935,000	\$ 533,565	\$ 2,468,565
2022	2,070,000	485,490	2,555,490
2023	2,075,000	420,415	2,495,415
2024	2,085,000	354,739	2,439,739
2025	1,765,000	287,940	2,052,940
2026-2030	7,215,000	603,288	7,818,288
2031-2033	600,000	36,607	636,607
Total	\$ 17,745,000	\$ 2,722,044	\$ 20,467,044



Year Ending June 30	Other Loan - Direct Placement			
	Principal	Interest	Other Fees	Total
2021	\$ 88,464	\$ 14,556	\$ 876	\$ 103,896
2022	89,700	13,320	804	103,824
2023	90,948	12,072	732	103,752
2024	92,208	10,812	660	103,680
2025	93,480	9,540	588	103,608
2026-2030	487,272	27,828	1,788	516,888
2031-2032	152,822	1,599	136	154,557
Total	\$ 1,094,894	\$ 89,727	\$ 5,584	\$ 1,190,205

There is \$1,951,199 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$639, based on the 2010 federal census. Total debt per capita, including bonds, the other loan, capital leases, and unamortized debt premiums totaled \$713, based on the 2010 federal census.

The school department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the school department and as Due from Component Units in the financial statements of the primary government.

Description of Debt	Outstanding 6-30-20
<u>Other Loan - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Clean Water State Revolving Fund	\$ 1,094,894

#### Changes in Long-term Debt

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

Governmental Activities:		Other Loan - Direct Placement	Capital Leases - Direct Placement
	Bonds		
Balance, July 1, 2019	\$ 20,030,000	\$ 1,182,146	\$ 101,645
Additions	2,785,000	0	0
Reductions	(5,070,000)	(87,252)	(92,093)
Balance, June 30, 2020	<u>\$ 17,745,000</u>	<u>\$ 1,094,894</u>	<u>\$ 9,552</u>
Balance Due Within One Year	<u>\$ 1,935,000</u>	<u>\$ 88,464</u>	<u>\$ 9,552</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 18,849,446
Less: Balance Due Within One Year - Debt	(2,033,016)
Add: Unamortized Premium on Debt	<u>962,119</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 17,778,549</u>

Current Refunding

On June 30, 2020, Henderson County refunded one general obligation bond issue with a separate general obligation bond issue. The county issued \$2,785,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. Because of the current refunding, total debt service payments over the next nine years will be reduced by \$262,596, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$240,143 was obtained.

**H. Long-term Obligations**

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

	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2019	\$ 208,936	\$ 79,530
Additions	276,282	0
Reductions	(243,916)	(1,113)
Balance, June 30, 2020	<u>\$ 241,302</u>	<u>\$ 78,417</u>
Balance Due Within One Year	<u>\$ 209,810</u>	<u>\$ 2,500</u>

	Net OPEB Liability	Net Pension Liability
Balance, July 1, 2019	\$ 223,235	\$ 78,521
Additions	47,836	296,153
Reductions	(78,069)	(334,232)
Balance, June 30, 2020	<u>\$ 193,002</u>	<u>\$ 40,442</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2020	\$ 553,163
Less: Balance Due Within One Year - Other	<u>(212,310)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 340,853</u>

Compensated absences, other postemployment benefits, and the pension liability will be paid from the employing funds, primarily the General and Highway/Public Works funds. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

**Discretely Presented Henderson County School Department**

Changes in Long-term Obligations

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

Governmental Activities:

	<u>Net OPEB Liability</u>
Balance, July 1, 2019	\$ 2,091,165
Additions	814,226
Reductions	<u>(371,374)</u>
Balance, June 30, 2020	<u>\$ 2,534,017</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2020	\$ 2,534,017
Less: Balance Due Within One Year - Other	<u>0</u>
Other Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,534,017</u>

Other postemployment benefits will be paid from the employing funds: the General Purpose School, School Federal Projects, and Central Cafeteria funds.

**I. On-Behalf Payments – Discretely Presented Henderson County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Henderson County School Department. These payments are made by the state to the Local Education Group Insurance. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2020, were \$65,240. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. Risk Management**

**Liability, Property, Casualty, and Workers' Compensation Insurance**

Henderson County and the discretely presented 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. Henderson County and the school department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance

coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

#### Employee Health Insurance

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

The discretely presented Henderson County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

#### **B. Contingent Liabilities**

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 school department's financial statements.

#### **C. Landfill Closure/Postclosure Care Costs**

Henderson County and the City of Lexington have an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The city and county have provided financial assurances for estimated closure and 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 its 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 county reports a portion 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. Henderson County and the City of Lexington closed their sanitary landfill

in 1997. The \$78,417 reported as postclosure care liability at June 30, 2020, represents the county's 50 percent share of the amounts based on what it would cost to perform all postclosure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**D. Joint Ventures**

The Beech River Regional Airport was established through a joint operations agreement between Decatur County, Henderson County, the City of Parsons, and the City of Lexington. The agreement created the Beech River Regional Airport Board to plan, develop, and maintain a regional airport that will economically benefit all residents of the two-county area. The board comprises nine members, two from each governmental unit and one appointed by the governmental entities on a one-year rotation basis. Each participant retains a 25 percent ownership in the airport; however, participants do not retain an equity interest in the airport. Henderson County made no contributions to the airport for the year ended June 30, 2020.

The Everett Horn Public Library is a joint venture between Henderson County and the City of Lexington. It is operated by an appointed seven-member board. The library is jointly funded by the county and the City of Lexington with additional revenues received from private contributions. During the year ended June 30, 2020, the county contributed \$44,000 to the library.

Complete financial statements for the Beech River Regional Airport and the Everett Horn Public Library can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Beech River Regional Airport  
790 Hidden Hill Circle  
Lexington, TN 38351

Everett Horn Public Library  
702 West Church Street  
Lexington, TN 38351

**E. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Henderson County and non-certified employees of the discretely presented Henderson County School

Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 56.4 percent and the non-certified employees of the discretely presented school department comprised 43.6 percent of the plan based on contribution data. In addition, certain other county employees are provided a defined benefit pension plan (Henderson County Judges, Officials, and Executives Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 100 percent of the Henderson County Judges, Officials, and Executives Plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

Member and beneficiary annuitants of the Henderson County Judges, Officials, and Executives Plan are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less

than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

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

Henderson County Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	95
Inactive Employees Entitled to But Not Yet Receiving Benefits	311
Active Employees	329
Total	<u><u>735</u></u>

Henderson County Judges, Officials, and Executives Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	6
Inactive Employees Entitled to But Not Yet Receiving Benefits	2
Active Employees	11
Total	<u><u>19</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Henderson County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, the employer contribution for the Henderson County Plan was \$293,091 based on a rate of 3.14 percent of covered payroll. For the year ended June 30, 2020, the employer contribution for the Henderson County Judges, Officials, and Executives Plan was \$87,224 based on a rate of 8.57 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Henderson 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)

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

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

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

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

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

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

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

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

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Henderson 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)

Henderson County Plan:

	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary	Pension
	Liability	Net Position	Liability
	(a)	(b)	(a)-(b)
Balance, July 1, 2018	\$ 13,401,596	\$ 16,631,123	\$ (3,229,527)
Changes for the Year:			
Service Cost	\$ 708,668	\$ 0	\$ 708,668
Interest	1,004,472	0	1,004,472
Differences Between Expected and Actual Experience	(125,572)	0	(125,572)
Contributions-Employer	0	288,080	(288,080)
Contributions-Employees	0	461,776	(461,776)
Net Investment Income	0	1,246,175	(1,246,175)
Benefit Payments, Including Refunds of Employee Contributions	(510,956)	(510,956)	0
Administrative Expense	0	(28,608)	28,608
Net Changes	\$ 1,076,612	\$ 1,456,467	\$ (379,855)
Balance, June 30, 2019	\$ 14,478,208	\$ 18,087,590	\$ (3,609,382)

Henderson Judges, Officials, and Executives County Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 2,861,993	\$ 2,783,472	\$ 78,521
Changes for the Year:			
Service Cost	\$ 49,979	\$ 0	\$ 49,979
Interest	207,325	0	207,325
Differences Between Expected and Actual Experience	37,870	0	37,870
Contributions-Employer	0	79,010	(79,010)
Contributions-Employees	0	47,199	(47,199)
Net Investment Income	0	208,023	(208,023)
Benefit Payments, Including Refunds of Employee Contributions	(104,642)	(104,642)	0
Administrative Expense	0	(979)	979
Net Changes	\$ 190,532	\$ 228,611	\$ (38,079)
Balance, June 30, 2019	\$ 3,052,525	\$ 3,012,083	\$ 40,442

Henderson County Plan:

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	56.4%	\$ 8,165,709	\$ 10,201,400	\$ (2,035,691)
School Department	43.6%	6,312,499	7,886,190	(1,573,691)
Total		\$ 14,478,208	\$ 18,087,590	\$ (3,609,382)

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

	1% Decrease	Current Discount Rate	1% Increase
Henderson County Plan	6.25%	7.25%	8.25%
Net Pension Liability (Asset)	\$ (1,633,776)	\$ (3,609,382)	\$ (5,237,724)
	1% Decrease	Current Discount Rate	1% Increase
Henderson County Judges, Officials, and Executives Plan	6.25%	7.25%	8.25%
Net Pension Liability (Asset)	\$ 363,516	\$ 40,442	\$ (236,177)

**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, 2020, the Henderson County Plan recognized pension expense of \$151,235 and the Henderson County Judges, Officials, and Executives Plan recognized (negative pension expense) of (\$18,402).

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

Henderson County Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 63,845	\$ 338,502
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	205,469
Changes in Assumptions	236,038	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	293,091	N/A
Total	\$ 592,974	\$ 543,971

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2019,” will be recognized as a

reduction (increase) to net pension liability (asset) in the following measurement period.

Henderson County Judges, Officials, and Executives Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 28,402	\$ 61,847
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	34,069
Changes in Assumptions	19,628	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	<u>87,224</u>	<u>N/A</u>
Total	<u>\$ 135,254</u>	<u>\$ 95,916</u>

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

Henderson County Plan:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 344,694	\$ 306,800
School Department	<u>248,280</u>	<u>237,171</u>
Total	<u>\$ 592,974</u>	<u>\$ 543,971</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:

Henderson County Plan:

Year Ending June 30	Amount
2021	\$ (17,908)
2022	(144,690)
2023	(51,572)
2024	25,230
2025	(37,217)
Thereafter	(17,931)

Henderson County Judges, Officials, and Executives Plan:

Year Ending June 30	Amount
2021	\$ (35,523)
2022	(14,276)
2023	3,012
2024	(1,099)
2025	0
Thereafter	0

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

**Discretely Presented Henderson County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Henderson County and non-certified employees of the discretely presented Henderson County School Department are provided a defined benefit pension plan (Henderson County Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 56.4 percent and the non-certified employees of the discretely presented school department comprised 43.6 percent of the plan based on contribution data.

## **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

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

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



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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$58,057, which is 2.03 percent of covered payroll. In addition, employer contributions of \$56,341, which is 1.97 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities (Assets).* At June 30, 2020, the school department reported a liability (asset) of (\$130,236) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was .230716 percent. The proportion as of June 30, 2018, was .236337 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2020, the school department recognized pension expense of \$41,439.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2020, the school department reported deferred

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 5,400	\$ 22,736
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	5,506
Changes in Assumptions	4,525	0
Changes in Proportion of Net Pension Liability (Asset)	7,317	967
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>58,057</u>	<u>N/A</u>
Total	<u>\$ 75,299</u>	<u>\$ 29,209</u>

The school department's employer contributions of \$58,057, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (2,194)
2022	(3,036)
2023	(1,492)
2024	(704)
2025	(480)
Thereafter	(4,061)

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

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

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

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

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

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

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

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

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

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

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

Net Pension Liability (Asset)    \$    41,264    \$ (130,236)    \$    (257,007)

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

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

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Henderson County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$1,456,843, which is 10.63 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liability (Assets).* At June 30, 2020, the school department reported a liability (asset) of (\$4,314,264) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was .419602 percent. The proportion measured at June 30, 2018, was .409482 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2020, the school department recognized pension expense of \$650,953.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 210,051	\$ 2,635,238
Changes in Assumptions	581,369	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,232,668
Changes in Proportion of Net Pension Liability (Asset)	141,260	13,001
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	1,456,843	N/A
Total	<u>\$ 2,389,523</u>	<u>\$ 3,880,907</u>

The school department's employer contributions of \$1,456,843 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (805,084)
2022	(1,182,774)
2023	(549,532)
2024	(410,837)
2025	0
Thereafter	0

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

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

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

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

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

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



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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset)    \$    8,821,423    \$    (4,314,264)    \$    (14,763,339)

*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 \$142,998 and teachers contributed \$52,293 to this deferred compensation pension plan.

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

Henderson County and the discretely presented Henderson County School Department provide OPEB benefits to certain retirees under the state administered public entity risk pools. 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**

Retirees of Henderson County and the Henderson 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. Likewise, the school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of the Henderson County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical

insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

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

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

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

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

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2019, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and

adjusted with a 2.0 percent load for males and a -3.0 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10.0 percent load.

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

### **Local Government OPEB Plan (Primary Government)**

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

*Benefits provided.* Henderson County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGP, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Henderson County does not provide a direct subsidy and is only subject to the implicit subsidy.

#### Employees Covered by Benefit Terms

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

	Henderson County	Hwy Dept	Total
Inactive Employees or Beneficiaries			
Currently Receiving Benefits	1	0	1
Inactive Employees Entitled to But Not Yet Receiving Benefits	0	0	0
Active Employees	131	22	153
Total	132	22	154

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2020, the county paid \$5,425 (Henderson County - \$5,191, Highway Dept - \$234) to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Henderson County	Hwy Dept.	Total OPEB Liability
Balance July 1, 2018	\$ 155,452	\$ 67,783	\$ 223,235
Changes for the Year:			
Service Cost	\$ 22,668	\$ 6,632	\$ 29,300
Interest	6,407	2,690	9,097
Difference between Expected and Actuarial Experience	(47,280)	(28,300)	(75,580)
Changes in Assumption and Other Inputs	7,671	1,768	9,439
Benefit Payments	(2,255)	(234)	(2,489)
Net Changes	\$ (12,789)	\$ (17,444)	\$ (30,233)
Balance June 30, 2019	\$ 142,663	\$ 50,339	\$ 193,002

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2020, the county recognized OPEB expense of \$29,804 (Henderson County – \$21,492, Highway Dept - \$8,312). At June 30, 2020, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience (DO - Hwy \$16,605 and DI - County \$60,125, Hwy \$24,951)	\$ 16,605	\$ 85,076
Changes of Assumptions/Inputs (DO - County \$12,778, Hwy \$5,110 and DI - County \$6,341, Hwy \$1,987)	17,888	8,328
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2019 (DO - County \$5,191, Hwy \$234)	<u>5,425</u>	<u>0</u>
Total	<u>\$ 39,918</u>	<u>\$ 93,404</u>

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

Year Ending June 30	County	Hwy	Total Amount
2021	\$ (7,583)	\$ (1,010)	\$ (8,593)
2022	(7,583)	(1,010)	(8,593)
2023	(7,583)	(1,010)	(8,593)
2024	(7,583)	(1,010)	(8,593)
2025	(7,583)	(1,010)	(8,593)
Thereafter	(15,773)	(173)	(15,946)

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:

	1% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
County	\$ 157,019	\$ 142,663	\$ 129,744
Hwy	55,976	50,339	45,145
<b>Total OPEB Liability</b>	<b>\$ 212,995</b>	<b>\$ 193,002</b>	<b>\$ 174,889</b>

*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:

	1% Decrease 5.03 to 3.5%	Current Trend Rate 6.03 to 4.5%	1% Increase 7.03 to 5.5%
County	\$ 123,286	\$ 142,663	\$ 166,494
Hwy	42,712	50,339	59,486
<b>Total OPEB Liability</b>	<b>\$ 165,998</b>	<b>\$ 193,002</b>	<b>\$ 225,980</b>

### **Closed Local Education (LEP) OPEB Plan - Discretely Presented Henderson County School Department**

*Plan description.* Employees of the Henderson County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits provided.* The Henderson County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. 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 LEP 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 retiree premiums. The Henderson County School Department does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	14
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	385
Total	<u><u>399</u></u>

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$87,358 to the LEP for OPEB benefits as they came due.



Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Henderson County School Department 63.423%	State of TN 36.577%	Total OPEB Liability
Balance July 1, 2018	\$ 2,091,165	\$ 1,123,356	\$ 3,214,521
Changes for the Year:			
Service Cost	\$ 124,899	\$ 72,030	\$ 196,929
Interest	76,234	43,964	120,198
Difference between Expected and Actuarial Experience	613,093	353,576	966,669
Changes in Proportion	(52,410)	52,410	0
Changes in Assumption and Other Inputs	(202,431)	(116,743)	(319,174)
Benefit Payments	(116,533)	(67,206)	(183,739)
Net Changes	\$ 442,852	\$ 338,031	\$ 780,883
Balance June 30, 2019	\$ 2,534,017	\$ 1,461,387	\$ 3,995,404

The Henderson County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Henderson County School Department's proportionate share of the collective total OPEB Liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$101,436 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Henderson County School Department's proportionate share of the collective OPEB liability was 63.423% and the State of Tennessee's share was 36.577%.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2020, the school department recognized OPEB expense of \$270,162, including the state's share of the expense. At June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 551,165	\$ 612,267
Changes of Assumptions/Inputs	50,638	270,086
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employee and Nonemployer Contributors As Benefits Came Due	40,429	62,011
Benefits Paid After the Measurement Date of June 30, 2019	<u>87,358</u>	<u>0</u>
Total	<u>\$ 729,590</u>	<u>\$ 944,364</u>

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

<u>Year Ending June 30</u>	<u>School Department</u>
2021	\$ (32,407)
2022	(32,407)
2023	(32,407)
2024	(32,407)
2025	(32,407)
Thereafter	(140,097)

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

*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate.* The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.51%	3.51%	4.51%

Proportionate Share of the Collective Total OPEB Liability	\$ 2,735,588	\$ 2,534,017	\$ 2,342,679
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*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rate	1% Increase
	5.03 to 3.5%	6.03 to 4.5%	7.03 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 2,241,922	\$ 2,534,017	\$ 2,880,431
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**G. Office of Central Accounting, Budgeting, and Purchasing**

Henderson County operates under the provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. This act also provides for the creation of a finance department operated under the direction of the finance director.

**H. Purchasing Law**

Office of Director of Finance

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by him to serve as the county purchasing agent. The finance director serves as the purchasing agent for Henderson County. The Henderson County Financial Management Committee, with the assistance of the director of finance, established a purchasing system for the county that requires the issuance of purchase orders. The Financial Management Committee has also established that competitive bids are required to be solicited through newspaper advertisement on all purchases estimated to exceed \$25,000.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Henderson 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 - Henderson County Employees  
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
<b>Total Pension Liability</b>						
Service Cost	\$ 478,864	\$ 543,125	\$ 582,639	\$ 611,784	\$ 694,135	\$ 708,668
Interest	652,941	718,253	791,784	841,237	928,445	1,004,472
Differences Between Actual and Expected Experience	32,965	67,018	(313,790)	69,974	(134,943)	(125,572)
Changes in Assumptions	0	0	0	413,068	0	0
Benefit Payments, Including Refunds of Employee Contributions	(340,827)	(375,581)	(399,405)	(461,426)	(396,095)	(510,956)
Net Change in Total Pension Liability	\$ 823,943	\$ 952,815	\$ 661,228	\$ 1,474,637	\$ 1,091,542	\$ 1,076,612
Total Pension Liability, Beginning	8,397,431	9,221,374	10,174,189	10,835,417	12,310,054	13,401,596
Total Pension Liability, Ending (a)	\$ 9,221,374	\$ 10,174,189	\$ 10,835,417	\$ 12,310,054	\$ 13,401,596	\$ 14,478,208
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 614,892	\$ 641,398	\$ 670,607	\$ 369,609	\$ 279,615	\$ 288,080
Contributions - Employee	349,768	378,628	397,144	434,842	448,301	461,776
Net Investment Income	1,564,166	355,817	332,851	1,517,812	1,263,131	1,246,175
Benefit Payments, Including Refunds of Employee Contributions	(340,827)	(375,581)	(399,405)	(461,426)	(396,095)	(510,956)
Administrative Expense	(10,654)	(15,239)	(23,258)	(27,960)	(30,545)	(28,608)
Other	0	0	4,472	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 2,177,345	\$ 985,023	\$ 982,411	\$ 1,832,877	\$ 1,564,407	\$ 1,456,467
Plan Fiduciary Net Position, Beginning	9,089,060	11,266,405	12,251,428	13,233,839	15,066,716	16,631,123
Plan Fiduciary Net Position, Ending (b)	\$ 11,266,405	\$ 12,251,428	\$ 13,233,839	\$ 15,066,716	\$ 16,631,123	\$ 18,087,590
Net Pension Liability (Asset), Ending (a - b)	\$ (2,045,031)	\$ (2,077,239)	\$ (2,398,422)	\$ (2,756,662)	\$ (3,229,527)	\$ (3,609,382)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	122.18%	120.42%	122.14%	122.39%	124.10%	124.93%
Covered Payroll	\$ 6,995,362	\$ 7,570,158	\$ 7,917,431	\$ 8,635,752	\$ 8,904,930	\$ 9,174,452
Net Pension Liability (Asset) as a Percentage of Covered Payroll	29.23%	27.44%	30.29%	31.92%	36.27%	39.34%

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

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

Henderson 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 - Henderson County Judges, Officials, and Executives  
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
<b>Total Pension Liability</b>						
Service Cost	\$ 62,155	\$ 64,449	\$ 65,504	\$ 65,909	\$ 39,226	\$ 49,979
Interest	169,073	181,085	190,272	198,614	197,394	207,325
Differences Between Actual and Expected Experience	(350)	(48,277)	(68,421)	(166,167)	(19,861)	37,870
Changes in Assumptions	0	0	0	78,515	0	0
Benefit Payments, Including Refunds of Employee Contributions	(72,479)	(73,537)	(78,113)	(74,945)	(76,445)	(104,642)
Net Change in Total Pension Liability	\$ 158,399	\$ 123,720	\$ 109,242	\$ 101,926	\$ 140,314	\$ 190,532
Total Pension Liability, Beginning	2,228,392	2,386,791	2,510,511	2,619,753	2,721,679	2,861,993
Total Pension Liability, Ending (a)	\$ 2,386,791	\$ 2,510,511	\$ 2,619,753	\$ 2,721,679	\$ 2,861,993	\$ 3,052,525
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 45,045	70,139	70,304	71,517	74,051	79,010
Contributions - Employee	40,654	41,899	41,998	42,722	44,236	47,199
Net Investment Income	289,854	63,559	57,365	255,646	211,773	208,023
Benefit Payments, Including Refunds of Employee Contributions	(72,479)	(73,537)	(78,113)	(74,945)	(76,445)	(104,642)
Administrative Expense	(493)	(558)	(823)	(934)	(1,045)	(979)
Net Change in Plan Fiduciary Net Position	\$ 302,581	\$ 101,502	\$ 90,731	\$ 294,006	\$ 252,570	\$ 228,611
Plan Fiduciary Net Position, Beginning	1,742,082	2,044,663	2,146,165	2,236,896	2,530,902	2,783,472
Plan Fiduciary Net Position, Ending (b)	\$ 2,044,663	\$ 2,146,165	\$ 2,236,896	\$ 2,530,902	\$ 2,783,472	\$ 3,012,083
Net Pension Liability (Asset), Ending (a - b)	\$ 342,128	\$ 364,346	\$ 382,857	\$ 190,777	\$ 78,521	\$ 40,442
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.67%	85.49%	85.39%	92.99%	97.26%	98.68%
Covered Payroll	\$ 813,084	\$ 837,985	\$ 839,951	\$ 854,441	\$ 884,719	\$ 943,974
Net Pension Liability (Asset) as a Percentage of Covered Payroll	42.08%	43.48%	45.58%	22.33%	8.88%	4.28%

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

Exhibit E-3

Henderson County, Tennessee  
Schedule of Contributions Based on Participation in the Public  
Employee Pension Plan of TCRS  
Primary Government - Henderson County Employees  
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 614,892	\$ 641,398	\$ 670,607	\$ 369,609	\$ 279,615	\$ 281,657	\$ 50,404
Less Contributions in Relation to the Actuarially Determined Contribution	(614,892)	(641,398)	(670,607)	(369,609)	(279,615)	(288,080)	(293,091)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (6,423)	\$ (242,687)
Covered Payroll	\$ 6,995,362	\$ 7,570,158	\$ 7,917,431	\$ 8,635,752	\$ 8,904,930	\$ 9,174,452	\$ 9,334,108
Contributions as a Percentage of Covered Payroll	8.79%	8.47%	8.47%	4.28%	3.14%	3.14%	3.14%

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

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

Exhibit E-4

Henderson County, Tennessee  
Schedule of Contributions Based on Participation in the Public  
Employee Pension Plan of TCRS  
Primary Government - Henderson County Judges, Officials, and Executives  
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 45,045	\$ 70,139	\$ 70,304	\$ 71,517	\$ 74,051	\$ 79,010	\$ 87,224
Less Contributions in Relation to the Actuarially Determined Contribution	(45,045)	(70,139)	(70,304)	(71,517)	(74,051)	(79,010)	(87,224)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 813,084	\$ 837,985	\$ 839,951	\$ 854,441	\$ 884,719	\$ 943,974	\$ 1,017,779
Contributions as a Percentage of Covered Payroll	5.54%	8.37%	8.37%	8.37%	8.37%	8.37%	8.57%

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



Exhibit E-5

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

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 14,864	\$ 26,981	\$ 67,022	\$ 33,680	\$ 47,364	\$ 58,057
Less Contributions in Relation to the Contractually Required Contribution	(23,782)	(43,114)	(67,022)	(82,612)	(47,364)	(58,057)
Contribution Deficiency (Excess)	\$ (8,918)	\$ (16,133)	\$ 0	\$ (48,932)	\$ 0	\$ 0
Covered Payroll	\$ 594,559	\$ 1,077,863	\$ 1,675,531	\$ 2,065,291	\$ 2,441,438	\$ 2,859,950
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%

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

Exhibit E-6

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 1,281,571	\$ 1,269,163	\$ 1,298,956	\$ 1,318,789	\$ 1,301,957	\$ 1,471,707	\$ 1,456,843
Less Contributions in Relation to the Contractually Required Contribution	(1,281,571)	(1,269,163)	(1,298,956)	(1,318,789)	(1,301,957)	(1,471,707)	(1,456,843)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 14,432,109	\$ 14,039,408	\$ 14,368,981	\$ 14,588,357	\$ 14,338,716	\$ 14,069,853	\$ 13,704,985
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%

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

Exhibit E-7

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

	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability (Asset)	0.280246%	0.244964%	0.255287%	0.236337%	0.230716%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (11,512)	\$ (25,502)	\$ (67,354)	\$ (107,185)	\$ (130,236)
Covered Payroll	\$ 594,559	\$ 1,077,863	\$ 1,675,531	\$ 2,065,291	\$ 2,441,438
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.33)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%	123.07%

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

Exhibit E-8

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

	2014	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability (Asset)	0.367698%	0.375034%	0.398055%	0.412689%	0.409482%	0.419602%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (59,749)	\$ 153,627	\$ 2,487,623	\$ (135,025)	\$ (1,440,933)	\$ (4,314,264)
Covered Payroll	\$ 14,432,109	\$ 14,039,408	\$ 14,368,981	\$ 14,588,357	\$ 14,338,716	\$ 14,069,853
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.41)%	1.09%	17.31%	(.93)%	(10.05)%	(30.66)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

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

Exhibit E-9

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

**Henderson County Plan**

	2017	2018	2019
<b>Total OPEB Liability</b>			
Service Cost	\$ 16,462	\$ 15,558	\$ 22,668
Interest	4,567	5,928	6,407
Differences Between Actual and Expected Experience	0	(23,662)	(47,280)
Changes in Assumptions or Other Inputs	(9,059)	7,629	7,671
Benefit Payments	0	(1,930)	(2,255)
Net Change in Total OPEB Liability	\$ 11,970	\$ 3,523	\$ (12,789)
Total OPEB Liability, Beginning	139,959	151,929	155,452
Total OPEB Liability, Ending	\$ 151,929	\$ 155,452	\$ 142,663
Covered Employee Payroll	\$ 4,238,439	\$ 4,649,729	\$ 4,581,378
Net OPEB Liability as a Percentage of Covered Employee Payroll	3.58%	3.34%	3.11%

**Highway Department Plan**

	2017	2018	2019
<b>Total OPEB Liability</b>			
Service Cost	\$ 3,721	\$ 3,933	\$ 6,632
Interest	1,140	1,474	2,690
Differences Between Actual and Expected Experience	0	20,513	(28,300)
Changes in Assumptions or Other Inputs	(2,713)	4,387	1,768
Benefit Payments	0	0	(234)
Net Change in Total OPEB Liability	\$ 2,148	\$ 30,307	\$ (17,444)
Total OPEB Liability, Beginning	35,328	37,476	67,783
Total OPEB Liability, Ending	\$ 37,476	\$ 67,783	\$ 50,339
Covered Employee Payroll	\$ 872,611	\$ 754,693	\$ 769,011
Net OPEB Liability as a Percentage of Covered Employee Payroll	4.29%	8.98%	6.55%

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:

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

Exhibit E-10

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

	2017	2018	2019
<b>Total OPEB Liability</b>			
Service Cost	\$ 246,796	\$ 227,679	\$ 196,929
Interest	124,270	150,806	120,198
Differences Between Actual and Expected Experience	0	(1,172,972)	966,669
Changes in Assumptions or Other Inputs	(190,362)	97,011	(319,174)
Benefit Payments	(169,703)	(192,874)	(183,739)
Net Change in Total OPEB Liability	\$ 11,001	\$ (890,350)	\$ 780,883
Total OPEB Liability, Beginning	4,093,870	4,104,871	3,214,521
Total OPEB Liability, Ending	<u>\$ 4,104,871</u>	<u>\$ 3,214,521</u>	<u>\$ 3,995,404</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,485,114	\$ 1,123,356	\$ 1,461,387
Employer Proportionate Share of the Total OPEB Liability	2,619,757	2,091,165	2,534,017
Covered Employee Payroll	\$ 18,178,250	\$ 18,073,590	\$ 17,445,920
Net OPEB Liability as a Percentage of Covered Employee Payroll	14.41%	11.57%	14.52%

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:

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

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

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for fiscal year 2020 were calculated based on the June 30, 2018, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Henderson County Employees:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation Averaging 4%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement

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

(Continued)

Henderson County Judges, Officials, and Executives:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation Averaging 4%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustments	2.25%

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



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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Henderson County’s garbage collection operations.

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

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

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Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the accumulation of resources for, and the payment of, rural school debt.

Exhibit F-1

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

	Special Revenue Funds			Debt Service Fund		Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	Rural Debt Service	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 3,403	\$ 3,403	\$ 0	\$ 3,403
Equity in Pooled Cash and Investments	403,111	20,880	0	423,991	617,872	1,041,863
Accounts Receivable	2,874	0	77	2,951	0	2,951
Due from Other Governments	16,843	0	0	16,843	0	16,843
Property Taxes Receivable	475,962	0	0	475,962	0	475,962
Allowance for Uncollectible Property Taxes	(7,960)	0	0	(7,960)	0	(7,960)
Total Assets	\$ 890,830	\$ 20,880	\$ 3,480	\$ 915,190	\$ 617,872	\$ 1,533,062
<u>LIABILITIES</u>						
Due to Other Funds	\$ 0	\$ 0	\$ 3,480	\$ 3,480	\$ 0	\$ 3,480
Total Liabilities	\$ 0	\$ 0	\$ 3,480	\$ 3,480	\$ 0	\$ 3,480
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 452,221	\$ 0	\$ 0	\$ 452,221	\$ 0	\$ 452,221
Deferred Delinquent Property Taxes	14,704	0	0	14,704	0	14,704
Other Deferred/Unavailable Revenue	7,000	0	0	7,000	0	7,000
Total Deferred Inflows of Resources	\$ 473,925	\$ 0	\$ 0	\$ 473,925	\$ 0	\$ 473,925
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 20,880	\$ 0	\$ 20,880	\$ 0	\$ 20,880

(Continued)

Exhibit F-1

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

	Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	Rural Debt Service	
<u>FUND BALANCES (Cont.)</u>						
Restricted (Cont.):						
Restricted for Debt Service	\$ 0	\$ 0	\$ 0	\$ 0	\$ 98,586	\$ 98,586
Committed:						
Committed for Public Health and Welfare	416,905	0	0	416,905	0	416,905
Committed for Debt Service	0	0	0	0	519,286	519,286
Total Fund Balances	<u>\$ 416,905</u>	<u>\$ 20,880</u>	<u>\$ 0</u>	<u>\$ 437,785</u>	<u>\$ 617,872</u>	<u>\$ 1,055,657</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 890,830</u>	<u>\$ 20,880</u>	<u>\$ 3,480</u>	<u>\$ 915,190</u>	<u>\$ 617,872</u>	<u>\$ 1,533,062</u>

Exhibit F-2

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

	Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitutional - Officers - Fees	Total	Rural Debt Service	
<u>Revenues</u>						
Local Taxes	\$ 564,823	\$ 0	\$ 0	\$ 564,823	\$ 0	\$ 564,823
Fines, Forfeitures, and Penalties	0	9,563	0	9,563	0	9,563
Charges for Current Services	23,885	0	432,211	456,096	0	456,096
Other Local Revenues	141,296	7,660	0	148,956	17,414	166,370
Other Governments and Citizens Groups	0	0	0	0	400,510	400,510
Total Revenues	<u>\$ 730,004</u>	<u>\$ 17,223</u>	<u>\$ 432,211</u>	<u>\$ 1,179,438</u>	<u>\$ 417,924</u>	<u>\$ 1,597,362</u>
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 373,168	\$ 373,168	\$ 0	\$ 373,168
Administration of Justice	0	0	307,755	307,755	0	307,755
Public Safety	0	27,291	0	27,291	0	27,291
Public Health and Welfare	816,107	0	0	816,107	0	816,107
Debt Service:						
Principal on Debt	0	0	0	0	300,000	300,000
Interest on Debt	0	0	0	0	100,510	100,510
Other Debt Service	0	0	0	0	88,044	88,044
Total Expenditures	<u>\$ 816,107</u>	<u>\$ 27,291</u>	<u>\$ 680,923</u>	<u>\$ 1,524,321</u>	<u>\$ 488,554</u>	<u>\$ 2,012,875</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (86,103)</u>	<u>\$ (10,068)</u>	<u>\$ (248,712)</u>	<u>\$ (344,883)</u>	<u>\$ (70,630)</u>	<u>\$ (415,513)</u>

(Continued)

Exhibit F-2

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

	Special Revenue Funds				Debt Service	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Rural Debt Service Fund	
<u>Other Financing Sources (Uses)</u>						
Refunding Debt Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,785,000	\$ 2,785,000
Premiums on Debt Sold	0	0	0	0	300,434	300,434
Payments to Refunded Debt Escrow Agent	0	0	0	0	(2,998,217)	(2,998,217)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 87,217</u>	<u>\$ 87,217</u>
Net Change in Fund Balances	\$ (86,103)	\$ (10,068)	\$ (248,712)	\$ (344,883)	\$ 16,587	\$ (328,296)
Fund Balance, July 1, 2019	503,008	30,948	248,712	782,668	601,285	1,383,953
Fund Balance, June 30, 2020	<u>\$ 416,905</u>	<u>\$ 20,880</u>	<u>\$ 0</u>	<u>\$ 437,785</u>	<u>\$ 617,872</u>	<u>\$ 1,055,657</u>

Exhibit F-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 564,823	\$ 546,600	\$ 546,600	\$ 18,223
Charges for Current Services	23,885	0	0	23,885
Other Local Revenues	141,296	150,000	150,000	(8,704)
Total Revenues	<u>\$ 730,004</u>	<u>\$ 696,600</u>	<u>\$ 696,600</u>	<u>\$ 33,404</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Education/Information	\$ 816,107	\$ 766,775	\$ 866,775	\$ 50,668
Total Expenditures	<u>\$ 816,107</u>	<u>\$ 766,775</u>	<u>\$ 866,775</u>	<u>\$ 50,668</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (86,103)</u>	<u>\$ (70,175)</u>	<u>\$ (170,175)</u>	<u>\$ 84,072</u>
Net Change in Fund Balance	\$ (86,103)	\$ (70,175)	\$ (170,175)	\$ 84,072
Fund Balance, July 1, 2019	<u>503,008</u>	<u>400,000</u>	<u>400,000</u>	<u>103,008</u>
Fund Balance, June 30, 2020	<u>\$ 416,905</u>	<u>\$ 329,825</u>	<u>\$ 229,825</u>	<u>\$ 187,080</u>

Exhibit F-4

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 9,563	\$ 22,500	\$ 22,500	\$ (12,937)
Other Local Revenues	7,660	0	0	7,660
Total Revenues	<u>\$ 17,223</u>	<u>\$ 22,500</u>	<u>\$ 22,500</u>	<u>\$ (5,277)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 27,291	\$ 22,500	\$ 27,500	\$ 209
Total Expenditures	<u>\$ 27,291</u>	<u>\$ 22,500</u>	<u>\$ 27,500</u>	<u>\$ 209</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (10,068)</u>	<u>\$ 0</u>	<u>\$ (5,000)</u>	<u>\$ (5,068)</u>
Net Change in Fund Balance	\$ (10,068)	\$ 0	\$ (5,000)	\$ (5,068)
Fund Balance, July 1, 2019	<u>30,948</u>	<u>20,000</u>	<u>20,000</u>	<u>10,948</u>
Fund Balance, June 30, 2020	<u>\$ 20,880</u>	<u>\$ 20,000</u>	<u>\$ 15,000</u>	<u>\$ 5,880</u>



Exhibit F-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 17,414	\$ 5,000	\$ 5,000	\$ 12,414
Other Governments and Citizens Groups	400,510	0	400,000	510
Total Revenues	<u>\$ 417,924</u>	<u>\$ 5,000</u>	<u>\$ 405,000</u>	<u>\$ 12,924</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 300,000	\$ 310,000	\$ 309,826	\$ 9,826
<u>Interest on Debt</u>				
Education	100,510	112,500	112,500	11,990
<u>Other Debt Service</u>				
Education	88,044	0	87,391	(653)
Total Expenditures	<u>\$ 488,554</u>	<u>\$ 422,500</u>	<u>\$ 509,717</u>	<u>\$ 21,163</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (70,630)</u>	<u>\$ (417,500)</u>	<u>\$ (104,717)</u>	<u>\$ 34,087</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 2,785,000	\$ 0	\$ 2,785,000	\$ 0
Premiums on Debt Sold	300,434	0	300,434	0
Transfers In	0	400,000	0	0
Payments to Refunded Debt Escrow Agent	(2,998,217)	0	(2,998,217)	0
Total Other Financing Sources	<u>87,217</u>	<u>\$ 400,000</u>	<u>\$ 87,217</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 16,587	\$ (17,500)	\$ (17,500)	\$ 34,087
Fund Balance, July 1, 2019	<u>601,285</u>	<u>580,000</u>	<u>580,000</u>	<u>21,285</u>
Fund Balance, June 30, 2020	<u>\$ 617,872</u>	<u>\$ 562,500</u>	<u>\$ 562,500</u>	<u>\$ 55,372</u>

# **Major Governmental Fund**

## **General Debt Service Fund**

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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.

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Exhibit G

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,892,714	\$ 1,782,483	\$ 1,782,483	\$ 110,231
Other Local Revenues	66,634	20,000	20,000	46,634
Other Governments and Citizens Groups	103,968	0	103,968	0
Total Revenues	<u>\$ 2,063,316</u>	<u>\$ 1,802,483</u>	<u>\$ 1,906,451</u>	<u>\$ 156,865</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,449,600	\$ 1,555,000	\$ 1,449,600	\$ 0
Education	432,652	365,000	511,946	79,294
<u>Interest on Debt</u>				
General Government	401,577	435,807	403,253	1,676
Education	82,072	62,000	108,822	26,750
<u>Other Debt Service</u>				
General Government	29,645	0	46,554	16,909
Education	1,600	0	1,600	0
Total Expenditures	<u>\$ 2,397,146</u>	<u>\$ 2,417,807</u>	<u>\$ 2,521,775</u>	<u>\$ 124,629</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (333,830)</u>	<u>\$ (615,324)</u>	<u>\$ (615,324)</u>	<u>\$ 281,494</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 499,700	\$ 0	\$ 0	\$ 499,700
Transfers In	50,000	50,000	50,000	0
Total Other Financing Sources	<u>\$ 549,700</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 499,700</u>
Net Change in Fund Balance	\$ 215,870	\$ (565,324)	\$ (565,324)	\$ 781,194
Fund Balance, July 1, 2019	<u>1,117,457</u>	<u>700,000</u>	<u>700,000</u>	<u>417,457</u>
Fund Balance, June 30, 2020	<u>\$ 1,333,327</u>	<u>\$ 134,676</u>	<u>\$ 134,676</u>	<u>\$ 1,198,651</u>

# Fiduciary Funds

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

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Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of 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.

City School ADA - Lexington Fund – The City School ADA - Lexington Fund is used to account for the city school system's share of education revenues collected by the county, which must be apportioned between the Henderson County School System and the City of Lexington School System on an average daily attendance basis. These collections are remitted to the Lexington City School System on a monthly basis.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit, general sessions, and juvenile 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 H-1

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

	Agency Funds			Total
	Cities - Sales Tax	City School ADA - Lexington	Constitu - tional Officers - Agency	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,073,690	\$ 1,073,690
Equity in Pooled Cash and Investments	0	76,624	0	76,624
Accounts Receivable	0	82	4,011	4,093
Due from Other Governments	696,714	138,631	0	835,345
Property Taxes Receivable	0	488,301	0	488,301
Allowance for Uncollectible Property Taxes	0	(8,166)	0	(8,166)
Total Assets	<u>\$ 696,714</u>	<u>\$ 695,472</u>	<u>\$ 1,077,701</u>	<u>\$ 2,469,887</u>
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 696,714	\$ 695,472	\$ 0	\$ 1,392,186
Due to Litigants, Heirs, and Others	0	0	1,077,701	1,077,701
Total Liabilities	<u>\$ 696,714</u>	<u>\$ 695,472</u>	<u>\$ 1,077,701</u>	<u>\$ 2,469,887</u>

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,743,169	\$ 3,743,169	\$ 0
Due from Other Governments	644,413	696,714	644,413	696,714
Total Assets	\$ 644,413	\$ 4,439,883	\$ 4,387,582	\$ 696,714
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 644,413	\$ 4,439,883	\$ 4,387,582	\$ 696,714
Total Liabilities	\$ 644,413	\$ 4,439,883	\$ 4,387,582	\$ 696,714
<u>City School ADA - Lexington Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 66,744	\$ 1,259,568	\$ 1,249,688	\$ 76,624
Accounts Receivable	59	82	59	82
Due from Other Governments	132,685	138,631	132,685	138,631
Taxes Receivable	476,368	488,301	476,368	488,301
Allowance for Uncollectible Taxes	(6,444)	(8,166)	(6,444)	(8,166)
Total Assets	\$ 669,412	\$ 1,878,416	\$ 1,852,356	\$ 695,472
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 669,412	\$ 1,878,416	\$ 1,852,356	\$ 695,472
Total Liabilities	\$ 669,412	\$ 1,878,416	\$ 1,852,356	\$ 695,472
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,383,554	\$ 7,069,080	\$ 7,378,944	\$ 1,073,690
Accounts Receivable	4,111	4,011	4,111	4,011
Total Assets	\$ 1,387,665	\$ 7,073,091	\$ 7,383,055	\$ 1,077,701
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,387,665	\$ 7,073,091	\$ 7,383,055	\$ 1,077,701
Total Liabilities	\$ 1,387,665	\$ 7,073,091	\$ 7,383,055	\$ 1,077,701
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,383,554	\$ 7,069,080	\$ 7,378,944	\$ 1,073,690
Equity in Pooled Cash and Investments	66,744	5,002,737	4,992,857	76,624
Accounts Receivable	4,170	4,093	4,170	4,093
Due from Other Governments	777,098	835,345	777,098	835,345
Taxes Receivable	476,368	488,301	476,368	488,301
Allowance for Uncollectible Taxes	(6,444)	(8,166)	(6,444)	(8,166)
Total Assets	\$ 2,701,490	\$ 13,391,390	\$ 13,622,993	\$ 2,469,887
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,313,825	\$ 6,318,299	\$ 6,239,938	\$ 1,392,186
Due to Litigants, Heirs, and Others	1,387,665	7,073,091	7,383,055	1,077,701
Total Liabilities	\$ 2,701,490	\$ 13,391,390	\$ 13,622,993	\$ 2,469,887

# Henderson County School Department

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This section presents combining and individual fund financial statements for the Henderson County School Department, a discretely presented component unit. The school department uses a General Fund and three Special Revenue Funds.

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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.

School Transportation Fund – The School Transportation Fund is used to account for transportation of students.

Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 21,347,728	\$ 1,000	\$ 1,611,641	\$ 0	\$ (19,735,087)
Support Services	11,601,269	245	601,433	35,000	(10,964,591)
Operation of Non-instructional Services	3,655,062	418,166	2,943,446	0	(293,450)
<b>Total Governmental Activities</b>	<b>\$ 36,604,059</b>	<b>\$ 419,411</b>	<b>\$ 5,156,520</b>	<b>\$ 35,000</b>	<b>\$ (30,993,128)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,395,180
Local Option Sales Taxes					3,882,659
Other Local Taxes					2,449
Grants and Contributions Not Restricted to Specific Programs					24,941,954
Unrestricted Investment Income					13,907
Miscellaneous					346,955
<b>Total General Revenues</b>					<b>\$ 32,583,104</b>
Change in Net Position					\$ 1,589,976
Net Position, July 1, 2019					27,260,344
Net Position, June 30, 2020					<b>\$ 28,850,320</b>



Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Transpor -</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>tation</u>	<u>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 9,214,040	\$ 368,754	\$ 1,620,816	\$ 11,203,610
Accounts Receivable	0	178	0	178
Due from Other Governments	872,663	0	10,880	883,543
Property Taxes Receivable	2,412,080	1,055,848	0	3,467,928
Allowance for Uncollectible Property Taxes	(40,342)	(17,660)	0	(58,002)
Restricted Assets	112,827	0	0	112,827
<b>Total Assets</b>	<b>\$ 12,571,268</b>	<b>\$ 1,407,120</b>	<b>\$ 1,631,696</b>	<b>\$ 15,610,084</b>
<u>LIABILITIES</u>				
Accounts Payable	\$ 2,949	\$ 0	\$ 0	\$ 2,949
Payroll Deductions Payable	643,600	0	1,884	645,484
<b>Total Liabilities</b>	<b>\$ 646,549</b>	<b>\$ 0</b>	<b>\$ 1,884</b>	<b>\$ 648,433</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 2,291,763	\$ 1,003,181	\$ 0	\$ 3,294,944
Deferred Delinquent Property Taxes	75,438	32,618	0	108,056
Other Deferred/Unavailable Revenue	300,010	0	0	300,010
<b>Total Deferred Inflows of Resources</b>	<b>\$ 2,667,211</b>	<b>\$ 1,035,799</b>	<b>\$ 0</b>	<b>\$ 3,703,010</b>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 2,868	\$ 30,113	\$ 6,627	\$ 39,608

(Continued)

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Transpor -</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>tation</u>	<u>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>FUND BALANCES (Cont.)</u>				
Restricted (Cont.):				
Restricted for Operation of Non-instructional Services	\$ 0	\$ 0	\$ 1,223,185	\$ 1,223,185
Restricted for Hybrid Retirement Stabilization Funds	112,827	0	0	112,827
Committed:				
Committed for Education	1,051,364	341,208	0	1,392,572
Assigned:				
Assigned for Education	983,961	0	400,000	1,383,961
Unassigned	7,106,488	0	0	7,106,488
Total Fund Balances	<u>\$ 9,257,508</u>	<u>\$ 371,321</u>	<u>\$ 1,629,812</u>	<u>\$ 11,258,641</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,571,268</u>	<u>\$ 1,407,120</u>	<u>\$ 1,631,696</u>	<u>\$ 15,610,084</u>

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 11,258,641
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,151,661	
Add: buildings and improvements net of accumulated depreciation	14,531,926	
Add: infrastructure net of accumulated depreciation	59,350	
Add: other capital assets net of accumulated depreciation	<u>700,355</u>	16,443,292
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on primary government debt for the other loan	\$ (1,094,894)	
Less: net OPEB liability	<u>(2,534,017)</u>	(3,628,911)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as a component of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 2,713,102	
Less: deferred inflows of resources related to pensions	(4,147,287)	
Add: deferred outflows of resources related to OPEB	729,590	
Less: deferred inflows of resources related to OPEB	<u>(944,364)</u>	(1,648,959)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 1,573,691	
Add: net pension asset - teacher retirement plan	130,236	
Add: net pension asset - teacher legacy retirement plan	<u>4,314,264</u>	6,018,191
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>408,066</u>
Net position of governmental activities (Exhibit A)		<u>\$ 28,850,320</u>

Exhibit I-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Transpor - tation	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 6,251,840	\$ 1,027,170	\$ 0	\$ 7,279,010
Licenses and Permits	1,627	0	0	1,627
Charges for Current Services	0	0	418,166	418,166
Other Local Revenues	355,988	387	13,448	369,823
State of Tennessee	25,020,479	0	0	25,020,479
Federal Government	650,847	0	4,434,561	5,085,408
Other Governments and Citizens Groups	7,500	0	0	7,500
Total Revenues	<u>\$ 32,288,281</u>	<u>\$ 1,027,557</u>	<u>\$ 4,866,175</u>	<u>\$ 38,182,013</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 19,745,172	\$ 0	\$ 1,223,058	\$ 20,968,230
Support Services	9,301,215	1,064,255	789,721	11,155,191
Operation of Non-Instructional Services	709,889	0	2,432,411	3,142,300
Capital Outlay	342,100	0	0	342,100
Debt Service:				
Other Debt Service	504,478	0	0	504,478
Total Expenditures	<u>\$ 30,602,854</u>	<u>\$ 1,064,255</u>	<u>\$ 4,445,190</u>	<u>\$ 36,112,299</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,685,427</u>	<u>\$ (36,698)</u>	<u>\$ 420,985</u>	<u>\$ 2,069,714</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 100,000	\$ 0	\$ 100,000
Transfers Out	(100,000)	0	0	(100,000)
Total Other Financing Sources (Uses)	<u>\$ (100,000)</u>	<u>\$ 100,000</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit I-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Transpor - tation	Other Govern- mental Funds	
Net Change in Fund Balances	\$ 1,585,427	\$ 63,302	\$ 420,985	\$ 2,069,714
Fund Balance, July 1, 2019	7,672,081	308,019	1,208,827	9,188,927
Fund Balance, June 30, 2020	\$ 9,257,508	\$ 371,321	\$ 1,629,812	\$ 11,258,641

Exhibit I-5

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

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 2,069,714
(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	\$ 92,527	
Less: current-year depreciation expense	<u>(1,481,320)</u>	(1,388,793)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$ 408,066	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(396,044)</u>	12,022
(3) The contributions of long-term debt (e.g., other loans) by the primary government provide current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on other loan to primary government		87,252
(4) 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	\$ (442,852)	
Change in deferred outflows related to OPEB	508,791	
Change in deferred inflows related to OPEB	(147,306)	
Change in net pension asset - agent plan	188,224	
Change in net pension asset - teacher retirement plan	23,051	
Change in net pension asset - teacher legacy retirement plan	2,873,331	
Change in deferred outflows related to pensions	(488,682)	
Change in deferred inflows related to pensions	<u>(1,704,776)</u>	<u>809,781</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,589,976</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 396,851	\$ 1,223,965	\$ 1,620,816
Due from Other Governments	10,880	0	10,880
Total Assets	<u>\$ 407,731</u>	<u>\$ 1,223,965</u>	<u>\$ 1,631,696</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 1,104	\$ 780	\$ 1,884
Total Liabilities	<u>\$ 1,104</u>	<u>\$ 780</u>	<u>\$ 1,884</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 6,627	\$ 0	\$ 6,627
Restricted for Operation of Non-instructional Services	0	1,223,185	1,223,185
Assigned:			
Assigned for Education	400,000	0	400,000
Total Fund Balances	<u>\$ 406,627</u>	<u>\$ 1,223,185</u>	<u>\$ 1,629,812</u>
Total Liabilities and Fund Balances	<u>\$ 407,731</u>	<u>\$ 1,223,965</u>	<u>\$ 1,631,696</u>

Exhibit I-7

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

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 418,166	\$ 418,166
Other Local Revenues	0	13,448	13,448
Federal Government	2,019,406	2,415,155	4,434,561
Total Revenues	<u>\$ 2,019,406</u>	<u>\$ 2,846,769</u>	<u>\$ 4,866,175</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,223,058	\$ 0	\$ 1,223,058
Support Services	789,721	0	789,721
Operation of Non-Instructional Services	0	2,432,411	2,432,411
Total Expenditures	<u>\$ 2,012,779</u>	<u>\$ 2,432,411</u>	<u>\$ 4,445,190</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 6,627</u>	<u>\$ 414,358</u>	<u>\$ 420,985</u>
Net Change in Fund Balances	\$ 6,627	\$ 414,358	\$ 420,985
Fund Balance, July 1, 2019	400,000	808,827	1,208,827
Fund Balance, June 30, 2020	<u>\$ 406,627</u>	<u>\$ 1,223,185</u>	<u>\$ 1,629,812</u>



Exhibit I-8

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 6,251,840	\$ 0	\$ 6,251,840	\$ 5,746,600	\$ 5,746,600	\$ 505,240
Licenses and Permits	1,627	0	1,627	2,200	2,200	(573)
Charges for Current Services	0	0	0	10,000	10,000	(10,000)
Other Local Revenues	355,988	0	355,988	92,500	91,816	264,172
State of Tennessee	25,020,479	0	25,020,479	24,850,285	24,916,804	103,675
Federal Government	650,847	0	650,847	413,000	508,400	142,447
Other Governments and Citizens Groups	7,500	0	7,500	0	0	7,500
<b>Total Revenues</b>	<b>\$ 32,288,281</b>	<b>\$ 0</b>	<b>\$ 32,288,281</b>	<b>\$ 31,114,585</b>	<b>\$ 31,275,820</b>	<b>\$ 1,012,461</b>
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 15,786,218	\$ 0	\$ 15,786,218	\$ 16,308,000	\$ 16,665,000	\$ 878,782
Alternative Instruction Program	38,332	0	38,332	47,100	47,100	8,768
Special Education Program	2,593,247	0	2,593,247	2,761,500	2,869,500	276,253
Career and Technical Education Program	1,032,987	0	1,032,987	1,203,500	1,211,500	178,513
Adult Education Program	294,388	0	294,388	315,000	337,000	42,612
<u>Support Services</u>						
Attendance	92,347	0	92,347	105,200	105,200	12,853
Health Services	454,243	0	454,243	506,066	510,566	56,323
Other Student Support	915,766	0	915,766	933,200	979,200	63,434
Regular Instruction Program	1,029,496	0	1,029,496	1,153,500	1,149,816	120,320
Alternative Instruction Program	76,016	0	76,016	79,800	82,800	6,784
Special Education Program	244,859	0	244,859	324,000	329,400	84,541
Career and Technical Education Program	136,476	0	136,476	103,300	141,300	4,824
Technology	1,423,010	0	1,423,010	1,478,500	1,478,500	55,490

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Adult Programs	\$ 93,658	\$ 0	\$ 93,658	\$ 0	\$ 95,400	\$ 1,742
Other Programs	65,240	0	65,240	0	65,240	0
Board of Education	502,612	0	502,612	622,250	622,250	119,638
Director of Schools	185,051	0	185,051	215,000	215,000	29,949
Office of the Principal	1,143,537	0	1,143,537	1,187,500	1,187,500	43,963
Fiscal Services	117,565	0	117,565	145,100	145,100	27,535
Operation of Plant	2,123,288	0	2,123,288	2,460,000	2,410,000	286,712
Maintenance of Plant	613,461	0	613,461	563,500	635,500	22,039
Transportation	84,590	0	84,590	153,500	153,500	68,910
<u>Operation of Non-Instructional Services</u>						
Food Service	145,318	0	145,318	89,200	149,200	3,882
Community Services	56,096	0	56,096	75,910	87,510	31,414
Early Childhood Education	508,475	0	508,475	507,196	508,475	0
<u>Capital Outlay</u>						
Regular Capital Outlay	342,100	983,961	1,326,061	1,370,000	1,370,000	43,939
<u>Principal on Debt</u>						
Education	0	0	0	90,000	0	0
<u>Interest on Debt</u>						
Education	0	0	0	145,000	0	0
<u>Other Debt Service</u>						
Education	504,478	0	504,478	300,000	535,000	30,522
Total Expenditures	\$ 30,602,854	\$ 983,961	\$ 31,586,815	\$ 33,242,822	\$ 34,086,557	\$ 2,499,742

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,685,427	\$ (983,961)	\$ 701,466	\$ (2,128,237)	\$ (2,810,737)	\$ 3,512,203
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (100,000)	\$ 0	\$ (100,000)	\$ 0	\$ (100,000)	\$ 0
Total Other Financing Sources	\$ (100,000)	\$ 0	\$ (100,000)	\$ 0	\$ (100,000)	\$ 0
Net Change in Fund Balance	\$ 1,585,427	\$ (983,961)	\$ 601,466	\$ (2,128,237)	\$ (2,910,737)	\$ 3,512,203
Fund Balance, July 1, 2019	7,672,081	0	7,672,081	6,703,500	6,703,500	968,581
Fund Balance, June 30, 2020	\$ 9,257,508	\$ (983,961)	\$ 8,273,547	\$ 4,575,263	\$ 3,792,763	\$ 4,480,784

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,019,406	\$ 2,367,590	\$ 2,372,661	\$ (353,255)
Total Revenues	\$ 2,019,406	\$ 2,367,590	\$ 2,372,661	\$ (353,255)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 703,239	\$ 714,786	\$ 755,419	\$ 52,180
Special Education Program	447,569	515,579	519,965	72,396
Career and Technical Education Program	72,250	62,727	72,250	0
<u>Support Services</u>				
Other Student Support	49,289	87,235	69,331	20,042
Regular Instruction Program	431,882	602,933	571,364	139,482
Special Education Program	173,238	204,928	204,928	31,690
Technology	0	5,000	5,000	5,000
Transportation	135,312	173,718	173,718	38,406
Total Expenditures	\$ 2,012,779	\$ 2,366,906	\$ 2,371,975	\$ 359,196
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,627	\$ 684	\$ 686	\$ 5,941
Net Change in Fund Balance	\$ 6,627	\$ 684	\$ 686	\$ 5,941
Fund Balance, July 1, 2019	400,000	400,000	400,000	0
Fund Balance, June 30, 2020	\$ 406,627	\$ 400,684	\$ 400,686	\$ 5,941

Exhibit I-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 418,166	\$ 550,000	\$ 550,000	\$ (131,834)
Other Local Revenues	13,448	0	0	13,448
Federal Government	2,415,155	1,420,000	1,620,000	795,155
Total Revenues	<u>\$ 2,846,769</u>	<u>\$ 1,970,000</u>	<u>\$ 2,170,000</u>	<u>\$ 676,769</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,432,411	\$ 2,210,200	\$ 2,455,200	\$ 22,789
Total Expenditures	<u>\$ 2,432,411</u>	<u>\$ 2,210,200</u>	<u>\$ 2,455,200</u>	<u>\$ 22,789</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 414,358</u>	<u>\$ (240,200)</u>	<u>\$ (285,200)</u>	<u>\$ 699,558</u>
Net Change in Fund Balance	\$ 414,358	\$ (240,200)	\$ (285,200)	\$ 699,558
Fund Balance, July 1, 2019	808,827	650,000	650,000	158,827
Fund Balance, June 30, 2020	<u>\$ 1,223,185</u>	<u>\$ 409,800</u>	<u>\$ 364,800</u>	<u>\$ 858,385</u>

Exhibit I-11

Henderson County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Henderson County School Department  
School Transportation Fund  
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,027,170	\$ 1,017,000	\$ 1,017,000	\$ 10,170
Other Local Revenues	387	0	0	387
Total Revenues	<u>\$ 1,027,557</u>	<u>\$ 1,017,000</u>	<u>\$ 1,017,000</u>	<u>\$ 10,557</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 20,308	\$ 27,000	\$ 27,000	\$ 6,692
Transportation	1,043,947	1,276,250	1,276,250	232,303
Total Expenditures	<u>\$ 1,064,255</u>	<u>\$ 1,303,250</u>	<u>\$ 1,303,250</u>	<u>\$ 238,995</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (36,698)</u>	<u>\$ (286,250)</u>	<u>\$ (286,250)</u>	<u>\$ 249,552</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 100,000	0	100,000	0
Total Other Financing Sources	<u>\$ 100,000</u>	<u>0</u>	<u>100,000</u>	<u>0</u>
Net Change in Fund Balance	\$ 63,302	\$ (286,250)	\$ (186,250)	\$ 249,552
Fund Balance, July 1, 2019	<u>308,019</u>	<u>375,000</u>	<u>375,000</u>	<u>(66,981)</u>
Fund Balance, June 30, 2020	<u>\$ 371,321</u>	<u>\$ 88,750</u>	<u>\$ 188,750</u>	<u>\$ 182,571</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Henderson County, Tennessee  
Schedule of Changes in Long-term Capital Leases, Other Loans, and Bonds  
 For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-20
<b><u>CAPITAL LEASES PAYABLE</u></b>									
<b><u>Payable through Highway/Public Works Fund</u></b>									
Caterpillar Asphalt Compactor	\$ 105,668	3.19	% 7-26-17	6-18-20	\$ 35,574	\$ 0	\$ 35,574	\$ 0	\$ 0
Freightliner	166,250	2.39	7-28-17	7-28-20	66,071	0	56,519	0	9,552
Total Capital Leases Payable					\$ 101,645	\$ 0	\$ 92,093	\$ 0	\$ 9,552
<b><u>OTHER LOAN PAYABLE</u></b>									
<b><u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u></b>									
Clean Water State Revolving Fund	1,800,582	1.38	7-31-10	12-31-31	\$ 1,182,146	\$ 0	\$ 87,252	\$ 0	\$ 1,094,894
Total Other Loan Payable					\$ 1,182,146	\$ 0	\$ 87,252	\$ 0	\$ 1,094,894
<b><u>BONDS PAYABLE</u></b>									
<b><u>Payable through General Debt Service Fund</u></b>									
G.O. Refunding Bonds, Series 2012	4,035,000	1 to 2.5	7-12-12	4-1-24	\$ 1,485,000	\$ 0	\$ 285,000	\$ 0	\$ 1,200,000
G.O. Refunding Bonds, Series 2015	9,300,000	2 to 3	6-10-15	4-1-29	7,460,000	0	560,000	0	6,900,000
G.O. Bonds, Series 2018	2,310,000	2.5 to 3.05	8-15-18	4-1-33	2,310,000	0	0	0	2,310,000
G.O. Refunding Bonds, Series 2019	5,500,000	3 to 5	5-31-19	3-1-29	5,500,000	0	950,000	0	4,550,000
Total Payable through General Debt Service Fund					\$ 16,755,000	\$ 0	\$ 1,795,000	\$ 0	\$ 14,960,000
<b><u>Payable through Rural Debt Service Fund</u></b>									
Rural School Bonds, Series 2013	5,000,000	2 to 3.75	8-1-13	6-30-20	\$ 3,275,000	\$ 0	\$ 300,000	\$ 2,975,000	\$ 0
Rural School Refunding Bonds, Series 2020	2,785,000	2 to 5	6-30-20	3-1-29	0	2,785,000	0	0	2,785,000
Total Payable through Rural Debt Service Fund					\$ 3,275,000	\$ 2,785,000	\$ 300,000	\$ 2,975,000	\$ 2,785,000
Total Bonds Payable					\$ 20,030,000	\$ 2,785,000	\$ 2,095,000	\$ 2,975,000	\$ 17,745,000



Exhibit J-2

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

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2021	\$ 9,552	\$ 28	\$ 9,580
Total	\$ 9,552	\$ 28	\$ 9,580

Year Ending June 30	Other Loan			Total
	Principal	Interest	Other Fees	
2021	\$ 88,464	\$ 14,556	\$ 876	\$ 103,896
2022	89,700	13,320	804	103,824
2023	90,948	12,072	732	103,752
2024	92,208	10,812	660	103,680
2025	93,480	9,540	588	103,608
2026	94,788	8,232	516	103,536
2027	96,096	6,924	432	103,452
2028	97,440	5,580	360	103,380
2029	98,784	4,236	276	103,296
2030	100,164	2,856	204	103,224
2031	101,556	1,464	120	103,140
2032	51,266	135	16	51,417
Total	\$ 1,094,894	\$ 89,727	\$ 5,584	\$ 1,190,205

Year Ending June 30	Bonds		Total
	Principal	Interest	
2021	\$ 1,935,000	\$ 533,565	\$ 2,468,565
2022	2,070,000	485,490	2,555,490
2023	2,075,000	420,415	2,495,415
2024	2,085,000	354,739	2,439,739
2025	1,765,000	287,940	2,052,940
2026	1,765,000	227,590	1,992,590
2027	1,775,000	165,840	1,940,840
2028	1,755,000	115,666	1,870,666
2029	1,730,000	70,390	1,800,390
2030	190,000	23,802	213,802
2031	195,000	18,103	213,103
2032	200,000	12,252	212,252
2033	205,000	6,252	211,252
Total	\$ 17,745,000	\$ 2,722,044	\$ 20,467,044

Exhibit J-3

Henderson County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Henderson County School Department  
For the Year Ended June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	Debt retirement	<u>\$ 50,000</u>
Total Transfers Primary Government			<u><u>\$ 50,000</u></u>
<u>DISCRETELY PRESENTED HENDERSON COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Transportation	Operations	<u>\$ 100,000</u>
Total Transfers Discretely Presented Henderson County School Department			<u><u>\$ 100,000</u></u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 100,562	\$ 100,000	(8) Auto-Owners Mutual Insurance Company
Road Supervisor	Section 8-24-102, <i>TCA</i>	94,345	100,000	(8) Western Surety Company
Director of Schools	State Board of Education and County Board of Education	121,000 (1)	100,000	(8) "
Trustee	Section 8-24-102, <i>TCA</i> , and County Commission	79,471 (2)	1,225,787	(8) Auto-Owners Mutual Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	77,971 (3)	50,000	(8) Western Surety Company
Director of Finance	County Commission	79,053	100,000	(8) "
County Clerk	Section 8-24-102, <i>TCA</i> , and County Commission	79,471 (2)	100,000	(8) Auto-Owners Mutual Insurance Company
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i> , and County Commission	87,268 (2,4)	200,000	(8) "
Clerk and Master	Section 8-24-102, <i>TCA</i> , County Commission, and Chancery Court Judge	87,268 (2,4,5)	200,000	(8) "
Register of Deeds	Section 8-24-102, <i>TCA</i> and County Commission	79,471 (2)	100,000	(8) "
Sheriff	Section 8-24-102, <i>TCA</i>	94,345 (6)(7)	100,000	(8) "
Employee Blanket Bonds:				
County Departments and Highway Department			400,000	Tennessee Risk Management Trust
School Department			400,000	"

- (1) Includes additional compensation of \$1,000 for the career ladder program.
- (2) Includes a certified public administrator supplement of \$1,500.
- (3) Includes a Certified County Finance Officer stipend of \$1,083.
- (4) Includes additional compensation of \$7,797 for multiple courts.
- (5) Does not include special commissioner fees of \$7,890.
- (6) Does not include a law enforcement training supplement of \$800.
- (7) Does not include a settlement for back pay of \$40,000.
- (8) Also covered by \$400,000 insurance policy with Tennessee Risk Management Trust.

Exhibit J-5

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

	Special Revenue Funds					Debt Service Funds
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 4,335,680	\$ 436,183	\$ 0	\$ 0	\$ 228,744	\$ 856,696
Trustee's Collections - Prior Year	108,734	10,832	0	0	5,672	21,417
Circuit Clerk/Clerk and Master Collections - Prior Years	47,608	4,789	0	0	2,510	9,405
Interest and Penalty	21,325	2,096	0	0	1,081	4,084
Payments in-Lieu-of Taxes - T.V.A.	6,277	631	0	0	331	1,240
Payments in-Lieu-of Taxes - Local Utilities	69,914	7,034	0	0	3,689	13,815
<u>County Local Option Taxes</u>						
Local Option Sales Tax	106,162	101,786	0	0	0	0
Hotel/Motel Tax	120,296	0	0	0	0	0
Wheel Tax	0	0	0	0	0	983,167
Litigation Tax - General	155,682	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	57,231	0	0	0	0	0
Business Tax	289,714	0	0	0	0	0
Mixed Drink Tax	2,944	0	0	0	0	0
Other County Local Option Taxes	471,435	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	14,628	1,472	0	0	772	2,890
Wholesale Beer Tax	94,583	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 5,902,213</b>	<b>\$ 564,823</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 242,799</b>	<b>\$ 1,892,714</b>
<u>Licenses and Permits</u>						
<u>Permits</u>						
Beer Permits	\$ 1,235	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Licenses and Permits</b>	<b>\$ 1,235</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 60,157	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	2,755	0	0	0	0	0
Drug Control Fines	5,243	0	5,244	0	0	0
DUI Treatment Fines	1,860	0	0	0	0	0
Data Entry Fee - Circuit Court	10,311	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	96,498	0	0	0	0	0
Officers Costs	56,375	0	0	0	0	0
Game and Fish Fines	152	0	0	0	0	0
Drug Control Fines	333	0	332	0	0	0
Drug Court Fees	7,420	0	0	0	0	0
Jail Fees	62,247	0	0	0	0	0
DUI Treatment Fines	13,486	0	0	0	0	0
Data Entry Fee - General Sessions Court	8,113	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	1,515	0	0	0	0	0
Data Entry Fee - Juvenile Court	488	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	120	0	0	0	0	0
Data Entry Fee - Chancery Court	2,809	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	3,987	0	0	0
Courtroom Security Fee	279,041	0	0	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 608,923</b>	<b>\$ 0</b>	<b>\$ 9,563</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Waste Tire Disposal	\$ 0	\$ 23,885	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees</u>						
Copy Fees	52	0	0	0	0	0
Telephone Commissions	93,889	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	432,211	0	0
Data Processing Fee - Register	8,488	0	0	0	0	0
Data Processing Fee - Sheriff	9,684	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,650	0	0	0	0	0
Data Processing Fee - County Clerk	2,580	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	1,120	0	0	0	0	0
Total Charges for Current Services	\$ 120,463	\$ 23,885	\$ 0	\$ 432,211	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 74,308	\$ 0	\$ 0	\$ 0	\$ 0	\$ 66,634
Lease/Rentals	84,200	0	0	0	0	0
Sale of Materials and Supplies	76,124	0	0	0	16,500	0
Commissary Sales	80,436	0	0	0	0	0
Sale of Recycled Materials	0	141,146	0	0	0	0
Miscellaneous Refunds	40,749	150	0	0	7,392	0
<u>Nonrecurring Items</u>						
Sale of Equipment	6,995	0	0	0	0	0
Sale of Property	3,250	0	0	0	0	0
Damages Recovered from Individuals	544	0	0	0	150	0
Contributions and Gifts	1,520	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	Funds General Debt Service
<u>Other Local Revenues (Cont.)</u>						
<u>Other Local Revenues</u>						
Other Local Revenues	\$ 917	\$ 0	\$ 7,660	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 369,043	\$ 141,296	\$ 7,660	\$ 0	\$ 24,042	\$ 66,634
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
Trustee	\$ 27,697	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees In-Lieu-of Salary</u>						
County Clerk	90,076	0	0	0	0	0
Circuit Court Clerk	249,999	0	0	0	0	0
General Sessions Court Clerk	162,874	0	0	0	0	0
Clerk and Master	85,654	0	0	0	0	0
Register	106,441	0	0	0	0	0
Sheriff	37,673	0	0	0	0	0
Trustee	289,280	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,049,694	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 21,292	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	191,649	0
Litter Program	53,107	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	14,900	0	0	0	0	0
Beer Tax	18,175	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Vehicle Certificate of Title Fees	\$ 7,067	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Alcoholic Beverage Tax	80,598	0	0	0	0	0
State Revenue Sharing - Telecommunications	31,134	0	0	0	0	0
Prisoner Transportation	3,307	0	0	0	0	0
Contracted Prisoner Boarding	1,515,745	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,480,256	0
Petroleum Special Tax	0	0	0	0	20,037	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	73,949	0	0	0	0	0
Other State Revenues	55,183	0	0	0	0	0
<b>Total State of Tennessee</b>	<b>\$ 1,889,621</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,691,942</b>	<b>\$ 0</b>
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 50,455	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
COVID-19 Grant #1	18,295	0	0	0	0	0
Other Federal through State	21,078	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	3,656	0	0	0	0	0
<b>Total Federal Government</b>	<b>\$ 93,484</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 297,573	\$ 0	\$ 0	\$ 0	\$ 0	\$ 103,968

(Continued)



Exhibit J-5

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

	Special Revenue Funds					Debt Service
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Governments and Citizens Groups (Cont.)</u>						
<u>Other</u>						
Other	\$ 278,484	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 576,057	\$ 0	\$ 0	\$ 0	\$ 0	\$ 103,968
Total	\$ 10,610,733	\$ 730,004	\$ 17,223	\$ 432,211	\$ 2,958,783	\$ 2,063,316

(Continued)

Exhibit J-5

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

	<u>Debt Service</u> <u>Fund</u>	
	Rural Debt Service	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 5,857,303
Trustee's Collections - Prior Year	0	146,655
Circuit Clerk/Clerk and Master Collections - Prior Years	0	64,312
Interest and Penalty	0	28,586
Payments in-Lieu-of Taxes - T.V.A.	0	8,479
Payments in-Lieu-of Taxes - Local Utilities	0	94,452
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	207,948
Hotel/Motel Tax	0	120,296
Wheel Tax	0	983,167
Litigation Tax - General	0	155,682
Litigation Tax - Jail, Workhouse, or Courthouse	0	57,231
Business Tax	0	289,714
Mixed Drink Tax	0	2,944
Other County Local Option Taxes	0	471,435
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	19,762
Wholesale Beer Tax	0	94,583
Total Local Taxes	<u>\$ 0</u>	<u>\$ 8,602,549</u>
<u>Licenses and Permits</u>		
<u>Permits</u>		
Beer Permits	\$ 0	\$ 1,235
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 1,235</u>

(Continued)

Exhibit J-5

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

	<u>Debt Service</u> <u>Fund</u>	
	Rural Debt Service	Total
<u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Fines	\$ 0	\$ 60,157
Officers Costs	0	2,755
Drug Control Fines	0	10,487
DUI Treatment Fines	0	1,860
Data Entry Fee - Circuit Court	0	10,311
<u>General Sessions Court</u>		
Fines	0	96,498
Officers Costs	0	56,375
Game and Fish Fines	0	152
Drug Control Fines	0	665
Drug Court Fees	0	7,420
Jail Fees	0	62,247
DUI Treatment Fines	0	13,486
Data Entry Fee - General Sessions Court	0	8,113
<u>Juvenile Court</u>		
Fines	0	1,515
Data Entry Fee - Juvenile Court	0	488
<u>Chancery Court</u>		
Officers Costs	0	120
Data Entry Fee - Chancery Court	0	2,809
<u>Judicial District Drug Program</u>		
Drug Task Force Forfeitures and Seizures	0	3,987
Courtroom Security Fee	0	279,041
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 618,486</u>

(Continued)

Exhibit J-5

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

	<u>Debt Service</u> <u>Fund</u>		<u>Total</u>
	Rural Debt Service		
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Surcharge - Waste Tire Disposal	\$	0	\$ 23,885
<u>Fees</u>			
Copy Fees		0	52
Telephone Commissions		0	93,889
Constitutional Officers' Fees and Commissions		0	432,211
Data Processing Fee - Register		0	8,488
Data Processing Fee - Sheriff		0	9,684
Sexual Offender Registration Fee - Sheriff		0	4,650
Data Processing Fee - County Clerk		0	2,580
Vehicle Insurance Coverage and Reinstatement Fees		0	1,120
Total Charges for Current Services	\$	0	\$ 576,559
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$	17,414	\$ 158,356
Lease/Rentals		0	84,200
Sale of Materials and Supplies		0	92,624
Commissary Sales		0	80,436
Sale of Recycled Materials		0	141,146
Miscellaneous Refunds		0	48,291
<u>Nonrecurring Items</u>			
Sale of Equipment		0	6,995
Sale of Property		0	3,250
Damages Recovered from Individuals		0	694
Contributions and Gifts		0	1,520

(Continued)

Exhibit J-5

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

	<u>Debt Service</u> <u>Fund</u>	
	Rural Debt Service	Total
<u>Other Local Revenues (Cont.)</u>		
<u>Other Local Revenues</u>		
Other Local Revenues	\$ 0	\$ 8,577
Total Other Local Revenues	<u>\$ 17,414</u>	<u>\$ 626,089</u>
<u>Fees Received From County Officials</u>		
<u>Excess Fees</u>		
Trustee	\$ 0	\$ 27,697
<u>Fees In-Lieu-of Salary</u>		
County Clerk	0	90,076
Circuit Court Clerk	0	249,999
General Sessions Court Clerk	0	162,874
Clerk and Master	0	85,654
Register	0	106,441
Sheriff	0	37,673
Trustee	0	289,280
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 1,049,694</u>
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	\$ 0	\$ 21,292
<u>Public Works Grants</u>		
State Aid Program	0	191,649
Litter Program	0	53,107
<u>Other State Revenues</u>		
Income Tax	0	14,900
Beer Tax	0	18,175

(Continued)

Exhibit J-5

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

	<u>Debt Service</u> <u>Fund</u>	
	Rural Debt Service	Total
<u>State of Tennessee (Cont.)</u>		
<u>Other State Revenues (Cont.)</u>		
Vehicle Certificate of Title Fees	\$ 0	\$ 7,067
Alcoholic Beverage Tax	0	80,598
State Revenue Sharing - Telecommunications	0	31,134
Prisoner Transportation	0	3,307
Contracted Prisoner Boarding	0	1,515,745
Gasoline and Motor Fuel Tax	0	2,480,256
Petroleum Special Tax	0	20,037
Registrar's Salary Supplement	0	15,164
Other State Grants	0	73,949
Other State Revenues	0	55,183
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 4,581,563</u>
<u>Federal Government</u>		
<u>Federal Through State</u>		
Civil Defense Reimbursement	\$ 0	\$ 50,455
COVID-19 Grant #1	0	18,295
Other Federal through State	0	21,078
<u>Direct Federal Revenue</u>		
Other Direct Federal Revenue	0	3,656
Total Federal Government	<u>\$ 0</u>	<u>\$ 93,484</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	\$ 400,510	\$ 802,051

(Continued)

Exhibit J-5

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

	<u>Debt Service</u> <u>Fund</u>	
	Rural Debt Service	Total
<hr/>		
<u>Other Governments and Citizens Groups (Cont.)</u>		
<u>Other</u>		
Other	\$ 0	\$ 278,484
Total Other Governments and Citizens Groups	<u>\$ 400,510</u>	<u>\$ 1,080,535</u>
 Total	 <u>\$ 417,924</u>	 <u>\$ 17,230,194</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 2,210,455	\$ 0	\$ 0	\$ 967,588	\$	3,178,043
Trustee's Collections - Prior Year	54,954	0	0	24,038		78,992
Circuit Clerk/Clerk and Master Collections - Prior Years	24,264	0	0	10,624		34,888
Interest and Penalty	10,404	0	0	4,651		15,055
Payments in-Lieu-of Taxes - T.V.A.	3,576	0	0	1,401		4,977
Payments in-Lieu-of Taxes - Local Utilities	35,697	0	0	15,603		51,300
<u>County Local Option Taxes</u>						
Local Option Sales Tax	3,902,562	0	0	0		3,902,562
Mixed Drink Tax	2,449	0	0	0		2,449
<u>Statutory Local Taxes</u>						
Bank Excise Tax	7,479	0	0	3,265		10,744
Total Local Taxes	<u>\$ 6,251,840</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,027,170</u>	<u>\$</u>	<u>7,279,010</u>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,382	\$ 0	\$ 0	\$ 0	\$	1,382
<u>Permits</u>						
Other Permits	245	0	0	0		245
Total Licenses and Permits	<u>\$ 1,627</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$</u>	<u>1,627</u>
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Receipts from Individual Schools	\$ 0	\$ 0	\$ 418,166	\$ 0	\$	418,166
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 418,166</u>	<u>\$ 0</u>	<u>\$</u>	<u>418,166</u>

(Continued)



Exhibit J-6

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 3,518	\$ 0	\$ 10,389	\$ 0	\$ 13,907
Lease/Rentals	1,000	0	0	0	1,000
Miscellaneous Refunds	341,234	0	3,059	387	344,680
<u>Nonrecurring Items</u>					
Sale of Property	2,275	0	0	0	2,275
Contributions and Gifts	6,769	0	0	0	6,769
<u>Other Local Revenues</u>					
Other Local Revenues	1,192	0	0	0	1,192
Total Other Local Revenues	<u>\$ 355,988</u>	<u>\$ 0</u>	<u>\$ 13,448</u>	<u>\$ 387</u>	<u>\$ 369,823</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 65,240	\$ 0	\$ 0	\$ 0	\$ 65,240
<u>State Education Funds</u>					
Basic Education Program	23,138,185	0	0	0	23,138,185
Early Childhood Education	508,475	0	0	0	508,475
School Food Service	19,816	0	0	0	19,816
Driver Education	7,764	0	0	0	7,764
Other State Education Funds	161,203	0	0	0	161,203
Coordinated School Health	92,415	0	0	0	92,415
Career Ladder Program	93,777	0	0	0	93,777
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	933,604	0	0	0	933,604
Total State of Tennessee	<u>\$ 25,020,479</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,020,479</u>

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor- tation	Total
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,449,640	\$ 0	\$ 1,449,640
USDA - Commodities	0	0	132,822	0	132,822
Breakfast	0	0	786,640	0	786,640
USDA - Other	0	0	46,053	0	46,053
Adult Education State Grant Program	540,000	0	0	0	540,000
Vocational Education - Basic Grants to States	0	79,227	0	0	79,227
Title I Grants to Local Education Agencies	0	847,360	0	0	847,360
Special Education - Grants to States	0	729,361	0	0	729,361
Special Education Preschool Grants	0	25,070	0	0	25,070
Rural Education	0	67,965	0	0	67,965
Eisenhower Professional Development State Grants	0	153,672	0	0	153,672
COVID-19 Grant #1	10,679	0	0	0	10,679
Other Federal through State	47,600	116,751	0	0	164,351
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	52,568	0	0	0	52,568
Total Federal Government	<u>\$ 650,847</u>	<u>\$ 2,019,406</u>	<u>\$ 2,415,155</u>	<u>\$ 0</u>	<u>\$ 5,085,408</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 7,500	\$ 0	\$ 0	\$ 0	\$ 7,500
Total Other Governments and Citizens Groups	<u>\$ 7,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,500</u>
Total	<u>\$ 32,288,281</u>	<u>\$ 2,019,406</u>	<u>\$ 2,846,769</u>	<u>\$ 1,027,557</u>	<u>\$ 38,182,013</u>

Exhibit J-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	84,000	
Social Security		4,202	
Medical Insurance		10,794	
Employer Medicare		1,070	
Audit Services		11,179	
Total County Commission			\$ 111,245

Board of Equalization

Board and Committee Members Fees	\$	4,715	
Social Security		204	
Unemployment Compensation		26	
Employer Medicare		48	
Total Board of Equalization			4,993

County Mayor/Executive

County Official/Administrative Officer	\$	100,562	
Secretary(ies)		28,127	
Social Security		7,534	
Pensions		10,417	
Medical Insurance		5,409	
Unemployment Compensation		56	
Employer Medicare		1,762	
Communication		1,349	
Dues and Memberships		1,800	
Postal Charges		315	
Travel		2,275	
Office Supplies		2,975	
Other Charges		2,629	
Office Equipment		105	
Total County Mayor/Executive			165,315

County Attorney

Social Security	\$	370	
Medical Insurance		4,356	
Unemployment Compensation		59	
Employer Medicare		87	
Legal Services		8,000	
Total County Attorney			12,872

Election Commission

County Official/Administrative Officer	\$	70,174	
Clerical Personnel		27,730	
Part-time Personnel		15,551	
Election Commission		3,790	
In-service Training		776	
Social Security		6,853	
Pensions		7,044	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Medical Insurance	\$	4,538	
Unemployment Compensation		464	
Employer Medicare		1,603	
Communication		5,682	
Data Processing Services		3,764	
Dues and Memberships		350	
Legal Notices, Recording, and Court Costs		1,695	
Maintenance Agreements		139	
Maintenance and Repair Services - Office Equipment		90	
Postal Charges		4,461	
Printing, Stationery, and Forms		330	
Other Contracted Services		12,830	
Office Supplies		5,246	
Other Supplies and Materials		201	
Office Equipment		13,504	
Total Election Commission			\$ 186,815

Register of Deeds

County Official/Administrative Officer	\$	79,471	
Secretary(ies)		38,499	
Social Security		7,314	
Pensions		7,844	
Unemployment Compensation		56	
Employer Medicare		1,711	
Data Processing Services		5,970	
Dues and Memberships		941	
Maintenance Agreements		40	
Office Supplies		2,056	
Total Register of Deeds			143,902

County Buildings

Supervisor/Director	\$	35,963	
Custodial Personnel		73,130	
Social Security		6,485	
Pensions		3,743	
Medical Insurance		29,826	
Unemployment Compensation		177	
Employer Medicare		1,505	
Communication		60,844	
Licenses		375	
Maintenance Agreements		39,764	
Maintenance and Repair Services - Buildings		147,405	
Maintenance and Repair Services - Equipment		2,054	
Maintenance and Repair Services - Vehicles		1,446	
Pest Control		9,270	
Postal Charges		11,595	
Rentals		14,400	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Custodial Supplies	\$	1,130	
Gasoline		2,426	
Utilities		360,010	
Other Charges		11,361	
Total County Buildings	\$		812,909

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	79,053	
Accountants/Bookkeepers		200,837	
Social Security		15,852	
Pensions		8,673	
Medical Insurance		18,477	
Unemployment Compensation		330	
Employer Medicare		3,707	
Communication		1,300	
Data Processing Services		24,697	
Maintenance and Repair Services - Office Equipment		76	
Postal Charges		3,621	
Printing, Stationery, and Forms		3,434	
Travel		835	
Office Supplies		3,155	
Other Supplies and Materials		440	
Premiums on Corporate Surety Bonds		350	
Other Charges		4,822	
Total Accounting and Budgeting			369,659

Property Assessor's Office

County Official/Administrative Officer	\$	77,971	
Clerical Personnel		106,951	
Part-time Personnel		2,600	
Social Security		11,289	
Pensions		10,122	
Medical Insurance		7,128	
Unemployment Compensation		288	
Employer Medicare		2,640	
Contracts with Private Agencies		6,711	
Data Processing Services		11,173	
Dues and Memberships		1,700	
Legal Notices, Recording, and Court Costs		51	
Maintenance Agreements		245	
Maintenance and Repair Services - Vehicles		190	
Postal Charges		37	
Travel		285	
Other Contracted Services		8,071	
Gasoline		556	
Office Supplies		2,339	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Other Charges	\$	99	
Motor Vehicles		7,400	
Total Property Assessor's Office			\$ 257,846

County Trustee's Office

County Official/Administrative Officer	\$	32,604	
Clerical Personnel		53,421	
Social Security		5,062	
Pensions		4,184	
Medical Insurance		5,082	
Unemployment Compensation		23	
Employer Medicare		1,184	
Data Processing Services		12,554	
Dues and Memberships		631	
Legal Notices, Recording, and Court Costs		151	
Maintenance Agreements		7,863	
Postal Charges		194	
Other Contracted Services		7,630	
Office Supplies		1,416	
Office Equipment		5,954	
Total County Trustee's Office			137,953

County Clerk's Office

County Official/Administrative Officer	\$	32,488	
Clerical Personnel		63,857	
Social Security		5,814	
Pensions		4,781	
Medical Insurance		4,900	
Unemployment Compensation		55	
Employer Medicare		1,360	
Data Processing Services		30,381	
Dues and Memberships		726	
Postal Charges		7,376	
Office Supplies		3,669	
Total County Clerk's Office			155,407

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	35,737	
Clerical Personnel		98,647	
Part-time Personnel		6,635	
Overtime Pay		2,161	
Jury and Witness Expense		18,419	
Social Security		8,369	
Pensions		5,744	
Medical Insurance		8,349	
Unemployment Compensation		98	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Employer Medicare	\$	1,957	
Communication		892	
Dues and Memberships		826	
Maintenance Agreements		1,877	
Office Supplies		8,909	
Other Charges		146	
Total Circuit Court			\$ 198,766

General Sessions Court

Judge(s)	\$	129,885	
Secretary(ies)		45,441	
Social Security		10,163	
Pensions		12,554	
Medical Insurance		4,356	
Unemployment Compensation		56	
Employer Medicare		2,377	
Contracts with Private Agencies		50,020	
Other Contracted Services		12,795	
Office Supplies		700	
Total General Sessions Court			268,347

Drug Court

Drugs and Medical Supplies	\$	3,938	
Total Drug Court			3,938

Chancery Court

County Official/Administrative Officer	\$	87,268	
Clerical Personnel		71,159	
Social Security		9,257	
Pensions		9,584	
Medical Insurance		13,115	
Unemployment Compensation		112	
Employer Medicare		2,165	
Data Processing Services		10,109	
Dues and Memberships		3,062	
Legal Notices, Recording, and Court Costs		11,224	
Office Supplies		3,692	
Total Chancery Court			220,747

Juvenile Court

Guidance Personnel	\$	43,389	
In-service Training		260	
Social Security		2,183	
Pensions		1,362	
Medical Insurance		4,356	
Unemployment Compensation		56	
Employer Medicare		511	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Contracts with Other Public Agencies	\$	811	
Travel		990	
Office Supplies		139	
Office Equipment		695	
Total Juvenile Court			\$ 54,752

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	134,345	
Deputy(ies)		1,410,718	
Salary Supplements		20,000	
Clerical Personnel		28,377	
Part-time Personnel		772	
Overtime Pay		13,162	
In-service Training		3,664	
Social Security		95,106	
Pensions		57,276	
Medical Insurance		120,153	
Unemployment Compensation		2,098	
Employer Medicare		22,242	
Communication		48,735	
Dues and Memberships		2,640	
Evaluation and Testing		4,764	
Maintenance Agreements		9,943	
Maintenance and Repair Services - Equipment		7,937	
Maintenance and Repair Services - Vehicles		38,779	
Postal Charges		4,483	
Travel		2,926	
Other Contracted Services		11,647	
Gasoline		70,693	
Office Supplies		5,965	
Tires and Tubes		8,352	
Uniforms		9,522	
Other Charges		10,332	
Office Equipment		208	
Other Equipment		37,993	
Total Sheriff's Department			2,182,832

Administration of the Sexual Offender Registry

In-service Training	\$	1,215	
Office Supplies		55	
Other Charges		1,621	
Total Administration of the Sexual Offender Registry			2,891

Workhouse

Guards	\$	959,262	
Clerical Personnel		37,724	

(Continued)



Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Custodial Personnel	\$	49,567	
Overtime Pay		13,916	
Other Salaries and Wages		49,255	
Social Security		64,984	
Pensions		34,832	
Medical Insurance		103,318	
Unemployment Compensation		2,225	
Employer Medicare		15,198	
Evaluation and Testing		2,030	
Medical and Dental Services		519,483	
Custodial Supplies		24,985	
Drugs and Medical Supplies		70	
Food Supplies		262,417	
Office Supplies		931	
Uniforms		4,078	
Other Charges		320	
Total Workhouse			\$ 2,144,595

Fire Prevention and Control

County Official/Administrative Officer	\$	64,688	
Assistant(s)		70,240	
Part-time Personnel		14,791	
In-service Training		3,650	
Social Security		8,824	
Pensions		4,316	
Medical Insurance		12,886	
Unemployment Compensation		271	
Employer Medicare		2,064	
Communication		2,052	
Dues and Memberships		100	
Maintenance and Repair Services - Buildings		152	
Maintenance and Repair Services - Equipment		15,747	
Maintenance and Repair Services - Vehicles		16,912	
Drugs and Medical Supplies		450	
Gasoline		12,343	
Instructional Supplies and Materials		586	
Office Supplies		1,032	
Uniforms		866	
Other Supplies and Materials		2,236	
Trustee's Commission		579	
Other Charges		2,000	
Other Equipment		59,137	
Total Fire Prevention and Control			295,922

Civil Defense

Other Salaries and Wages	\$	90,514	
In-service Training		798	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Social Security	\$	5,253	
Pensions		2,620	
Medical Insurance		4,125	
Unemployment Compensation		168	
Employer Medicare		1,229	
Communication		9,600	
Contracts with Private Agencies		8,843	
Janitorial Services		214	
Maintenance Agreements		200	
Maintenance and Repair Services - Buildings		109	
Maintenance and Repair Services - Vehicles		886	
Travel		2,109	
Other Contracted Services		655	
Gasoline		1,922	
Office Supplies		1,383	
Other Charges		1,176	
Office Equipment		1,299	
Total Civil Defense			\$ 133,103

Rescue Squad

Contributions	\$	15,000	
Total Rescue Squad			15,000

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	84,495	
Total County Coroner/Medical Examiner			84,495

Other Public Safety

County Official/Administrative Officer	\$	49,569	
Dispatchers/Radio Operators		367,279	
Clerical Personnel		43,446	
Part-time Personnel		27,576	
Overtime Pay		2,400	
Social Security		29,579	
Pensions		21,021	
Medical Insurance		92,376	
Unemployment Compensation		792	
Employer Medicare		6,918	
Maintenance and Repair Services - Equipment		3,096	
Total Other Public Safety			644,052

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	5,400	
Communication		7,080	
Custodial Supplies		205	
Office Supplies		1,527	
Other Charges		13,999	
Total Local Health Center			28,211

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services

Contributions	\$ 3,000	
Total Other Local Health Services		\$ 3,000

Appropriation to State

Contracts with Government Agencies	\$ 11,420	
Total Appropriation to State		11,420

Sanitation Education/Information

Maintenance and Repair Services - Buildings	\$ 92	
Total Sanitation Education/Information		92

Waste Pickup

Supervisor/Director	\$ 21,998	
Part-time Personnel	7,057	
Social Security	1,706	
Pensions	595	
Medical Insurance	3,222	
Unemployment Compensation	53	
Employer Medicare	411	
Maintenance and Repair Services - Vehicles	40	
Gasoline	1,406	
Instructional Supplies and Materials	10,474	
Other Supplies and Materials	2,585	
Other Charges	1,308	
Total Waste Pickup		50,855

Social, Cultural, and Recreational Services

Adult Activities

Contributions	\$ 3,610	
Total Adult Activities		3,610

Senior Citizens Assistance

Contributions	\$ 17,500	
Total Senior Citizens Assistance		17,500

Libraries

Contributions	\$ 44,000	
Total Libraries		44,000

Other Social, Cultural, and Recreational

Contributions	\$ 12,275	
Total Other Social, Cultural, and Recreational		12,275

Agriculture and Natural Resources

Agricultural Extension Service

Assistant(s)	\$ 13,777	
Supervisor/Director	10,446	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Social Security	\$	1,924	
Pensions		3,218	
Medical Insurance		7,193	
Unemployment Compensation		9	
Communication		4,786	
Maintenance Agreements		67	
Office Supplies		1,269	
Workers' Compensation Insurance		77	
Total Agricultural Extension Service			\$ 42,766

Soil Conservation

Secretary(ies)	\$	15,785	
Social Security		979	
Pensions		491	
Unemployment Compensation		93	
Employer Medicare		229	
Total Soil Conservation			17,577

Flood Control

Other Contracted Services	\$	32,786	
Total Flood Control			32,786

Other Operations

Tourism

Communication	\$	5,922	
Contributions		10,750	
Other Charges		10,645	
Total Tourism			27,317

Industrial Development

Communication	\$	4,930	
Contributions		260,750	
Other Charges		307,828	
Total Industrial Development			573,508

Veterans' Services

Supervisor/Director	\$	34,896	
Secretary(ies)		14,533	
Social Security		3,065	
Pensions		1,096	
Unemployment Compensation		112	
Employer Medicare		717	
Travel		301	
Office Supplies		708	
Other Charges		888	
Office Equipment		653	
Total Veterans' Services			56,969

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Building and Contents Insurance	\$	99,769	
Liability Insurance		137,373	
Vehicle and Equipment Insurance		112,622	
Workers' Compensation Insurance		79,592	
Total Other Charges			\$ 429,356

COVID-19 Grant #1

Other Charges	\$	18,295	
Total COVID-19 Grant #1			18,295

Miscellaneous

Part-time Personnel	\$	1,480	
Social Security		92	
Unemployment Compensation		12	
Employer Medicare		21	
Dues and Memberships		7,391	
Office Supplies		1,177	
Trustee's Commission		118,985	
Other Charges		299	
Airport Improvement		58,766	
Total Miscellaneous			188,223

Total General Fund \$ 10,166,116

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Supervisor/Director	\$	81,671	
Part-time Personnel		162,211	
Overtime Pay		2,101	
Social Security		14,941	
Pensions		3,348	
Medical Insurance		8,712	
Unemployment Compensation		880	
Employer Medicare		3,494	
Communication		2,585	
Contracts with Private Agencies		347,724	
Dues and Memberships		100	
Maintenance and Repair Services - Buildings		5,494	
Maintenance and Repair Services - Equipment		12,290	
Maintenance and Repair Services - Vehicles		7,663	
Pest Control		372	
Travel		1,622	
Custodial Supplies		2,945	
Gasoline		7,031	
Office Supplies		1,912	
Tires and Tubes		706	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

Utilities	\$	14,583	
Trustee's Commission		10,399	
Landfill Closure/Postclosure Care Costs		2,000	
Other Charges		104,240	
Motor Vehicles		17,083	
Total Sanitation Education/Information			\$ 816,107

Total Solid Waste/Sanitation Fund \$ 816,107

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	3,000	
Towing Services		210	
Office Supplies		92	
Trustee's Commission		54	
Motor Vehicles		23,935	
Total Drug Enforcement			\$ 27,291

Total Drug Control Fund 27,291

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	177,725	
Total County Trustee's Office			\$ 177,725

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	195,443	
Total County Clerk's Office			195,443

Administration of Justice

Circuit Court Clerk

Constitutional Officers' Operating Expenses	\$	299,865	
Total Circuit Court Clerk			299,865

Chancery Court

Special Commissioner Fees	\$	7,890	
Total Chancery Court			7,890

Total Constitutional Officers - Fees Fund 680,923

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	94,345	
Secretary(ies)		49,397	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Overtime Pay	\$	637	
Social Security		10,430	
Pensions		9,789	
Medical Insurance		27,267	
Unemployment Compensation		263	
Employer Medicare		722	
Dues and Memberships		3,396	
Maintenance and Repair Services - Office Equipment		342	
Postal Charges		174	
Office Supplies		1,095	
Other Charges		1,303	
Total Administration			\$ 199,160

Highway and Bridge Maintenance

Equipment Operators	\$	182,334	
Truck Drivers		256,078	
Laborers		133,115	
Overtime Pay		11,247	
Social Security		35,664	
Pensions		18,285	
Medical Insurance		94,392	
Unemployment Compensation		4,772	
Employer Medicare		8,341	
Evaluation and Testing		1,870	
Other Contracted Services		76,046	
Asphalt - Liquid		372,782	
Crushed Stone		203,653	
Pipe		25,821	
Wood Products		41,376	
Other Supplies and Materials		7,726	
Total Highway and Bridge Maintenance			1,473,502

Operation and Maintenance of Equipment

Foremen	\$	3,082	
Mechanic(s)		37,362	
Overtime Pay		1,414	
Social Security		2,583	
Pensions		102	
Medical Insurance		6,351	
Unemployment Compensation		243	
Employer Medicare		604	
Diesel Fuel		72,104	
Equipment and Machinery Parts		189,408	
Gasoline		16,640	
Lubricants		8,856	
Tires and Tubes		38,646	
Other Supplies and Materials		4,114	
Total Operation and Maintenance of Equipment			381,509

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Communication	\$	6,898	
Maintenance and Repair Services - Buildings		2,914	
Custodial Supplies		7,004	
Utilities		6,871	
Liability Insurance		41,000	
Trustee's Commission		30,034	
Workers' Compensation Insurance		52,000	
Total Other Charges			\$ 146,721

Employee Benefits

Employee and Dependent Insurance	\$	18,226	
Total Employee Benefits			18,226

Capital Outlay

Highway Equipment	\$	148,752	
Motor Vehicles		5,000	
State Aid Projects		190,145	
Total Capital Outlay			343,897

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$	92,093	
Total Highways and Streets			92,093

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$	1,154	
Total Highways and Streets			1,154

Other Debt Service

Highways and Streets

Other Debt Service	\$	1,360	
Total Highways and Streets			1,360

Total Highway/Public Works Fund \$ 2,657,622

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	1,449,600	
Total General Government			\$ 1,449,600

Education

Principal on Bonds	\$	345,400	
Principal on Other Loans		87,252	
Total Education			432,652

(Continued)



Exhibit J-7

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 401,577	
Total General Government		\$ 401,577

Education

Interest on Bonds	\$ 66,304	
Interest on Other Loans	<u>15,768</u>	
Total Education		82,072

Other Debt Service

General Government

Fiscal Agent Charges	\$ 1,554	
Trustee's Commission	<u>28,091</u>	
Total General Government		29,645

Education

Fiscal Agent Charges	\$ 1,600	
Total Education		<u>1,600</u>

Total General Debt Service Fund		\$ 2,397,146
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Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 300,000	
Total Education		\$ 300,000

Interest on Debt

Education

Interest on Bonds	\$ 100,510	
Total Education		100,510

Other Debt Service

Education

Fiscal Agent Charges	\$ 653	
Trustee's Commission	174	
Underwriter's Discount	21,882	
Other Debt Issuance Charges	<u>65,335</u>	
Total Education		<u>88,044</u>

Total Rural Debt Service Fund		<u>488,554</u>
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Total Governmental Funds - Primary Government		<u>\$ 17,233,759</u>
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Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 10,303,511	
Career Ladder Program	49,000	
Career Ladder Extended Contracts	49,194	
Homebound Teachers	21,552	
Clerical Personnel	448,447	
Educational Assistants	209,712	
Other Salaries and Wages	458,990	
Non-certified Substitute Teachers	186,509	
Social Security	667,694	
Pensions	1,078,690	
Medical Insurance	1,464,800	
Employer Medicare	157,041	
Tuition	50,000	
Other Contracted Services	129,974	
Instructional Supplies and Materials	203,198	
Textbooks - Bound	173,367	
Other Charges	134,539	
Total Regular Instruction Program		\$ 15,786,218

Alternative Instruction Program

Educational Assistants	\$ 31,597	
Social Security	1,959	
Pensions	563	
Employer Medicare	458	
Instructional Supplies and Materials	255	
Other Equipment	3,500	
Total Alternative Instruction Program		38,332

Special Education Program

Teachers	\$ 1,352,344	
Career Ladder Program	8,000	
Homebound Teachers	2,738	
Educational Assistants	348,443	
Speech Pathologist	167,056	
Other Salaries and Wages	25,123	
Non-certified Substitute Teachers	42,666	
Social Security	106,354	
Pensions	151,880	
Medical Insurance	250,868	
Employer Medicare	25,391	
Contracts with Private Agencies	98,072	
Maintenance and Repair Services - Equipment	640	
Instructional Supplies and Materials	7,529	
Special Education Equipment	6,143	
Total Special Education Program		2,593,247

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Teachers	\$	706,380	
Non-certified Substitute Teachers		8,655	
Social Security		39,151	
Pensions		65,284	
Medical Insurance		117,476	
Employer Medicare		9,156	
Instructional Supplies and Materials		40,568	
Other Supplies and Materials		23,550	
Vocational Instruction Equipment		22,767	
Total Career and Technical Education Program			\$ 1,032,987

Adult Education Program

Teachers	\$	109,068	
Other Salaries and Wages		121,343	
Social Security		11,977	
Pensions		4,610	
Medical Insurance		15,065	
Employer Medicare		3,223	
Contracts with Private Agencies		7,063	
Travel		1,559	
Instructional Supplies and Materials		7,470	
Other Supplies and Materials		7,647	
Regular Instruction Equipment		5,363	
Total Adult Education Program			294,388

Support Services

Attendance

Supervisor/Director	\$	67,864	
Career Ladder Program		1,000	
Social Security		3,887	
Pensions		7,320	
Medical Insurance		11,367	
Employer Medicare		909	
Total Attendance			92,347

Health Services

Supervisor/Director	\$	75,799	
Career Ladder Program		1,000	
Medical Personnel		282,508	
Social Security		20,998	
Pensions		21,042	
Medical Insurance		31,525	
Employer Medicare		4,911	
Travel		2,898	
Instructional Supplies and Materials		4,062	
Other Supplies and Materials		4,266	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

In Service/Staff Development	\$	2,819	
Other Charges		2,415	
Total Health Services			\$ 454,243

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		612,146	
School Resource Officer		120,000	
Other Salaries and Wages		9,138	
Social Security		36,539	
Pensions		58,032	
Medical Insurance		54,394	
Employer Medicare		8,546	
Evaluation and Testing		706	
Travel		2,969	
Other Supplies and Materials		461	
Other Charges		10,835	
Total Other Student Support			915,766

Regular Instruction Program

Supervisor/Director	\$	261,399	
Career Ladder Program		6,000	
Librarians		465,445	
Social Security		42,181	
Pensions		75,526	
Medical Insurance		83,611	
Employer Medicare		9,865	
Travel		11,872	
Other Contracted Services		10,000	
Library Books/Media		37,300	
Other Supplies and Materials		3,111	
In Service/Staff Development		9,449	
Other Charges		13,737	
Total Regular Instruction Program			1,029,496

Alternative Instruction Program

Supervisor/Director	\$	59,849	
Social Security		3,490	
Pensions		6,362	
Medical Insurance		4,891	
Employer Medicare		816	
Other Supplies and Materials		256	
Other Charges		352	
Total Alternative Instruction Program			76,016

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	76,504	
Career Ladder Program		2,000	
Psychological Personnel		57,917	
Assessment Personnel		34,341	
Social Security		10,326	
Pensions		18,152	
Medical Insurance		7,024	
Employer Medicare		2,415	
Communication		9,616	
Travel		7,162	
Other Supplies and Materials		9,083	
In Service/Staff Development		7,658	
Other Charges		2,556	
Other Equipment		105	
Total Special Education Program			\$ 244,859

Career and Technical Education Program

Supervisor/Director	\$	76,968	
Career Ladder Program		2,000	
Social Security		4,670	
Pensions		8,394	
Medical Insurance		4,891	
Employer Medicare		1,092	
Travel		2,575	
Other Supplies and Materials		372	
Other Charges		1,306	
Other Equipment		34,208	
Total Career and Technical Education Program			136,476

Technology

Career Ladder Program	\$	1,000	
Instructional Computer Personnel		80,316	
Other Salaries and Wages		139,084	
Social Security		12,072	
Pensions		13,011	
Medical Insurance		39,367	
Employer Medicare		2,823	
Communication		6,063	
Data Processing Services		34,999	
Internet Connectivity		83,052	
Travel		4,429	
Instructional Supplies and Materials		314,080	
In Service/Staff Development		3,303	
Other Charges		63,695	
Regular Instruction Equipment		569,999	
Other Equipment		55,717	
Total Technology			1,423,010

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs

Supervisor/Director	\$	70,000	
Social Security		4,173	
Pensions		7,441	
Medical Insurance		4,891	
Employer Medicare		976	
Travel		5,177	
In Service/Staff Development		1,000	
Total Adult Programs			\$ 93,658

Other Programs

On-behalf Payments to OPEB	\$	65,240	
Total Other Programs			65,240

Board of Education

Board and Committee Members Fees	\$	44,400	
Social Security		2,460	
Medical Insurance		8,767	
Unemployment Compensation		24,090	
Employer Medicare		575	
Audit Services		19,500	
Dues and Memberships		13,632	
Legal Services		24,383	
Travel		412	
Other Contracted Services		4,800	
Office Supplies		65	
Liability Insurance		9,287	
Trustee's Commission		133,620	
Workers' Compensation Insurance		216,471	
Other Charges		150	
Total Board of Education			502,612

Director of Schools

County Official/Administrative Officer	\$	120,000	
Career Ladder Program		1,000	
Social Security		7,151	
Pensions		12,862	
Medical Insurance		9,539	
Employer Medicare		1,672	
Communication		16,768	
Dues and Memberships		4,352	
Postal Charges		1,776	
Travel		3,748	
Office Supplies		5,375	
Other Charges		808	
Total Director of Schools			185,051

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	663,711	
Career Ladder Program		5,000	
Assistant Principals		239,296	
Social Security		53,505	
Pensions		96,521	
Medical Insurance		72,483	
Employer Medicare		12,513	
Travel		30	
In Service/Staff Development		478	
Total Office of the Principal			\$ 1,143,537

Fiscal Services

Internal Audit Personnel	\$	31,155	
Clerical Personnel		52,658	
Social Security		4,787	
Pensions		2,823	
Medical Insurance		11,974	
Employer Medicare		1,119	
Maintenance and Repair Services - Equipment		13,021	
Office Supplies		28	
Total Fiscal Services			117,565

Operation of Plant

Custodial Personnel	\$	590,130	
Social Security		33,775	
Pensions		12,654	
Medical Insurance		55,954	
Employer Medicare		8,084	
Janitorial Services		104,000	
Maintenance and Repair Services - Equipment		62	
Disposal Fees		30,926	
Other Contracted Services		18,980	
Custodial Supplies		107,000	
Utilities		868,737	
Building and Contents Insurance		285,986	
Other Charges		7,000	
Total Operation of Plant			2,123,288

Maintenance of Plant

Supervisor/Director	\$	45,731	
Maintenance Personnel		127,725	
Social Security		10,111	
Pensions		5,446	
Medical Insurance		18,176	
Employer Medicare		2,365	
Maintenance and Repair Services - Buildings		275,701	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Maintenance and Repair Services - Equipment	\$	29,296	
Maintenance and Repair Services - Vehicles		15,235	
Pest Control		16,800	
Other Contracted Services		3,116	
Gasoline		14,717	
Other Supplies and Materials		6,206	
Other Charges		2,909	
Administration Equipment		17,832	
Maintenance Equipment		22,095	
Total Maintenance of Plant			\$ 613,461

Transportation

Bus Drivers	\$	45,192	
Social Security		2,545	
Employer Medicare		595	
Contracts with Vehicle Owners		3,036	
Maintenance and Repair Services - Vehicles		9,508	
Diesel Fuel		6,273	
Gasoline		13,998	
Other Supplies and Materials		124	
Other Charges		224	
Transportation Equipment		3,095	
Total Transportation			84,590

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	37,223	
Clerical Personnel		26,000	
In-service Training		1,404	
Social Security		2,308	
Pensions		1,169	
Employer Medicare		540	
Dues and Memberships		1,725	
Travel		816	
Other Charges		3,390	
Food Service Equipment		70,743	
Total Food Service			145,318

Community Services

Supervisor/Director	\$	10,238	
Teachers		29,384	
Educational Assistants		6,264	
Social Security		2,739	
Pensions		3,761	
Medical Insurance		2,650	
Employer Medicare		641	
Other Supplies and Materials		419	
Total Community Services			56,096

(Continued)



Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Teachers	\$	266,892	
Educational Assistants		81,555	
Social Security		19,982	
Pensions		30,932	
Medical Insurance		39,689	
Employer Medicare		4,673	
Communication		2,097	
Travel		9,686	
Food Supplies		4,881	
Other Supplies and Materials		30,593	
Other Equipment		17,495	
Total Early Childhood Education			\$ 508,475

Capital Outlay

Regular Capital Outlay

Architects	\$	75,679	
Building Improvements		72,971	
Site Development		193,450	
Total Regular Capital Outlay			342,100

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	504,478	
Total Education			504,478

Total General Purpose School Fund \$ 30,602,854

School Federal Projects Fund

Instruction

Regular Instruction Program

Educational Assistants	\$	379,066	
Other Salaries and Wages		85,200	
Social Security		26,523	
Pensions		14,096	
Medical Insurance		52,224	
Employer Medicare		6,203	
Retirement - Hybrid Stabilization		108	
Instructional Supplies and Materials		134,530	
Other Charges		5,289	
Total Regular Instruction Program			\$ 703,239

Special Education Program

Educational Assistants	\$	341,820	
Social Security		19,126	
Pensions		10,733	
Medical Insurance		53,738	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	4,473	
Special Education Equipment		17,679	
Total Special Education Program			\$ 447,569

Career and Technical Education Program

Instructional Supplies and Materials	\$	1,273	
Other Supplies and Materials		4,357	
Vocational Instruction Equipment		66,620	
Total Career and Technical Education Program			72,250

Support Services

Other Student Support

Other Salaries and Wages	\$	5,670	
Social Security		288	
Pensions		405	
Employer Medicare		67	
Retirement - Hybrid Stabilization		63	
Travel		8,420	
Other Supplies and Materials		20,091	
In Service/Staff Development		6,156	
Other Charges		8,129	
Total Other Student Support			49,289

Regular Instruction Program

Supervisor/Director	\$	75,304	
Other Salaries and Wages		228,733	
Social Security		18,150	
Pensions		32,319	
Medical Insurance		18,495	
Employer Medicare		4,245	
Travel		1,495	
Other Supplies and Materials		25,964	
In Service/Staff Development		27,177	
Total Regular Instruction Program			431,882

Special Education Program

Secretary(ies)	\$	25,284	
Clerical Personnel		19,687	
Other Salaries and Wages		86,074	
Social Security		7,712	
Pensions		10,562	
Medical Insurance		11,842	
Employer Medicare		1,804	
Contracts with Other Public Agencies		200	
Travel		5,192	
Other Supplies and Materials		1,194	
In Service/Staff Development		3,687	
Total Special Education Program			173,238

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation

Bus Drivers	\$	111,648	
Social Security		6,439	
Pensions		1,340	
Medical Insurance		10,881	
Employer Medicare		1,506	
Other Charges		3,498	
Total Transportation			\$ 135,312

Total School Federal Projects Fund \$ 2,012,779

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	800,716	
Social Security		46,209	
Pensions		22,844	
Medical Insurance		96,321	
Employer Medicare		10,807	
Communication		3,952	
Travel		259	
Food Supplies		1,162,236	
Uniforms		4,255	
USDA - Commodities		132,822	
Other Supplies and Materials		151,990	
Total Food Service			\$ 2,432,411

Total Central Cafeteria Fund 2,432,411

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$	20,308	
Total Board of Education			\$ 20,308

Transportation

Supervisor/Director	\$	20,754	
Bus Drivers		88,382	
Social Security		6,835	
Pensions		1,042	
Employer Medicare		1,598	
Contracts with Vehicle Owners		730,140	
Maintenance and Repair Services - Vehicles		31,718	
Other Contracted Services		11,749	
Diesel Fuel		114,764	
Other Charges		6,736	
Transportation Equipment		30,229	
Total Transportation			1,043,947

Total School Transportation Fund 1,064,255

Total Governmental Funds - Henderson County School Department \$ 36,112,299

Exhibit J-9

Henderson County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash balances - City Agency Funds  
For the Year Ended June 30, 2020

	Cities - Sales Tax Fund	City School ADA - Lexington Fund	Total
<u>Cash Receipts</u>			
Current Property Taxes	\$ 0	\$ 447,475	\$ 447,475
Trustee's Collections - Prior Year	0	11,236	11,236
Circuit/Clerk and Master Collections - Prior Years	0	5,413	5,413
Interest and Penalty	0	2,187	2,187
Payments in-Lieu-of Taxes - T.V.A.	0	1,277	1,277
Payments in-Lieu-of Taxes - Local Utilities	0	7,163	7,163
Local Option Sales Tax	3,743,169	782,560	4,525,729
Mixed Drink Tax	0	489	489
Bank Excise Tax	0	1,488	1,488
Marriage Licenses	0	280	280
Total Cash Receipts	<u>\$ 3,743,169</u>	<u>\$ 1,259,568</u>	<u>\$ 5,002,737</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 3,705,737	\$ 1,232,679	\$ 4,938,416
Trustee's Commission	37,432	17,009	54,441
Total Cash Disbursements	<u>\$ 3,743,169</u>	<u>\$ 1,249,688</u>	<u>\$ 4,992,857</u>
Excess of Cash Receipts			
Over (Under) Cash Disbursements	\$ 0	\$ 9,880	\$ 9,880
Cash Balance, July 1, 2019	0	66,744	66,744
Cash Balance, June 30, 2020	<u>\$ 0</u>	<u>\$ 76,624</u>	<u>\$ 76,624</u>

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## SINGLE AUDIT SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

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

Independent Auditor's Report

Henderson County Mayor and  
Board of County Commissioners  
Henderson 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 Henderson County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Henderson County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated October 30, 2020.

**Internal Control Over Financial Reporting**

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

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

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

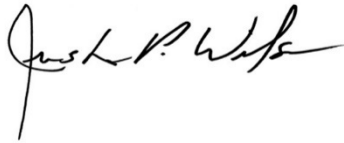
## Compliance and Other Matters

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

### Purpose of this Report

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

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 30, 2020

JPW/yu



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Henderson County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Henderson County's major federal programs for the year ended June 30, 2020. Henderson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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



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

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

In our opinion, Henderson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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

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

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

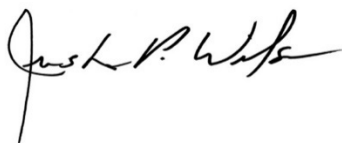
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

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

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 30, 2020

JPW/yu

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Board of Regents:			
Rural Community Development Initiative	10.446	(5)	\$ 12,600
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	401,363 (6)
COVID 19 - School Breakfast Program	10.553	N/A	385,277 (6)
National School Lunch Program	10.555	N/A	836,699 (7)
COVID 19 - National School Lunch Program	10.555	N/A	612,941 (7)
Summer Food Service Program for Children	10.559	N/A	46,053
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	35,000
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	132,822 (7)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG2063351	721
Total U.S. Department of Agriculture			<u>\$ 2,463,476</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	(5)	\$ 7,078
Total U.S. Department of Housing and Urban Development			<u>\$ 7,078</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention	16.540	(5)	\$ 21,292
Direct Program:			
Bullet-Proof Vest Partnership Program	16.607	(5)	3,656
Total U.S. Department of Justice			<u>\$ 24,948</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
Unemployment Insurance	17.225	(5)	\$ 10,679
Total U.S. Department of Labor			<u>\$ 10,679</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(5)	\$ 540,000
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies			
Special Education Cluster: (4)	84.010	N/A	847,360
Special Education - Grants to States	84.027	N/A	728,236
Special Education - Preschool Grants	84.173	N/A	25,070
Career and Technical Education - Basic Grants to States	84.048	N/A	79,227
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	92,513
Rural Education	84.358	N/A	67,966
Supporting Effective Instruction State Grant	84.367	N/A	153,672
Student Support and Academic Enrichment Program	84.424	N/A	18,736
Total U.S. Department of Education			<u>\$ 2,552,780</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
COVID 19 - 2020 Supplemental Election Security Grants	90.404	(5)	\$ 1,070
Total U.S. Election Assistance Commission			<u>\$ 1,070</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Family Planning Services	93.217	GG2063351	\$ 520
Maternal and Child Health Services Block Grant to the States	93.994	GG2063351	997
Total U.S. Department of Health and Human Services			<u>\$ 1,517</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
COVID 19 - Disaster Relief Fund - PPE	97.036	N/A	\$ 13,721
Emergency Management Performance Grants	97.042	(5)	<u>50,455</u>
Total U.S. Department of Homeland Security			<u>\$ 64,176</u>
Total Expenditures of Federal Awards			<u>\$ 5,125,724</u>
<u>State Grants</u>			
Litter Program - State Department of Transportation	N/A	(5)	\$ 53,107
ConnecTenn - State Department of Education	N/A	(5)	5,923
Coordinated School Health - State Department of Education	N/A	(5)	92,415
Lottery for Education: After School Programs - State Department of Education	N/A	(5)	56,556
Safe Schools - State Department of Education	N/A	(5)	62,724
Supporting Postsecondary Access in Rural Counties (SPARC) - State Higher Education Commission	N/A	(5)	36,000
Early Childhood Education - State Department of Education	N/A	(5)	508,475
Fasttrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	(5)	71,711
COVID 19 - PPE - State Department of Military	N/A	(5)	<u>4,574</u>
Total State Grants			<u>\$ 891,485</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Henderson County elected not to use the 10% de minimis cost rate permitted by the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Child Nutrition Cluster total \$2,415,155; Special Education Cluster total \$753,306.
- (5) Information not available.
- (6) Total for CFDA No. 10.553 is \$786,640.
- (7) Total for CFDA No. 10.555 is \$1,582,462.

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

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

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

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
<b><u>OFFICE OF FINANCE DIRECTOR</u></b>					
2019	187	2019-001	The General Fund Required Material Audit Adjustments for Proper Financial Statement Presentation	N/A	Corrected
<b><u>OFFICE OF ASSESSOR OF PROPERTY</u></b>					
2019	188	2019-002	Deficiencies Existed in the Office of Assessor of Property	N/A	Corrected

***Prior-year Federal Awards Findings***

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

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**HENDERSON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2020**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

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

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* CFDA Number: 84.002 Adult Education - Basic Grants to States
  - \* CFDA Number: 84.010 Title I Grants to Local Educational Agencies
  - \* CFDA Numbers: 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

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

### **PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

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



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

The audit of Henderson County did not report any findings and recommendations.