TENNESSEE COMPTROLLER OF THE TREASURY

ANNUAL FINANCIAL REPORT

Henry County, Tennessee

For the Year Ended June 30, 2022

Jason E. Mumpower
Comptroller of the Treasury

DIVISION OF LOCAL GOVERNMENT AUDIT

ANNUAL FINANCIAL REPORT

HENRY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2022

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

LEE ANN WEST, CPA, CGFM
Audit Manager

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

HENRY COUNTY, TENNESSEE
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Summary of Audit Findings

Annual Financial Report
Henry County, Tennessee
For the Year Ended June 30, 2022

Scope

We have audited the basic financial statements of Henry County as of and for the year ended June 30, 2022.

Results

Our report on the aggregate discretely presented component units is adverse because the financial statements of the Henry County Medical Center were not available from other auditors on the date of this report. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unmodified.

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

Findings

The following are summaries of the audit findings:

OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS

- Accounting records were not closed and available for audit by August 31, 2022.

OFFICE OF DIRECTOR OF SCHOOLS

- The General Purpose School and Federal Projects funds required material audit adjustments for proper financial statement presentation.

TENNESSEE COMPTROLLER OF THE TREASURY

OFFICE OF SHERIFF

- The cash journal was not properly maintained.

Introductory Section

Henry County Officials
June 30, 2022

Officials

John Penn Ridgeway, County Mayor
Richie Chilcutt, County Road Supervisor
Dr. Leah Watkins, Director of Schools
Randi French, Trustee
Charles VanDyke, Assessor of Property
Donna Craig, County Clerk
Mike Wilson, Circuit, General Sessions, and Juvenile Courts Clerk
Mary Burns, Clerk and Master
Pam Martin, Register of Deeds
Josh Frey, Sheriff

Board of County Commissioners

John Penn Ridgeway, County Mayor, Chairman
Jerry Berry
Wes Bradley
Dell Carter
Greg Carter
James Copeland
Randy Gean
Kenneth Humphreys
Don Jones
Kreg Kyle
Paul Neal
Monte Starks
James Travis
Marty Visser
David Webb
Drew Williams

Board of Education

Tom Beasley, Chairman
Jill Coker
Stan Dunagan
Jim McCampbell
Russ Orr

Highway Commission

Bobby Milam, Chairman
James Benau
Cody Craig
Roy Henry
Kyle Norwood
Michael Parker

Audit Committee

Steve Greer, Chairman
Jill Coker
Melanie Dodd
Kenneth Humphreys
Bobby Milam
Jeremy Stone

FINANCIAL SECTION

Jason E. Mumpower
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Henry County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
General Fund	Unmodified
Other Special Revenue Fund	Unmodified
Highway/Public Works Fund	Unmodified
General Debt Service Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on the Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not represent fairly the financial position of the aggregate discretely presented component units of Henry County, Tennessee, as of June 30, 2022, or the changes in financial

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position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on the Governmental Activities, Each Major Fund, and Aggregate Remaining Fund Information

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Henry County, Tennessee, as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General, Other Special Revenue, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund of the Henry County School Department (a discretely presented component unit), which represent 1.2 percent, 1.6 percent, and 2.1 percent respectively, of the assets, net position, and revenues of the discretely presented school department component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for the Henry County School Department's Internal School Fund, is based solely on the report of the other auditors.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Henry County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements referred to above do not include financial data for one of Henry County's legally separate component units. The Henry County Medical Center, a component unit requiring discrete presentation, was not included in the county's financial statements. Accounting principles generally accepted in the United States of America require financial data for this component unit to be reported with the financial data of the county's primary government. Because of this departure from accounting principles generally accepted in the United States of America, the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses of the aggregate discretely presented component units would be understated. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses of the aggregate discretely presented component units has not been determined.

Change in Accounting Principle

As described in Note V.B., Henry County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB 87 establishes a single approach to

accounting for and reporting leases by state and local governments. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Henry County's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Henry 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 Henry County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United

States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Henry County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022, on our consideration of Henry County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Henry 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 Henry County's internal control over financial reporting and compliance.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 16, 2022

JEM/gc

Basic Financial Statements

Exhibit A

Henry County, Tennessee
Statement of Net Position
June 30, 2022

	Primary Government Governmental Activities	Component Unit Henry County School Department
ASSETS		
Cash	$ 2,907	$ 781,126
Equity in Pooled Cash and Investments	17,941,279	16,204,892
Inventories	0	3,663
Accounts Receivable	198,888	13,609
Due from Other Governments	1,349,449	2,734,420
Property Taxes Receivable	6,147,145	5,602,397
Allowance for Uncollectible Property Taxes	(88,917)	(81,091)
Leases Receivable	314,752	0
Net Pension Asset - Agent Plan	3,832,948	1,865,575
Net Pension Asset - Teacher Retirement Plan	0	265,358
Net Pension Asset - Teacher Legacy Pension Plan	0	13,988,281
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	268,787
Capital Assets:		
Assets Not Depreciated:		
Land	5,967,338	610,066
Construction in Progress	49,887	65,000
Assets Net of Accumulated Depreciation/Amortization:		
Buildings and Improvements	2,541,623	22,090,168
Infrastructure	13,710,621	0
Other Capital Assets	1,393,214	2,420,328
Total Assets	$ 53,361,134	$ 66,832,579
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	$ 36,532	$ 0
Pension Changes in Experience	0	51,624
Pension Changes in Assumptions	1,251,208	4,442,136
Pension Changes in Proportion	0	30,375
Pension Contributions after Measurement Date	342,499	1,379,133
OPEB Changes in Experience	0	153,920
OPEB Changes in Assumptions	0	675,022
OPEB Changes in Proportion	0	34,345
OPEB Contributions after Measurement Date	0	92,456
Total Deferred Outflows of Resources	$ 1,630,239	$ 6,859,011

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Henry County School Department
LIABILITIES		
Accounts Payable	$ 367,331	$ 482,823
Accrued Interest Payable	52,683	0
Payroll Deductions Payable	392	0
Contracts Payable	0	717,038
Due to Other Governments	3,141,318	0
Noncurrent Liabilities:		
Due Within One Year - Debt	2,350,000	0
Due Within One Year - Other	20,982	2,963
Due in More Than One Year - Debt	10,117,711	0
Due in More Than One Year- Other	398,667	2,943,693
Total Liabilities	$ 16,449,084	$ 4,146,517
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	$ 5,957,517	$ 5,429,382
Deferred Lease Receivable	314,752	0
Pension Changes in Experience	189,852	1,307,628
Pension Changes in Investment Earnings	3,078,788	12,806,598
Pension Changes in Proportion	0	51,457
OPEB Changes in Experience	0	255,087
OPEB Changes in Assumptions	0	158,347
OPEB Changes in Proportions	0	123,574
Total Deferred Inflows of Resources	$ 9,540,909	$ 20,132,073
NET POSITION		
Net Investment in Capital Assets	$ 23,322,683	$ 25,185,562
Restricted for:		
General Government	201,333	0
Finance	17,904	0
Administration of Justice	4,675	0
Public Safety	189,838	0
Public Health and Welfare	23,883	0
Highway/Public Works	4,707,475	0
Education	0	2,023,911
Operation of Non-instructional Services	0	1,300,791
Debt Service	7,004	0
Capital Outlay	0	165,135
Hybrid Retirement Stabilization Funds	0	268,787
Pensions	3,832,948	16,119,214
Unrestricted	(3,306,363)	4,349,600
Total Net Position	$ 29,001,380	$ 49,413,000

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

Exhibit B

Henry County, Tennessee
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit Henry County School Department
Primary Government:						
Governmental Activities:						
General Government	$ 4,372,652	$ 1,059,977	$ 1,522,614	$ 510,970	$ (1,279,091)	$ 0
Finance	1,221,820	1,138,053	0	0	(83,767)	0
Administration of Justice	1,343,404	588,900	95,940	0	(658,564)	0
Public Safety	6,203,405	1,534,053	44,954	275,061	(4,349,337)	0
Public Health and Welfare	917,591	358,910	83,378	0	(475,303)	0
Social, Cultural, and Recreational Services	443,779	0	45,072	0	(398,707)	0
Agriculture and Natural Resources	189,730	0	0	0	(189,730)	0
Highways	5,352,913	0	2,794,108	1,041,913	(1,516,892)	0
Education	0	0	2,466,802	0	2,466,802	0
Interest on Long-term Debt	350,820	0	0	0	(350,820)	0
Total Primary Government	$ 20,396,114	$ 4,679,893	$ 7,052,868	$ 1,827,944	$ (6,835,409)	$ 0
Component Unit:						
Henry County School Department	$ 34,008,388	$ 232,149	$ 8,396,927	$ 1,024,633	$ 0	$ (24,354,679)
Total Component Unit	$ 34,008,388	$ 232,149	$ 8,396,927	$ 1,024,633	$ 0	$ (24,354,679)

(Continued)

Exhibit B

Henry County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit Henry County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					$ 5,960,741	$ 5,246,365
Property Taxes Levied for Debt Service					135,723	0
Local Option Sales Taxes					1,500,894	5,339,200
Hotel/Motel Tax					310,047	0
Wheel Tax					476,315	0
Litigation Tax					172,719	0
Business Tax					232,386	212,413
Wholesale Beer Tax					175,911	0
Other Local Taxes					26,423	871,481
Grants and Contributions Not Restricted to Specific Programs					1,586,677	19,449,170
Unrestricted Investment Income					183,631	0
Miscellaneous					261,819	63,393
Total General Revenues					$ 11,023,286	$ 31,182,022
Change in Net Position					$ 4,187,877	$ 6,827,343
Net Position, July 1, 2021					24,813,503	42,585,657
Net Position, June 30, 2022					$ 29,001,380	$ 49,413,000

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

Exhibit C-1

Henry County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2022

	Major Funds				Nonmajor Funds	
	General	Other Special Revenue	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
ASSETS						
Cash	$ 0	$ 0	$ 0	$ 0	$ 2,907	$ 2,907
Equity in Pooled Cash and Investments	5,384,362	2,545,667	6,040,379	2,863,130	1,107,741	17,941,279
Accounts Receivable	155,049	0	25,668	2,103	16,068	198,888
Due from Other Governments	856,590	0	492,859	0	0	1,349,449
Due from Other Funds	2,907	0	471,327	0	0	474,234
Property Taxes Receivable	3,928,939	0	1,670,650	136,889	410,667	6,147,145
Allowance for Uncollectible Property Taxes	(56,831)	0	(24,165)	(1,980)	(5,941)	(88,917)
Leases Receivable - Long-term	0	0	0	314,752	0	314,752
Total Assets	$ 10,271,016	$ 2,545,667	$ 8,676,718	$ 3,314,894	$ 1,531,442	$ 26,339,737
LIABILITIES						
Accounts Payable	$ 232,651	$ 0	$ 111,590	$ 1,750	$ 21,340	$ 367,331
Payroll Deductions Payable	0	0	392	0	0	392
Due to Other Funds	471,327	0	0	0	2,907	474,234
Due to Other Governments	0	3,141,318	0	0	0	3,141,318
Total Liabilities	$ 703,978	$ 3,141,318	$ 111,982	$ 1,750	$ 24,247	$ 3,983,275
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 3,807,739	$ 0	$ 1,619,114	$ 132,666	$ 397,998	$ 5,957,517
Deferred Delinquent Property Taxes	59,309	0	25,220	2,066	6,199	92,794
Deferred Leases Receivable	0	0	0	314,752	0	314,752
Other Deferred/Unavailable Revenue	325,742	0	236,590	0	0	562,332
Total Deferred Inflows of Resources	$ 4,192,790	$ 0	$ 1,880,924	$ 449,484	$ 404,197	$ 6,927,395

(Continued)

Exhibit C-1

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

FUND BALANCES	Major Funds: General	Major Funds: Other Special Revenue	Major Funds: Highway / Public Works	Major Funds: General Debt Service	Nonmajor Funds: Other Governmental Funds	Total Governmental Funds
Restricted:						
Restricted for General Government	$ 27,741	$ 0	$ 0	$ 0	$ 0	$ 27,741
Restricted for Finance	17,904	0	0	0	0	17,904
Restricted for Administration of Justice	4,675	0	0	0	0	4,675
Restricted for Public Safety	31,000	0	0	0	158,838	189,838
Restricted for Public Health and Welfare	17,684	0	0	0	0	17,684
Restricted for Other Operations	109,827	0	0	0	0	109,827
Restricted for Highways/Public Works	0	0	4,445,665	0	0	4,445,665
Committed:						
Committed for General Government	225,275	0	0	0	0	225,275
Committed for Public Health and Welfare	0	0	0	0	712,024	712,024
Committed for Highways/Public Works	0	0	2,238,147	0	0	2,238,147
Committed for Capital Outlay	0	0	0	0	232,136	232,136
Committed for Debt Service	0	0	0	2,863,660	0	2,863,660
Assigned:						
Assigned for Public Safety	64,930	0	0	0	0	64,930
Unassigned	4,875,212	(595,651)	0	0	0	4,279,561
Total Fund Balances	$ 5,374,248	$ (595,651)	$ 6,683,812	$ 2,863,660	$ 1,102,998	$ 15,429,067
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 10,271,016	$ 2,545,667	$ 8,676,718	$ 3,314,894	$ 1,531,442	$ 26,339,737

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

Exhibit C-2

Henry County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2022

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)			$ 15,429,067
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	$ 5,967,338		
Add: construction in progress	49,887		
Add: buildings and improvements net of accumulated depreciation	2,541,623		
Add: infrastructure net of accumulated depreciation	13,710,621		
Add: other capital assets net of accumulated depreciation	1,393,214		23,662,683
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	$ (340,000)		
Less: bonds payable	(11,930,000)		
Add: deferred amount on refunding	36,532		
Less: unamortized premium on debt	(197,711)		
Less: accrued interest on notes and bonds	(52,683)		
Less: compensated absences payable	(419,649)		(12,903,511)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	$ 1,593,707		
Less: deferred inflows of resources related to pensions	(3,268,640)		(1,674,933)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			3,832,948
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			655,126
Net position of governmental activities (Exhibit A)			$ 29,001,380

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

Exhibit C-3

Henry County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	Major Funds				Nonmajor Funds	
	General	Other Special Revenue	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Revenues						
Local Taxes	$ 6,788,610	$ 0	$ 1,765,940	$ 175,415	$ 433,879	$ 9,163,844
Licenses and Permits	193,877	0	0	0	0	193,877
Fines, Forfeitures, and Penalties	175,964	0	0	0	36,247	212,211
Charges for Current Services	310,884	0	0	0	30,261	341,145
Other Local Revenues	867,033	2,772	18,675	225,309	316,775	1,430,564
Fees Received From County Officials	1,700,636	0	0	0	0	1,700,636
State of Tennessee	2,922,519	0	3,862,284	0	398,014	7,182,817
Federal Government	1,620,514	0	0	0	0	1,620,514
Other Governments and Citizens Groups	247,088	0	0	2,516,802	0	2,763,890
Total Revenues	$ 14,827,125	$ 2,772	$ 5,646,899	$ 2,917,526	$ 1,215,176	$ 24,609,498
Expenditures						
Current:						
General Government	$ 1,231,926	$ 0	$ 0	$ 0	$ 0	$ 1,231,926
Finance	989,896	0	0	0	0	989,896
Administration of Justice	1,096,352	0	0	0	0	1,096,352
Public Safety	4,843,882	0	0	0	13,465	4,857,347
Public Health and Welfare	262,928	0	0	0	625,215	888,143
Social, Cultural, and Recreational Services	347,376	0	0	0	0	347,376
Agriculture and Natural Resources	203,576	0	0	0	0	203,576
Other Operations	4,824,430	375,000	0	5,661	11,852	5,216,943
Highways	0	0	5,137,181	0	0	5,137,181
Debt Service:						
Principal on Debt	0	0	0	2,486,250	0	2,486,250
Interest on Debt	0	0	0	342,367	0	342,367
Other Debt Service	0	0	0	33,304	0	33,304

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Other Special Revenue	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Expenditures (Cont.)						
Capital Projects	$ 0	$ 0	$ 0	$ 0	$ 521,405	$ 521,405
Total Expenditures	$ 13,800,366	$ 375,000	$ 5,137,181	$ 2,867,582	$ 1,171,937	$ 23,352,066
Excess (Deficiency) of Revenues Over Expenditures	$ 1,026,759	$ (372,228)	$ 509,718	$ 49,944	$ 43,239	$ 1,257,432
Other Financing Sources (Uses)						
Insurance Recovery	$ 0	$ 0	$ 81,653	$ 0	$ 0	$ 81,653
Transfers In	176,063	0	518,687	0	70,000	764,750
Transfers Out	(471,327)	(223,423)	0	(70,000)	0	(764,750)
Total Other Financing Sources (Uses)	$ (295,264)	$ (223,423)	$ 600,340	$ (70,000)	$ 70,000	$ 81,653
Net Change in Fund Balances	$ 731,495	$ (595,651)	$ 1,110,058	$ (20,056)	$ 113,239	$ 1,339,085
Fund Balance, July 1, 2021	4,642,753	0	5,573,754	2,883,716	989,759	14,089,982
Fund Balance, June 30, 2022	$ 5,374,248	$ (595,651)	$ 6,683,812	$ 2,863,660	$ 1,102,998	$ 15,429,067

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

Exhibit C-4

Henry 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, 2022

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)			$ 1,339,085
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	$ 2,166,078		
Less: current-year depreciation expense	(2,470,268)		(304,190)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Add: assets donated and capitalized	$ 18,856		
Less: proceeds received on disposal of capital assets	(33,829)		(14,973)
(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, 2022	$ 655,126		
Less: deferred delinquent property taxes and other deferred June 30, 2021	(732,788)		(77,662)
(4) The issuance of long-term debt (e.g., notes, other loans, bonds) 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: change in deferred amount on refunding	$ (19,072)		
Add: change in premium on debt issuances	67,128		
Add: principal payments on notes	346,250		
Add: principal payments on bonds	2,140,000		2,534,306
(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 on notes and bonds	$ 10,619		
Change in compensated absences payable	30,634		
Change in net pension asset	2,651,162		
Change in deferred outflows related to pensions	1,006,388		
Change in deferred inflows related to pensions	(2,987,492)		711,311
Change in net position of governmental activities (Exhibit B)			$ 4,187,877

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

Exhibit C-5

Henry County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 6,788,610	$ 0	$ 6,788,610	$ 6,153,117	$ 6,153,117	$ 635,493
Licenses and Permits	193,877	0	193,877	213,000	213,000	(19,123)
Fines, Forfeitures, and Penalties	175,964	0	175,964	227,350	227,350	(51,386)
Charges for Current Services	310,884	0	310,884	261,530	261,530	49,354
Other Local Revenues	867,033	0	867,033	603,145	893,285	(26,252)
Fees Received From County Officials	1,700,636	0	1,700,636	1,694,000	1,694,000	6,636
State of Tennessee	2,922,519	0	2,922,519	2,612,774	3,449,332	(526,813)
Federal Government	1,620,514	0	1,620,514	435,426	1,234,954	385,560
Other Governments and Citizens Groups	247,088	0	247,088	14,568	86,358	160,730
Total Revenues	$ 14,827,125	$ 0	$ 14,827,125	$ 12,214,910	$ 14,212,926	$ 614,199
Expenditures						
General Government						
County Commission	$ 63,516	$ 0	$ 63,516	$ 66,850	$ 66,850	$ 3,334
Board of Equalization	240	0	240	1,000	1,000	760
Other Boards and Committees	1,600	0	1,600	2,600	2,600	1,000
County Mayor/Executive	257,262	0	257,262	275,913	275,912	18,650
County Attorney	28,154	0	28,154	28,154	28,155	1
Election Commission	195,939	0	195,939	189,814	220,314	24,375
Register of Deeds	172,963	0	172,963	176,430	176,430	3,467
Building	97,803	0	97,803	103,211	103,211	5,408
County Buildings	159,114	0	159,114	150,000	163,800	4,686
Other General Administration	230,435	0	230,435	228,247	240,247	9,812
Preservation of Records	24,900	0	24,900	20,961	25,361	461
Finance						
Accounting and Budgeting	156,316	0	156,316	162,573	162,573	6,257

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)						
Finance (Cont.)						
Property Assessor's Office	$ 209,250	$ 0	$ 209,250	$ 228,341	$ 228,341	$ 19,091
Reappraisal Program	108,094	0	108,094	134,364	134,364	26,270
County Trustee's Office	230,026	0	230,026	228,409	230,790	764
County Clerk's Office	286,210	0	286,210	282,828	289,406	3,196
Administration of Justice						
Circuit Court	247,097	0	247,097	266,767	266,767	19,670
General Sessions Court	119,819	0	119,819	120,079	121,657	1,838
General Sessions Judge	177,430	0	177,430	182,854	182,854	5,424
Chancery Court	209,841	0	209,841	200,971	247,037	37,196
Juvenile Court	256,773	0	256,773	340,262	340,662	83,889
Probate Court	77,994	0	77,994	80,665	80,665	2,671
Other Administration of Justice	7,398	0	7,398	10,000	10,000	2,602
Public Safety						
Sheriff's Department	2,551,763	64,930	2,616,693	2,538,479	2,690,221	73,528
Special Patrols	83,335	0	83,335	98,000	98,000	14,665
Administration of the Sexual Offender Registry	3,933	0	3,933	4,000	4,000	67
Jail	1,539,808	0	1,539,808	1,564,176	1,605,164	65,356
Fire Prevention and Control	33,200	0	33,200	33,200	33,200	0
Rescue Squad	5,000	0	5,000	5,000	5,000	0
Other Emergency Management	558,329	0	558,329	589,709	869,511	311,182
County Coroner/Medical Examiner	68,514	0	68,514	67,200	78,125	9,611
Public Health and Welfare						
Local Health Center	178,382	0	178,382	157,928	198,878	20,496
Rabies and Animal Control	20,170	0	20,170	8,600	18,600	(1,570)
Maternal and Child Health Services	1,350	0	1,350	1,350	1,350	0

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)						
Public Health and Welfare (Cont.)						
Alcohol and Drug Programs	$ 7,640	$ 0	$ 7,640	$ 7,500	$ 7,640	$ 0
Crippled Children Services	2,660	0	2,660	2,660	2,660	0
Other Local Health Services	27,000	0	27,000	38,200	38,060	11,060
General Welfare Assistance	25,726	0	25,726	19,955	71,795	46,069
Social, Cultural, and Recreational Services						
Adult Activities	143,139	0	143,139	149,215	154,815	11,676
Libraries	171,487	0	171,487	171,487	171,487	0
Parks and Fair Boards	5,250	0	5,250	5,250	5,250	0
Other Social, Cultural, and Recreational	27,500	0	27,500	28,000	28,000	500
Agriculture and Natural Resources						
Agricultural Extension Service	146,421	0	146,421	157,482	157,482	11,061
Soil Conservation	35,347	0	35,347	35,370	35,370	23
Flood Control	21,808	0	21,808	21,808	21,808	0
Other Operations						
Tourism	76,550	0	76,550	26,550	76,550	0
Tourism - Resort District	574,877	0	574,877	467,450	574,877	0
Industrial Development	70,000	0	70,000	70,000	70,000	0
Airport	1,122,854	0	1,122,854	446,181	1,225,763	102,909
Veterans' Services	61,719	0	61,719	66,003	66,003	4,284
Other Charges	156,986	0	156,986	152,237	162,237	5,251
Contributions to Other Agencies	722,756	0	722,756	123,757	904,685	181,929
Employee Benefits	1,977,188	0	1,977,188	1,790,350	2,001,413	24,225
COVID-19 Grant #1	11,250	0	11,250	0	11,250	0
COVID-19 Grant #4	0	0	0	7,500	7,500	7,500
Miscellaneous	50,250	0	50,250	605,750	84,423	34,173
Total Expenditures	$ 13,800,366	$ 64,930	$ 13,865,296	$ 12,941,640	$ 15,080,113	$ 1,214,817

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Excess (Deficiency) of Revenues Over Expenditures	$ 1,026,759	$ (64,930)	$ 961,829	$ (726,730)	$ (867,187)	$ 1,829,016
Other Financing Sources (Uses)						
Insurance Recovery	$ 0	$ 0	$ 0	$ 1,000	$ 1,000	$ (1,000)
Transfers In	176,063	0	176,063	188,050	364,113	(188,050)
City General Fund Transfer	0	0	0	23,985	23,985	(23,985)
Transfers Out	(471,327)	0	(471,327)	0	(471,327)	0
Total Other Financing Sources	$ (295,264)	$ 0	$ (295,264)	$ 213,035	$ (82,229)	$ (213,035)
Net Change in Fund Balance	$ 731,495	$ (64,930)	$ 666,565	$ (513,695)	$ (949,416)	$ 1,615,981
Fund Balance, July 1, 2021	4,642,753	0	4,642,753	3,100,000	4,642,753	0
Fund Balance, June 30, 2022	$ 5,374,248	$ (64,930)	$ 5,309,318	$ 2,586,305	$ 3,693,337	$ 1,615,981

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

Exhibit C-6

Henry County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Other Local Revenues	$ 2,772	$ 0	$ 0	$ 2,772
Federal Government	0	3,141,318	3,141,318	(3,141,318)
Total Revenues	$ 2,772	$ 3,141,318	$ 3,141,318	$ (3,138,546)
Expenditures				
Other Operations				
American Rescue Plan Act Grant #6	$ 375,000	$ 2,625,000	$ 2,401,577	$ 2,026,577
Total Expenditures	$ 375,000	$ 2,625,000	$ 2,401,577	$ 2,026,577
Excess (Deficiency) of Revenues Over Expenditures	$ (372,228)	$ 516,318	$ 739,741	$ (1,111,969)
Other Financing Sources (Uses)				
Transfers Out	$ (223,423)	$ 0	$ (223,423)	$ 0
Total Other Financing Sources	$ (223,423)	$ 0	$ (223,423)	$ 0
Net Change in Fund Balance	$ (595,651)	$ 516,318	$ 516,318	$ (1,111,969)
Fund Balance, July 1, 2021	0	0	0	0
Fund Balance, June 30, 2022	$ (595,651)	$ 516,318	$ 516,318	$ (1,111,969)

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

Exhibit C-7

Henry County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 1,765,940	$ 0	$ 1,765,940	$ 2,129,276	$ 2,188,676	$ (422,736)
Other Local Revenues	18,675	0	18,675	3,000	18,600	75
State of Tennessee	3,862,284	0	3,862,284	3,232,328	3,827,241	35,043
Federal Government	0	0	0	20,000	20,000	(20,000)
Total Revenues	$ 5,646,899	$ 0	$ 5,646,899	$ 5,384,604	$ 6,054,517	$ (407,618)
Expenditures						
Highways						
Administration	$ 301,259	$ 0	$ 301,259	$ 255,536	$ 302,236	$ 977
Highway and Bridge Maintenance	2,147,915	0	2,147,915	2,671,937	2,672,715	524,800
Operation and Maintenance of Equipment	640,038	0	640,038	624,993	714,993	74,955
Litter and Trash Collection	51,492	0	51,492	52,000	52,000	508
Other Charges	243,086	0	243,086	270,473	280,512	37,426
Employee Benefits	476,582	0	476,582	547,560	547,560	70,978
Capital Outlay	1,276,809	205,596	1,482,405	1,287,250	1,907,465	425,060
Total Expenditures	$ 5,137,181	$ 205,596	$ 5,342,777	$ 5,709,749	$ 6,477,481	$ 1,134,704
Excess (Deficiency) of Revenues Over Expenditures	$ 509,718	$ (205,596)	$ 304,122	$ (325,145)	$ (422,964)	$ 727,086
Other Financing Sources (Uses)						
Insurance Recovery	$ 81,653	$ 0	$ 81,653	$ 0	$ 81,653	$ 0
Transfers In	518,687	0	518,687	0	43,700	474,987
Total Other Financing Sources	$ 600,340	$ 0	$ 600,340	$ 0	$ 125,353	$ 474,987

(Continued)

Henry County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund (Cont.)

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Net Change in Fund Balance	$ 1,110,058	$ (205,596)	$ 904,462	$ (325,145)	$ (297,611)	$ 1,202,073
Fund Balance, July 1, 2021	5,573,754	0	5,573,754	5,573,754	5,573,754	0
Fund Balance, June 30, 2022	$ 6,683,812	$ (205,596)	$ 6,478,216	$ 5,248,609	$ 5,276,143	$ 1,202,073

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

Exhibit D-1

Henry County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2022

	Custodial Funds
ASSETS	
Cash	$ 1,508,841
Equity in Pooled Cash and Investments	1,164,426
Accounts Receivable	22,393
Due from Other Governments	1,615,717
Property Taxes Receivable	3,693,599
Allowance for Uncollectible Property Taxes	(53,174)
Total Assets	$ 7,951,802
LIABILITIES	
Due to Other Taxing Units	$ 1,938,614
Total Liabilities	$ 1,938,614
DEFERRED INFLOWS OF RESOURCES	
Deferred Current Property Taxes	$ 3,562,675
Total Deferred Inflows of Resources	$ 3,562,675
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	$ 2,450,513
Total Net Position	$ 2,450,513

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

Henry County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Custodial Funds
ADDITIONS	
Sales Tax Collections for Other Governments	$ 6,255,886
ADA - Educational Funds Collected for Cities	6,177,956
Fines/Fees and Other Collections	12,539,570
Drug Task Force Collections	976,621
Total Additions	$ 25,950,033
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	$ 6,255,886
Payments to City School Systems	6,177,956
Payments to State	5,710,475
Payments to Cities, Individuals, and Others	6,502,520
Payment of Drug Task Force Expenses	666,450
Total Deductions	$ 25,313,287
Net Increase (Decrease) in Fiduciary in Net Position	$ 636,746
Net Position, July 1, 2021	1,813,767
Net Position, June 30, 2022	$ 2,450,513

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

HENRY COUNTY, TENNESSEE
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Henry 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 Henry County:

A. Reporting Entity

Henry County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Henry County (the primary government) and its component units. Although required by GAAP, the financial statements of the Henry County Medical Center, a material component unit requiring discrete presentation, were not available in time for inclusion in this report. The independent auditor's opinion letter has been modified to reflect this omission. In addition, the financial statements of the Henry County Emergency Communications District and the Henry County Tourism Development Authority, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their 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 Henry County School Department operates the county's public school system, and the voters of Henry 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 Henry County Medical Center provides healthcare to the citizens of Henry County, and the Henry County Commission appoints its governing body. Before the issuance of any debt instruments, the

hospital must obtain the approval of the county commission. The financial statements of the Henry County Medical Center were not available from other auditors in time for inclusion in this report.

The Henry County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Henry County, and the Henry 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 Henry County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Henry County Tourism Development Authority provides programs designed to promote and advertise Henry County, and the Henry County Commission appoints its governing body. Before the issuance of any debt instruments, the authority must obtain the county commission's approval. The financial statements of the Henry County Tourism Development Authority were not material to the component units' opinion unit and therefore have been omitted from this report.

The Henry 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. Although required by GAAP, the financial statements of the Henry County Medical Center were not available in time for inclusion, as previously mentioned. Complete financial statements of the Henry County Medical Center, the Henry County Emergency Communications District, and the Henry County Tourism Development Authority can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Henry County Medical Center
P.O. Box 1030
Paris, TN 38242

Henry County Emergency Communications District
P.O. Box 1452
Paris, TN 8242

Henry County Tourism Development Authority
P.O. Box 7
Paris, TN 38242

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 Henry 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 Henry 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.

Henry County issues all debt for the discretely presented Henry County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2022.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants

and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Henry County considers grants and similar revenues to be available if they are collected within 120 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt, including lease obligations, are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

Fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes custodial funds.

Henry 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.

Other Special Revenue Fund – This special revenue fund accounts for proceeds received from the American Rescue Plan Act.

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, Henry County reports the following fund types:

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

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Henry County, assets held in a custodial capacity for a watershed district, the city school system's share of educational revenues, and other restricted revenues held for the benefit of the Judicial District Drug Task Force.

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

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

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

Additionally, the Henry County School Department reports the following fund type:

Capital Projects Fund – The Education Capital Projects Fund accounts for transactions involving building construction and renovations at the school department.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY22) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY21) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html.

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Henry 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 Debt Service Fund. Henry 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 polices 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 polices is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These polices 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 polices is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Henry 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 0.74 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.

Lease receivables are recognized in the governmental funds and government-wide financial statements. At the commencement of a lease, a lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. Interest received from the

lessee is recognized as revenue when received. Any accumulated interest on June 30 will result in accrued interest receivable in the governmental funds and government-wide financial statements.

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 Henry 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 Henry County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Henry 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 $5,000 or more and an estimated useful life exceeding 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:

Assets	Years
Buildings and Improvements	25
Other Capital Assets	5 - 10
Infrastructure:	
Roads	20 - 50
Bridges	20 - 50

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for a deferred charge on refunding, pension and OPEB changes in experience, pension and OPEB changes in assumptions, pension and OPEB changes in proportionate share, and employer contributions made to the pension and OPEB plans after the measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

6. Compensated Absences

It is the policy of Henry County (with the exception of the highway department) to permit employees to accumulate varying amounts of earned but unused vacation leave, which will be paid upon separation from county service. All vacation leave is accrued when incurred in the government-wide statements for the primary government. A liability for vacation leave 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 policy of the Henry County Highway Department does not permit employees to accumulate sick or vacation days beyond the fiscal year and therefore is not required to be accrued or recorded.

It is the policy of the discretely presented Henry County School Department to permit full-time, non-teaching employees to accumulate vacation days exceeding a normal year's accumulation. All vacation leave is accrued when incurred in the government-wide statements for the school department. A liability for vacation leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. Professional employees are allowed unlimited accumulation of unused sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

7. Long-term Debt, Lease Obligations, and Long-term Obligations

In the government-wide financial statements, long-term debt, lease obligations, 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 and lease obligations, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other postemployment benefits, 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 $8,985,060 of restricted net position for the primary government, of which $169,225 is restricted by enabling legislation.

At June 30, 2022, Henry County had $11,930,000 in outstanding debt for capital purposes for the discretely presented Henry County School Department. The debt is a liability of Henry County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Henry County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county's budget committee to make assignments for the general government. The Board of Education makes assignments for the school department.

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

committed, or assigned to specific purposes within the General and General Purpose School funds. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

E. Pension Plans

Primary Government

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

Discretely Presented Henry 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) Plan

Discretely Presented Henry 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 Henry 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 Henry 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 changes in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Henry 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 and school department's Internal School Fund (special revenue funds), which are not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Other Boards and Committees, County Mayor/Executive, 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, 2022, Henry County had outstanding encumbrances in the General and Highway/Public Works funds of $64,930 and $205,596, respectively. At June 30, 2022, the Henry County School Department had outstanding encumbrances in the School Federal Projects funds of $182,817.

B. Fund Deficit

The Other Special Revenue Fund had a fund deficit of $595,651 due to the grant expenditure reporting prescribed by the U.S. Treasury for the State and Local Fiscal Recovery Funds Grant (FAL No. 21.027). The grant expenditures can only be reported in April of each year. Henry County made expenditures of grant funds after the reporting period but before the end of the fiscal year which resulted in the deficit.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Henry County and the Henry 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 three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 90 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state

treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

Investments

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

The county had no pooled or nonpooled investments as of June 30, 2022.

TCRS Stabilization Trust

Legal Provisions. The Henry 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 Henry County School Department may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2022, the Henry County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	$ 83,325
Developed Market International Equity	N/A	N/A	37,630
Emerging Market International Equity	N/A	N/A	10,751
U.S. Fixed Income	N/A	N/A	53,757
Real Estate	N/A	N/A	26,879
Short-term Securities	N/A	N/A	2,688
NAV - Private Equity and Strategic Lending	N/A	N/A	53,757
Total			$ 268,787

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag20045.pdf.

B. Lease Receivable

On September 1, 2019, Henry County entered into a lease agreement for the use of an existing hangar at the Henry County Airport. As of July 1, 2021, the remaining term was eight years and two months, and the county will be receiving monthly payments ranging from $3,605 to $4,567. An initial lease receivable was recorded in the amount of

$348,740 during the current fiscal year. Henry county recognized $33,988 in lease revenue and $10,462 in interest revenue during the current fiscal year related to this lease. The lease has an annual interest rate of three percent. As of June 30, 2022, the lease receivable balance was $314,752.

The future receipts of the lease receivable include:

Year Ending June 30	Airport Hangar Lease		
	Principal	Interest	Total
2023	$ 36,340	$ 9,443	$ 45,783
2024	38,805	8,352	47,157
2025	41,384	7,188	48,572
2026	44,081	5,947	50,028
2027	46,905	4,624	51,529
2028-2030	107,237	5,072	112,309
Total	$ 314,752	$ 40,626	$ 355,378

C. Capital Assets

Capital assets activity for the year ended June 30, 2022, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	$ 5,592,338	$ 375,000	$ 0	$ 5,967,338
Construction in Progress	85,190	49,887	(85,190)	49,887
Total Capital Assets Not Depreciated	$ 5,677,528	$ 424,887	$ (85,190)	$ 6,017,225
Capital Assets Depreciated:				
Buildings and Improvements	$ 10,205,834	$ 240,921	$ 0	$ 10,446,755
Infrastructure	51,545,757	1,067,382	0	52,613,139
Other Capital Assets	7,065,264	536,934	(313,823)	7,288,375
Total Capital Assets Depreciated	$ 68,816,855	$ 1,845,237	$ (313,823)	$ 70,348,269
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 7,564,184	$ 340,948	$ 0	$ 7,905,132
Infrastructure	37,398,480	1,504,038	0	38,902,518
Other Capital Assets	5,549,873	625,282	(279,994)	5,895,161
Total Accumulated Depreciation	$ 50,512,537	$ 2,470,268	$ (279,994)	$ 52,702,811
Total Capital Assets Depreciated, Net	$ 18,304,318	$ (625,031)	$ (33,829)	$ 17,645,458
Governmental Activities Capital Assets, Net	$ 23,981,846	$ (200,144)	$ (119,019)	$ 23,662,683

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

Governmental Activities:

General Government	$ 304,258
Finance	4,405
Administration of Justice	2,261
Public Safety	452,226
Public Health and Welfare	60,473
Social, Cultural, and Recreational Services	5,218
Highways/Public Works	1,641,427
Total Depreciation Expense - Governmental Activities	$ 2,470,268

Net Investment in Capital Assets

Capital Assets	$ 23,662,683
Less:	
Unamortized balance of original issue discounts on outstanding capital debt	(340,000)
Net Investment in Capital Assets	$ 23,322,683

Discretely Presented Henry County School Department

Governmental Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	$ 610,066	$ 0	$ 0	$ 610,066
Construction in Progress	313,776	65,000	(313,776)	65,000
Total Capital Assets Not Depreciated	$ 923,842	$ 65,000	$ (313,776)	$ 675,066
Capital Assets Depreciated:				
Buildings and Improvements	$ 62,352,668	$ 1,765,935	$ 0	$ 64,118,603
Other Capital Assets	8,156,800	1,131,791	(498,763)	8,789,828
Total Capital Assets Depreciated	$ 70,509,468	$ 2,897,726	$ (498,763)	$ 72,908,431
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 40,398,260	$ 1,630,175	$ 0	$ 42,028,435
Other Capital Assets	6,279,463	588,800	(498,763)	6,369,500
Total Accumulated Depreciation	$ 46,677,723	$ 2,218,975	$ (498,763)	$ 48,397,935
Total Capital Assets Depreciated, Net	$ 23,831,745	$ 678,751	$ 0	$ 24,510,496
Governmental Activities Capital Assets, Net	$ 24,755,587	$ 743,751	$ (313,776)	$ 25,185,562

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

Governmental Activities:

Instruction	$ 1,089,996
Support Services	982,363
Operation of Non-instructional Services	146,616
Total Depreciation Expense - Governmental Activities	$ 2,218,975

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 2,907
Highway/Public Works	General	471,327
Discretely Presented School Department:		
General Purpose School	School Federal Projects	96,965

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.

A portion of the receivable in the General Purpose School Fund totaling $347 was in transit from the School Federal Projects Fund at June 30, 2022.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2022, consisted of the following amounts:

Primary Government

	Transfers In			
Transfers Out	General Fund	Highway/ Public Works Fund	Nonmajor Governmental Fund	Purpose
General Fund	$ 0	$ 471,327	$ 0	Net wheel tax revenue
Other Special Revenue Fund	176,063	47,360	0	Bonuses
General Debt Service Fund	0	0	70,000	Capital outlay
Total	$ 176,063	$ 518,687	$ 70,000	

Discretely Presented Henry County School Department

Transfers Out	Transfers In: General Purpose School Fund	Purpose
School Federal Projects Fund	$ 23,617	Indirect costs
"	44,592	ESSER expenses
"	517	CTE program
Total	$ 68,726	

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 and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Long-term Debt

Primary Government

General Obligation Bonds and Notes

General Obligation Bonds - Henry 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 12 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, 2022, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Henry County issues capital outlay notes to fund capital facilities. Capital outlay notes are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes were issued for original terms of up to ten years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes included in long-term debt as of June 30, 2022, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2022, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-22
General Obligation Bonds	2 to 2.25%	5-1-29	$ 8,850,000	$ 6,525,000
General Obligation Bonds - Refunding	1.74 to 4	5-1-26	8,190,000	5,405,000
Capital Outlay Notes	1 to 2.55	8-7-24	1,975,000	340,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2022, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	$ 2,180,000	$ 284,197	$ 2,464,197
2024	2,240,000	225,842	2,465,842
2025	2,310,000	150,437	2,460,437
2026	1,610,000	107,383	1,717,383
2027	1,670,000	76,600	1,746,600
2028-2029	1,920,000	48,038	1,968,038
Total	$ 11,930,000	$ 892,497	$ 12,822,497

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2023	$ 170,000	$ 8,203	$ 178,203
2024	85,000	4,335	89,335
2025	85,000	2,167	87,167
Total	$ 340,000	$ 14,705	$ 354,705

There is $2,863,660 available in the General Debt Service Fund to service long-term debt. Bonded debt per capital totaled $371, based on the 2020 federal census. Total debt per capita, including bonds, notes, and unamortized debt premiums totaled $387, based on the 2020 federal census.

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

Description of Debt	Outstanding 6-30-22
Bonds Payable	
Contributions from the General Purpose School Fund	
Rural School Refunding Bonds, Series 2013	$ 3,500,000
General Obligation High School Bonds, Series 2017	6,525,000
General Obligation Refunding Bonds, Series 2020	1,905,000
Total	$ 11,930,000

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2022, was as follows:

Governmental Activities:

	Bonds	Notes - Direct Placement
Balance, July 1, 2021	$ 14,070,000	$ 686,250
Reductions	(2,140,000)	(346,250)
Balance, June 30, 2022	$ 11,930,000	$ 340,000
Balance Due Within One Year	$ 2,180,000	$ 170,000

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2022	$ 12,270,000
Less: Balance Due Within One Year - Debt	(2,350,000)
Add: Unamortized Premium on Debt	197,711
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	$ 10,117,711

F. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2022, was as follows:

Governmental Activities:

	Compensated Absences
Balance, July 1, 2021	$ 450,283
Additions	445,894
Reductions	(476,528)
Balance, June 30, 2022	$ 419,649
Balance Due Within One Year	$ 20,982

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2022	$ 419,649
Less: Balance Due Within One Year - Other	(20,982)
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	$ 398,667

Compensated absences will be paid from the employing funds, primarily the General Fund.

Discretely Presented Henry County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Henry County School Department for the year ended June 30, 2022, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2021	$ 66,835	$ 2,338,174
Additions	57,608	751,035
Reductions	(65,182)	(201,814)
Balance, June 30, 2022	$ 59,261	$ 2,887,395
Balance Due Within One Year	$ 2,963	$ 0

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2022	$ 2,946,656
Less: Balance Due Within One Year - Other	(2,963)
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	$ 2,943,693

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School Fund.

G. On-Behalf Payments – Discretely Presented Henry County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Henry County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2022, were $50,690. 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

Henry County and the discretely presented Henry County School Department are exposed to various risks related to general liability, property, casualty, workers' compensation, health, and accident losses. The county and the school department decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for general liability, property, casualty, and workers' compensation coverage. The county and the school department participate in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The county and 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.

Henry County (except for school department employees) purchases commercial insurance for the risk associated with employee health coverage. Pre-65 age retirees are offered COBRA at their own expense for a maximum of 18 months. Currently, Henry County has no retirees

that have chosen to remain on the insurance. Management advised that historically participation among retirees is very low and any liability resulting from this option would not be material to the financial statements. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The discretely presented Henry 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, *Tennessee Code Annotated* (*TCA*), all local education agencies are eligible to participate. The LEGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

GASB Statement No. 87, *Leases*, became effective for fiscal year ending June 30, 2022. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee's right to use the leased asset, (3) report the amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosures about the lease. A lessor must recognize (1) a lease receivable (measured at the present value of lease payments expected to be received during the lease term), (2) deferred inflow of resources, (3) interest revenue on the lease receivable and (4) note disclosures of leasing arrangements and the total inflows of resources recognized from leases. This statement provides exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements) and leases with related parties.

GASB Statement No. 92, *Omnibus 2020*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provision about the following:

- The effective date of GASB Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of GASB Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,* as amended, and GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of GASB Statement No. 84 to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

GASB Statement 93*, Replacement of Interbank Offered Rates,* became effective during the year. This statement was necessary due to the eventual ceasing of the London Interbank Offered Rate (LIBOR) and the replacement with another interbank offered rate (IBOR). The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (except for paragraphs 4 and 5 which became effective in the prior fiscal year) became effective during the year. This Statement (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). This statement also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans.

GASB Statement No 98, *The Comprehensive Annual Financial Report*, became effective during the year. This statement replaces the terms comprehensive annual financial report and comprehensive annual financial reports in NCGA and GASB pronouncements with annual comprehensive financial report and annual comprehensive financial reports, respectively. The associated acronyms in NCGA and GASB pronouncements are replaced with ACFR and ACFRs.

C. Contingent Liabilities

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

The Henry County Medical Center has entered into loan agreements with the Montgomery County Public Building Authority and the City of Clarksville Public Building Authority. Under these loan agreements, the authorities loaned $42,200,000 to the medical center. The medical center has also issued capital outlay notes of $6,000,000. The medical center has used the loan and note proceeds for construction, acquisition, and/or enlargement of its buildings, structures, and facilities. As of June 30, 2022, the medical center had $18,961,740 outstanding on the loans, and $496,478 outstanding on the capital outlay notes. Henry County would become liable for the repayment of the loans and notes in the event of default by the medical center.

There are several pending lawsuits in which the county is involved. Management estimates that any potential claims against the county not covered by insurance resulting from such litigation should not materially affect the county's financial statements.

D. Joint Ventures

The Twenty-fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fourth Judicial District; Benton, Carroll, Decatur, Hardin, and Henry counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Henry County made no contributions to the

DTF for the year ended June 30, 2022, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

District Attorney General
P.O. Box 686
Huntingdon, TN 38344

The W.G. Rhea Paris – Henry County Library is a regional library owned by Henry County and the city of Paris and operated by the W.G. Rhea Paris – Henry County Library Board. The board includes seven members, four appointed by the Henry County Commission and three appointed by the city of Paris. Henry County has control over budgeting and financing the joint venture only to the extent of representation by the four board members appointed and is responsible for funding 50 percent of any deficits from operations. Henry County contributed $171,487 to the operations of the board during the year ended June 30, 2022. Complete financial statements for the W.G. Rhea Paris – Henry County Library can be obtained from the County Clerk's Office or the library board's administrative office at the following address:

Administrative Office:

W.G. Rhea Paris – Henry County Library
400 W. Washington Street
Paris, TN 38242

The Carroll - Henry County Railroad Authority was jointly created in November 1988 by Carroll and Henry counties. The authority was established as a conduit for payment of funds between the Tennessee Department of Transportation and the Kentucky – West Tennessee Railroad Company to rehabilitate the railroad between the Kentucky state line and Bruceton, Tennessee, including a line to Spinks, Tennessee. The authority comprises four members. One member from each county is appointed by the county commission, and each county mayor serves as a member and rotates every two years as chairman. Complete financial statements for the Carroll - Henry County Railroad Authority can be obtained from the Henry County Mayor's Office.

The Paris-Henry County Industrial Development Committee is a joint venture formed by an interlocal agreement between the city of Paris, Henry County, and the Paris-Henry County Chamber of Commerce. The purpose of the Industrial Development Committee is to provide for the planning, direction, and oversight of economic development for the city of Paris and Henry County. The committee is comprised of the director of economic development, the chief executive of the county or other designee, the mayor of Paris or other designee, one city commissioner,

two county commissioners, the city manager of the city of Paris, and the current president of the chamber of commerce. Henry County contributed $70,000 to the Industrial Development Committee for the year ended June 30, 2022, and does not have an equity interest in this joint venture. Complete financial statements for the Industrial Development Committee can be obtained from its administrative office at the following address:

Administrative Office:

Paris-Henry County Industrial
Development Committee
2508 E. Wood Street
Paris, TN 38242

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information about the Pension Plan

Plan Description. Employees of Henry County, non-certified employees of the discretely presented Henry County School Department, and employees of the discretely presented Henry County Medical Center are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 17.32 percent, the non-certified employees of the discretely presented school department comprised 8.43 percent, and employees of the discretely presented Henry County Medical Center comprise 74.25 percent of the plan based on contribution data. The TCRS was created by state statute under Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or

after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	543
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,117
Active Employees	893
Total	2,553

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. Henry 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, 2022, the employer contribution for Henry County was $1,983,641 based on a rate of five percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Henry 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)

Henry County's net pension liability (asset) was measured as of June 30, 2021, 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 (asset) as of the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of Assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected

returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	4.88	%	31	%
Developed Market International Equity	5.37		14	
Emerging Market International Equity	6.09		4	
Private Equity and Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		10	
Short-term Securities	0.00		1	
Total			100	%

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Henry County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2020	$ 123,412,009	$ 130,207,790	$ (6,795,781)
Changes for the Year:			
Service Cost	$ 3,563,960	$ 0	$ 3,563,960
Interest	8,988,491	0	8,988,491
Differences Between Expected and Actual Experience	(229,782)	0	(229,782)
Changes in Assumptions	9,632,087	0	9,632,087
Contributions-Employer	0	1,985,886	(1,985,886)
Contributions-Employees	0	2,033,389	(2,033,389)
Net Investment Income	0	33,327,478	(33,327,478)
Benefit Payments, Including Refunds of Employee Contributions	(5,993,560)	(5,993,560)	0
Administrative Expense	0	(57,593)	57,593
Net Changes	$ 15,961,196	$ 31,295,600	$ (15,334,404)
Balance, June 30, 2021	$ 139,373,205	$ 161,503,390	$ (22,130,185)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	17.32%	$ 24,139,439	$ 27,972,387	$ (3,832,948)
School Department	8.43%	11,749,161	13,614,736	(1,865,575)
Medical Center	74.25%	103,484,605	119,916,267	(16,431,662)
Total		$ 139,373,205	$ 161,503,390	$ (22,130,185)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Henry County calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage

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

Henry County	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ (3,115,217)	$ (22,130,185)	$ (37,849,273)

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, 2022, Henry County recognized (negative pension expense) of ($1,920,153).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, Henry County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 0	$ 1,096,145
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	17,775,911
Changes in Assumptions	7,224,065	0
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	1,983,641	N/A
Total	$ 9,207,706	$ 18,872,056

(1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2021," will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	$ 1,593,707	$ 3,268,640
School Department	784,153	1,590,914
Medical Center	6,829,846	14,012,502
Total	$ 9,207,706	$ 18,872,056

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

Year Ending June 30	Amount
2023	$ (2,620,130)
2024	(2,366,237)
2025	(1,869,412)
2026	(4,792,212)
2027	0
Thereafter	0

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

Discretely Presented Henry County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Henry County, non-certified employees of the discretely presented Henry County School Department, and employees of the discretely presented Henry County Medical Center are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees, non-certified employees of the discretely

presented Henry County School Department, and employees of the discretely presented Henry County Medical Center comprised 17.32 percent, 8.43 percent, and 74.25 percent, respectively, of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2022, to the Teacher Retirement Plan were $81,206, which is 2.01 percent of covered payroll. In addition, employer contributions of $68,513, which is 1.99 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, 2022, the school department reported a liability (asset) of ($265,358) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, 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, 2021, the school department's proportion was .244974 percent. The proportion as of June 30, 2020, was .235606 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense of $34,661.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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	$ 4,616	$ 48,555
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	152,747
Changes in Assumptions	95,712	0
Changes in Proportion of Net Pension Liability (Asset)	30,375	7,399
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	81,206	N/A
Total	$ 211,909	$ 208,701

The school department's employer contributions of $81,206, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2023. 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
2023	$ (31,114)
2024	(30,278)
2025	(30,040)
2026	(33,883)
2027	6,858
Thereafter	40,459

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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to 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, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of

2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	4.88 %	31 %
Developed Market International Equity	5.37	14
Emerging Market International Equity	6.09	4
Private Equity and Strategic Lending	6.57	20
U.S. Fixed Income	1.20	20
Real Estate	4.38	10
Short-term Securities	0.00	1
Total		100 %

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated

using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ 91,223	$ (265,358)	$ (528,350)

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service-related disability

benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Henry County School Department for the year ended June 30, 2022, to the Teacher Legacy Pension Plan were $1,122,763, which is 10.3 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, 2022, the school department reported a liability (asset) of ($13,988,281) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, 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, 2021, the school department's proportion was .324310 percent. The proportion measured at June 30, 2020, was .318179 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized (negative pension expense) of ($2,239,002).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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	$ 47,008	$ 1,166,668
Changes in Assumptions	3,737,435	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	11,155,342
Changes in Proportion of Net Pension Liability (Asset)	0	44,058
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	1,122,763	N/A
Total	$ 4,907,206	$ 12,366,068

The school department's employer contributions of $1,122,763 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) in net pension liability (asset) in the year ending June 30, 2023. 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
2023	$ (2,045,233)
2024	(1,939,455)
2025	(1,586,430)
2026	(3,010,507)
2027	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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to 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, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return

and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	4.88 %	31 %
Developed Market International Equity	5.37	14
Emerging Market International Equity	6.09	4
Private Equity and Strategic Lending	6.57	20
U.S. Fixed Income	1.20	20
Real Estate	4.38	10
Short-term Securities	0.00	1
Total		100 %

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated

using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ (2,489,443)	$ (13,988,281)	$ (23,557,607)

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 $187,923 and teachers contributed $74,538 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

The discretely presented Henry County School Department provides OPEB benefits to it retirees under the state administered public entity risk pool. For reporting purposes, the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through State Administered Public Entity Risk Pool

The school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified employees of the 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 school department's total OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.16%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.36% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 10-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed below

The discount rate was 2.16 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, 2021, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement

mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables for non-teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% to load for males and a 14% load for females, projected generationally from 2010 with MP-2020. Post-retirement tables for teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 19 to load for males and a 18% load for females, projected generationally from 2010 with MP-2020. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.21 percent as of the beginning of the measurement period to 2.16 percent as of the measurement date of June 30, 2021. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2022 plan year was revised from 9.02 percent to 7.36 percent. The assumed long term inflation rate was changed from 2.1 percent to 2.25 percent.

Closed Local Education (LEP) OPEB Plan (Discretely Presented School Department)

Plan Description. Employees of the Henry 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 Henry 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 Section 8-27-301, *TCA,* 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

Henry 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, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	13
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible For Benefits	258
Total	271

A state insurance committee, created in accordance with Section 8-27-301, *TCA,* 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 $92,456 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Henry County School Department 64.338%	State of TN 35.662%	Total OPEB Liability
Balance July 1, 2020	$ 2,338,174	$ 1,163,822	$ 3,501,996
Changes for the Year:			
Service Cost	$ 130,150	$ 72,143	$ 202,293
Interest	51,387	28,484	79,871
Difference between Expected and Actuarial Experience	66,589	36,911	103,500
Changes in Proportion	(85,074)	85,074	0
Changes in Assumption and Other Inputs	502,909	278,763	781,672
Benefit Payments	(116,740)	(64,709)	(181,449)
Net Changes	$ 549,221	$ 436,666	$ 985,887
Balance June 30, 2021	$ 2,887,395	$ 1,600,488	$ 4,487,883

The Henry 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 Henry 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 $139,215 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Henry County School Department's proportionate share of the collective OPEB liability was 64.338 percent and the State of Tennessee's share was 35.662 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department recognized OPEB expense of $355,993, including the state's share of the expense. At June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 153,920	$ 255,087
Changes of Assumptions/Inputs	675,022	158,347
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	34,345	123,574
Benefits Paid After the Measurement Date of June 30, 2021	92,456	0
Total	$ 955,743	$ 537,008

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

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

Year Ending June 30	School Department
2023	$ 35,241
2024	35,241
2025	35,241
2026	35,241
2027	35,241
Thereafter	150,074

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.

Discount Rate	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Proportionate Share of the Collective Total OPEB Liability	$ 3,106,345	$ 2,887,395	$ 2,677,267

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.

Healthcare Cost Trend Rate	1% Decrease 6.36 to 3.5%	Current Rates 7.36 to 4.5%	1% Increase 8.36 to 5.5%
Proportionate Share of the Collective Total OPEB Liability	$ 2,543,936	$ 2,887,395	$ 3,293,372

G. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by Chapter 10, Private Acts of 1995, and provisions of the County Purchasing Law of 1983, Section 5-14-201, *Tennessee Code Annotated* (*TCA*), which provides for purchases exceeding $10,000 to be made after public advertisement and solicitation of competitive bids.

Office of County Road Supervisor

Purchasing procedures for the highway department are governed by Chapter 326, Private Acts of 1972, as amended, and the Uniform Road Law, Section 54-7-113, *TCA*. The Uniform Road Law provides for purchases exceeding $25,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Henry County School Department are governed by purchasing laws applicable to schools as

set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires that competitive bids be solicited through newspaper advertisement on all purchases exceeding $10,000.

H. Subsequent Event

On July 31, 2022, Mary Burns left the Office of Clerk and Master and was succeeded by Albert Wade, Jr. effective August 1, 2022.

Required Supplementary Information

Henry 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
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2022
Total Pension Liability								
Service Cost	$ 2,858,015	$ 2,735,788	$ 2,932,504	$ 3,655,460	$ 3,728,833	$ 3,468,084	$ 3,605,112	$ 3,563,960
Interest	6,259,550	6,550,762	7,021,449	7,426,112	7,754,432	8,211,664	8,658,390	8,988,491
Differences Between Actual and Expected Experience	(1,422,820)	661,325	(1,253,037)	(1,098,550)	58,047	(90,400)	(1,802,419)	(229,782)
Changes in Assumptions	0	0	0	2,298,195	0	0	0	9,632,087
Benefit Payments, Including Refunds of Employee Contributions	(3,433,718)	(3,945,664)	(3,791,860)	(4,264,858)	(4,558,616)	(5,389,212)	(5,740,065)	(5,993,560)
Net Change in Total Pension Liability	$ 4,261,027	$ 6,002,211	$ 4,909,056	$ 8,016,359	$ 6,982,696	$ 6,200,136	$ 4,721,018	$ 15,961,196
Total Pension Liability, Beginning	82,319,506	86,580,533	92,582,744	97,491,800	105,508,159	112,490,855	118,690,991	123,412,009
Total Pension Liability, Ending (a)	$ 86,580,533	$ 92,582,744	$ 97,491,800	$ 105,508,159	$ 112,490,855	$ 118,690,991	$ 123,412,009	$ 139,373,205
Plan Fiduciary Net Position								
Contributions - Employer	$ 2,410,801	$ 2,134,430	$ 2,277,366	$ 1,776,175	$ 1,853,451	$ 1,890,621	$ 1,973,468	$ 1,985,886
Contributions - Employee	1,585,932	1,644,936	1,764,066	1,780,358	1,885,082	1,915,557	1,980,609	2,033,389
Net Investment Income	13,408,310	2,909,038	2,586,869	11,309,530	9,137,097	8,781,030	6,197,384	33,327,478
Benefit Payments, Including Refunds of Employee Contributions	(3,433,718)	(3,945,664)	(3,791,860)	(4,264,858)	(4,558,616)	(5,389,212)	(5,740,065)	(5,993,560)
Administrative Expense	(35,043)	(42,315)	(67,983)	(76,116)	(86,369)	(80,003)	(83,128)	(57,593)
Other	0	0	383,761	(399,241)	0	0	(48)	0
Net Change in Plan Fiduciary Net Position	$ 13,936,282	$ 2,700,425	$ 3,152,219	$ 10,125,848	$ 8,230,645	$ 7,117,993	$ 4,328,220	$ 31,295,600
Plan Fiduciary Net Position, Beginning	80,616,158	94,552,440	97,252,865	100,405,084	110,530,932	118,761,577	125,879,570	130,207,790
Plan Fiduciary Net Position, Ending (b)	$ 94,552,440	$ 97,252,865	$ 100,405,084	$ 110,530,932	$ 118,761,577	$ 125,879,570	$ 130,207,790	$ 161,503,390
Net Pension Liability (Asset), Ending (a - b)	$ (7,971,907)	$ (4,670,121)	$ (2,913,284)	$ (5,022,773)	$ (6,270,722)	$ (7,188,579)	$ (6,795,781)	$ (22,130,185)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	109.21%	105.04%	102.99%	104.76%	105.57%	106.06%	105.51%	115.88%
Covered Payroll	$ 31,390,528	$ 32,321,287	$ 34,552,634	$ 35,525,263	$ 37,068,951	$ 37,811,386	$ 39,508,365	$ 39,763,625
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(25.40)%	(14.45)%	(8.43)%	(14.14)%	(16.92)%	(19.01)%	(17.20)%	(55.65)%

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

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government, non-certified employees of the discretely presented school department, and employees of the discretely presented Henry County Medical Center.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	$ 2,410,801	$ 2,134,430	$ 2,277,366	$ 1,538,244	$ 1,590,258	$ 1,622,153	$ 1,847,166	$ 1,858,789	$ 1,856,688
Less: Contributions in Relation to the Actuarially Determined Contribution	(2,410,801)	(2,134,430)	(2,277,366)	(1,776,175)	(1,853,451)	(1,890,621)	(1,973,468)	(1,985,886)	(1,983,641)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ (237,931)	$ (263,193)	$ (268,468)	$ (126,302)	$ (127,097)	$ (126,953)
Covered Payroll	$ 31,390,528	$ 32,321,287	$ 34,552,634	$ 35,525,263	$ 37,068,951	$ 37,811,386	$ 39,508,365	$ 39,763,625	$ 39,672,820
Contributions as a Percentage of Covered Payroll	6.60%	6.60%	6.59%	5.00%	5.00%	5.00%	5.00%	4.99%	5.00%

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

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government, non-certified employees of the discretely presented school department, and employees of the discretely presented Henry County Medical Center.

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

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	$ 21,224	$ 54,244	$ 87,959	$ 42,769	$ 53,663	$ 60,355	$ 71,417	$ 81,206
Less: Contributions in Relation to the Contractually Required Contribution	(21,224)	(54,244)	(87,959)	(104,906)	(53,663)	(60,355)	(71,417)	(81,206)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ (62,137)	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 530,587	$ 1,356,099	$ 2,198,988	$ 2,622,661	$ 2,766,137	$ 2,973,170	$ 3,535,508	$ 4,040,100
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).
2019: Pension - 1.94%, SRT - 2.02%
2020: Pension - 2.03%, SRT - 1.97%
2021: Pension - 2.02%, SRT - 1.98%
2022: Pension - 2.01%, SRT - 1.99%

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	$ 1,121,863	$ 1,084,571	$ 1,014,657	$ 981,433	$ 975,234	$ 1,086,921	$ 1,125,696	$ 1,093,182	$ 1,122,763
Less: Contributions in Relation to the Contractually Required Contribution	(1,121,863)	(1,084,571)	(1,014,657)	(981,433)	(975,234)	(1,086,921)	(1,125,696)	(1,093,182)	(1,122,763)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 12,633,590	$ 11,997,463	$ 11,224,085	$ 10,856,577	$ 10,740,457	$ 10,391,217	$ 10,589,809	$ 10,644,417	$ 10,900,618
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%

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

Exhibit E-5

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

	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.250102%	0.308201%	0.335037%	0.300117%	0.261397%	0.235606%	0.244974%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ (10,274)	$ (32,085)	$ (88,393)	$ (136,111)	$ (147,555)	$ (133,975)	$ (265,358)
Covered Payroll	$ 530,587	$ 1,356,099	$ 2,198,988	$ 2,622,661	$ 2,766,137	$ 2,973,170	$ 3,535,508
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)%	(4.51)%	(7.51)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%

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

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

	2014	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.321876%	0.320488%	0.310934%	0.307121%	0.306724%	0.309895%	0.318179%	0.324310%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ (52,303)	$ 131,283	$ 1,943,164	$ (100,486)	$ (1,079,334)	$ (3,186,275)	$ (2,426,346)	$ (13,988,281)
Covered Payroll	$ 12,633,590	$ 11,997,463	$ 11,224,085	$ 10,856,577	$ 10,740,457	$ 10,391,217	$ 10,589,809	$ 10,644,417
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094254%	17.31%	(0.93)%	(10.05)%	(30.66)%	(22.91)%	(131.41)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%

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

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

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	$ 177,720	$ 164,705	$ 157,448	$ 152,792	$ 202,293
Interest	108,797	127,057	114,984	111,369	79,871
Changes in Benefit Terms	0	68,900	0	0	0
Differences Between Actual and Expected Experience	0	(573,762)	217,045	(56,179)	103,500
Changes in Assumptions or Other Inputs	(151,923)	98,118	(250,292)	383,662	781,672
Benefit Payments	(271,757)	(285,232)	(257,909)	(217,646)	(181,449)
Net Change in Total OPEB Liability	$ (137,163)	$ (400,214)	$ (18,724)	$ 373,998	$ 985,887
Total OPEB Liability, Beginning	3,684,099	3,546,936	3,146,722	3,127,998	3,501,996
Total OPEB Liability, Ending	$ 3,546,936	$ 3,146,722	$ 3,127,998	$ 3,501,996	$ 4,487,883
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	$ 1,130,185	$ 1,019,500	$ 1,081,008	$ 1,163,822	$ 1,600,488
Employer Proportionate Share of the Total OPEB Liability	2,416,751	2,127,222	2,046,990	2,338,174	2,887,395
Covered Employee Payroll	$ 13,839,020	$ 13,692,123	$ 13,805,342	$ 13,994,712	$ 14,403,881
Net OPEB Liability as a Percentage of Covered Employee Payroll	17.46%	15.54%	14.83%	16.71%	20.05%

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

Note 2: Changes in assumptions.

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

- 2016 2.92%
- 2017 3.56%
- 2018 3.62%
- 2019 3.51%
- 2020 2.21%
- 2021 2.16%

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

- 2019 plan year - from 5.4% to 6.75%
- 2020 plan year - from 6.75% to 6.03%
- 2021 plan year - from 6.03% to 9.02%
- 2022 plan year - from 9.02% to 7.36%

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

HENRY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2022 were calculated based on the June 30, 2020, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	(Not to Exceed 20 Years) 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.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Henry 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.

Capital Projects Funds

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

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

Exhibit F-1

Henry County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds				Capital Projects Fund	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Total Nonmajor Governmental Funds
ASSETS						
Cash	$ 0	$ 0	$ 2,907	$ 2,907	$ 0	$ 2,907
Equity in Pooled Cash and Investments	716,767	158,838	0	875,605	232,136	1,107,741
Accounts Receivable	16,068	0	0	16,068	0	16,068
Property Taxes Receivable	410,667	0	0	410,667	0	410,667
Allowance for Uncollectible Property Taxes	(5,941)	0	0	(5,941)	0	(5,941)
Total Assets	$ 1,137,561	$ 158,838	$ 2,907	$ 1,299,306	$ 232,136	$ 1,531,442
LIABILITIES						
Accounts Payable	$ 21,340	$ 0	$ 0	$ 21,340	$ 0	$ 21,340
Due to Other Funds	0	0	2,907	2,907	0	2,907
Total Liabilities	$ 21,340	$ 0	$ 2,907	$ 24,247	$ 0	$ 24,247
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 397,998	$ 0	$ 0	$ 397,998	$ 0	$ 397,998
Deferred Delinquent Property Taxes	6,199	0	0	6,199	0	6,199
Total Deferred Inflows of Resources	$ 404,197	$ 0	$ 0	$ 404,197	$ 0	$ 404,197
FUND BALANCES						
Restricted:						
Restricted for Public Safety	$ 0	$ 158,838	$ 0	$ 158,838	$ 0	$ 158,838

(Continued)

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

	Special Revenue Funds				Capital Projects Fund	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Total Nonmajor Governmental Funds
FUND BALANCES (Cont.)						
Committed:						
Committed for Public Health and Welfare	$ 712,024	$ 0	$ 0	$ 712,024	$ 0	$ 712,024
Committed for Capital Outlay	0	0	0	0	232,136	232,136
Total Fund Balances	$ 712,024	$ 158,838	$ 0	$ 870,862	$ 232,136	$ 1,102,998
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,137,561	$ 158,838	$ 2,907	$ 1,299,306	$ 232,136	$ 1,531,442

Exhibit F-2

Henry County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds			Capital Projects Fund	
	Solid Waste / Sanitation	Drug Control	Total	General Capital Projects	Total Nonmajor Governmental Funds
Revenues					
Local Taxes	$ 433,879	$ 0	$ 433,879	$ 0	$ 433,879
Fines, Forfeitures, and Penalties	0	36,247	36,247	0	36,247
Charges for Current Services	30,261	0	30,261	0	30,261
Other Local Revenues	312,535	4,240	316,775	0	316,775
State of Tennessee	0	0	0	398,014	398,014
Total Revenues	$ 776,675	$ 40,487	$ 817,162	$ 398,014	$ 1,215,176
Expenditures					
Current:					
Public Safety	$ 0	$ 13,465	$ 13,465	$ 0	$ 13,465
Public Health and Welfare	625,215	0	625,215	0	625,215
Other Operations	11,852	0	11,852	0	11,852
Capital Projects	0	0	0	521,405	521,405
Total Expenditures	$ 637,067	$ 13,465	$ 650,532	$ 521,405	$ 1,171,937
Excess (Deficiency) of Revenues Over Expenditures	$ 139,608	$ 27,022	$ 166,630	$ (123,391)	$ 43,239
Other Financing Sources (Uses)					
Transfers In	$ 0	$ 0	$ 0	$ 70,000	$ 70,000
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 0	$ 70,000	$ 70,000

(Continued)

Exhibit F-2

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

	Special Revenue Funds			Capital Projects Fund	
	Solid Waste / Sanitation	Drug Control	Total	General Capital Projects	Total Nonmajor Governmental Funds
Net Change in Fund Balances	$ 139,608	$ 27,022	$ 166,630	$ (53,391)	$ 113,239
Fund Balance, July 1, 2021	572,416	131,816	704,232	285,527	989,759
Fund Balance, June 30, 2022	$ 712,024	$ 158,838	$ 870,862	$ 232,136	$ 1,102,998

Exhibit F-3

Henry County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 433,879	$ 415,873	$ 415,873	$ 18,006
Charges for Current Services	30,261	25,000	25,000	5,261
Other Local Revenues	312,535	175,100	175,100	137,435
Total Revenues	$ 776,675	$ 615,973	$ 615,973	$ 160,702
Expenditures				
Public Health and Welfare				
Sanitation Management	$ 51,180	$ 54,481	$ 52,479	$ 1,299
Recycling Center	519,437	531,996	557,482	38,045
Landfill Operation and Maintenance	54,562	60,000	60,000	5,438
Other Waste Disposal	36	2,500	2,500	2,464
Other Operations				
Other Charges	11,852	15,000	15,000	3,148
Total Expenditures	$ 637,067	$ 663,977	$ 687,461	$ 50,394
Excess (Deficiency) of Revenues Over Expenditures	$ 139,608	$ (48,004)	$ (71,488)	$ 211,096
Net Change in Fund Balance	$ 139,608	$ (48,004)	$ (71,488)	$ 211,096
Fund Balance, July 1, 2021	572,416	572,416	572,416	0
Fund Balance, June 30, 2022	$ 712,024	$ 524,412	$ 500,928	$ 211,096

Exhibit F-4

Henry County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 36,247	$ 24,000	$ 24,000	$ 12,247
Other Local Revenues	4,240	1,000	1,000	3,240
Other Governments and Citizens Groups	0	1,500	1,500	(1,500)
Total Revenues	$ 40,487	$ 26,500	$ 26,500	$ 13,987
Expenditures				
Public Safety				
Drug Enforcement	$ 13,465	$ 31,450	$ 31,450	$ 17,985
Total Expenditures	$ 13,465	$ 31,450	$ 31,450	$ 17,985
Excess (Deficiency) of Revenues Over Expenditures	$ 27,022	$ (4,950)	$ (4,950)	$ 31,972
Net Change in Fund Balance	$ 27,022	$ (4,950)	$ (4,950)	$ 31,972
Fund Balance, July 1, 2021	131,816	131,816	131,816	0
Fund Balance, June 30, 2022	$ 158,838	$ 126,866	$ 126,866	$ 31,972

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Henry County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 175,415	$ 174,194	$ 174,194	$ 1,221
Other Local Revenues	225,309	393,260	393,260	(167,951)
Other Governments and Citizens Groups	2,516,802	0	2,517,002	(200)
Total Revenues	$ 2,917,526	$ 567,454	$ 3,084,456	$ (166,930)
Expenditures				
Other Operations				
Other Charges	$ 5,661	$ 12,000	$ 12,000	$ 6,339
Principal on Debt				
General Government	346,250	346,250	346,250	0
Education	2,140,000	2,140,000	2,140,000	0
Interest on Debt				
General Government	15,568	15,451	15,568	0
Education	326,799	322,002	326,802	3
Other Debt Service				
General Government	32,302	4,250	34,150	1,848
Education	1,002	5,000	5,000	3,998
Total Expenditures	$ 2,867,582	$ 2,844,953	$ 2,879,770	$ 12,188
Excess (Deficiency) of Revenues Over Expenditures	$ 49,944	$ (2,277,499)	$ 204,686	$ (154,742)
Other Financing Sources (Uses)				
Transfers In	$ 0	$ 2,517,002	$ 0	$ 0
Transfers Out	(70,000)	0	(70,000)	0
Total Other Financing Sources	$ (70,000)	$ 2,517,002	$ (70,000)	$ 0
Net Change in Fund Balance	$ (20,056)	$ 239,503	$ 134,686	$ (154,742)
Fund Balance, July 1, 2021	2,883,716	2,471,731	2,883,716	0
Fund Balance, June 30, 2022	$ 2,863,660	$ 2,711,234	$ 3,018,402	$ (154,742)

Custodial Funds

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

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

Watershed District Fund – The Watershed District Fund is used to account for prior years' acreage assessments collected on drainage district properties that are held in trust for the watershed district.

Special School District Fund – The Special School District Fund is used to account for property taxes collected for the Paris Special School District and the district's share of education revenues collected by the county that must be apportioned between the Henry County School System and the Paris Special School District on an average daily attendance basis. These collections are remitted to the Paris Special School District on a monthly basis.

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

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for grants and other restricted revenues for the benefit of the multi-jurisdictional drug task force, which was created by contract (mutual aid agreement) between the participating city and county governments.

Exhibit H-1

Henry County, Tennessee
Combining Statement of Net Position
Custodial Funds
For the Year Ended June 30, 2022

	Custodial Funds					
	Cities - Sales Tax	Watershed District	Special School District	Constitutional Officers - Custodial	Judicial District Drug	Total
ASSETS						
Cash	$ 0	$ 0	$ 0	$ 1,504,216	$ 4,625	$ 1,508,841
Equity in Pooled Cash and Investments	0	1,606	248,713	0	914,107	1,164,426
Accounts Receivable	0	0	0	22,393	0	22,393
Due from Other Governments	1,156,415	0	455,736	0	3,566	1,615,717
Property Taxes Receivable	0	0	3,693,599	0	0	3,693,599
Allowance for Uncollectible Property Taxes	0	0	(53,174)	0	0	(53,174)
Total Assets	$ 1,156,415	$ 1,606	$ 4,344,874	$ 1,526,609	$ 922,298	$ 7,951,802
LIABILITIES						
Due to Other Taxing Units	$ 1,156,415	$ 0	$ 782,199	$ 0	$ 0	$ 1,938,614
Total Liabilities	$ 1,156,415	$ 0	$ 782,199	$ 0	$ 0	$ 1,938,614
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 0	$ 0	$ 3,562,675	$ 0	$ 0	$ 3,562,675
Total Deferred Inflows of Resources	$ 0	$ 0	$ 3,562,675	$ 0	$ 0	$ 3,562,675
NET POSITION						
Restricted for Individuals, Organizations, and Other Governments	$ 0	$ 1,606	$ 0	$ 1,526,609	$ 922,298	$ 2,450,513
Total Net Position	$ 0	$ 1,606	$ 0	$ 1,526,609	$ 922,298	$ 2,450,513

Exhibit H-2

Henry County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2022

	Custodial Funds					
	Cities - Sales Tax	Watershed District	Special School District	Constitu - tional Officers - Custodial	Judicial District Drug	Total
Additions						
Sales Tax Collections for Other Governments	$ 6,255,886	$ 0	$ 0	$ 0	$ 0	$ 6,255,886
ADA - Educational Funds Collected for Cities	0	0	6,177,956	0	0	6,177,956
Fines/Fees and Other Collections	0	0	0	12,539,570	0	12,539,570
Drug Task Force Collections	0	0	0	0	976,621	976,621
Total Additions	$ 6,255,886	$ 0	$ 6,177,956	$ 12,539,570	$ 976,621	$ 25,950,033
Deductions						
Payment of Sales Tax Collections for Other Governments	$ 6,255,886	$ 0	$ 0	$ 0	$ 0	$ 6,255,886
Payments to City School Systems	0	0	6,177,956	0	0	6,177,956
Payments to State	0	0	0	5,710,475	0	5,710,475
Payments to Cities, Individuals, and Others	0	0	0	6,502,520	0	6,502,520
Payment of Drug Task Force Expenses	0	0	0	0	666,450	666,450
Total Deductions	$ 6,255,886	$ 0	$ 6,177,956	$ 12,212,995	$ 666,450	$ 25,313,287
Change in Net Position	$ 0	$ 0	$ 0	$ 326,575	$ 310,171	$ 636,746
Net Position July 1, 2021	0	1,606	0	1,200,034	612,127	1,813,767
Net Position June 30, 2022	$ 0	$ 1,606	$ 0	$ 1,526,609	$ 922,298	$ 2,450,513

Henry County School Department

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

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

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

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

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

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

Henry County, Tennessee
Statement of Activities
Discretely Presented Henry County School Department
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities:					
Instruction	$ 20,112,021	$ 0	$ 3,600,339	$ 0	$ (16,511,682)
Support Services	11,337,418	62,976	1,467,710	1,024,633	(8,782,099)
Operation of Non-instructional Services	2,558,949	169,173	3,328,878	0	939,102
Total Governmental Activities	$ 34,008,388	$ 232,149	$ 8,396,927	$ 1,024,633	$ (24,354,679)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					$ 5,246,365
Local Option Sales Taxes					5,339,200
Business Tax					212,413
Other Local Taxes					871,481
Grants and Contributions Not Restricted to Specific Programs					19,449,170
Miscellaneous					63,393
Total General Revenues					$ 31,182,022
Change in Net Position					$ 6,827,343
Net Position, July 1, 2021					42,585,657
Net Position, June 30, 2022					$ 49,413,000

Henry County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Henry County School Department
June 30, 2022

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
ASSETS				
Cash	$ 0	$ 0	$ 781,126	$ 781,126
Equity in Pooled Cash and Investments	14,805,892	3,697	1,394,956	16,204,545
Inventories	0	0	3,663	3,663
Accounts Receivable	10,518	0	3,091	13,609
Due from Other Governments	1,845,734	816,907	71,779	2,734,420
Due from Other Funds	96,965	0	0	96,965
Property Taxes Receivable	5,602,397	0	0	5,602,397
Allowance for Uncollectible Property Taxes	(81,091)	0	0	(81,091)
Restricted Assets	268,787	0	0	268,787
Total Assets	$ 22,549,202	$ 820,604	$ 2,254,615	$ 25,624,421
LIABILITIES				
Accounts Payable	$ 92,845	$ 387,528	$ 2,450	$ 482,823
Contracts Payable	717,038	0	0	717,038
Due to Other Funds	0	96,618	0	96,618
Total Liabilities	$ 809,883	$ 484,146	$ 2,450	$ 1,296,479
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 5,429,382	$ 0	$ 0	$ 5,429,382
Deferred Delinquent Property Taxes	84,698	0	0	84,698
Other Deferred/Unavailable Revenue	558,368	0	0	558,368
Total Deferred Inflows of Resources	$ 6,072,448	$ 0	$ 0	$ 6,072,448

(Continued)

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

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES				
Nonspendable:				
Inventory	$ 0	$ 0	$ 3,663	$ 3,663
Restricted:				
Restricted for Education	1,051,214	186,458	782,576	2,020,248
Restricted for Operation of Non-instructional Services	0	0	1,300,791	1,300,791
Restricted for Capital Projects	0	0	165,135	165,135
Restricted for Hybrid Retirement Stabilization Funds	268,787	0	0	268,787
Committed:				
Committed for Education	427	0	0	427
Committed for Capital Projects	320,435	0	0	320,435
Assigned:				
Assigned for Public Safety	850,000	0	0	850,000
Assigned for Education	0	150,000	0	150,000
Assigned for Capital Projects	750,000	0	0	750,000
Unassigned	12,426,008	0	0	12,426,008
Total Fund Balances	$ 15,666,871	$ 336,458	$ 2,252,165	$ 18,255,494
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 22,549,202	$ 820,604	$ 2,254,615	$ 25,624,421

Exhibit I-3

Henry County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Henry County School Department
June 30, 2022

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)			$ 18,255,494
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	$	610,066	
Add: construction in progress		65,000	
Add: buildings and improvements net of accumulated depreciation		22,090,168	
Add: other capital assets net of accumulated depreciation		2,420,328	25,185,562
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	$	(59,261)	
Less: net OPEB liability		(2,887,395)	(2,946,656)
(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	$	5,903,268	
Less: deferred inflows of resources related to pensions		(14,165,683)	
Add: deferred outflows of resources related to OPEB		955,743	
Less: deferred inflows of resources related to OPEB		(537,008)	(7,843,680)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	$	1,865,575	
Add: net pension asset - teacher retirement plan		265,358	
Add: net pension asset - teacher legacy pension plan		13,988,281	16,119,214
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			643,066
Net position of governmental activities (Exhibit A)			$ 49,413,000

Exhibit I-4

Henry County, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Discretely Presented Henry County School Department
For the Year Ended June 30, 2022

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues				
Local Taxes	$ 12,100,787	$ 0	$ 0	$ 12,100,787
Licenses and Permits	1,581	0	0	1,581
Charges for Current Services	112,935	0	119,214	232,149
Other Local Revenues	147,260	0	2,542	149,802
State of Tennessee	19,975,640	0	17,758	19,993,398
Federal Government	210,516	5,342,175	2,677,173	8,229,864
Total Revenues	$ 32,548,719	$ 5,342,175	$ 2,816,687	$ 40,707,581
Expenditures				
Current:				
Instruction	$ 15,773,842	$ 2,943,816	$ 0	$ 18,717,658
Support Services	9,740,417	1,183,342	0	10,923,759
Operation of Non-Instructional Services	676,816	98,349	2,340,171	3,115,336
Capital Outlay	1,915,211	856,463	0	2,771,674
Debt Service:				
Other Debt Service	2,466,802	0	0	2,466,802
Capital Projects	0	0	4,800	4,800
Total Expenditures	$ 30,573,088	$ 5,081,970	$ 2,344,971	$ 38,000,029
Excess (Deficiency) of Revenues Over Expenditures	$ 1,975,631	$ 260,205	$ 471,716	$ 2,707,552
Other Financing Sources (Uses)				
Transfers In	$ 68,726	$ 0	$ 0	$ 68,726
Transfers Out	0	(68,726)	0	(68,726)
Total Other Financing Sources (Uses)	$ 68,726	$ (68,726)	$ 0	$ 0

(Continued)

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

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
Net Change in Fund Balances	$ 2,044,357	$ 191,479	$ 471,716	$ 2,707,552
Fund Balance, July 1, 2021	13,622,514	144,979	1,780,449	15,547,942
Fund Balance, June 30, 2022	$ 15,666,871	$ 336,458	$ 2,252,165	$ 18,255,494

Exhibit I-5

Henry County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Henry County School Department
For the Year Ended June 30, 2022

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)		$ 2,707,552
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	$ 2,648,950	
Less: current-year depreciation expense	(2,218,975)	429,975
(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, 2022	$ 643,066	
Less: deferred delinquent property taxes and other deferred June 30, 2021	(603,441)	39,625
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	$ 7,574	
Change in net OPEB liability	(549,221)	
Change in deferred outflows related to OPEB	406,343	
Change in deferred inflows related to OPEB	18,556	
Change in net pension asset - agent plan	1,315,116	
Change in net pension asset - teacher retirement plan	131,383	
Change in net pension asset - teacher legacy pension plan	11,561,935	
Change in deferred outflows related to pensions	3,549,854	
Change in deferred inflows related to pensions	(12,791,349)	3,650,191
Change in net position of governmental activities (Exhibit B)		$ 6,827,343

Exhibit I-6

Henry County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Henry County School Department
June 30, 2022

	Special Revenue Funds			Capital Projects Fund	
	Central Cafeteria	Internal School	Total	Education Capital Projects	Total Nonmajor Governmental Funds
ASSETS					
Cash	$ 0	$ 781,126	$ 781,126	$ 0	$ 781,126
Equity in Pooled Cash and Investments	1,229,821	0	1,229,821	165,135	1,394,956
Inventories	0	3,663	3,663	0	3,663
Accounts Receivable	796	2,295	3,091	0	3,091
Due from Other Governments	71,779	0	71,779	0	71,779
Total Assets	$ 1,302,396	$ 787,084	$ 2,089,480	$ 165,135	$ 2,254,615
LIABILITIES					
Accounts Payable	$ 1,605	$ 845	$ 2,450	$ 0	$ 2,450
Total Liabilities	$ 1,605	$ 845	$ 2,450	$ 0	$ 2,450
FUND BALANCES					
Nonspendable:					
Inventory	$ 0	$ 3,663	$ 3,663	$ 0	$ 3,663
Restricted:					
Restricted for Education	0	782,576	782,576	0	782,576
Restricted for Operation of Non-instructional Services	1,300,791	0	1,300,791	0	1,300,791
Restricted for Capital Projects	0	0	0	165,135	165,135
Total Fund Balances	$ 1,300,791	$ 786,239	$ 2,087,030	$ 165,135	$ 2,252,165
Total Liabilities and Fund Balances	$ 1,302,396	$ 787,084	$ 2,089,480	$ 165,135	$ 2,254,615

Exhibit I-7

Henry County, Tennessee
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
Discretely Presented Henry County School Department
For the Year Ended June 30, 2022

	Special Revenue Funds			Capital Projects Fund	
	Central Cafeteria	Internal School	Total	Education Capital Projects	Total Nonmajor Governmental Funds
Revenues					
Charges for Current Services	$ 119,214	$ 0	$ 119,214	$ 0	$ 119,214
Other Local Revenues	1,596	0	1,596	946	2,542
State of Tennessee	17,758	0	17,758	0	17,758
Federal Government	2,677,173	0	2,677,173	0	2,677,173
Total Revenues	$ 2,815,741	$ 0	$ 2,815,741	$ 946	$ 2,816,687
Expenditures					
Current:					
Operation of Non-Instructional Services	$ 2,340,171	$ 0	$ 2,340,171	$ 0	$ 2,340,171
Capital Projects	0	0	0	4,800	4,800
Total Expenditures	$ 2,340,171	$ 0	$ 2,340,171	$ 4,800	$ 2,344,971
Excess (Deficiency) of Revenues Over Expenditures	$ 475,570	$ 0	$ 475,570	$ (3,854)	$ 471,716
Net Change in Fund Balances	$ 475,570	$ 0	$ 475,570	$ (3,854)	$ 471,716
Fund Balance, July 1, 2021	825,221	786,239	1,611,460	168,989	1,780,449
Fund Balance, June 30, 2022	$ 1,300,791	$ 786,239	$ 2,087,030	$ 165,135	$ 2,252,165

Exhibit I-8

Henry County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Henry County School Department
General Purpose School Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 12,100,787	$ 9,687,064	$ 9,687,064	$ 2,413,723
Licenses and Permits	1,581	1,500	1,500	81
Charges for Current Services	112,935	150,746	183,249	(70,314)
Other Local Revenues	147,260	237,950	254,550	(107,290)
State of Tennessee	19,975,640	20,102,507	20,308,473	(332,833)
Federal Government	210,516	0	10,000	200,516
Total Revenues	$ 32,548,719	$ 30,179,767	$ 30,444,836	$ 2,103,883
Expenditures				
Instruction				
Regular Instruction Program	$ 12,685,158	$ 13,576,118	$ 13,511,127	$ 825,969
Alternative Instruction Program	225,859	235,230	235,230	9,371
Special Education Program	1,713,322	1,657,429	1,752,290	38,968
Career and Technical Education Program	1,149,503	1,221,549	1,207,637	58,134
Support Services				
Attendance	194,660	197,382	199,182	4,522
Health Services	305,824	350,145	351,774	45,950
Other Student Support	810,831	834,186	880,113	69,282
Regular Instruction Program	791,571	879,511	855,722	64,151
Alternative Instruction Program	97,261	101,707	101,707	4,446
Special Education Program	104,079	118,072	120,297	16,218
Career and Technical Education Program	7,908	10,250	10,250	2,342
Technology	328,891	330,187	331,173	2,282
Other Programs	50,690	0	50,690	0
Board of Education	413,384	440,948	441,117	27,733
Director of Schools	247,550	275,858	275,858	28,308
Office of the Principal	1,501,589	1,594,832	1,590,965	89,376
Fiscal Services	319,327	331,319	331,319	11,992
Operation of Plant	1,824,503	1,633,003	2,082,905	258,402
Maintenance of Plant	708,428	784,814	839,637	131,209
Transportation	2,033,921	2,183,261	2,251,833	217,912
Operation of Non-Instructional Services				
Food Service	3,292	3,661	6,954	3,662
Community Services	325,055	317,690	371,772	46,717
Early Childhood Education	348,469	328,013	360,517	12,048
Capital Outlay				
Regular Capital Outlay	1,915,211	354,726	2,374,966	459,755
Principal on Debt				
Education	0	2,100,000	0	0
Interest on Debt				
Education	0	373,240	6,438	6,438
Other Debt Service				
Education	2,466,802	0	2,466,802	0
Total Expenditures	$ 30,573,088	$ 30,233,131	$ 33,008,275	$ 2,435,187
Excess (Deficiency) of Revenues Over Expenditures	$ 1,975,631	$ (53,364)	$ (2,563,439)	$ 4,539,070

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Other Financing Sources (Uses)				
Transfers In	$ 68,726	$ 55,000	$ 55,000	$ 13,726
Transfers Out	0	(1,634)	0	0
Total Other Financing Sources	$ 68,726	$ 53,366	$ 55,000	$ 13,726
Net Change in Fund Balance	$ 2,044,357	$ 2	$ (2,508,439)	$ 4,552,796
Fund Balance, July 1, 2021	13,622,514	8,085,166	8,085,166	5,537,348
Fund Balance, June 30, 2022	$ 15,666,871	$ 8,085,168	$ 5,576,727	$ 10,090,144

Exhibit I-9

Henry County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Henry County School Department
School Federal Projects Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
State of Tennessee	$ 0	$ 0	$ 0	$ 81,252	$ 295,163	$ (295,163)
Federal Government	5,342,175	0	5,342,175	5,945,920	14,947,814	(9,605,639)
Total Revenues	$ 5,342,175	$ 0	$ 5,342,175	$ 6,027,172	$ 15,242,977	$ (9,900,802)
Expenditures						
Instruction						
Regular Instruction Program	$ 1,857,504	$ 0	$ 1,857,504	$ 2,691,244	$ 5,309,125	$ 3,451,621
Special Education Program	1,018,269	0	1,018,269	836,618	1,101,889	83,620
Career and Technical Education Program	68,043	0	68,043	69,486	68,968	925
Support Services						
Attendance	63,950	0	63,950	47,892	212,911	148,961
Health Services	165,445	0	165,445	5,000	323,528	158,083
Other Student Support	200,442	0	200,442	270,647	264,704	64,262
Regular Instruction Program	452,203	0	452,203	753,793	1,908,799	1,456,596
Special Education Program	83,742	0	83,742	75,248	89,105	5,363
Career and Technical Education Program	5,000	0	5,000	5,000	5,000	0
Technology	3,749	0	3,749	0	165,500	161,751
Office of the Principal	0	0	0	111,048	0	0
Operation of Plant	4,059	0	4,059	0	4,059	0
Maintenance of Plant	23,626	0	23,626	7,000	23,626	0
Transportation	181,126	0	181,126	174,203	258,690	77,564
Operation of Non-Instructional Services						
Food Service	12,800	0	12,800	0	76,800	64,000
Community Services	85,549	0	85,549	0	171,045	85,496

(Continued)

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)						
Capital Outlay						
Regular Capital Outlay	$ 856,463	$ 182,817	$ 1,039,280	$ 917,917	$ 5,182,542	$ 4,143,262
Total Expenditures	$ 5,081,970	$ 182,817	$ 5,264,787	$ 5,965,096	$ 15,166,291	$ 9,901,504
Excess (Deficiency) of Revenues Over Expenditures	$ 260,205	$ (182,817)	$ 77,388	$ 62,076	$ 76,686	$ 702
Other Financing Sources (Uses)						
Transfers Out	$ (68,726)	$ 0	$ (68,726)	$ (62,077)	$ (76,690)	$ 7,964
Total Other Financing Sources	$ (68,726)	$ 0	$ (68,726)	$ (62,077)	$ (76,690)	$ 7,964
Net Change in Fund Balance	$ 191,479	$ (182,817)	$ 8,662	$ (1)	$ (4)	$ 8,666
Fund Balance, July 1, 2021	144,979	0	144,979	144,979	144,979	0
Fund Balance, June 30, 2022	$ 336,458	$ (182,817)	$ 153,641	$ 144,978	$ 144,975	$ 8,666

Exhibit I-10

Henry County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Henry County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 119,214	$ 773,930	$ 773,930	$ (654,716)
Other Local Revenues	1,596	3,646	3,646	(2,050)
State of Tennessee	17,758	17,760	17,760	(2)
Federal Government	2,677,173	1,760,703	1,760,703	916,470
Total Revenues	$ 2,815,741	$ 2,556,039	$ 2,556,039	$ 259,702
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 2,340,171	$ 2,556,040	$ 2,898,268	$ 558,097
Total Expenditures	$ 2,340,171	$ 2,556,040	$ 2,898,268	$ 558,097
Excess (Deficiency) of Revenues Over Expenditures	$ 475,570	$ (1)	$ (342,229)	$ 817,799
Net Change in Fund Balance	$ 475,570	$ (1)	$ (342,229)	$ 817,799
Fund Balance, July 1, 2021	825,221	825,221	825,221	0
Fund Balance, June 30, 2022	$ 1,300,791	$ 825,220	$ 482,992	$ 817,799

Miscellaneous Schedules

Exhibit J-1

Henry County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-21	Paid and/or Matured During Period	Outstanding 6-30-22
NOTES PAYABLE							
Payable through General Debt Service Fund							
General Obligation Refunding and Improvement CON Series 2013	$ 1,550,000	1 to 2 %	1-2-13	5-1-23	$ 215,000	$ 130,000	$ 85,000
Capital Outlay Note, Series 2017B	525,000	1.89	11-27-17	11-27-21	131,250	131,250	0
2019 Capital Outlay Note, Series 2019b	425,000	2.55	8-7-19	8-7-24	340,000	85,000	255,000
Total Notes Payable					$ 686,250	$ 346,250	$ 340,000
BONDS PAYABLE							
Payable through General Debt Service Fund							
Rural School Refunding Bonds, Series 2013	6,145,000	2 to 4	1-2-13	5-1-25	$ 4,965,000	$ 1,465,000	$ 3,500,000
General Obligation High School Bonds, Series 2017	8,850,000	2 to 2.25	11-3-17	5-1-29	7,125,000	600,000	6,525,000
General Obligation School Refunding Bonds, Series 2020	2,045,000	1.74	2-12-20	5-1-26	1,980,000	75,000	1,905,000
Total Bonds Payable					$ 14,070,000	$ 2,140,000	$ 11,930,000

Exhibit J-2

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

Year Ending June 30	Notes Principal	Notes Interest	Notes Total
2023	$ 170,000	$ 8,203	$ 178,203
2024	85,000	4,335	89,335
2025	85,000	2,167	87,167
Total	$ 340,000	$ 14,705	$ 354,705

Year Ending June 30	Bonds Principal	Bonds Interest	Bonds Total
2023	$ 2,180,000	$ 284,197	$ 2,464,197
2024	2,240,000	225,842	2,465,842
2025	2,310,000	150,437	2,460,437
2026	1,610,000	107,383	1,717,383
2027	1,670,000	76,600	1,746,600
2028	1,705,000	43,200	1,748,200
2029	215,000	4,838	219,838
Total	$ 11,930,000	$ 892,497	$ 12,822,497

Henry County, Tennessee
Schedule of Leases Receivable
Primary Government
June 30, 2022

Description	Debtor	Original Amount of Lease	Date of Issue	Date of Maturity	Interest Rate	Balance 7-1-21	Additions	Deductions	Balance 6-30-22
PRIMARY GOVERNMENT									
General Debt Service Fund									
Airport Hangar Rental	Air Evac EMS, Inc.	$ 470,983	9-1-19	9-1-29	3 %	$ 0	$ 348,740	$ 33,988	$ 314,752
Total Leases Receivable						$ 0	$ 348,740	$ 33,988	$ 314,752

Henry County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Henry County School Department
For the Year Ended June 30, 2022

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Highway/Public Works	Net wheel tax revenue	$ 471,327
Other Special Revenue	General	Bonuses	176,063
"	Highway/Public Works	"	47,360
General Debt Service	General Capital Projects	Capital outlay	70,000
Total Transfers Primary Government			$ 764,750
DISCRETELY PRESENTED HENRY COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	$ 23,617
"	"	ESSER expenses	44,592
"	"	CTE program	517
Total Transfers Discretely Presented Henry County School Department			$ 68,726

Henry County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Henry County School Department
For the Year Ended June 30, 2022

Official	Authorization for Salary	Salary Paid During Period		Bond		Surety
County Mayor	Section 8-24-102, *TCA*	$ 105,924	(1)	$ 400,000		Tennessee Risk Management Trust
County Road Supervisor	Section 8-24-102, *TCA*	91,829	(2)	400,000		"
Director of Schools	State Board of Education and County Board of Education	150,181	(3)	400,000		"
Trustee	Section 8-24-102, *TCA*	83,481	(4)	1,178,065	(6)	RLI Insurance Company
Assessor of Property	Section 8-24-102, *TCA*	83,481	(4)	400,000		Tennessee Risk Management Trust
County Clerk	Section 8-24-102, *TCA*	83,481	(4)	400,000		"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, *TCA*	83,481	(4)	400,000		"
Clerk and Master	Section 8-24-102, *TCA* and Chancery Court Judge	83,481	(4)	400,000		"
Register of Deeds	Section 8-24-102, *TCA*	83,481	(4)	400,000		"
Sheriff	Section 8-24-102, *TCA*	101,680	(5)	400,000		"
Employee Blanket Bonds:						
Offices of County Mayor and County Road Supervisor				400,000		Tennessee Risk Management Trust
Office of Director of Schools				400,000		"

(1) Includes a bonus of $1,386.
(2) Includes a bonus of $1,320.
(3) Includes a chief executive officer training supplement of $1,000 and a bonus of $400.
(4) Includes a bonus of $1,200.
(5) Includes a law enforcement training supplement of $800, a workhouse supplement of $9,051, and a bonus of $1,320.
(6) Also covered by $400,000 insurance policy with Tennessee Risk Management Trust.

Exhibit J-6

Henry County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2022

	General	Special Revenue Funds				Debt Service Fund
		Solid Waste / Sanitation	Drug Control	Other Special Revenue	Highway / Public Works	General Debt Service
Local Taxes						
County Property Taxes						
Current Property Tax	$ 3,582,445	$ 374,450	$ 0	$ 0	$ 1,523,322	$ 124,817
Trustee's Collections - Prior Year	83,909	8,770	0	0	35,680	2,923
Trustee's Collections - Bankruptcy	786	82	0	0	334	2
Circuit Clerk/Clerk and Master Collections - Prior Years	26,421	2,762	0	0	11,235	921
Interest and Penalty	18,228	1,906	0	0	7,752	638
Pickup Taxes	8,056	842	0	0	3,426	281
Payments in-Lieu-of Taxes - Local Utilities	60,424	6,315	0	0	25,694	2,105
Payments in-Lieu-of Taxes - Other	164,127	17,155	0	0	69,790	5,718
County Local Option Taxes						
Local Option Sales Tax	1,508,910	0	0	0	0	0
Hotel/Motel Tax	298,560	0	0	0	0	0
Wheel Tax	476,315	0	0	0	0	0
Litigation Tax - General	141,780	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	196	0	0	0	0	30,743
Business Tax	148,644	15,334	0	0	63,229	5,179
Mixed Drink Tax	25,603	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	65,354	6,263	0	0	25,478	2,088
Wholesale Beer Tax	178,852	0	0	0	0	0
Total Local Taxes	$ 6,788,610	$ 433,879	$ 0	$ 0	$ 1,765,940	$ 175,415
Licenses and Permits						
Licenses						
Animal Registration	$ 16,114	$ 0	$ 0	$ 0	$ 0	$ 0
Cable TV Franchise	177,763	0	0	0	0	0
Total Licenses and Permits	$ 193,877	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

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

	General	Special Revenue Funds				Debt Service Fund
		Solid Waste / Sanitation	Drug Control	Other Special Revenue	Highway / Public Works	General Debt Service
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 7,235	$ 0	$ 0	$ 0	$ 0	$ 0
Officers Costs	15,472	0	0	0	0	0
Drug Control Fines	8,810	0	2,137	0	0	0
DUI Treatment Fines	380	0	0	0	0	0
Data Entry Fee - Circuit Court	990	0	0	0	0	0
Courtroom Security Fee	868	0	0	0	0	0
General Sessions Court						
Fines	15,664	0	0	0	0	0
Officers Costs	57,189	0	0	0	0	0
Game and Fish Fines	1,642	0	0	0	0	0
Drug Control Fines	9,430	0	11,326	0	0	0
Drug Court Fees	4,997	0	0	0	0	0
Jail Fees	1,487	0	0	0	0	0
DUI Treatment Fines	6,566	0	0	0	0	0
Data Entry Fee - General Sessions Court	11,084	0	0	0	0	0
Courtroom Security Fee	8	0	0	0	0	0
Victims Assistance Assessments	22,050	0	0	0	0	0
Juvenile Court						
Fines	647	0	0	0	0	0
Officers Costs	3,903	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,268	0	0	0	0	0
Chancery Court						
Officers Costs	2,572	0	0	0	0	0
Data Entry Fee - Chancery Court	3,702	0	0	0	0	0

(Continued)

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

	General	Special Revenue Funds				Debt Service Fund
		Solid Waste / Sanitation	Drug Control	Other Special Revenue	Highway / Public Works	General Debt Service
Fines, Forfeitures, and Penalties (Cont.)						
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	$ 0	$ 0	$ 14,150	$ 0	$ 0	$ 0
Other Fines, Forfeitures, and Penalties	0	0	8,634	0	0	0
Total Fines, Forfeitures, and Penalties	$ 175,964	$ 0	$ 36,247	$ 0	$ 0	$ 0
Charges for Current Services						
General Service Charges						
Sale of Electricity	$ 29,655	$ 0	$ 0	$ 0	$ 0	$ 0
Surcharge - Waste Tire Disposal	0	30,261	0	0	0	0
Work Release Charges for Board	111,331	0	0	0	0	0
Other General Service Charges	139	0	0	0	0	0
Fees						
Airport Fees	37,900	0	0	0	0	0
Copy Fees	424	0	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0	0
Telephone Commissions	91,022	0	0	0	0	0
Vending Machine Collections	79	0	0	0	0	0
Data Processing Fee - Register	13,954	0	0	0	0	0
Data Processing Fee - Sheriff	5,468	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	5,310	0	0	0	0	0
Data Processing Fee - County Clerk	4,512	0	0	0	0	0
Subscription and Electronic Filing Fee - Chancery	9,790	0	0	0	0	0
Vehicle Registration Reinstatement Fees	1,250	0	0	0	0	0
Total Charges for Current Services	$ 310,884	$ 30,261	$ 0	$ 0	$ 0	$ 0

(Continued)

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

	General	Special Revenue Funds				Debt Service Fund
		Solid Waste / Sanitation	Drug Control	Other Special Revenue	Highway / Public Works	General Debt Service
Other Local Revenues						
Recurring Items						
Investment Income	$ 0	$ 0	$ 0	$ 2,772	$ 0	$ 180,859
Lease/Rentals	64,948	0	0	0	0	33,988
Lease Interest	0	0	0	0	0	10,462
Commissary Sales	73,214	0	0	0	0	0
Sale of Gasoline	473,773	0	0	0	0	0
Sale of Recycled Materials	0	312,535	0	0	0	0
Sale of Animals/Livestock	2,005	0	0	0	0	0
Miscellaneous Refunds	52,275	0	4,240	0	18,675	0
Nonrecurring Items						
Sale of Equipment	83,340	0	0	0	0	0
Sale of Property	13,462	0	0	0	0	0
Performance Bond Forfeitures	19,518	0	0	0	0	0
Other Local Revenues						
Other Local Revenues	84,498	0	0	0	0	0
Total Other Local Revenues	$ 867,033	$ 312,535	$ 4,240	$ 2,772	$ 18,675	$ 225,309
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	$ 518,922	$ 0	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	56,887	0	0	0	0	0
General Sessions Court Clerk	162,375	0	0	0	0	0
Clerk and Master	108,215	0	0	0	0	0
Juvenile Court Clerk	52,478	0	0	0	0	0
Register	189,337	0	0	0	0	0
Sheriff	8,893	0	0	0	0	0

(Continued)

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

	General	Special Revenue Funds				Debt Service Fund
		Solid Waste / Sanitation	Drug Control	Other Special Revenue	Highway / Public Works	General Debt Service
Fees Received From County Officials (Cont.)						
Fees In-Lieu-of Salary (Cont.)						
Trustee	$ 603,529	$ 0	$ 0	$ 0	$ 0	$ 0
Total Fees Received From County Officials	$ 1,700,636	$ 0	$ 0	$ 0	$ 0	$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 9,000	$ 0	$ 0	$ 0	$ 0	$ 0
Airport Maintenance Program	15,000	0	0	0	0	0
Aging Programs	5,922	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	28,000	0	0	0	0	0
Health and Welfare Grants						
Other Health and Welfare Grants	58,802	0	0	0	0	0
Public Works Grants						
Bridge Program	0	0	0	0	1,041,913	0
Litter Program	0	0	0	0	52,000	0
Other State Revenues						
Resort District Sales Tax	1,333,638	0	0	0	0	0
Beer Tax	19,194	0	0	0	0	0
Vehicle Certificate of Title Fees	10,670	0	0	0	0	0
Alcoholic Beverage Tax	102,678	0	0	0	0	0
State Revenue Sharing - Telecommunications	66,348	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	20,030	0	0	0	0	0
Prisoner Transportation	52	0	0	0	0	0
Contracted Prisoner Boarding	984,086	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,746,704	0

(Continued)

Exhibit J-6

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

	General	Special Revenue Funds				Debt Service Fund
		Solid Waste / Sanitation	Drug Control	Other Special Revenue	Highway / Public Works	General Debt Service
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Petroleum Special Tax	$ 0	$ 0	$ 0	$ 0	$ 21,667	$ 0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	43,399	0	0	0	0	0
Other State Revenues	210,536	0	0	0	0	0
Total State of Tennessee	$ 2,922,519	$ 0	$ 0	$ 0	$ 3,862,284	$ 0
Federal Government						
Federal Through State						
Community Development	$ 256,205	$ 0	$ 0	$ 0	$ 0	$ 0
Homeland Security Grants	33,994	0	0	0	0	0
Other Federal through State	621,762	0	0	0	0	0
Direct Federal Revenue						
Other Direct Federal Revenue	708,553	0	0	0	0	0
Total Federal Government	$ 1,620,514	$ 0	$ 0	$ 0	$ 0	$ 0
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 135,928	$ 0	$ 0	$ 0	$ 0	$ 2,516,802
Contracted Services	27,694	0	0	0	0	0
Citizens Groups						
Donations	53,249	0	0	0	0	0
Other						
Other	30,217	0	0	0	0	0
Total Other Governments and Citizens Groups	$ 247,088	$ 0	$ 0	$ 0	$ 0	$ 2,516,802
Total	$ 14,827,125	$ 776,675	$ 40,487	$ 2,772	$ 5,646,899	$ 2,917,526

(Continued)

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

	Capital Projects Fund	
	General Capital Projects	Total
Local Taxes		
County Property Taxes		
Current Property Tax	$ 0	$ 5,605,034
Trustee's Collections - Prior Year	0	131,282
Trustee's Collections - Bankruptcy	0	1,204
Circuit Clerk/Clerk and Master Collections - Prior Years	0	41,339
Interest and Penalty	0	28,524
Pickup Taxes	0	12,605
Payments in-Lieu-of Taxes - Local Utilities	0	94,538
Payments in-Lieu-of Taxes - Other	0	256,790
County Local Option Taxes		
Local Option Sales Tax	0	1,508,910
Hotel/Motel Tax	0	298,560
Wheel Tax	0	476,315
Litigation Tax - General	0	141,780
Litigation Tax - Jail, Workhouse, or Courthouse	0	30,939
Business Tax	0	232,386
Mixed Drink Tax	0	25,603
Statutory Local Taxes		
Bank Excise Tax	0	99,183
Wholesale Beer Tax	0	178,852
Total Local Taxes	$ 0	$ 9,163,844
Licenses and Permits		
Licenses		
Animal Registration	$ 0	$ 16,114
Cable TV Franchise	0	177,763
Total Licenses and Permits	$ 0	$ 193,877

(Continued)

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

	Capital Projects Fund	
	General Capital Projects	Total
Fines, Forfeitures, and Penalties		
Circuit Court		
Fines	$ 0	$ 7,235
Officers Costs	0	15,472
Drug Control Fines	0	10,947
DUI Treatment Fines	0	380
Data Entry Fee - Circuit Court	0	990
Courtroom Security Fee	0	868
General Sessions Court		
Fines	0	15,664
Officers Costs	0	57,189
Game and Fish Fines	0	1,642
Drug Control Fines	0	20,756
Drug Court Fees	0	4,997
Jail Fees	0	1,487
DUI Treatment Fines	0	6,566
Data Entry Fee - General Sessions Court	0	11,084
Courtroom Security Fee	0	8
Victims Assistance Assessments	0	22,050
Juvenile Court		
Fines	0	647
Officers Costs	0	3,903
Data Entry Fee - Juvenile Court	0	1,268
Chancery Court		
Officers Costs	0	2,572
Data Entry Fee - Chancery Court	0	3,702

(Continued)

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

	Capital Projects Fund	
	General Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)		
Other Fines, Forfeitures, and Penalties		
Proceeds from Confiscated Property	$ 0	$ 14,150
Other Fines, Forfeitures, and Penalties	0	8,634
Total Fines, Forfeitures, and Penalties	$ 0	$ 212,211
Charges for Current Services		
General Service Charges		
Sale of Electricity	$ 0	$ 29,655
Surcharge - Waste Tire Disposal	0	30,261
Work Release Charges for Board	0	111,331
Other General Service Charges	0	139
Fees		
Airport Fees	0	37,900
Copy Fees	0	424
Greenbelt Late Application Fee	0	50
Telephone Commissions	0	91,022
Vending Machine Collections	0	79
Data Processing Fee - Register	0	13,954
Data Processing Fee - Sheriff	0	5,468
Sexual Offender Registration Fee - Sheriff	0	5,310
Data Processing Fee - County Clerk	0	4,512
Subscription and Electronic Filing Fee - Chancery	0	9,790
Vehicle Registration Reinstatement Fees	0	1,250
Total Charges for Current Services	$ 0	$ 341,145

(Continued)

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

	Capital Projects Fund	
	General Capital Projects	Total
Other Local Revenues		
Recurring Items		
Investment Income	$ 0	$ 183,631
Lease/Rentals	0	98,936
Lease Interest	0	10,462
Commissary Sales	0	73,214
Sale of Gasoline	0	473,773
Sale of Recycled Materials	0	312,535
Sale of Animals/Livestock	0	2,005
Miscellaneous Refunds	0	75,190
Nonrecurring Items		
Sale of Equipment	0	83,340
Sale of Property	0	13,462
Performance Bond Forfeitures	0	19,518
Other Local Revenues		
Other Local Revenues	0	84,498
Total Other Local Revenues	$ 0	$ 1,430,564
Fees Received From County Officials		
Fees In-Lieu-of Salary		
County Clerk	$ 0	$ 518,922
Circuit Court Clerk	0	56,887
General Sessions Court Clerk	0	162,375
Clerk and Master	0	108,215
Juvenile Court Clerk	0	52,478
Register	0	189,337
Sheriff	0	8,893

(Continued)

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

	Capital Projects Fund	
	General Capital Projects	Total
Fees Received From County Officials (Cont.)		
Fees In-Lieu-of Salary (Cont.)		
Trustee	$ 0	$ 603,529
Total Fees Received From County Officials	$ 0	$ 1,700,636
State of Tennessee		
General Government Grants		
Juvenile Services Program	$ 0	$ 9,000
Airport Maintenance Program	0	15,000
Aging Programs	0	5,922
Public Safety Grants		
Law Enforcement Training Programs	0	28,000
Health and Welfare Grants		
Other Health and Welfare Grants	0	58,802
Public Works Grants		
Bridge Program	0	1,041,913
Litter Program	0	52,000
Other State Revenues		
Resort District Sales Tax	0	1,333,638
Beer Tax	0	19,194
Vehicle Certificate of Title Fees	0	10,670
Alcoholic Beverage Tax	0	102,678
State Revenue Sharing - Telecommunications	0	66,348
State Shared Sports Gaming Privilege Tax	0	20,030
Prisoner Transportation	0	52
Contracted Prisoner Boarding	0	984,086
Gasoline and Motor Fuel Tax	0	2,746,704

(Continued)

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

	Capital Projects Fund	
	General Capital Projects	Total
State of Tennessee (Cont.)		
Other State Revenues (Cont.)		
Petroleum Special Tax	$ 0	$ 21,667
Registrar's Salary Supplement	0	15,164
Other State Grants	0	43,399
Other State Revenues	398,014	608,550
Total State of Tennessee	$ 398,014	$ 7,182,817
Federal Government		
Federal Through State		
Community Development	$ 0	$ 256,205
Homeland Security Grants	0	33,994
Other Federal through State	0	621,762
Direct Federal Revenue		
Other Direct Federal Revenue	0	708,553
Total Federal Government	$ 0	$ 1,620,514
Other Governments and Citizens Groups		
Other Governments		
Contributions	$ 0	$ 2,652,730
Contracted Services	0	27,694
Citizens Groups		
Donations	0	53,249
Other		
Other	0	30,217
Total Other Governments and Citizens Groups	$ 0	$ 2,763,890
Total	$ 398,014	$ 24,609,498

Henry County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Henry County School Department
For the Year Ended June 30, 2022

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Capital Projects Fund: Education Capital Projects	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 5,115,908	$ 0	$ 0	$ 0	$ 5,115,908
Trustee's Collections - Prior Year	120,050	0	0	0	120,050
Trustee's Collections - Bankruptcy	1,133	0	0	0	1,133
Circuit Clerk/Clerk and Master Collections - Prior Years	37,753	0	0	0	37,753
Interest and Penalty	26,049	0	0	0	26,049
Pickup Taxes	11,504	0	0	0	11,504
Payments in-Lieu-of Taxes - T.V.A.	3,208	0	0	0	3,208
Payments in-Lieu-of Taxes - Local Utilities	87,536	0	0	0	87,536
Payments in-Lieu-of Taxes - Other	234,475	0	0	0	234,475
County Local Option Taxes					
Local Option Sales Tax	5,295,030	0	0	0	5,295,030
Wheel Tax	835,637	0	0	0	835,637
Business Tax	212,413	0	0	0	212,413
Mixed Drink Tax	34,525	0	0	0	34,525
Statutory Local Taxes					
Bank Excise Tax	85,566	0	0	0	85,566
Total Local Taxes	$ 12,100,787	$ 0	$ 0	$ 0	$ 12,100,787
Licenses and Permits					
Licenses					
Marriage Licenses	$ 1,581	$ 0	$ 0	$ 0	$ 1,581
Total Licenses and Permits	$ 1,581	$ 0	$ 0	$ 0	$ 1,581

(Continued)

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

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Capital Projects Fund: Education Capital Projects	Total
Charges for Current Services					
Education Charges					
Lunch Payments - Children	$ 0	$ 0	$ 76,919	$ 0	$ 76,919
Lunch Payments - Adults	0	0	2,372	0	2,372
Income from Breakfast	0	0	448	0	448
A la Carte Sales	0	0	39,475	0	39,475
Receipts from Individual Schools	17,239	0	0	0	17,239
Community Service Fees - Adults	49,959	0	0	0	49,959
Other Charges for Services	45,737	0	0	0	45,737
Total Charges for Current Services	$ 112,935	$ 0	$ 119,214	$ 0	$ 232,149
Other Local Revenues					
Recurring Items					
Investment Income	$ (12,642)	$ 0	$ 1,596	$ 946	$ (10,100)
Lease/Rentals	8,650	0	0	0	8,650
Sale of Materials and Supplies	8,024	0	0	0	8,024
Miscellaneous Refunds	44,861	0	0	0	44,861
Nonrecurring Items					
Damages Recovered from Individuals	1,617	0	0	0	1,617
Contributions and Gifts	96,509	0	0	0	96,509
Other Local Revenues					
Other Local Revenues	241	0	0	0	241
Total Other Local Revenues	$ 147,260	$ 0	$ 1,596	$ 946	$ 149,802

(Continued)

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

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Capital Projects Fund: Education Capital Projects	Total
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	$ 50,690	$ 0	$ 0	$ 0	$ 50,690
State Education Funds					
Basic Education Program	17,333,000	0	0	0	17,333,000
Early Childhood Education	288,079	0	0	0	288,079
School Food Service	0	0	17,758	0	17,758
Driver Education	10,774	0	0	0	10,774
Other State Education Funds	4,506	0	0	0	4,506
Coordinated School Health	130,000	0	0	0	130,000
Family Resource Centers	29,612	0	0	0	29,612
Career Ladder Program	33,002	0	0	0	33,002
Other State Revenues					
Income Tax	868	0	0	0	868
State Revenue Sharing - T.V.A.	1,702,936	0	0	0	1,702,936
Other State Grants	338,218	0	0	0	338,218
Safe Schools	53,955	0	0	0	53,955
Total State of Tennessee	$ 19,975,640	$ 0	$ 17,758	$ 0	$ 19,993,398
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 1,679,125	$ 0	$ 1,679,125
USDA - Commodities	0	0	171,313	0	171,313
Breakfast	0	0	681,283	0	681,283
USDA - Other	0	0	145,452	0	145,452
Vocational Education - Basic Grants to States	10,000	106,857	0	0	116,857

(Continued)

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

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Capital Projects Fund: Education Capital Projects	Total
Federal Government (Cont.)					
Federal Through State (Cont.)					
Title I Grants to Local Education Agencies	$ 0	$ 1,036,334	$ 0	$ 0	$ 1,036,334
Special Education - Grants to States	42,614	859,046	0	0	901,660
Special Education Preschool Grants	12,299	61,484	0	0	73,783
English Language Acquisition Grants	0	666	0	0	666
Rural Education	0	12,637	0	0	12,637
Eisenhower Professional Development State Grants	0	122,615	0	0	122,615
COVID-19 Grant #1	0	197,579	0	0	197,579
COVID-19 Grant #2	0	1,038,006	0	0	1,038,006
COVID-19 Grant #3	0	840,249	0	0	840,249
COVID-19 Grant B	0	66,025	0	0	66,025
COVID-19 Grant D	35,000	40,000	0	0	75,000
American Rescue Plan Act Grant #1	0	79,199	0	0	79,199
American Rescue Plan Act Grant #2	0	162,210	0	0	162,210
American Rescue Plan Act Grant #3	0	10,612	0	0	10,612
American Rescue Plan Act Grant #4	0	1,693	0	0	1,693
Other Federal through State	110,603	706,963	0	0	817,566
Total Federal Government	$ 210,516	$ 5,342,175	$ 2,677,173	$ 0	$ 8,229,864
Total	$ 32,548,719	$ 5,342,175	$ 2,815,741	$ 946	$ 40,707,581

Henry County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2022

General Fund			
General Government			
County Commission			
Board and Committee Members Fees	$ 45,000		
Dues and Memberships	1,850		
Travel	16,666		
Total County Commission		$	63,516
Board of Equalization			
Other Per Diem and Fees	$ 240		
Total Board of Equalization			240
Other Boards and Committees			
Board and Committee Members Fees	$ 1,600		
Total Other Boards and Committees			1,600
County Mayor/Executive			
County Official/Administrative Officer	$ 104,538		
Secretary(ies)	34,951		
Custodial Personnel	37,769		
Maintenance Personnel	69,979		
Dues and Memberships	1,850		
Lease Payments	1,469		
Maintenance and Repair Services - Office Equipment	126		
Postal Charges	291		
Travel	4,388		
Office Supplies	1,578		
In Service/Staff Development	323		
Total County Mayor/Executive			257,262
County Attorney			
Other Per Diem and Fees	$ 28,154		
Total County Attorney			28,154
Election Commission			
County Official/Administrative Officer	$ 74,053		
Deputy(ies)	35,681		
Election Commission	2,695		
Election Workers	15,306		
Data Processing Services	22,980		
Lease Payments	1,992		
Legal Notices, Recording, and Court Costs	3,491		
Maintenance and Repair Services - Office Equipment	262		
Postal Charges	13,948		
Printing, Stationery, and Forms	1,483		
Travel	198		
Other Contracted Services	1,974		
Office Supplies	3,804		
Data Processing Equipment	18,072		
Total Election Commission			195,939

(Continued)

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

General Fund (Cont.)			
General Government (Cont.)			
Register of Deeds			
County Official/Administrative Officer	$ 82,281		
Deputy(ies)	67,498		
Part-time Personnel	294		
Dues and Memberships	793		
Maintenance and Repair Services - Office Equipment	760		
Postal Charges	550		
Printing, Stationery, and Forms	305		
Travel	780		
Data Processing Supplies	16,944		
Duplicating Supplies	1,892		
Office Supplies	447		
Other Charges	419		
Total Register of Deeds		$	172,963
Building			
Maintenance Personnel	$ 34,683		
Part-time Personnel	13,376		
Communication	283		
Maintenance and Repair Services - Buildings	10,000		
Custodial Supplies	4,813		
Utilities	32,353		
Other Charges	2,295		
Total Building			97,803
County Buildings			
Communication	$ 66,402		
Natural Gas	28,809		
Utilities	63,903		
Total County Buildings			159,114
Other General Administration			
Maintenance and Repair Services - Buildings	$ 43,713		
Maintenance and Repair Services - Equipment	435		
Maintenance and Repair Services - Vehicles	52		
Other Contracted Services	11,736		
Custodial Supplies	5,515		
Other Supplies and Materials	278		
Building and Contents Insurance	168,247		
Other Charges	459		
Total Other General Administration			230,435
Preservation of Records			
Part-time Personnel	$ 18,870		
Custodial Supplies	530		
Other Supplies and Materials	1,000		
Other Charges	4,500		
Total Preservation of Records			24,900

(Continued)

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

General Fund (Cont.)			
Finance			
Accounting and Budgeting			
Supervisor/Director	$ 67,500		
Deputy(ies)	63,691		
Bonus Payments	1,000		
Data Processing Services	18,074		
Lease Payments	976		
Maintenance and Repair Services - Office Equipment	250		
Postal Charges	1,431		
Data Processing Supplies	2,149		
Office Supplies	1,220		
In Service/Staff Development	25		
Total Accounting and Budgeting		$	156,316
Property Assessor's Office			
County Official/Administrative Officer	$ 82,281		
Deputy(ies)	112,926		
Data Processing Services	3,030		
Dues and Memberships	1,865		
Lease Payments	2,442		
Postal Charges	1,760		
Travel	166		
Office Supplies	2,481		
Other Supplies and Materials	1,999		
Other Charges	300		
Total Property Assessor's Office			209,250
Reappraisal Program			
Deputy(ies)	$ 65,139		
Contracts with Private Agencies	25,010		
Data Processing Services	13,378		
Lease Payments	120		
Maintenance and Repair Services - Vehicles	524		
Postal Charges	1,215		
Gasoline	1,466		
Other Charges	1,242		
Total Reappraisal Program			108,094
County Trustee's Office			
County Official/Administrative Officer	$ 82,281		
Deputy(ies)	98,600		
Part-time Personnel	1,588		
Data Processing Services	24,734		
Dues and Memberships	1,382		
Lease Payments	1,406		
Legal Notices, Recording, and Court Costs	473		
Postal Charges	9,776		
Printing, Stationery, and Forms	634		
Travel	2,811		

(Continued)

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

General Fund (Cont.)			
Finance (Cont.)			
County Trustee's Office (Cont.)			
Office Supplies	$ 4,519		
In Service/Staff Development	800		
Other Charges	1,022		
Total County Trustee's Office		$	230,026
County Clerk's Office			
County Official/Administrative Officer	$ 82,281		
Deputy(ies)	153,650		
Part-time Personnel	2,766		
Communication	1,320		
Data Processing Services	16,547		
Dues and Memberships	1,058		
Lease Payments	1,034		
Maintenance and Repair Services - Office Equipment	468		
Postal Charges	14,999		
Travel	3,281		
Data Processing Supplies	4,497		
Office Supplies	2,788		
In Service/Staff Development	500		
Other Charges	71		
Data Processing Equipment	950		
Total County Clerk's Office			286,210
Administration of Justice			
Circuit Court			
County Official/Administrative Officer	$ 82,281		
Deputy(ies)	98,244		
Part-time Personnel	8,053		
Jury and Witness Expense	8,477		
Data Processing Services	24,336		
Dues and Memberships	1,143		
Maintenance Agreements	1,929		
Maintenance and Repair Services - Office Equipment	4,962		
Postal Charges	3,718		
Travel	876		
Office Supplies	11,758		
Other Charges	420		
Data Processing Equipment	900		
Total Circuit Court			247,097
General Sessions Court			
Deputy(ies)	$ 119,819		
Total General Sessions Court			119,819
General Sessions Judge			
Judge(s)	$ 165,773		
Assistant(s)	7,780		

(Continued)

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

General Fund (Cont.)			
Administration of Justice (Cont.)			
General Sessions Judge (Cont.)			
Dues and Memberships	$ 1,310		
Travel	1,960		
Periodicals	607		
Total General Sessions Judge		$	177,430
Chancery Court			
County Official/Administrative Officer	$ 82,281		
Deputy(ies)	66,825		
Data Processing Services	6,026		
Dues and Memberships	496		
Lease Payments	1,943		
Postal Charges	1,380		
Travel	134		
Data Processing Supplies	2,465		
Office Supplies	3,959		
Other Charges	791		
Communication Equipment	43,541		
Total Chancery Court			209,841
Juvenile Court			
Deputy(ies)	$ 36,992		
Probation Officer(s)	67,054		
Youth Service Officer(s)	45,387		
Social Workers	43,860		
Part-time Personnel	18,786		
Communication	4,641		
Contracts with Other Public Agencies	4,098		
Data Processing Services	153		
Dues and Memberships	120		
Lease Payments	986		
Maintenance and Repair Services - Vehicles	185		
Postal Charges	146		
Travel	380		
Other Contracted Services	29,714		
Data Processing Supplies	792		
Gasoline	28		
Office Supplies	2,700		
Other Supplies and Materials	600		
Other Charges	151		
Total Juvenile Court			256,773
Probate Court			
Deputy(ies)	$ 65,708		
Data Processing Services	6,026		
Dues and Memberships	580		
Lease Payments	2,158		
Postal Charges	700		

(Continued)

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Probate Court (Cont.)		
Travel	$ 30	
Data Processing Supplies	1,125	
Office Supplies	1,471	
Other Charges	196	
Total Probate Court		$ 77,994
Other Administration of Justice		
Legal Services	$ 7,398	
Total Other Administration of Justice		7,398
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 99,560	
Assistant(s)	57,063	
Supervisor/Director	42,448	
Deputy(ies)	521,522	
Investigator(s)	192,248	
Lieutenant(s)	101,307	
Sergeant(s)	321,221	
Secretary to Board	4,200	
Salary Supplements	28,000	
Dispatchers/Radio Operators	152,009	
Clerical Personnel	36,296	
Attendants	34,067	
Maintenance Personnel	9,116	
Part-time Personnel	48,822	
School Resource Officer	365,491	
Overtime Pay	30,748	
Other Salaries and Wages	50,999	
Communication	4,588	
Data Processing Services	47,477	
Dues and Memberships	2,300	
Lease Payments	2,381	
Maintenance and Repair Services - Buildings	5,920	
Maintenance and Repair Services - Equipment	5,395	
Maintenance and Repair Services - Office Equipment	120	
Maintenance and Repair Services - Vehicles	52,657	
Postal Charges	1,481	
Towing Services	1,325	
Travel	4,960	
Other Contracted Services	16,246	
Custodial Supplies	2,547	
Gasoline	131,510	
Law Enforcement Supplies	8,906	
Office Supplies	16,048	
Tires and Tubes	9,781	
Uniforms	19,119	

(Continued)

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Utilities	$ 108,345	
Other Supplies and Materials	3,886	
In Service/Staff Development	9,236	
Other Charges	2,418	
Total Sheriff's Department		$ 2,551,763
Special Patrols		
Nightwatchmen	$ 83,335	
Total Special Patrols		83,335
Administration of the Sexual Offender Registry		
Other Charges	$ 3,933	
Total Administration of the Sexual Offender Registry		3,933
Jail		
Lieutenant(s)	$ 151,003	
Guards	703,182	
Cafeteria Personnel	35,361	
Maintenance Personnel	36,468	
Temporary Personnel	79,262	
Part-time Personnel	21,862	
Overtime Pay	33,083	
Other Salaries and Wages	30,272	
Data Processing Services	588	
Lease Payments	4,821	
Maintenance and Repair Services - Buildings	22,449	
Maintenance and Repair Services - Equipment	4,557	
Maintenance and Repair Services - Office Equipment	250	
Maintenance and Repair Services - Vehicles	1,500	
Medical and Dental Services	71,427	
Transportation - Other than Students	2,469	
Travel	2,323	
Custodial Supplies	20,857	
Drugs and Medical Supplies	28,975	
Food Preparation Supplies	1,491	
Food Supplies	228,401	
Law Enforcement Supplies	950	
Prisoners Clothing	8,625	
Uniforms	11,581	
Other Supplies and Materials	3,912	
In Service/Staff Development	100	
Other Charges	20,021	
Food Service Equipment	4,023	
Other Equipment	9,995	
Total Jail		1,539,808

(Continued)

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

General Fund (Cont.)		
Public Safety (Cont.)		
Fire Prevention and Control		
Contributions	$ 33,200	
Total Fire Prevention and Control		$ 33,200
Rescue Squad		
Contributions	$ 5,000	
Total Rescue Squad		5,000
Other Emergency Management		
Supervisor/Director	$ 25,863	
Part-time Personnel	13,936	
Social Security	2,407	
Pensions	1,293	
Employer Medicare	564	
Communication	2,150	
Maintenance and Repair Services - Equipment	18	
Maintenance and Repair Services - Vehicles	2,424	
Rentals	1,200	
Travel	1,232	
Utilities	4,545	
Other Supplies and Materials	2,223	
Other Charges	13,737	
Communication Equipment	486,737	
Total Other Emergency Management		558,329
County Coroner/Medical Examiner		
Other Per Diem and Fees	$ 45,863	
Pauper Burials	200	
Other Contracted Services	22,451	
Total County Coroner/Medical Examiner		68,514
Public Health and Welfare		
Local Health Center		
Medical Personnel	$ 39,804	
Other Salaries and Wages	31,644	
Social Security	4,381	
Pensions	3,573	
Medical Insurance	7,688	
Unemployment Compensation	420	
Employer Medicare	1,025	
Communication	1,173	
Contracts with Government Agencies	22,120	
Dues and Memberships	308	
Maintenance and Repair Services - Buildings	7,382	
Maintenance and Repair Services - Office Equipment	571	
Postal Charges	15	
Travel	766	
Other Contracted Services	9,880	

(Continued)

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

General Fund (Cont.)			
Public Health and Welfare (Cont.)			
Local Health Center (Cont.)			
Custodial Supplies	$ 1,092		
Drugs and Medical Supplies	775		
Office Supplies	866		
Other Supplies and Materials	2,069		
Other Charges	1,880		
Building Improvements	40,950		
Total Local Health Center		$	178,382
Rabies and Animal Control			
Contracts with Other Public Agencies	$ 8,000		
Other Charges	12,170		
Total Rabies and Animal Control			20,170
Maternal and Child Health Services			
Contributions	$ 1,350		
Total Maternal and Child Health Services			1,350
Alcohol and Drug Programs			
Contributions	$ 1,500		
Drug Treatment	6,140		
Total Alcohol and Drug Programs			7,640
Crippled Children Services			
Contracts with Government Agencies	$ 2,660		
Total Crippled Children Services			2,660
Other Local Health Services			
Contributions	$ 27,000		
Total Other Local Health Services			27,000
General Welfare Assistance			
Other Charges	$ 25,726		
Total General Welfare Assistance			25,726
Social, Cultural, and Recreational Services			
Adult Activities			
Supervisor/Director	$ 34,140		
Social Workers	24,777		
Bus Drivers	11,167		
Part-time Personnel	25,149		
Other Salaries and Wages	13,023		
Social Security	6,615		
Handling Charges and Administrative Costs	850		
Pensions	2,946		
Unemployment Compensation	1,330		
Employer Medicare	1,566		
Communication	1,500		

(Continued)

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

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Adult Activities (Cont.)		
Lease Payments	$ 810	
Maintenance and Repair Services - Vehicles	307	
Postal Charges	1,165	
Printing, Stationery, and Forms	546	
Travel	6,677	
Other Contracted Services	3,412	
Gasoline	2,348	
Office Supplies	2,386	
Other Supplies and Materials	473	
Other Charges	1,952	
Total Adult Activities		$ 143,139
Libraries		
Contributions	$ 171,487	
Total Libraries		171,487
Parks and Fair Boards		
Contributions	$ 5,250	
Total Parks and Fair Boards		5,250
Other Social, Cultural, and Recreational		
Contributions	$ 27,500	
Total Other Social, Cultural, and Recreational		27,500
Agriculture and Natural Resources		
Agricultural Extension Service		
Salary Supplements	$ 58,899	
Secretary(ies)	9,456	
Part-time Personnel	14,560	
Social Security	4,842	
Pensions	13,058	
Unemployment Compensation	26	
Employer Medicare	1,143	
Communication	3,522	
Dues and Memberships	320	
Lease Payments	3,309	
Rentals	10,000	
Travel	6,000	
Other Contracted Services	975	
Custodial Supplies	4,865	
Office Supplies	995	
Utilities	12,647	
Workers' Compensation Insurance	23	
Other Charges	381	
Data Processing Equipment	1,400	
Total Agricultural Extension Service		146,421

(Continued)

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

General Fund (Cont.)		
Agriculture and Natural Resources (Cont.)		
Soil Conservation		
Secretary(ies)	$ 31,209	
Social Security	1,935	
Pensions	1,559	
Unemployment Compensation	210	
Employer Medicare	434	
Total Soil Conservation		$ 35,347
Flood Control		
Contributions	$ 21,808	
Total Flood Control		21,808
Other Operations		
Tourism		
Contributions	$ 76,550	
Total Tourism		76,550
Tourism - Resort District		
Contributions	$ 574,877	
Total Tourism - Resort District		574,877
Industrial Development		
Contributions	$ 70,000	
Total Industrial Development		70,000
Airport		
Supervisor/Director	$ 44,004	
Part-time Personnel	1,930	
Other Salaries and Wages	84,704	
Social Security	8,103	
Pensions	5,904	
Employer Medicare	1,895	
Communication	2,644	
Maintenance and Repair Services - Buildings	1,641	
Maintenance and Repair Services - Equipment	12,146	
Maintenance and Repair Services - Vehicles	527	
Remittance of Revenue Collected	16,054	
Other Contracted Services	6,273	
Diesel Fuel	3,000	
Gasoline	374,437	
Office Supplies	926	
Utilities	13,733	
Liability Insurance	3,000	
Other Charges	2,186	
Airport Improvement	537,412	
Office Equipment	2,335	
Total Airport		1,122,854

(Continued)

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

General Fund (Cont.)			
Other Operations (Cont.)			
Veterans' Services			
County Official/Administrative Officer	$ 36,105		
Part-time Personnel	20,570		
Maintenance and Repair Services - Vehicles	59		
Transportation - Other than Students	490		
Travel	479		
Gasoline	1,858		
Office Supplies	1,175		
Communication Equipment	983		
Total Veterans' Services		$ 61,719	
Other Charges			
Advertising	$ 1,268		
Audit Services	13,202		
Dues and Memberships	14,804		
Pest Control	7,498		
Other Supplies and Materials	2,634		
Trustee's Commission	117,580		
Total Other Charges		156,986	
Contributions to Other Agencies			
Contributions	$ 19,285		
Remittance of Revenue Collected	703,471		
Total Contributions to Other Agencies		722,756	
Employee Benefits			
Longevity Pay	$ 15,050		
Bonus Payments	176,063		
Social Security	388,211		
Pensions	252,369		
Medical Insurance	913,501		
Unemployment Compensation	33,733		
Employer Medicare	83,604		
Workers' Compensation Insurance	114,657		
Total Employee Benefits		1,977,188	
COVID-19 Grant #1			
Other Charges	$ 11,250		
Total COVID-19 Grant #1		11,250	
Miscellaneous			
Contracts with Government Agencies	$ 48,250		
Other Contracted Services	2,000		
Total Miscellaneous		50,250	
Total General Fund			$ 13,800,366

(Continued)

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

Solid Waste/Sanitation Fund			
Public Health and Welfare			
Sanitation Management			
Supervisor/Director	$ 37,951		
Longevity Pay	500		
Social Security	2,326		
Pensions	1,898		
Medical Insurance	7,688		
Unemployment Compensation	210		
Employer Medicare	544		
Office Supplies	63		
Total Sanitation Management		$	51,180
Recycling Center			
Foremen	$ 35,225		
Truck Drivers	227,586		
Longevity Pay	3,100		
Overtime Pay	888		
Social Security	16,158		
Pensions	12,162		
Medical Insurance	75,600		
Unemployment Compensation	2,430		
Employer Medicare	3,779		
Communication	1,256		
Freight Expenses	14,850		
Maintenance and Repair Services - Buildings	2,484		
Maintenance and Repair Services - Equipment	29,236		
Maintenance and Repair Services - Vehicles	16,980		
Pest Control	192		
Custodial Supplies	310		
Food Supplies	2,050		
Gasoline	47,667		
Natural Gas	396		
Office Supplies	151		
Small Tools	478		
Tires and Tubes	6,689		
Utilities	10,807		
Wire	3,500		
Other Supplies and Materials	1,612		
Other Charges	3,851		
Total Recycling Center			519,437
Landfill Operation and Maintenance			
Contracts with Government Agencies	$ 54,562		
Total Landfill Operation and Maintenance			54,562
Other Waste Disposal			
Disposal Fees	$ 36		
Total Other Waste Disposal			36

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)			
Other Operations			
Other Charges			
Trustee's Commission	$ 11,852		
Total Other Charges		$ 11,852	
Total Solid Waste/Sanitation Fund			$ 637,067
Drug Control Fund			
Public Safety			
Drug Enforcement			
Confidential Drug Enforcement Payments	$ 3,000		
Dues and Memberships	275		
Maintenance and Repair Services - Vehicles	1,500		
Rentals	2,750		
Towing Services	500		
Animal Food and Supplies	4,699		
Natural Gas	50		
Utilities	328		
Trustee's Commission	363		
Total Drug Enforcement		$ 13,465	
Total Drug Control Fund			13,465
Other Special Revenue Fund			
Other Operations			
American Rescue Plan Act Grant #6			
Land	$ 375,000		
Total American Rescue Plan Act Grant #6		$ 375,000	
Total Other Special Revenue Fund			375,000
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 90,509		
Assistant(s)	42,023		
Salary Supplements	48,360		
Secretary(ies)	41,901		
Clerical Personnel	38,824		
Custodial Personnel	6,799		
Longevity Pay	16,200		
Board and Committee Members Fees	8,280		
In-service Training	1,843		
Maintenance and Repair Services - Buildings	1,301		
Postal Charges	699		
Printing, Stationery, and Forms	600		
Travel	1,905		
Custodial Supplies	315		
Drugs and Medical Supplies	726		
Office Supplies	974		
Total Administration		$ 301,259	

(Continued)

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Highway and Bridge Maintenance		
Equipment Operators	$ 375,075	
Truck Drivers	278,476	
Laborers	204,280	
Overtime Pay	7,544	
Rentals	270	
Other Contracted Services	111,370	
Asphalt - Hot Mix	436,257	
Asphalt - Liquid	277,902	
Concrete	585	
Crushed Stone	363,679	
General Construction Materials	693	
Other Road Materials	99	
Pipe	79,528	
Road Signs	10,655	
Small Tools	952	
Wood Products	16	
Other Charges	534	
Total Highway and Bridge Maintenance		$ 2,147,915
Operation and Maintenance of Equipment		
Mechanic(s)	$ 223,237	
Overtime Pay	548	
Maintenance and Repair Services - Equipment	41,705	
Towing Services	1,000	
Diesel Fuel	185,202	
Equipment and Machinery Parts	107,384	
Garage Supplies	1,055	
Gasoline	17,627	
Ice	235	
Lubricants	15,475	
Propane Gas	498	
Small Tools	615	
Tires and Tubes	29,232	
Other Supplies and Materials	15,582	
Other Charges	643	
Total Operation and Maintenance of Equipment		640,038
Litter and Trash Collection		
Educational Assistants	$ 6,812	
Other Salaries and Wages	28,390	
Handling Charges and Administrative Costs	2,775	
Instructional Supplies and Materials	3,618	
Library Books/Media	7,308	
Other Charges	2,589	
Total Litter and Trash Collection		51,492

(Continued)

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Other Charges			
Communication	$ 6,847		
Data Processing Services	13,436		
Dues and Memberships	3,629		
Evaluation and Testing	2,306		
Legal Notices, Recording, and Court Costs	702		
Utilities	9,946		
Water and Sewer	921		
Trustee's Commission	66,514		
Vehicle and Equipment Insurance	40,585		
Workers' Compensation Insurance	98,009		
Other Charges	191		
Total Other Charges		$ 243,086	
Employee Benefits			
Social Security	$ 84,230		
Pensions	60,703		
Medical Insurance	302,256		
Unemployment Compensation	9,365		
Employer Medicare	20,028		
Total Employee Benefits		476,582	
Capital Outlay			
Engineering Services	$ 64,768		
Bridge Construction	941,839		
Building Improvements	211		
Highway Equipment	116,748		
Motor Vehicles	138,406		
Office Equipment	14,837		
Total Capital Outlay		1,276,809	
Total Highway/Public Works Fund			$ 5,137,181
General Debt Service Fund			
Other Operations			
Other Charges			
Trustee's Commission	$ 5,661		
Total Other Charges		$ 5,661	
Principal on Debt			
General Government			
Principal on Notes	$ 346,250		
Total General Government		346,250	
Education			
Principal on Bonds	$ 2,140,000		
Total Education		2,140,000	

(Continued)

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

General Debt Service Fund (Cont.)			
Interest on Debt			
General Government			
Interest on Notes	$ 15,568		
Total General Government		$ 15,568	
Education			
Interest on Bonds	$ 326,799		
Total Education		326,799	
Other Debt Service			
General Government			
Bank Charges	$ 2,402		
Contributions	29,900		
Total General Government		32,302	
Education			
Bank Charges	$ 1,002		
Total Education		1,002	
Total General Debt Service Fund			$ 2,867,582
General Capital Projects Fund			
Capital Projects			
General Administration Projects			
Airport Improvement	$ 20,000		
Building Improvements	19,479		
Data Processing Equipment	97,696		
Law Enforcement Equipment	43,170		
Motor Vehicles	30,000		
Other Capital Outlay	311,060		
Total General Administration Projects		$ 521,405	
Total General Capital Projects Fund			521,405
Total Governmental Funds - Primary Government			$ 23,352,066

Henry County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Henry County School Department
For the Year Ended June 30, 2022

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 8,274,639	
Career Ladder Program	19,990	
Homebound Teachers	10,815	
Salary Supplements	332,465	
Educational Assistants	304,291	
Bonus Payments	52,851	
Other Salaries and Wages	65,293	
Certified Substitute Teachers	34,012	
Non-certified Substitute Teachers	53,318	
Social Security	524,995	
Pensions	821,954	
Medical Insurance	1,253,073	
Employer Medicare	123,066	
Other Fringe Benefits	5,400	
Maintenance and Repair Services - Equipment	11,323	
Other Contracted Services	154,117	
Instructional Supplies and Materials	273,761	
Textbooks - Electronic	50,793	
Textbooks - Bound	98,058	
Other Supplies and Materials	11,544	
Other Charges	88,516	
Regular Instruction Equipment	120,884	
Total Regular Instruction Program		$ 12,685,158
Alternative Instruction Program		
Teachers	$ 164,274	
Educational Assistants	12,450	
Social Security	9,729	
Pensions	16,920	
Medical Insurance	19,184	
Employer Medicare	2,456	
Instructional Supplies and Materials	846	
Total Alternative Instruction Program		225,859
Special Education Program		
Teachers	$ 965,745	
Career Ladder Program	1,500	
Homebound Teachers	27,578	
Educational Assistants	165,652	
Speech Pathologist	105,577	
Certified Substitute Teachers	648	
Non-certified Substitute Teachers	5,120	
Social Security	72,746	
Pensions	101,647	
Medical Insurance	202,227	
Employer Medicare	17,036	

(Continued)

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

General Purpose School Fund (Cont.)			
Instruction (Cont.)			
Special Education Program (Cont.)			
Laundry Service	$ 96		
Travel	66		
Other Contracted Services	47,684		
Total Special Education Program		$	1,713,322
Career and Technical Education Program			
Teachers	$ 853,478		
Certified Substitute Teachers	1,928		
Non-certified Substitute Teachers	8,344		
Social Security	50,104		
Pensions	79,948		
Medical Insurance	113,336		
Employer Medicare	11,732		
Other Fringe Benefits	482		
Instructional Supplies and Materials	24,953		
Textbooks - Electronic	1,116		
Textbooks - Bound	4,082		
Total Career and Technical Education Program			1,149,503
Support Services			
Attendance			
Supervisor/Director	$ 80,125		
Other Salaries and Wages	32,991		
Social Security	6,405		
Pensions	9,943		
Medical Insurance	20,691		
Employer Medicare	1,476		
Other Fringe Benefits	75		
Postal Charges	66		
Travel	400		
Other Contracted Services	40,988		
Other Supplies and Materials	508		
In Service/Staff Development	992		
Total Attendance			194,660
Health Services			
Supervisor/Director	$ 45,430		
Medical Personnel	139,516		
Other Salaries and Wages	12,739		
Social Security	11,132		
Pensions	8,367		
Medical Insurance	44,795		
Employer Medicare	2,603		
Travel	927		
Other Contracted Services	198		
Drugs and Medical Supplies	3,926		

(Continued)

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

General Purpose School Fund (Cont.)			
Support Services (Cont.)			
Health Services (Cont.)			
Other Supplies and Materials	$ 31,658		
In Service/Staff Development	4,473		
Other Equipment	60		
Total Health Services		$	305,824
Other Student Support			
Guidance Personnel	$ 463,910		
Secretary(ies)	41,236		
Other Salaries and Wages	57,137		
In-service Training	1,950		
Social Security	31,532		
Pensions	47,977		
Medical Insurance	71,341		
Employer Medicare	7,591		
Other Fringe Benefits	1,906		
Evaluation and Testing	24,480		
Other Supplies and Materials	3,375		
Other Charges	8,309		
Other Equipment	50,087		
Total Other Student Support			810,831
Regular Instruction Program			
Supervisor/Director	$ 274,029		
Career Ladder Program	2,000		
Librarians	224,879		
Clerical Personnel	40,126		
Educational Assistants	17,096		
Social Security	32,346		
Pensions	52,842		
Medical Insurance	72,910		
Employer Medicare	7,607		
Travel	14,568		
Library Books/Media	34,561		
In Service/Staff Development	17,422		
Other Charges	1,185		
Total Regular Instruction Program			791,571
Alternative Instruction Program			
Supervisor/Director	$ 73,716		
Career Ladder Program	2,000		
Social Security	4,577		
Pensions	7,799		
Medical Insurance	6,104		
Employer Medicare	1,070		
Communication	302		
Travel	1,693		
Total Alternative Instruction Program			97,261

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Special Education Program		
Supervisor/Director	$ 73,949	
Secretary(ies)	8,435	
Social Security	4,250	
Pensions	7,617	
Medical Insurance	8,712	
Employer Medicare	1,116	
Total Special Education Program		$ 104,079
Career and Technical Education Program		
Travel	$ 7,908	
Total Career and Technical Education Program		7,908
Technology		
Supervisor/Director	$ 83,867	
Data Processing Personnel	94,652	
Social Security	10,249	
Pensions	12,818	
Medical Insurance	28,268	
Employer Medicare	2,397	
Maintenance and Repair Services - Equipment	3,000	
Internet Connectivity	29,150	
Travel	4,923	
Software	59,567	
Total Technology		328,891
Other Programs		
On-behalf Payments to OPEB	$ 50,690	
Total Other Programs		50,690
Board of Education		
Secretary to Board	$ 5,249	
Board and Committee Members Fees	7,105	
Social Security	750	
Pensions	262	
Life Insurance	3,878	
Medical Insurance	1,006	
Employer Medicare	175	
Audit Services	23,000	
Dues and Memberships	8,592	
Legal Services	4,538	
Travel	432	
Liability Insurance	35,000	
Trustee's Commission	233,816	
Workers' Compensation Insurance	73,000	
In Service/Staff Development	6,699	
Refund to Applicant for Criminal Investigation	2,547	
Other Charges	7,335	
Total Board of Education		413,384

(Continued)

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

General Purpose School Fund (Cont.)			
Support Services (Cont.)			
Director of Schools			
County Official/Administrative Officer	$ 148,781		
Career Ladder Program	1,000		
Clerical Personnel	13,994		
Social Security	9,500		
Pensions	16,127		
Medical Insurance	14,941		
Employer Medicare	2,222		
Other Fringe Benefits	265		
Communication	10,885		
Dues and Memberships	3,780		
Postal Charges	4,045		
Travel	598		
Other Contracted Services	3,931		
Office Supplies	7,942		
In Service/Staff Development	7,289		
Other Charges	1,815		
Administration Equipment	435		
Total Director of Schools		$	247,550
Office of the Principal			
Principals	$ 587,453		
Career Ladder Program	2,000		
Accountants/Bookkeepers	127,289		
Assistant Principals	285,263		
Secretary(ies)	145,035		
Social Security	67,372		
Pensions	103,621		
Medical Insurance	127,190		
Employer Medicare	15,756		
Other Fringe Benefits	275		
Communication	20,710		
Dues and Memberships	1,114		
Travel	1,445		
Office Supplies	7,104		
Other Charges	9,962		
Total Office of the Principal			1,501,589
Fiscal Services			
Accountants/Bookkeepers	$ 113,932		
Other Salaries and Wages	99,412		
Social Security	12,365		
Pensions	9,927		
Medical Insurance	32,796		
Employer Medicare	2,892		
Other Contracted Services	45,307		
Office Supplies	175		
In Service/Staff Development	2,521		
Total Fiscal Services			319,327

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Operation of Plant		
Custodial Personnel	$ 193,374	
Other Salaries and Wages	22,949	
Social Security	13,174	
Pensions	2,272	
Medical Insurance	10,737	
Employer Medicare	3,081	
Other Contracted Services	502,499	
Electricity	608,835	
Natural Gas	136,666	
Water and Sewer	80,804	
Boiler Insurance	2,500	
Building and Contents Insurance	141,044	
Plant Operation Equipment	106,568	
Total Operation of Plant		$ 1,824,503
Maintenance of Plant		
Supervisor/Director	$ 68,785	
Clerical Personnel	7,300	
Maintenance Personnel	197,463	
Social Security	15,281	
Pensions	12,204	
Medical Insurance	43,006	
Employer Medicare	3,574	
Communication	1,637	
Laundry Service	6,488	
Travel	282	
Other Contracted Services	89,731	
Other Supplies and Materials	261,178	
In Service/Staff Development	1,499	
Total Maintenance of Plant		708,428
Transportation		
Supervisor/Director	$ 60,695	
Mechanic(s)	114,217	
Bus Drivers	640,510	
Clerical Personnel	30,713	
Other Salaries and Wages	18,451	
In-service Training	9,314	
Social Security	48,617	
Pensions	35,529	
Medical Insurance	126,008	
Employer Medicare	11,948	
Communication	2,145	
Contracts with Parents	32,080	
Laundry Service	3,320	
Maintenance and Repair Services - Vehicles	22,896	

(Continued)

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

General Purpose School Fund (Cont.)			
Support Services (Cont.)			
Transportation (Cont.)			
Medical and Dental Services	$ 6,060		
Other Contracted Services	5,713		
Diesel Fuel	334,411		
Garage Supplies	124		
Gasoline	20,300		
Lubricants	11,998		
Tires and Tubes	46,081		
Vehicle Parts	151,661		
Other Supplies and Materials	4,861		
Vehicle and Equipment Insurance	28,000		
In Service/Staff Development	4,000		
Other Charges	7,335		
Transportation Equipment	256,934		
Total Transportation		$	2,033,921
Operation of Non-Instructional Services			
Food Service			
Cafeteria Personnel	$ 3,000		
Social Security	186		
Pensions	62		
Employer Medicare	44		
Total Food Service			3,292
Community Services			
Supervisor/Director	$ 28,560		
Teachers	79,619		
Educational Assistants	67,300		
Other Salaries and Wages	53,501		
Social Security	13,357		
Pensions	14,933		
Medical Insurance	4,978		
Employer Medicare	3,124		
Communication	2,489		
Travel	1,311		
Other Contracted Services	8,538		
Food Supplies	1,374		
Instructional Supplies and Materials	1,865		
Other Supplies and Materials	2,329		
Other Charges	41,777		
Total Community Services			325,055
Early Childhood Education			
Teachers	$ 163,735		
Educational Assistants	82,753		
Non-certified Substitute Teachers	673		
Social Security	13,809		

(Continued)

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

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Early Childhood Education (Cont.)			
Pensions	$ 19,328		
Medical Insurance	52,520		
Employer Medicare	3,231		
Food Supplies	7,229		
Instructional Supplies and Materials	5,191		
Total Early Childhood Education		$ 348,469	
Capital Outlay			
Regular Capital Outlay			
Building Improvements	$ 99,874		
Other Capital Outlay	1,815,337		
Total Regular Capital Outlay		1,915,211	
Other Debt Service			
Education			
Contributions	$ 2,466,802		
Total Education		2,466,802	
Total General Purpose School Fund			$ 30,573,088
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 570,029		
Educational Assistants	103,270		
Other Salaries and Wages	33,862		
Certified Substitute Teachers	243		
Non-certified Substitute Teachers	4,550		
Social Security	40,145		
Pensions	63,402		
Medical Insurance	111,749		
Employer Medicare	9,397		
Instructional Supplies and Materials	311,888		
Software	31,880		
Other Supplies and Materials	820		
Regular Instruction Equipment	576,269		
Total Regular Instruction Program		$ 1,857,504	
Special Education Program			
Teachers	$ 311,366		
Educational Assistants	261,724		
Speech Pathologist	59,927		
Other Salaries and Wages	13,674		
Certified Substitute Teachers	365		
Non-certified Substitute Teachers	3,258		
Social Security	35,856		

(Continued)

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

School Federal Projects Fund (Cont.)			
Instruction (Cont.)			
Special Education Program (Cont.)			
Pensions	$ 50,943		
Medical Insurance	140,557		
Employer Medicare	8,342		
Evaluation and Testing	678		
Other Contracted Services	3,120		
Instructional Supplies and Materials	11,783		
Other Supplies and Materials	8,676		
Special Education Equipment	108,000		
Total Special Education Program		$	1,018,269
Career and Technical Education Program			
Instructional Supplies and Materials	$ 14,547		
Vocational Instruction Equipment	53,496		
Total Career and Technical Education Program			68,043
Support Services			
Attendance			
Supervisor/Director	$ 46,970		
Social Security	2,656		
Pensions	4,838		
Medical Insurance	8,865		
Employer Medicare	621		
Total Attendance			63,950
Health Services			
Medical Personnel	$ 65,410		
Bonus Payments	9,000		
Social Security	3,971		
Pensions	3,634		
Medical Insurance	20,826		
Employer Medicare	929		
Drugs and Medical Supplies	11,299		
Other Supplies and Materials	2,000		
Other Charges	1,267		
Health Equipment	47,109		
Total Health Services			165,445
Other Student Support			
Secretary(ies)	$ 6,112		
Other Salaries and Wages	49,771		
Social Security	2,609		
Pensions	2,769		
Medical Insurance	17,484		
Employer Medicare	610		
Travel	22,027		
Other Contracted Services	10,568		

(Continued)

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

School Federal Projects Fund (Cont.)		
Support Services (Cont.)		
Other Student Support (Cont.)		
Other Supplies and Materials	$ 34,648	
In Service/Staff Development	17,439	
Other Charges	308	
Other Equipment	36,097	
Total Other Student Support		$ 200,442
Regular Instruction Program		
Supervisor/Director	$ 51,242	
Other Salaries and Wages	183,137	
Social Security	12,829	
Pensions	17,524	
Medical Insurance	6,188	
Employer Medicare	3,363	
Postal Charges	2,500	
Other Contracted Services	112,800	
Other Supplies and Materials	8,932	
In Service/Staff Development	51,217	
Other Equipment	2,471	
Total Regular Instruction Program		452,203
Special Education Program		
Psychological Personnel	$ 41,932	
Social Security	2,095	
Pensions	2,939	
Medical Insurance	11,520	
Employer Medicare	490	
Travel	2,421	
Other Contracted Services	20,206	
In Service/Staff Development	2,139	
Total Special Education Program		83,742
Career and Technical Education Program		
Travel	$ 2,000	
In Service/Staff Development	3,000	
Total Career and Technical Education Program		5,000
Technology		
Other Equipment	$ 3,749	
Total Technology		3,749
Operation of Plant		
Other Supplies and Materials	$ 4,059	
Total Operation of Plant		4,059
Maintenance of Plant		
Other Supplies and Materials	$ 23,626	
Total Maintenance of Plant		23,626

(Continued)

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Transportation			
Bus Drivers	$ 18,121		
Social Security	1,124		
Pensions	883		
Employer Medicare	266		
Other Charges	954		
Transportation Equipment	159,778		
Total Transportation		$ 181,126	
Operation of Non-Instructional Services			
Food Service			
Food Service Equipment	$ 12,800		
Total Food Service		12,800	
Community Services			
Teachers	$ 58,275		
Educational Assistants	10,777		
Social Security	3,777		
Pensions	5,834		
Employer Medicare	1,001		
Instructional Supplies and Materials	2,113		
Other Supplies and Materials	3,772		
Total Community Services		85,549	
Capital Outlay			
Regular Capital Outlay			
Building Construction	$ 72,227		
Building Improvements	687,994		
Other Capital Outlay	96,242		
Total Regular Capital Outlay		856,463	
Total School Federal Projects Fund			$ 5,081,970
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 56,602		
Accountants/Bookkeepers	30,830		
Cafeteria Personnel	559,884		
Social Security	37,724		
Pensions	20,692		
Medical Insurance	86,030		
Employer Medicare	8,822		
Communication	2,239		
Maintenance and Repair Services - Equipment	10,189		
Travel	64		
Other Contracted Services	73,412		

(Continued)

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

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Food Supplies	$ 938,332		
Uniforms	3,248		
USDA - Commodities	171,313		
Other Supplies and Materials	100,329		
In Service/Staff Development	813		
Other Charges	1,216		
Food Service Equipment	238,432		
Total Food Service		$ 2,340,171	
Total Central Cafeteria Fund			$ 2,340,171
Education Capital Projects Fund			
Capital Projects			
Education Capital Projects			
Other Contracted Services	$ 4,800		
Total Education Capital Projects		$ 4,800	
Total Education Capital Projects Fund			4,800
Total Governmental Funds - Henry County School Department			$ 38,000,029

Henry County, Tennessee
Schedule of Detailed Additions, Deductions,
and Changes in Net Position - City Custodial Funds
For the Year Ended June 30, 2022

	Cities - Sales Tax Fund	Special School District Fund	Total
Additions			
Current Property Tax	$ 0	$ 2,268,178	$ 2,268,178
Trustee's Collections - Prior Year	0	61,610	61,610
Trustee's Collections - Bankruptcy	0	517	517
Circuit/Clerk and Master Collections - Prior Years	0	17,199	17,199
Interest and Penalty	0	12,161	12,161
Pick-up Taxes	0	5,251	5,251
Payments in-Lieu-of Taxes - T.V.A.	0	1,464	1,464
Payments in-Lieu-of Taxes - Local Utilities	0	38,081	38,081
Payments in-Lieu-of Taxes - Other	0	107,028	107,028
Local Option Sales Tax	6,255,886	2,417,582	8,673,468
Business Tax	0	96,859	96,859
Mixed Drink Tax	0	17,292	17,292
Bank Excise Tax	0	39,057	39,057
Current Property Tax	0	1,039,445	1,039,445
Prior Year's Property Tax	0	29,882	29,882
Interest and Penalty	0	5,726	5,726
Payments in-Lieu-of Taxes	0	19,906	19,906
Marriage Licenses	0	718	718
Total Additions	$ 6,255,886	$ 6,177,956	$ 12,433,842
Deductions			
Remittance of Revenues Collected	$ 6,194,502	$ 6,079,422	$ 12,273,924
Trustee's Commission	61,384	98,534	159,918
Total Deductions	$ 6,255,886	$ 6,177,956	$ 12,433,842
Excess of Additions Over (Under) Deductions	$ 0	$ 0	$ 0
Net Position, July 1, 2021	0	0	0
Net Position, June 30, 2022	$ 0	$ 0	$ 0

SINGLE AUDIT SECTION

Jason E. Mumpower
Comptroller

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

Independent Auditor's Report

Henry County Mayor and
Board of County Commissioners
Henry 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 Henry County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Henry County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated December 16, 2022. Our report on the aggregate discretely presented component units' financial statements was adverse due to not including the financial statements of the Henry County Medical Center, which had not been audited as of the date of this report. Our reports on the other opinion units noted above were unmodified. Our report includes references to other auditors who audited the financial statements of the Internal School Fund of the Henry County School Department (a discretely presented component unit), as described in our report on Henry County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be

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material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a material weakness: 2022-002.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a significant deficiency: 2022-003.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Henry 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2022-001.

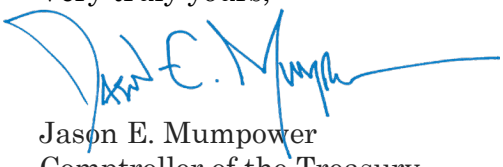
Henry County's Responses to Findings

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

Purpose of this Report

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 16, 2022

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TENNESSEE COMPTROLLER OF THE TREASURY

JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Henry 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 Henry County's major federal programs for the year ended June 30, 2022. Henry County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Henry 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

Other Matter – Federal Expenditures Not Included in the Compliance Audit

Henry County's basic financial statements do not include the operations of the Henry County Medical Center, a discretely presented component unit, which was not completed as of the date of our report. The Henry County Medical Center expended federal awards that are not included in the Schedule of Expenditures of Federal Awards for the year ended June 30, 2022. Our compliance audit, as described in the "Opinion on Each Major Federal Program," did not include the Henry County Medical Center because the entity engaged other auditors to perform an audit in accordance with 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).

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Henry County's compliance

with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of Henry County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Henry County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

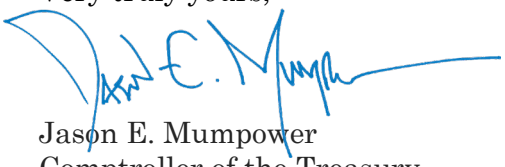
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Henry County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Henry County's basic financial statements. We issued our report thereon dated December 16, 2022, which contained unmodified opinions on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. Our report on the aggregate discretely presented component units' financial statements was adverse due to not including the financial statements of the Henry County Medical Center, which were not available from other auditors as of the date of this report. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 16, 2022

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Henry County, Tennessee, and the Henry County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (10)
For the Year Ended June 30, 2022

Federal/Pass Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures	
U.S. Department of Agriculture:				
Passed-through State Department of Education:				
Child Nutrition Cluster: (4)				
School Breakfast Program	10.553	N/A	$ 681,283	
National School Lunch Program	10.555	N/A	1,817,757	(8)
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (4)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	171,313	(8)
Rebate of Storage and Distribution Fees	10.555	N/A	3,757	(8)
COVID 19 - Pandemic-EBT Administrative Costs Grant	10.649	N/A	3,063	
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	34360-17522	9,777	
Total U.S. Department of Agriculture			$ 2,686,950	
U.S. Department of Defense:				
Passed-through State Department of General Services:				
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	$ 24,944	(9)
Total U.S. Department of Defense			$ 24,944	
U.S. Department of Housing and Urban Development:				
Passed-through State Department of Economic and Community Development:				
Community Development Block Grants/State's Program	14.228	33004-20921	$ 256,205	
Direct Program:				
Shelter Plus Care	14.238	N/A	703,353	
Total U.S. Department of Housing and Urban Development			$ 959,558	
U.S. Department of Justice:				
Passed-through State Department of Finance and Administration:				
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	(5)	$ 43,541	
Total U.S. Department of Justice:			$ 43,541	
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Airport Improvement Program	20.106	(6)	$ 510,970	
Alcohol Open Container Requirements	20.607	(7)	3,525	
Total U.S. Department of Transportation			$ 514,495	
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	$ 1,028,398	
Special Education Cluster: (4)				
Special Education - Grants to States	84.027	N/A	902,454	(8)
COVID 19 - Special Education - Grants to States (ARP)	84.027	N/A	162,210	(8)
Special Education - Preschool Grants	84.173	N/A	73,783	(8)
COVID 19 - Special Education - Preschool Grants (ARP)	84.173	N/A	10,611	(8)
Career and Technical Education - Basic Grants to States	84.048	N/A	115,933	
Twenty-first Century Community Learning Centers	84.287	N/A	87,960	
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	157,980	
Rural Education	84.358	N/A	12,993	
Supporting Effective Instruction State Grant	84.367	N/A	122,480	
Comprehensive Literacy Development	84.371	N/A	84,001	
Student Support and Academic Enrichment Program	84.424	N/A	76,276	

(Continued)

Henry County, Tennessee, and the Henry County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (10) (Cont.)

Federal/Pass Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures	
U.S. Department of Education (Cont.):				
Passed-through State Department of Education (Cont.):				
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	N/A	$ 272,579	(8)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	1,094,146	(8)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	734,596	(8)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	N/A	1,693	(8)
Passed-through State Department of Human Services:				
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	N/A	80,682	
Passed-through Humboldt City Schools:				
English Language Acquisition State Grants	84.365	N/A	666	
Total U.S. Department of Education			$ 5,019,441	
U.S. Department of Health and Human Services:				
Passed-through Northwest Tennessee Development District:				
Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	NW31017	$ 150	
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	NW31017	1,700	
Aging Cluster: (4)				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	NW31017	37,300	
Passed-through State Department of Education:				
COVID 19 - Epidemiology and Laboratory Capacity Grant for Infectious Diseases (ELC) (ARP)	93.323	(5)	231,168	
COVID 19 - Temporary Assistance for Needy Families	93.558	(5)	110,603	
Passed-through State Department of Health:				
Injury Prevention and Control Research and State and Community Based Programs	93.136	34360-17522	1,342	
Family Planning Services	93.217	34360-17522	2,619	
Preventive Health and Health Services Block Grant	93.991	34360-17522	10,288	
Maternal and Child Health Services Block Grant to the States	93.994	34360-17522	550	
Total U.S. Department of Health and Human Services			$ 395,720	
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Emergency Management Performance Grants	97.042	34101-14822	$ 20,125	
Homeland Security Grant Program	97.067	34101-20322	13,869	
Total U.S. Department of Homeland Security			$ 33,994	
Total Federal Grants			$ 9,678,643	

(Continued)

Henry County, Tennessee, and the Henry County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (10) (Cont.)

		Contract Number	Expenditures
State Grants			
Airport Maintenance Program - State Department of Transportation	N/A	40100-40400	$ 15,000
Juvenile Court State Supplement Funds - State Commission on Children and Youth	N/A	35910-03643	9,000
Preventive Health and Human Services - State Department of Health	N/A	34360-17522	58,802
Safe Baby Grant - State Department of Mental Health and Substance Abuse Services	N/A	35910-11519	15,081
Safe Baby Grant - State Department of Children Services	N/A	(5)	28,318
State Direct Appropriations Grant FY 2021 - State Department of Finance and Administration	N/A		398,014
State Senior Center - Northwest Tennessee Development District	N/A	NW31017	1,623
State Homemaker (Title III-B) - Northwest Tennessee Development District	N/A	NW31017	4,299
Litter Grant - State Department of Transportation	N/A	Z-21-LIT-040	52,000
Lottery for Education: Afterschool Programs - State Department of Education	N/A	(5)	139,126
Early Childhood Education - State Department of Education	N/A	(5)	288,079
Coordinated School Health - State Department of Education	N/A	(5)	130,000
Safe Schools - State Department of Education	N/A	(5)	53,955
Family Resource Center - State Department of Education	N/A	(5)	29,612
Truancy Prevention Program - State Department of Children's Services	N/A	(5)	46,684
COVID 19 - Summer Learning Camps - State Department of Education	N/A	(5)	51,655
COVID 19 - Summer Learning Loss Bridge Camps - State Department of Education	N/A	(5)	24,698
COVID 19 - Learning Camp Transportation - State Department of Education	N/A	(5)	39,311
COVID 19 - STREAM Mini Camps - State Department of Education	N/A	(5)	18,446
COVID 19 - Child Care Stabilization Grant - State Department of Human Services	N/A	(5)	18,298
Total State Grants			$ 1,422,001

N/A = Not Applicable
FAL = Federal Assistance Listing

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Henry County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
(3) No amounts ($0) were passed-through to subrecipients.
(4) Child Nutrition Cluster total $2,674,110; Special Education Cluster total $1,149,058; Aging Cluster total $37,300.
(5) Information not available.
(6) AERO-21-311-00: $40,300; AERO-21-312-00: $437,390; AERO-21-331-00: $33,250.
(7) Z22THS132: $3,000; Z22THS130: $525.
(8) Total for FAL No. 10.555 is $1,992,827; Total for FAL No. 84.027 is $1,064,664; Total for FAL No. 84.173 is $84,394; Total for FAL No. 84.425 is $2,103,014.
(9) During the year ended June 30, 2022, Henry County received excess military equipment from the U.S. Department of Defense valued at $24,944.
(10) The following amounts were consolidated for administration purposes:

Program Title	Federal Assistance Listing Number	Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	$ 95,821
Rural Education	84.358	1,438
Supporting Effective Instruction State Grant	84.367	10,620
Student Support and Academic Enrichment Program	84.424A	1,525
Total amounts consolidated for administration purposes		$ 109,404

Henry County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2022

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 Henry County, Tennessee, for the year ended June 30, 2022.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
OFFICE OF COUNTY MAYOR					
2021	210	2021-001	The office did not implement adequate controls to protect its information resources.	N/A	Corrected
OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK					
2021	210	2021-002	Some funds were not deposited within three days of collection in juvenile court.	N/A	Corrected

Prior-year Federal Awards Findings

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

HENRY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of the aggregate discretely presented component units of Henry County is adverse. Our report on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Henry County is unmodified.

2. Internal Control Over Financial Reporting:

   ***** Material weakness identified? **YES**

   ***** Significant deficiency identified? **YES**

3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:

   * Material weakness identified? **NO**

   * Significant deficiency identified? **NONE REPORTED**

5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**

7. Identification of Major Federal Programs:

   ***** Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund

8. Dollar threshold used to distinguish between Type A and Type B Programs. **$750,000**

9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS

FINDING 2022-001 **ACCOUNTING RECORDS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2022**
(Noncompliance Under *Government Auditing Standards*)

The county mayor's capital assets accounting records and the school department's accounting records were not closed and available for audit by August 31, 2022, as required by Section 9-2-102, *Tennessee Code Annotated*. This statute provides that records should be available for audit no later than two months after the close of the June 30 fiscal year. The county mayor's capital assets accounting records and the school department's accounting records were made available to auditors on November 29, 2022, and September 28, 2022, respectively. The failure to maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of accounting controls, and increases the risk that errors will not be discovered and corrected timely. This deficiency can be attributed to a lack of management oversight.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with the finding and will make every effort to correct this deficiency.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with the finding and will ensure accounting records are closed by August 31st each year.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2022-002 **THE GENERAL PURPOSE SCHOOL AND SCHOOL FEDERAL PROJECTS FUNDS REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2022, certain general ledger account balances in the General Purpose School and School Federal Projects funds were not materially correct, and audit adjustments totaling $1,560,454 and $189,010, respectively, related to receivables, payables, and deferred revenues, were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the school department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

The school department should have appropriate processes in place to ensure that its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with the finding and make every effort to correct these deficiencies.

OFFICE OF SHERIFF

FINDING 2022-003 **THE CASH JOURNAL WAS NOT PROPERLY MAINTAINED**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The official cash journal was not properly maintained. Transactions were not posted to the cash journal on a regular basis, not posted at all, or were posted incorrectly. Columns were not always totaled, and ending balances were not always carried forward accurately. The official cash journal is the primary cash control record of the office that summarizes financial operations; therefore, the proper maintenance of the cash journal on a current basis is necessary for the official to determine the financial position of the office. The failure to properly maintain accounting records also increases the risks of fraud and abuse.

RECOMMENDATION

The official cash journal should be properly maintained on a current basis and should reflect all financial operations of the sheriff's department.

MANAGEMENT'S RESPONSE – SHERIFF

We were unaware of the cash journal when we first took over administration of the sheriff's department. The previous sheriff and budget director had already left employment prior to the special election.

Upon taking over, we did consult with our CTAS representative and were directed to figure end of month revenue on a worksheet that we have continued using. When we met with audit several months later, we were advised of the cash journal.

We have since begun using the cash journal and are working on its completion. We have been given instructions and now believe we have it corrected and are continuing its usage.

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, 2022.

Henry County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2022

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
OFFICE OF COUNTY MAYOR		
2022-001	Accounting records were not closed and available for audit by August 31, 2022.	202
OFFICE OF DIRECTOR OF SCHOOLS		
2022-002	The General Purpose School and School Federal Projects funds required material audit adjustments for proper financial statement presentation.	203
2022-001	Accounting records were not closed and available for audit by August 31, 2022.	204
OFFICE OF SHERIFF		
2022-003	The cash journal was not properly maintained.	205

OFFICE OF THE COUNTY MAYOR
JOHN PENN RIDGEWAY

County of Henry

P. O. Box 7
Paris, Tennessee 38242
Phone: (731) 642-5212
Fax: (731) 642-6531
Email: jpridgeway@henrycountytn.org

FINDING — **ACCOUNTING RECORDS FOR CAPITAL ASSETS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2022**

Corrective Action Plan Prepared by:
John Penn Ridgeway, County Mayor

Person Responsible for Implementing the Corrective Action:
John Penn Ridgeway, County Mayor

Anticipated Completion Date of Corrective Action:
August 31, 2023

Repeat Finding:
No

Planned Corrective Action:
Accounting records for capital assets will be closed and ready for audit by August 31st following the end of each fiscal year.

John Penn Ridgeway

John Penn Ridgeway, County Mayor

Henry County School System

217 Grove Boulevard
Paris, Tennessee 38242
731-642-9733
Fax: 731-642-8073

FINDING **THE GENERAL PURPOSE SCHOOL AND SCHOOL FEDERAL PROJECTS FUNDS REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**

Corrective Action Plan Prepared by:
Dr. Leah Watkins, Director of Schools

Person Responsible for Implementing the Corrective Action:
Dr. Leah Watkins, Director of Schools

Anticipated Completion Date of Corrective Action:
August 31, 2023

Repeat Finding:
No

Reason Corrective Action was not taken in the prior year:
N/A

Planned Corrective Action:
Every effort will be made to ensure the proper accruals are made at year-end for accounts receivables, deferred revenue, accounts payables, and reserves.

Henry County School System

217 Grove Boulevard
Paris, Tennessee 38242
731-642-9733
Fax: 731-642-8073

FINDING **ACCOUNTING RECORDS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2022**

Corrective Action Plan Prepared by:
Dr. Leah Watkins, Director of Schools

Person Responsible for Implementing the Corrective Action:
Dr. Leah Watkins, Director of Schools

Anticipated Completion Date of Corrective Action:
August 31, 2023

Repeat Finding:
No

Reason Corrective Action was not taken in the prior year:
N/A

Planned Corrective Action:
Accounting records will be closed and ready for audit by August 31st following the end of each fiscal year.

Dr. Leah Watkins, Director of Schools

Henry County Sheriff's Office
Sheriff Josh Frey
210 Forrest Heights • P.O. Box 639 • Paris, TN 38242 • Telephone: 731-642-1672 • Fax: 731-644-0469

Corrective Action Plan

FINDING [illegible] THE CASH JOURNAL WAS NOT PROPERLY MAINTAINED

Response and Corrective Action Plan Prepared by:
Josh Frey, Sheriff

Person Responsible for Implementing the Corrective Action:
Josh Frey, Sheriff

Anticipated Completion Date of Corrective Action:
During the current fiscal year (before June 30, 2023)

Repeat Finding:
No

Planned Corrective Action:
Management will properly maintain the cash journal. Transactions will be posted regularly and columns will be totaled to properly reflect the financial position of the Sheriff's Department.

Signature:

BEST PRACTICE

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

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

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

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