



ANNUAL FINANCIAL REPORT

Henry County, Tennessee

For the Year Ended June 30, 2024

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
HENRY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2024

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

TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
INTRODUCTORY SECTION		7
Henry County Officials		8
FINANCIAL SECTION		9
Independent Auditor's Report		10-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22-23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	24
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	25-28
Highway/Public Works Fund	C-6	29
Fiduciary Funds:		
Statement of Net Position	D-1	30
Statement of Changes in Net Position	D-2	31
Index and Notes to the Financial Statements		32-100
REQUIRED SUPPLEMENTARY INFORMATION:		101
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-1	102
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-2	103
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Henry County School Department	E-3	104
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Henry County School Department	E-4	105

	Exhibit	Page(s)
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Henry County School Department	E-5	106
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Henry County School Department	E-6	107
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan - Discretely Presented Henry County School Department	E-7	108
Notes to the Required Supplementary Information		109
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		110
Nonmajor Governmental Funds:		111
Combining Balance Sheet	F-1	112-115
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	116-119
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Solid Waste/Sanitation Fund	F-3	120
Drug Control Fund	F-4	121
Other Special Revenue Fund	F-5	122
Major Governmental Fund:		123
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	124
Fiduciary Funds:		125
Combining Statement of Net Position – Custodial Funds	H-1	126
Combining Statement of Changes in Net Position – Custodial Funds	H-2	127
Component Unit:		
Discretely Presented Henry County School Department:		128
Statement of Activities	I-1	129
Balance Sheet – Governmental Funds	I-2	130-131
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	132
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	133-134
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	135
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	136
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	137
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Purpose School Fund	I-8	138-139
School Federal Projects Fund	I-9	140
Central Cafeteria Fund	I-10	141

	Exhibit	Page(s)
Miscellaneous Schedules:		142
Schedule of Changes in Long-term Notes, Other Loans, and Bonds	J-1	143
Schedule of Long-term Debt Requirements by Year	J-2	144
Schedule of Notes Receivable	J-3	145
Schedule of Leases Receivable	J-4	146
Schedule of Transfers – Primary Government and Discretely Presented Henry County School Department	J-5	147
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Henry County School Department	J-6	148
Schedule of Detailed Revenues – All Governmental Fund Types	J-7	149-162
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Henry County School Department	J-8	163-166
Schedule of Detailed Expenditures – All Governmental Fund Types	J-9	167-184
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Henry County School Department	J-10	185-195
SINGLE AUDIT SECTION		196
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		197-198
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance		199-201
Schedule of Expenditures of Federal Awards and State Grants		202-204
Summary Schedule of Prior-year Findings		205
Schedule of Findings and Questioned Costs		206-211
Management's Corrective Action Plan		212-216
Best Practice		217

Summary of Audit Findings

Annual Financial Report
Henry County, Tennessee
For the Year Ended June 30, 2024

Scope

We have audited the basic financial statements of Henry County as of and for the year ended June 30, 2024.

Results

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

Our audit resulted in four 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

- ◆ The General Fund required material audit adjustments for proper financial statement presentation.
- ◆ Purchase orders were not issued properly.

OFFICE OF SHERIFF

- ◆ Deficiencies were noted with a bank account that had not been recorded on the cash journal.
- ◆ The office had deficiencies in filing its annual financial report



INTRODUCTORY SECTION

HENRY COUNTY OFFICIALS

June 30, 2024

Officials

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

Board of County Commissioners

John Penn Ridgeway, County Mayor, Chairman
Patrick Burns
Dell Carter
Charles Elizondo
Rita Gean
Missy Hamilton
David Hayes
Kenneth Humphreys

Melissa McElroy
Paul Neal
Monte Starks
David Travis
Marty Visser
David Webb
Ralph Wiles
Vacant

Board of Education

Tom Beasley, Chairman
Jill Coker
Jim McCampbell
Russ Orr
Rusty Wiles

Highway Commission

Bobby Milam, Chairman
Cody Craig
Roy Henry
Kyle Norwood
Michael Parker
Mike Shinault

Audit Committee

Steve Greer, Chairman
Jill Coker
Andy Collins
Melanie Dodd
Kenneth Humphreys
Bobby Milam

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

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, 2024, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Henry County, Tennessee, as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Henry County Medical Center. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Henry County Medical Center, is based solely on the report of the other auditors. We were unable to determine Henry County Medical Center's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Henry County Emergency Communications District and the Henry County Tourism Development Authority, component units requiring discrete presentation, were not included in the county's financial statements. Also, 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 1.3 percent, 1.4 percent, and 2.4 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for the Henry County School Department's Internal School Fund, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.

Change in Accounting Principle

As described in Note V.B., Henry County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. GASB 100 clarifies financial and reporting requirements for changes in accounting principles, changes in accounting estimates, error corrections, and changes within the reporting entity.

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 generally accepted auditing standards 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 generally accepted auditing standards 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 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 19, 2024, 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 19, 2024

JEM/gc

BASIC FINANCIAL STATEMENTS SECTION

HENRY COUNTY, TENNESSEE
Statement of Net Position
June 30, 2024

	Primary Government	Component Units	
	Governmental Activities	Henry County School Department	Henry County Medical Center
ASSETS			
Cash	\$ 3,510	\$ 823,913	\$ 3,212,476
Equity in Pooled Cash and Investments	22,867,589	21,977,536	0
Inventories	0	2,118	2,679,874
Investments	0	0	5,378,883
Accounts Receivable	98,223	162,876	17,470,467
Allowance for Uncollectibles	0	0	(5,661,000)
Due from Other Governments	4,804,749	2,649,001	0
Property Taxes Receivable	6,533,498	5,623,713	0
Allowance for Uncollectible Property Taxes	(71,997)	(63,374)	0
Prepaid Items	0	0	2,159,250
Other Current Assets	0	0	2,249,002
Other Restricted Assets	0	0	589,832
Notes Receivable	18,356,244	0	0
Leases Receivable	239,607	0	0
Net Pension Asset - Agent Plan	1,474,876	842,672	5,624,698
Net Pension Asset - Teacher Retirement Plan	0	91,356	0
Net Pension Asset - Teacher Legacy Pension Plan	0	3,835,602	0
Restricted Assets:			
Amounts Accumulated for Pension Benefits	0	416,166	0
Capital Assets:			
Assets Not Depreciated:			
Land	6,233,965	610,066	794,549
Construction in Progress	0	4,396,476	1,991,220
Assets Net of Accumulated Depreciation/Amortization:			
Buildings and Improvements	2,672,509	21,455,817	23,805,949
Infrastructure	13,370,474	0	0
Intangible	0	0	4,660,432
Finance lease right-to-use assets	0	0	10,122,924
Subscription-based right-to-use assets	0	0	2,444,079
Other Capital Assets	2,374,250	2,752,547	3,525,187
Total Assets	<u>\$ 78,957,497</u>	<u>\$ 65,576,485</u>	<u>\$ 81,047,822</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	\$ 8,379	\$ 0	\$ 0
Pension Changes in Experience	9,875	922,555	37,657
Pension Changes in Investment Earnings	219,964	814,401	838,872
Pension Changes in Assumptions	447,169	1,573,966	1,705,361
Pension Changes in Proportion	0	129,454	0
Pension Contributions after Measurement Date	424,242	1,156,080	1,539,380
OPEB Changes in Experience	0	148,854	0
OPEB Changes in Assumptions	0	659,295	0
OPEB Changes in Proportion	0	28,624	0
OPEB Contributions after Measurement Date	0	85,491	0
Excess consideration provided for acquisition, net	0	0	185,984
Total Deferred Outflows of Resources	<u>\$ 1,109,629</u>	<u>\$ 5,518,720</u>	<u>\$ 4,307,254</u>

(Continued)

HENRY COUNTY, TENNESSEE
Statement of Net Position (Cont.)

		Component Units	
	Primary Government	Henry County	Henry County
	Governmental Activities	School Department	Medical Center
LIABILITIES			
Accounts Payable	\$ 1,707,096	\$ 538,045	\$ 2,418,857
Accrued Interest Payable	26,678	0	0
Payroll Deductions Payable	12,228	1,012,255	0
Contracts Payable	0	1,323,568	0
Due to Other Governments	150,570	0	0
Due to State of Tennessee	1,212	0	0
Estimated Third-party Payor Settlements	0	0	493,495
Other Current Liabilities	0	0	5,242,834
Unearned Revenue	0	0	3,671,800
Noncurrent Liabilities:			
Due Within One Year - Debt	4,601,000	0	2,449,922
Due Within One Year - Other	24,626	240,319	2,422,950
Due in More Than One Year - Debt	21,413,699	0	16,181,021
Due in More Than One Year- Other	467,921	2,800,309	10,530,633
Total Liabilities	<u>\$ 28,405,030</u>	<u>\$ 5,914,496</u>	<u>\$ 43,411,512</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	\$ 6,314,783	\$ 5,428,019	\$ 0
Deferred Lease Receivable	239,607	0	0
Pension Changes in Experience	213,379	353,233	813,758
Pension Changes in Proportion	0	74,219	0
OPEB Changes in Experience	0	168,801	0
OPEB Changes in Assumptions	0	308,204	0
OPEB Changes in Proportion	0	221,988	0
Total Deferred Inflows of Resources	<u>\$ 6,767,769</u>	<u>\$ 6,554,464</u>	<u>\$ 813,758</u>
NET POSITION			
Net Investment in Capital Assets	\$ 24,566,198	\$ 29,214,906	\$ 11,099,382
Restricted for:			
General Government	4,010,181	0	0
Finance	41,458	0	0
Administration of Justice	32,100	0	0
Public Safety	606,955	0	0
Public Health and Welfare	38,747	0	0
Highway/Public Works	4,975,959	0	0
Debt Service	0	0	0
Education	0	1,580,923	0
Operation of Non-instructional Services	0	1,240,349	0
Capital Outlay	0	176,529	0
Hybrid Retirement Stabilization Funds	0	416,166	0
Pensions	1,474,876	4,769,630	5,624,698
Unrestricted	<u>9,147,853</u>	<u>21,227,742</u>	<u>24,405,726</u>
Total Net Position	<u>\$ 44,894,327</u>	<u>\$ 58,626,245</u>	<u>\$ 41,129,806</u>

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, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units	
						Henry County School Department	Henry County Medical Center
Primary Government:							
Governmental Activities:							
General Government	\$ 2,058,234	\$ 792,926	\$ 1,549,447	\$ 38,542	\$ 322,681	\$ 0	\$ 0
Finance	1,480,094	1,311,834	0	0	(168,260)	0	0
Administration of Justice	1,750,015	685,853	277,395	0	(786,767)	0	0
Public Safety	7,517,182	1,777,041	634,443	179,954	(4,925,744)	0	0
Public Health and Welfare	3,967,602	372,997	771,503	0	(2,823,102)	0	0
Social, Cultural, and Recreational Services	444,400	0	42,142	0	(402,258)	0	0
Agriculture and Natural Resources	231,326	0	41,082	0	(190,244)	0	0
Highways	7,968,384	0	2,833,017	3,929,076	(1,206,291)	0	0
Education	0	0	2,466,830	0	2,466,830	0	0
Interest on Long-term Debt	252,088	0	0	0	(252,088)	0	0
Total Primary Government	\$ 25,669,325	\$ 4,940,651	\$ 8,615,859	\$ 4,147,572	\$ (7,965,243)	\$ 0	\$ 0
Component Units:							
Henry County School Department	\$ 45,836,570	\$ 549,818	\$ 9,547,163	\$ 1,648,170	\$ 0	\$ (34,091,419)	\$ 0
Henry County Medical Center	105,534,821	96,127,404	0	0	0	0	(9,407,417)
Total Component Units	\$ 151,371,391	\$ 96,677,222	\$ 9,547,163	\$ 1,648,170	\$ 0	\$ (34,091,419)	\$ 0

(Continued)

Exhibit B

HENRY COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units	
						Henry County School Department	Henry County Medical Center
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 6,063,957	\$ 5,343,185	\$ 0
Property Taxes Levied for Debt Service					138,632	0	0
Local Option Sales Taxes					1,782,704	5,854,385	0
Hotel/Motel Tax					511,852	0	0
Wheel Tax					475,018	0	0
Litigation Tax					208,094	0	0
Business Tax					246,697	223,498	0
Wholesale Beer Tax					176,815	0	0
Other Local Taxes					39,611	879,236	0
Grants and Contributions Not Restricted to Specific Programs					1,211,831	25,005,376	0
Unrestricted Investment Income					2,214,712	90,274	285,125
Miscellaneous					262,118	155,201	242,714
Total General Revenues					<u>\$ 13,332,041</u>	<u>\$ 37,551,155</u>	<u>\$ 527,839</u>
Extraordinary Items					<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,758,346</u>
Change in Net Position					<u>\$ 5,366,798</u>	<u>\$ 3,459,736</u>	<u>\$ (1,121,232)</u>
Net Position, July 1, 2023					<u>39,527,529</u>	<u>55,166,509</u>	<u>42,251,038</u>
Net Position, June 30, 2024					<u><u>\$ 44,894,327</u></u>	<u><u>\$ 58,626,245</u></u>	<u><u>\$ 41,129,806</u></u>

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

HENRY COUNTY, TENNESSEE
Balance Sheet
Governmental Funds
June 30, 2024

	Major Funds			Nonmajor Funds	
		Highway /	General	Other	Total
	General	Public Works	Debt Service	Govern-mental Funds	Governmental Funds
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 3,510	\$ 3,510
Equity in Pooled Cash and Investments	7,034,478	5,079,324	5,650,196	4,627,616	22,391,614
Accounts Receivable	71,536	0	2,027	24,660	98,223
Due from Other Governments	1,090,915	3,684,569	0	29,265	4,804,749
Due from Other Funds	3,706	475,975	0	109,791	589,472
Property Taxes Receivable	4,208,900	1,694,684	138,859	491,055	6,533,498
Allowance for Uncollectible Property Taxes	(46,209)	(19,098)	(1,564)	(5,126)	(71,997)
Notes Receivable - Long-term	0	0	18,356,244	0	18,356,244
Leases Receivable - Long-term	0	0	239,607	0	239,607
Total Assets	\$ 12,363,326	\$ 10,915,454	\$ 24,385,369	\$ 5,280,771	\$ 52,944,920
LIABILITIES					
Accounts Payable	\$ 7,562	\$ 1,668,057	\$ 0	\$ 31,477	\$ 1,707,096
Payroll Deductions Payable	0	12,228	0	0	12,228
Due to Other Funds	0	0	0	113,497	113,497
Due to State of Tennessee	0	1,212	0	0	1,212
Due to Other Governments	83,936	0	0	66,634	150,570
Total Liabilities	\$ 91,498	\$ 1,681,497	\$ 0	\$ 211,608	\$ 1,984,603

(Continued)

HENRY COUNTY, TENNESSEE**Balance Sheet**

Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
		Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
	General				
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 4,068,917	\$ 1,635,712	\$ 134,027	\$ 476,127	\$ 6,314,783
Deferred Delinquent Property Taxes	86,102	36,611	3,000	9,000	134,713
Deferred Leases Receivable	0	0	239,607	0	239,607
Other Deferred/Unavailable Revenue	481,976	242,293	0	0	724,269
Total Deferred Inflows of Resources	<u>\$ 4,636,995</u>	<u>\$ 1,914,616</u>	<u>\$ 376,634</u>	<u>\$ 485,127</u>	<u>\$ 7,413,372</u>
FUND BALANCES					
Restricted:					
Restricted for General Government	\$ 99,572	\$ 0	\$ 0	\$ 3,654,520	\$ 3,754,092
Restricted for Finance	41,458	0	0	0	41,458
Restricted for Administration of Justice	32,100	0	0	0	32,100
Restricted for Public Safety	450,733	0	0	156,222	606,955
Restricted for Public Health and Welfare	23,825	0	0	5,922	29,747
Restricted for Other Operations	186,947	0	0	0	186,947
Restricted for Highways/Public Works	0	4,697,055	0	0	4,697,055
Restricted for Debt Service	0	0	18,356,244	0	18,356,244
Committed:					
Committed for General Government	745,733	0	0	0	745,733
Committed for Public Health and Welfare	0	0	0	668,982	668,982
Committed for Highways/Public Works	0	2,622,286	0	0	2,622,286
Committed for Capital Outlay	0	0	0	98,390	98,390
Committed for Debt Service	0	0	5,652,491	0	5,652,491
Unassigned	6,054,465	0	0	0	6,054,465
Total Fund Balances	<u>\$ 7,634,833</u>	<u>\$ 7,319,341</u>	<u>\$ 24,008,735</u>	<u>\$ 4,584,036</u>	<u>\$ 43,546,945</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,363,326</u>	<u>\$ 10,915,454</u>	<u>\$ 24,385,369</u>	<u>\$ 5,280,771</u>	<u>\$ 52,944,920</u>

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

HENRY COUNTY, TENNESSEE
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2024

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)		\$ 43,546,945
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 6,233,965	
Add: buildings and improvements net of accumulated depreciation	2,672,509	
Add: infrastructure net of accumulated depreciation	13,370,474	
Add: other capital assets net of accumulated depreciation	<u>2,374,250</u>	24,651,198
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: note payable	\$ (85,000)	
Less: other loans payable	(18,356,244)	
Less: bonds payable	(7,510,000)	
Add: deferred amount on refunding	8,379	
Less: unamortized premium on debt	(63,455)	
Less: accrued interest payable	(26,678)	
Less: compensated absences payable	<u>(492,547)</u>	(26,525,545)
(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	\$ 1,101,250	
Less: deferred inflows of resources related to pensions	<u>(213,379)</u>	887,871
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,474,876
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>858,982</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 44,894,327</u></u>

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

HENRY COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Governmental Funds
For the Year Ended June 30, 2024

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
Revenues					
Local Taxes	\$ 7,348,463	\$ 1,757,223	\$ 180,839	\$ 439,428	\$ 9,725,953
Licenses and Permits	165,803	0	0	0	165,803
Fines, Forfeitures, and Penalties	203,635	0	0	57,184	260,819
Charges for Current Services	399,538	0	0	51,581	451,119
Other Local Revenues	767,002	9,311	2,080,698	378,319	3,235,330
Fees Received From County Officials	1,845,094	0	0	0	1,845,094
State of Tennessee	4,039,697	6,747,713	0	29,265	10,816,675
Federal Government	1,033,331	0	0	350,559	1,383,890
Other Governments and Citizens Groups	556,489	0	2,466,830	0	3,023,319
Total Revenues	\$ 16,359,052	\$ 8,514,247	\$ 4,728,367	\$ 1,306,336	\$ 30,908,002
Expenditures					
Current:					
General Government	\$ 1,403,737	\$ 0	\$ 0	\$ 0	\$ 1,403,737
Finance	1,154,989	0	0	0	1,154,989
Administration of Justice	1,354,237	0	0	21,664	1,375,901
Public Safety	6,057,143	0	0	52,001	6,109,144
Public Health and Welfare	158,511	0	0	625,402	783,913
Social, Cultural, and Recreational Services	372,420	0	0	0	372,420
Agriculture and Natural Resources	227,037	0	0	0	227,037
Other Operations	4,319,355	0	22,984	1,072,460	5,414,799
Highways	0	8,428,809	0	0	8,428,809

(Continued)

HENRY COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
Expenditures (Cont.)					
Debt Service:					
Principal on Debt	\$ 0	\$ 0	\$ 4,709,300	\$ 289,707	\$ 4,999,007
Interest on Debt	0	0	254,419	0	254,419
Other Debt Service	0	0	76,519	0	76,519
Capital Projects	0	0	0	830,346	830,346
Total Expenditures	<u>\$ 15,047,429</u>	<u>\$ 8,428,809</u>	<u>\$ 5,063,222</u>	<u>\$ 2,891,580</u>	<u>\$ 31,431,040</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,311,623</u>	<u>\$ 85,438</u>	<u>\$ (334,855)</u>	<u>\$ (1,585,244)</u>	<u>\$ (523,038)</u>
Other Financing Sources (Uses)					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 691,007	\$ 691,007
Insurance Recovery	26,969	20,410	0	0	47,379
Transfers In	0	475,975	0	0	475,975
Transfers Out	(475,975)	0	0	0	(475,975)
Total Other Financing Sources (Uses)	<u>\$ (449,006)</u>	<u>\$ 496,385</u>	<u>\$ 0</u>	<u>\$ 691,007</u>	<u>\$ 738,386</u>
Net Change in Fund Balances	\$ 862,617	\$ 581,823	\$ (334,855)	\$ (894,237)	\$ 215,348
Fund Balance, July 1, 2023	<u>6,772,216</u>	<u>6,737,518</u>	<u>24,343,590</u>	<u>5,478,273</u>	<u>43,331,597</u>
Fund Balance, June 30, 2024	<u><u>\$ 7,634,833</u></u>	<u><u>\$ 7,319,341</u></u>	<u><u>\$ 24,008,735</u></u>	<u><u>\$ 4,584,036</u></u>	<u><u>\$ 43,546,945</u></u>

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

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, 2024**

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)		\$	215,348
(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	\$	3,215,189	
Less: current-year depreciation expense		(2,515,025)	700,164
(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, 2024	\$	858,982	
Less: deferred delinquent property taxes and other deferred June 30, 2023		(835,315)	23,667
(3) 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	\$	(12,000)	
Less: note proceeds		(691,007)	
Add: change in premium on debt issuances		67,128	
Add: principal payments on notes		776,007	
Add: principal payments on other loans		1,983,000	
Add: principal payments on bonds		2,240,000	4,363,128
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest on notes and bonds	\$	14,331	
Change in compensated absences payable		(37,156)	
Change in net pension asset		386,690	
Change in deferred outflows related to pensions		(183,656)	
Change in deferred inflows related to pensions		(115,718)	64,491
Change in net position of governmental activities (Exhibit B)		\$	<u><u>5,366,798</u></u>

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

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, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Local Taxes	\$ 7,348,463	\$ 0	\$ 7,348,463	\$ 6,819,996	\$ 6,819,996	\$ 528,467
Licenses and Permits	165,803	0	165,803	211,000	211,000	(45,197)
Fines, Forfeitures, and Penalties	203,635	0	203,635	189,790	189,790	13,845
Charges for Current Services	399,538	0	399,538	295,300	295,300	104,238
Other Local Revenues	767,002	0	767,002	757,998	860,678	(93,676)
Fees Received From County Officials	1,845,094	0	1,845,094	1,756,700	1,757,105	87,989
State of Tennessee	4,039,697	0	4,039,697	3,001,253	4,639,716	(600,019)
Federal Government	1,033,331	0	1,033,331	275,963	945,273	88,058
Other Governments and Citizens Groups	556,489	0	556,489	14,568	513,119	43,370
Total Revenues	\$ 16,359,052	\$ 0	\$ 16,359,052	\$ 13,322,568	\$ 16,231,977	\$ 127,075
Expenditures						
General Government						
County Commission	\$ 70,273	\$ 0	\$ 70,273	\$ 66,850	\$ 70,950	\$ 677
Board of Equalization	600	0	600	1,000	1,000	400
Other Boards and Committees	775	0	775	2,600	2,600	1,825
County Mayor/Executive	295,951	0	295,951	299,132	299,132	3,181
County Attorney	30,159	0	30,159	30,159	30,159	0
Election Commission	210,345	0	210,345	223,473	225,473	15,128
Register of Deeds	185,480	0	185,480	190,420	193,481	8,001
Building	108,543	0	108,543	112,157	112,158	3,615
County Buildings	156,135	0	156,135	173,000	173,000	16,865
Other General Administration	325,898	0	325,898	329,502	330,252	4,354
Preservation of Records	19,578	0	19,578	22,222	22,222	2,644

(Continued)

HENRY COUNTY, TENNESSEE

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Expenditures (Cont.)						
Finance						
Accounting and Budgeting	\$ 177,486	\$ 0	\$ 177,486	\$ 179,188	\$ 179,188	\$ 1,702
Property Assessor's Office	237,898	0	237,898	247,868	247,868	9,970
Reappraisal Program	134,744	0	134,744	138,295	142,280	7,536
County Trustee's Office	275,133	0	275,133	271,199	283,630	8,497
County Clerk's Office	329,728	0	329,728	354,031	355,043	25,315
Administration of Justice						
Circuit Court	264,014	0	264,014	279,795	279,795	15,781
General Sessions Court	133,298	0	133,298	135,454	135,454	2,156
General Sessions Judge	195,723	0	195,723	198,142	199,877	4,154
Chancery Court	335,541	0	335,541	220,460	340,428	4,887
Juvenile Court	318,635	0	318,635	351,808	349,521	30,886
Probate Court	85,846	0	85,846	88,998	88,998	3,152
Other Administration of Justice	21,180	0	21,180	10,000	24,055	2,875
Public Safety						
Sheriff's Department	3,150,814	(31,429)	3,119,385	2,886,491	3,224,772	105,387
Special Patrols	91,138	0	91,138	103,626	103,626	12,488
Drug Enforcement	177,249	0	177,249	193,073	206,714	29,465
Administration of the Sexual Offender Registry	2,901	0	2,901	4,500	4,500	1,599
Jail	2,096,177	0	2,096,177	1,680,983	2,209,256	113,079
Fire Prevention and Control	33,200	0	33,200	33,200	33,200	0
Rescue Squad	6,000	0	6,000	6,000	6,000	0
Other Emergency Management	413,544	0	413,544	381,300	501,021	87,477
County Coroner/Medical Examiner	86,120	0	86,120	82,000	102,875	16,755

(Continued)

HENRY COUNTY, TENNESSEE

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Expenditures (Cont.)						
Public Health and Welfare						
Local Health Center	\$ 107,401	\$ 0	\$ 107,401	\$ 119,437	\$ 125,165	\$ 17,764
Rabies and Animal Control	12,042	0	12,042	10,474	14,415	2,373
Maternal and Child Health Services	1,350	0	1,350	1,350	1,350	0
Alcohol and Drug Programs	3,750	0	3,750	7,500	7,500	3,750
Crippled Children Services	2,660	0	2,660	2,660	2,660	0
Other Local Health Services	12,500	0	12,500	15,700	15,700	3,200
General Welfare Assistance	18,808	0	18,808	62,299	65,766	46,958
Social, Cultural, and Recreational Services						
Adult Activities	143,574	0	143,574	164,141	185,940	42,366
Libraries	196,096	0	196,096	196,096	196,096	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	166,730	0	166,730	181,567	185,381	18,651
Soil Conservation	37,409	0	37,409	38,970	38,970	1,561
Flood Control	22,898	0	22,898	22,898	22,898	0
Other Operations						
Tourism	26,800	0	26,800	26,800	26,800	0
Tourism - Resort District	697,715	0	697,715	617,200	697,715	0
Industrial Development	75,000	0	75,000	75,000	75,000	0
Other Economic and Community Development	368,229	0	368,229	0	756,136	387,907
Airport	641,444	0	641,444	519,903	798,398	156,954
Veterans' Services	69,964	0	69,964	74,824	74,824	4,860

(Continued)

HENRY COUNTY, TENNESSEE

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Other Operations (Cont.)						
Other Charges	\$ 165,245	\$ 0	\$ 165,245	\$ 322,249	\$ 598,348	\$ 433,103
Contributions to Other Agencies	197,628	0	197,628	134,880	185,281	(12,347)
Employee Benefits	2,022,480	0	2,022,480	2,091,690	2,107,610	85,130
Miscellaneous	54,850	0	54,850	730,750	211,375	156,525
Total Expenditures	\$ 15,047,429	\$ (31,429)	\$ 15,016,000	\$ 14,746,564	\$ 16,905,106	\$ 1,889,106
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,311,623	\$ 31,429	\$ 1,343,052	\$ (1,423,996)	\$ (673,129)	\$ 2,016,181
Other Financing Sources (Uses)						
Insurance Recovery	\$ 26,969	\$ 0	\$ 26,969	\$ 1,000	\$ 1,000	\$ 25,969
Transfers In	0	0	0	473,156	219,629	(219,629)
City General Fund Transfer	0	0	0	4,700	4,700	(4,700)
Transfers Out	(475,975)	0	(475,975)	0	(475,975)	0
Total Other Financing Sources	\$ (449,006)	\$ 0	\$ (449,006)	\$ 478,856	\$ (250,646)	\$ (198,360)
Net Change in Fund Balance	\$ 862,617	\$ 31,429	\$ 894,046	\$ (945,140)	\$ (923,775)	\$ 1,817,821
Fund Balance, July 1, 2023	6,772,216	(31,429)	6,740,787	6,254,818	6,772,216	(31,429)
Fund Balance, June 30, 2024	\$ 7,634,833	\$ 0	\$ 7,634,833	\$ 5,309,678	\$ 5,848,441	\$ 1,786,392

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

HENRY COUNTY, TENNESSEE**Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget**

Highway/Public Works Fund

For the Year Ended June 30, 2024

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Local Taxes	\$ 1,757,223	\$ 2,164,622	\$ 2,164,622	\$ (407,399)
Other Local Revenues	9,311	3,000	3,000	6,311
State of Tennessee	6,747,713	7,551,434	7,551,434	(803,721)
Total Revenues	<u>\$ 8,514,247</u>	<u>\$ 9,719,056</u>	<u>\$ 9,719,056</u>	<u>\$ (1,204,809)</u>
Expenditures				
Highways				
Administration	\$ 267,687	\$ 271,179	\$ 271,179	\$ 3,492
Highway and Bridge Maintenance	2,670,143	3,069,359	3,069,359	399,216
Operation and Maintenance of Equipment	597,524	735,943	735,943	138,419
Litter and Trash Collection	51,290	51,400	51,401	111
Other Charges	243,371	294,133	294,133	50,762
Employee Benefits	505,972	547,560	547,560	41,588
Capital Outlay	4,092,822	5,463,506	5,463,506	1,370,684
Total Expenditures	<u>\$ 8,428,809</u>	<u>\$ 10,433,080</u>	<u>\$ 10,433,081</u>	<u>\$ 2,004,272</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 85,438</u>	<u>\$ (714,024)</u>	<u>\$ (714,025)</u>	<u>\$ 799,463</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 20,410	\$ 0	\$ 0	\$ 20,410
Transfers In	475,975	0	0	475,975
Total Other Financing Sources	<u>\$ 496,385</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 496,385</u>
Net Change in Fund Balance	\$ 581,823	\$ (714,024)	\$ (714,025)	\$ 1,295,848
Fund Balance, July 1, 2023	6,737,518	5,882,833	6,737,518	0
Fund Balance, June 30, 2024	<u>\$ 7,319,341</u>	<u>\$ 5,168,809</u>	<u>\$ 6,023,493</u>	<u>\$ 1,295,848</u>

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

HENRY COUNTY, TENNESSEE
Statement of Net Position
 Fiduciary Funds
June 30, 2024

	Custodial Funds
ASSETS	
Cash	\$ 2,605,325
Equity in Pooled Cash and Investments	2,332,793
Accounts Receivable	25,013
Due from Other Governments	1,667,112
Property Taxes Receivable	5,979,938
Allowance for Uncollectible Property Taxes	<u>(66,718)</u>
Total Assets	<u>\$ 12,543,463</u>
LIABILITIES	
Due to Other Taxing Units	<u>\$ 2,112,922</u>
Total Liabilities	<u>\$ 2,112,922</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Current Property Taxes	<u>\$ 5,714,384</u>
Total Deferred Inflows of Resources	<u>\$ 5,714,384</u>
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 4,716,157</u>
Total Net Position	<u><u>\$ 4,716,157</u></u>

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, 2024

**Custodial
Funds**

ADDITIONS

Sales Tax Collections for Other Governments	\$ 6,861,837
Property Tax Collections for Other Governments	2,080,531
ADA - Educational Funds Collected for Cities	6,683,341
Fines/Fees and Other Collections	13,777,729
Drug Task Force Collections	2,074,967
Total Additions	<u>\$ 31,478,405</u>

DEDUCTIONS

Payment of Sales Tax Collections to Other Governments	\$ 6,861,837
Payment of Property Tax Collections for Other Governments	2,080,531
Payments to City School Systems	6,683,341
Payments to State	5,856,103
Payments to Cities, Individuals, and Others	7,267,174
Payment of Drug Task Force Expenses	1,326,260
Total Deductions	<u>\$ 30,075,246</u>

Net Increase (Decrease) in Fiduciary in Net Position	\$ 1,403,159
Net Position, July 1, 2023	<u>3,312,998</u>
Net Position, June 30, 2024	<u><u>\$ 4,716,157</u></u>

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

HENRY COUNTY, TENNESSEE

INDEX OF NOTES TO THE FINANCIAL STATEMENTS

Note	Page(s)
I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
A. Reporting Entity	33
B. Government-wide and Fund Financial Statements	34
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	34
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	36
2. Receivables and Payables	37
3. Restricted Assets	38
4. Capital Assets	38
5. Deferred Outflows/Inflows of Resources	39
6. Compensated Absences	39
7. Long-term Debt and Long-term Obligations	40
8. Net Position and Fund Balance	40
E. Pension Plans	42
F. Other Postemployment Benefits (OPEB) Plan	42
II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	42
B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities	43
III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
Budgetary Information	43
IV. DETAILED NOTES ON ALL FUNDS	
A. Deposits and Investments	43
B. Note Receivable	46
C. Lease Receivable	46
D. Capital Assets	47
E. Construction Commitments	49
F. Interfund Receivables, Payables, and Transfers	50
G. Long-term Debt	51
H. Long-term Obligations	55
I. On-Behalf Payments	56
J. Short-term Debt	56
V. OTHER INFORMATION	
A. Risk Management	57
B. Accounting Change	57
C. Contingent Liabilities	57
D. Change in Administration	57
E. Joint Ventures	58
F. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	59
2. Deferred Compensation	73
G. Other Postemployment Benefits (OPEB)	73
H. Purchasing Laws	77
I. Subsequent Events	78
VI. OTHER NOTES - DISCRETELY PRESENTED HENRY COUNTY MEDICAL CENTER	78

HENRY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

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. 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 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. 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, 2024.

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 balance/fund net position, 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 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.

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, property tax collections to be forwarded to the cities of Cottage Grove, Henry, McKenzie, Paris, and Puryear, 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. To be consistent with the prior year's reporting, the FY 23 balances for the Internal School Fund are presented in this report. Using the prior year balances will not 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 policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. 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 0.58 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.

Henry County has issued debt on behalf of the Henry County Medical Center, a discretely presented component unit that is part of Henry County's reporting entity. Henry County and the medical center have entered into an agreement for the medical center to repay Henry County for the debt service requirements as they become due. Henry County has recognized a note receivable for the debt.

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 costs. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items) are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the 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 changes in investment earnings, 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 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 and Long-term Obligations

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable 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 \$11,180,276 of restricted net position for the primary government, of which \$248,829 is restricted by enabling legislation.

On June 30, 2024, Henry County had \$7,510,000 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

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.

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, 2024.

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, 2024, 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	\$ 129,011
Developed Market International Equity	N/A	N/A	58,263
Emerging Market International Equity	N/A	N/A	16,647
U.S. Fixed Income	N/A	N/A	83,233
Real Estate	N/A	N/A	41,617
Short-term Securities	N/A	N/A	4,162
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>83,233</u>
Total			<u>\$ 416,166</u>

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://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

B. Note Receivable

The note receivable in the General Debt Service Fund totaling \$18,356,244 represents the balance of loan agreements the county entered into on behalf of the Henry County Medical Center and is included in the restricted fund balance account. The medical center has agreed to contribute funds to the county to satisfy the debt requirements.

C. 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 June 30, 2024, the remaining term is six years and two months, and the county will be receiving monthly payments ranging from \$3,939 to \$4,567. During the year, Henry County recognized \$38,804 in lease revenue and \$8,352 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, 2024, the lease receivable balance was \$239,607.

The future receipts of the lease receivable include:

Year Ending June 30	Airport Hangar Lease		
	Principal	Interest	Total
2025	\$ 41,384	\$ 7,188	\$ 48,572
2026	44,081	5,947	50,028
2027	46,905	4,624	51,529
2028	49,858	3,217	53,075
2029-2030	57,379	1,854	59,233
Total	<u>\$ 239,607</u>	<u>\$ 22,830</u>	<u>\$ 262,437</u>

D. Capital Assets

Capital assets activity for the year ended June 30, 2024, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 5,967,338	\$ 266,627	\$ 0	\$ 6,233,965
Construction in Progress	64,623	0	(64,623)	0
Total Capital Assets Not Depreciated	\$ 6,031,961	\$ 266,627	\$ (64,623)	\$ 6,233,965
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,172,905	\$ 127,854	\$ 0	\$ 11,300,759
Infrastructure	53,245,106	1,861,858	0	55,106,964
Other Capital Assets	8,531,401	1,023,473	0	9,554,874
Total Capital Assets Depreciated	\$ 72,949,412	\$ 3,013,185	\$ 0	\$ 75,962,597
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 8,271,310	\$ 356,940	\$ 0	\$ 8,628,250
Infrastructure	40,354,717	1,381,773	0	41,736,490
Other Capital Assets	6,404,312	776,312	0	7,180,624
Total Accumulated Depreciation	\$ 55,030,339	\$ 2,515,025	\$ 0	\$ 57,545,364
Total Capital Assets Depreciated, Net	\$ 17,919,073	\$ 498,160	\$ 0	\$ 18,417,233
Governmental Activities Capital Assets, Net	\$ 23,951,034	\$ 764,787	\$ (64,623)	\$ 24,651,198

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

Governmental Activities:

General Government	\$ 372,844
Finance	1,160
Administration of Justice	1,400
Public Safety	544,906
Public Health and Welfare	60,410
Social, Cultural, and Recreational Services	6,368
Highways/Public Works	<u>1,527,937</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 2,515,025</u></u>

Net Investment in Capital Assets

Capital Assets	\$ 24,651,198
Less:	
Outstanding capital debt	<u>(85,000)</u>
Net Investment in Capital Assets	<u><u>\$ 24,566,198</u></u>

Discretely Presented Henry County School Department

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 610,066	\$ 0	\$ 0	\$ 610,066
Construction in Progress	1,829,182	4,396,476	(1,829,182)	4,396,476
Total Capital Assets Not Depreciated	<u>\$ 2,439,248</u>	<u>\$ 4,396,476</u>	<u>\$ (1,829,182)</u>	<u>\$ 5,006,542</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 64,542,900	\$ 2,057,294	\$ 0	\$ 66,600,194
Other Capital Assets	8,772,792	1,073,458	(93,990)	9,752,260
Total Capital Assets Depreciated	<u>\$ 73,315,692</u>	<u>\$ 3,130,752</u>	<u>\$ (93,990)</u>	<u>\$ 76,352,454</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 43,550,820	\$ 1,593,557	\$ 0	\$ 45,144,377
Other Capital Assets	6,436,612	657,091	(93,990)	6,999,713
Total Accumulated Depreciation	<u>\$ 49,987,432</u>	<u>\$ 2,250,648</u>	<u>\$ (93,990)</u>	<u>\$ 52,144,090</u>
Total Capital Assets Depreciated, Net	<u>\$ 23,328,260</u>	<u>\$ 880,104</u>	<u>\$ 0</u>	<u>\$ 24,208,364</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,767,508</u>	<u>\$ 5,276,580</u>	<u>\$ (1,829,182)</u>	<u>\$ 29,214,906</u>

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

Governmental Activities:

Instruction	\$ 1,204,500
Support Services	831,809
Operation of Non-instructional Services	<u>214,339</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,250,648</u>

E. Construction Commitments

On June 30, 2024, the school department had uncompleted construction contracts of approximately \$1,342,602 for various construction projects. Funding has been received for these future expenditures.

F Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, was as follows:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 3,706
Highway/Public Works	General	475,975
Nonmajor governmental	Nonmajor governmental	109,791
Discretely Presented School		
Department:		
General Purpose School	School Federal Projects	88,789

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.

The receivable in the Highway/Public Works Fund totaling \$475,975 was in transit from the General fund on June 30, 2024.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2024, consisted of the following amounts:

Primary Government

Transfer Out	Transfer In	Purpose
	Highway/ Public Works Fund	
General Fund	\$ 475,975	Net wheel tax revenue
Total	<u>\$ 475,975</u>	

Discretely Presented Henry County School Department

Transfers Out	Transfers In		Purpose
	General Purpose School Fund	School Federal Projects Fund	
General Purpose School Fund	\$ 0	\$ 80,000	Cash flow funds
School Federal Projects Fund	47,356	0	Indirect Cost
"	28,369	0	Title II expenses
"	43,600	0	CTE expenses
"	1,651,473	0	ESSER expenses
"	12,799	0	Resilient School Communities expenses
"	18,698	0	HQIM Literacy expenses
"	20,144	0	GEAR UP expenses
Total	<u>\$ 1,822,439</u>	<u>\$ 80,000</u>	

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

G. 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, 2024, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Henry County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government, the discretely presented school department, and the discretely presented Henry County Medical Center. Capital outlay notes are issued to fund capital facilities. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. The capital outlay note and other loans outstanding were issued for original terms of five years for the note and up to 25 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The note and other loans included in long-term debt as of June 30, 2024, will be retired from the General Debt Service Fund and from contributions by the Henry County Medical Center to the General Debt Service Fund.

General obligation bonds, the capital outlay note, and other loans outstanding as of June 30, 2024, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-24
General Obligation Bonds	2 to 2.25%	5-1-29	\$ 8,850,000	\$ 5,290,000
General Obligation Bonds - Refunding	1.74 to 4	5-1-26	8,190,000	2,220,000
Capital Outlay Note	2.55	8-7-24	425,000	85,000
Other Loans - fixed rate	2.18 to 2.57	2-1-40	13,700,000	10,122,244
Other Loans	Variable	5-25-40	28,500,000	8,234,000

In a prior year, Henry County entered into a loan agreement with the Montgomery County Public Building Authority on behalf of the Henry County Medical Center. This loan agreement provided for the authority to make \$16,500,000 available for loan to Henry County on an as-needed basis for various renovation and construction projects. Henry County has borrowed the entire amount of the loan. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily. On June 30, 2024, the variable interest rate was 4.03 percent.

In prior years, Henry County entered into loan agreements with the City of Clarksville Public Building Authority on behalf of the Henry County Medical Center for various renovation and construction projects as noted in the following table:

Series	Amount Available for Loan	Amount Drawn	Interest Rate	Balance 6-30-24
2012	\$ 7,000,000	\$ 7,000,000	Variable %	\$ 1,590,000
2015	5,000,000	5,000,000	Variable	3,388,000
2018	9,200,000	9,200,000	2.57	7,492,000
2022	4,500,000	2,630,244	2.18	2,630,244

The variable interest rates on the \$7,000,000 and \$5,000,000 loans are adjusted weekly as determined by the remarketing agents and were 4.05 percent and 4.3 percent, respectively, on June 30, 2024.

The annual requirements to amortize all general obligation bonds, the note, and other loans outstanding as of June 30, 2024, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	\$ 7,510,000	\$ 382,458	\$ 7,892,458

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2025	\$ 85,000	\$ 2,167	\$ 87,167
Total	\$ 85,000	\$ 2,167	\$ 87,167

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2025	\$ 2,206,000	\$ 501,000	\$ 2,707,000
2026	2,283,000	436,000	2,719,000
2027	2,363,000	370,000	2,733,000
2028	6,897,000	247,000	7,144,000
2029	368,000	151,000	519,000
2030-2034	1,939,000	562,000	2,501,000
2035-2039	2,066,244	220,000	2,286,244
2040	234,000	5,000	239,000
Total	\$ 18,356,244	\$ 2,492,000	\$ 20,848,244

There is \$24,008,735 available in the General Debt Service Fund to service long-term debt. However, \$18,356,244 of this amount represents a Note Receivable due from the Henry County Medical Center and is not available for appropriation. Bonded debt per capita totaled \$233, based on the 2020 federal census. Total debt per capita, including bonds, the note, other loans, and unamortized debt premiums totaled \$808, based on the 2020 federal census.

The school department and the Henry County Medical Center are currently contributing funds to service some of the debt issued on their behalf by the primary government as noted in the table below.

Description of Debt	Outstanding 6-30-24
---------------------	------------------------

Bonds Payable

Contributions from the General Purpose School Fund

Rural School Refunding Bonds, Series 2013	\$ 465,000
General Obligation High School Bonds, Series 2017	5,290,000
General Obligation Refunding Bonds, Series 2020	<u>1,755,000</u>
Total	<u>\$ 7,510,000</u>

Other Loans Payable

Contributions from the Henry County Medical Center

PBA of Montgomery County, Series 2002	\$ 3,256,000
PBA of City of Clarksville, Series 2012	1,590,000
PBA of City of Clarksville, Series 2015	3,388,000
PBA of City of Clarksville, Series 2018	7,492,000
PBA of City of Clarksville, Series 2022	<u>2,630,244</u>
Total	<u>\$ 18,356,244</u>

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2024, was as follows:

Governmental Activities:

	Bonds	Notes - Direct Placement	Other Loans Direct Placement
Balance, July 1, 2023	\$ 9,750,000	\$ 170,000	\$ 20,339,244
Additions	0	691,007	0
Reductions	<u>(2,240,000)</u>	<u>(776,007)</u>	<u>(1,983,000)</u>
Balance, June 30, 2024	<u>\$ 7,510,000</u>	<u>\$ 85,000</u>	<u>\$ 18,356,244</u>
Balance Due Within One Year	<u>\$ 2,310,000</u>	<u>\$ 85,000</u>	<u>\$ 2,206,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2024	\$ 25,951,244
Less: Balance Due Within One Year - Debt	(4,601,000)
Add: Unamortized Premium on Debt	<u>63,455</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 21,413,699</u>

H. Long-term Obligations

Primary Government

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2024, was as follows:

Governmental Activities:

	Compensated Absences
	<hr/>
Balance, July 1, 2023	\$ 455,391
Additions	360,744
Reductions	<hr/> (323,588)
	<hr/>
Balance, June 30, 2024	\$ 492,547
	<hr/> <hr/>
Balance Due Within One Year	\$ 24,626
	<hr/> <hr/>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2024	\$ 492,547
Less: Balance Due Within One Year - Other	<hr/> (24,626)
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	\$ 467,921
	<hr/> <hr/>

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, 2024, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2023	\$ 68,670	\$ 2,742,632
Additions	65,731	500,538
Reductions	(59,155)	(277,788)
Balance, June 30, 2024	<u>\$ 75,246</u>	<u>\$ 2,965,382</u>
Balance Due Within One Year	<u>\$ 3,762</u>	<u>\$ 236,557</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2024	\$ 3,040,628
Less: Balance Due Within One Year - Other	<u>(240,319)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 2,800,309</u>

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

I. 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, 2024, were \$57,647. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

J. Short-term Debt

Henry County issued tax anticipation notes on behalf of the Henry County Medical Center for the purpose of funding operations. Short-term debt activity for the year ended June 30, 2024, was as follows:

	Balance 7-1-23	Issued	Paid	Balance 6-30-24
Tax Anticipation Notes	\$ 0	\$ 3,000,000	\$ (3,000,000)	\$ 0

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 Change*

GASB Statement No. 100, *Accounting Changes and Error Corrections*, became effective for the fiscal year ending June 30, 2024. This statement clarifies the financial accounting and reporting requirements for changes in accounting principles, changes in accounting estimates, error corrections, and changes within the reporting entity.

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.

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. *Change in Administration*

On April 30, 2024, Charles VanDyke left the Office of Assessor of Property and was succeeded by Ginger Cox effective May 30, 2024.

E. 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, 2024, 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 \$196,096 to the operations of the board during the year ended June 30, 2024. 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 \$75,000 to the Industrial Development Committee for the

year ended June 30, 2024, 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

F. 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 18.57 percent, the non-certified employees of the discretely presented school department comprised 10.61 percent, and employees of the discretely presented Henry County Medical Center comprise 70.82 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, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	579
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,301
Active Employees	<u>815</u>
Total	<u><u>2,695</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. 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, 2024, the employer contribution for Henry County was \$2,237,044 based on a rate of 5.56 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, 2023, 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, 2023, 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, 2023, 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 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, 2022	\$ 146,385,854	\$ 152,686,871	\$ (6,301,017)
Changes for the Year:			
Service Cost	\$ 4,002,466	\$ 0	\$ 4,002,466
Interest	9,925,106	0	9,925,106
Differences Between Expected and Actual Experience	(1,455,476)	0	(1,455,476)
Contributions-Employer	0	2,118,007	(2,118,007)
Contributions-Employees	0	1,910,292	(1,910,292)
Net Investment Income	0	10,170,754	(10,170,754)
Benefit Payments, Including Refunds of Employee Contributions	(6,699,438)	(6,699,438)	0
Administrative Expense	0	(85,728)	85,728
Net Changes	\$ 5,772,658	\$ 7,413,887	\$ (1,641,229)
Balance, June 30, 2023	\$ 152,158,512	\$ 160,100,758	\$ (7,942,246)

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government 18.57%	\$ 28,255,836	\$ 29,730,712	\$ (1,474,876)
School Department 10.61%	16,144,018	16,986,690	(842,672)
Medical Center 70.82%	107,758,658	113,383,356	(5,624,698)
Total	\$ 152,158,512	\$ 160,100,758	\$ (7,942,246)

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:

	1% Decrease	Current Discount Rate	1% Increase
Henry County	5.75%	6.75%	7.75%

Net Pension Liability (Asset)	\$	12,122,096	\$	(7,942,246)	\$	(24,553,514)
-------------------------------	----	------------	----	-------------	----	--------------

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, 2024, Henry County recognized (negative pension expense) of \$2,582,236.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, 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	\$ 53,174	\$ 1,149,051
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,184,513	0
Changes in Assumptions	2,408,021	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	2,237,044	N/A
Total	<u>\$ 5,882,752</u>	<u>\$ 1,149,051</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2023,” 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	\$ 1,101,250	\$ 213,379
School Department	660,232	121,914
Medical Center	4,121,270	813,758
Total	<u>\$ 5,882,752</u>	<u>\$ 1,149,051</u>

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

Year Ending June 30	Amount
2025	\$ 1,189,373
2026	(1,733,429)
2027	3,032,198
2028	8,515
2029	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 18.57 percent, 10.61 percent, and 70.82 percent, respectively, of the plan based on contribution data.

Discretely Presented Henry County School Department - 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, 2024, to the Teacher Retirement Plan were \$149,785, which is

2.95 percent of covered payroll. In addition, employer contributions of \$48,636, which is 1.05 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). On June 30, 2024, the school department reported a liability (asset) of (\$91,356) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, 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, 2023, the school department's proportion was .215444 percent. The proportion as of June 30, 2022, was .220206 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense of \$120,107.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, 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	\$ 3,077	\$ 53,322
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	23,227	0
Changes in Assumptions	68,731	0
Changes in Proportion of Net Pension Liability (Asset)	40,544	5,872
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	149,785	N/A
Total	<u>\$ 285,364</u>	<u>\$ 59,194</u>

The school department's employer contributions of \$149,785, 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, 2025. 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
2025	\$ 4,063
2026	683
2027	36,513
2028	6,135
2029	6,277
Thereafter	22,714

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, 2023, 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, 2023, 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 Developed Market	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		10	
	0.00		1	
Total			100	%

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

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 420,232	\$ (91,356)	\$ (459,657)

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

Discretely Presented Henry County School Department - Certified Employees - 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, 2024, to the Teacher Legacy Pension Plan were \$732,873, which is 6.81 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). On June 30, 2024, the school department reported a liability (asset) of (\$3,835,602) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, 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, 2023, the school department's proportion was .325334 percent. The proportion measured on June 30, 2022, was .331231 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized (negative pension expense) of \$954,277.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, 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	\$ 913,836	\$ 177,997
Changes in Assumptions	1,249,744	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	665,497	0
Changes in Proportion of Net Pension Liability (Asset)	88,910	68,347
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	732,873	N/A
Total	<u>\$ 3,650,860</u>	<u>\$ 246,344</u>

The school department's employer contributions of \$732,873 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, 2025. 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
2025	\$ 897,773
2026	(530,829)
2027	2,299,484
2028	5,215
2029	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, 2023, 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, 2023, 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 Developed Market	4.88 %	31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	1
Total		100 %

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

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

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

Net Pension Liability (Asset)	\$ 8,354,208	\$ 3,835,602	\$ (13,974,086)
-------------------------------	--------------	--------------	-----------------

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 \$254,061 and teachers contributed \$192,355 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

The discretely presented Henry County School Department provides OPEB benefits to its 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

Discretely Presented Henry County School Department

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 for the plan was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.65%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 10.31% for pre-65 retirees in the 2023 calendar year, and decreasing annually over a 11-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit	
Related Cost	Discussed below

The discount rate was 3.65%, based on the daily rate of Bond Buyer's 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, 2023, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2023, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2021 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 19 percent load for males and an 18 percent load for females, projected generationally with MP-2021 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2021.

Changes in Assumptions. The discount rate changed from 3.54 percent as of the beginning of the measurement period to 3.65 percent as of the measurement date of June 30, 2023. This change in assumption decreased 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 2023 plan year was revised from 8.37 percent to 10.31 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, 2023, 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	1
Active Employees Eligible For Benefits	238
Total	<u>252</u>

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 \$85,491 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability – As of the Measurement Date

	Share of Collective Liability		
	Henry County School Department 60.365%	State of TN 39.635%	Total OPEB Liability
Balance July 1, 2022	\$ 2,742,632	\$ 1,510,559	\$ 4,253,191
Changes for the Year:			
Service Cost	\$ 127,868	\$ 83,956	\$ 211,824
Interest	93,614	61,465	155,079
Difference between Expected and Actual Experience	53,277	34,981	88,258
Changes in Proportion	(175,180)	175,180	0
Changes in Assumption	225,779	148,242	374,021
Benefit Payments	(102,608)	(67,370)	(169,978)
Net Changes	\$ 222,750	\$ 436,454	\$ 659,204
Balance June 30, 2023	\$ 2,965,382	\$ 1,947,013	\$ 4,912,395

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 \$205,700 in revenue for subsidies provided by non-employer 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 60.365 percent and the State of Tennessee's share was 39.635 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department recognized OPEB expense of \$442,257, including the state's share of the expense. On June 30, 2024, 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	\$ 148,854	\$ 168,801
Changes of Assumptions/Inputs	659,295	308,204
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	28,624	221,988
Benefits Paid After the Measurement Date of June 30, 2023	85,491	0
Total	\$ 922,264	\$ 698,993

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
2025	\$ 15,075
2026	15,075
2027	15,075
2028	24,245
2029	41,264
Thereafter	27,046

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

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

<u>Discount Rate</u>	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
----------------------	-------------------------	--------------------------------------	-------------------------

Proportionate Share of the
Collective Total OPEB
Liability

\$ 3,198,761 \$ 2,965,382 \$ 2,743,567

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

<u>Healthcare Cost Trend Rate</u>	1% Decrease 9.31 to 3.5%	Current Rates 10.31 to 4.5%	1% Increase 11.31 to 5.5%
-----------------------------------	--------------------------------	-----------------------------------	---------------------------------

Proportionate Share of the
Collective Total OPEB
Liability

\$ 2,636,598 \$ 2,965,382 \$ 3,348,310

H. 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 \$25,000 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.

I. Subsequent Events

On June 30, 2024, John Penn Ridgeway left the Office of County Mayor and was succeeded by Randy Greiger effective September 1, 2024.

On July 31, 2024, the Henry County Medical Center entered into an operations transfer agreement and an associated lease agreement with West Tennessee Healthcare (WTHHC) for the transfer of operations of the hospital to WTHHC. For additional information, See Note VI.M.7.

On August 18, 2024, Ginger Cox left the Office of Assessor of Property and was succeeded by Scott Morrison effective August 19, 2024.

On October 25, 2024, Henry County issued a capital outlay note totaling \$700,635 for a public works project.

VI. OTHER NOTES – DISCRETELY PRESENTED HENRY COUNTY MEDICAL CENTER

A. Nature of Operations

1. Organization

The Henry County Medical Center is a political subdivision of Henry County, Tennessee. The medical center provides comprehensive healthcare services through the operation of an acute care hospital, nursing home (healthcare center), home health agency (HHA), emergency medical services agency (EMS), and physician clinics. The medical center is governed by a Board of Trustees under the authority of the Henry County Commission and the Henry County Hospital District. The Henry County Commission appoints the Board of Trustees of the medical center, which may not issue debt without the county's approval. Under accounting principles generally accepted in the United States of America, the medical center constitutes a component unit of the county for financial reporting purposes.

Effective June 1, 2024, the operations and certain assets of the healthcare center were transferred and sold, respectively, to a third party.

Effective July 1, 2020, a third party assumed all rights for the delivery of emergency medical services previously provided by EMS in the Henry County, Tennessee, service area.

2. Disposition

On March 1, 2024, the healthcare center entered into an asset purchase agreement with Paris Realty Group LLC to sell certain assets related to its nursing home operations for \$8,707,358, as adjusted pursuant to the asset purchase agreement. On May 31, 2024, the healthcare center entered into an operations transfer agreement with Paris Operating Group LLC, whereby simultaneously with the closing of the asset purchase agreement, the rights and obligations of the operations of the healthcare center would transfer to Paris Operating Group LLC. The asset purchase agreement and operations transfer agreement became effective on June 1, 2024. Upon closing of the transactions, \$884,000 of the proceeds was placed in escrow with approximately half expected to be released one year from closing and the remainder expected to be released two years from closing, adjusted for any claims made against the escrow. The escrow receivable is presented accordingly within prepaid expenses and other current assets and other assets in the accompanying Statement of Net Position as of June 30, 2024. This transaction was accounted for in accordance with GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. As a result of this transaction, the medical center recognized a gain

of \$7,758,346 in the Statement of Revenue, Expenses and Changes in Net Position for the year ended June 30, 2024, and derecognized the related assets and liabilities from the statement of net position, which is detailed as follows:

Transaction price	<u>\$ 8,707,358</u>
Assets and liabilities transferred:	
Inventories	\$ (44,394)
Property and equipment	(674,709)
Accrued expenses	<u>157,642</u>
Total assets and liabilities transferred	<u>\$ (561,461)</u>
Legal costs associated with disposal	<u>\$ (387,551)</u>
Gain from sale of healthcare center assets	<u><u>\$ 7,758,346</u></u>

B. Summary of Significant Accounting Policies

1. New and Upcoming Accounting Pronouncements

In June 2022, the GASB released Statement No. 100, *Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62* (GASB 100), which addresses the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The guidance is effective for fiscal years beginning after June 15, 2023. The medical center adopted GASB 100 as of July 1, 2023. The adoption of this authoritative guidance did not have a material impact on the financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires compensated absences to be recognized as a liability when the benefits are earned by employees and are attributable to services already rendered. The liability should be measured based on the pay or salary rates in effect at the financial statement date. The guidance is effective for fiscal years beginning after December 15, 2023. Management is currently evaluating the impact of adoption.

2. Basis of Presentation

The medical center utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual basis, which is an economic resources measurement focus approach to accounting. In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements. In June 2011, GASB issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position. GASB Statements No. 62 and No. 63 were effective for periods beginning after December 15, 2011. GASB Statement No. 62 makes the GASB Accounting Standards Codification the sole source of authoritative accounting technical literature for governmental entities in the United States of America.

3. Inventories

Inventories are stated at the lower of cost, determined on the first-in, first-out (FIFO) basis, or market (net realizable value).

4. Assets Limited as to Use

Assets limited as to use include investments designated by the Board of Trustees for future capital improvements and debt repayment, over which the board retains control and may, at its discretion, use for other purposes. Investments are reported at fair value.

5. Cash, Cash Equivalents, and Investments

For the purpose of the Statement of Cash Flows, cash and cash equivalents are defined as cash on hand or in banks and investments with original maturities at date of purchase of less than three months, excluding assets limited as to use.

The medical center makes authorized investments pursuant to the provisions granted under the Private Act Hospital Authority and applicable state laws. The medical center's investment policy requires that investments be made only in U.S. government securities, U.S. Treasury and agency securities, mortgage-backed securities, collateralized mortgage obligations, certificates of deposits, repurchase agreements and mutual funds and exchange traded funds. Investments consist of certificates of deposit and cash and cash equivalents with original maturities of greater than three months as well as mutual funds and exchange traded funds. Those investments with original maturities greater than three months but less than one year are classified as short-term investments, while the remaining amount is classified as long-term. Amounts included in the balance sheet caption "Assets limited as to use" consist of certificates of deposit, cash and cash equivalents, mutual funds, and exchange traded funds. These investments are reported at fair market value in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Investment income is reported as nonoperating income (expense). Any changes in fair market value in the current year are recognized in the Statement of Revenue, Expenses, and Changes in Net Position as a component of investment income (loss).

Custodial credit risk is the risk that, in the event of a bank failure, the medical center's deposits may not be returned to it. State statutes require the medical center's deposits to be secured and collateralized by the financial institutions. Substantially all of the medical center's cash and cash equivalents and certificates of deposit are insured or collateralized by securities held by the financial institutions' trust department in the medical center's name or through participation in the Tennessee Bank Collateral Pool. On June 30, 2024, the total carrying value of the medical center's cash, cash equivalents and investments was \$8,647,474, and the bank balance was \$9,721,597. Substantially all of the financial institution's balance as of June 30, 2024, was covered by federal depository insurance or through participation in the Tennessee Bank Collateral Pool.

The medical center has a 50 percent interest in a joint venture that provides cancer care services in the Henry County area and a 50 percent interest in a joint venture that provides hyperbaric medicine services also in the Henry County area. These investments are included in long-term investments on the accompanying Statement of Net Position and are accounted for under the equity method. The investments in joint ventures included in long-term investments is (\$388,767) on June 30, 2024. Complete financial statements for the cancer care center and hyperbaric medicine center can be obtained from the medical center's accounting department located at 301 Tyson Avenue, P.O. Box 1030, Paris, TN 38242.

6. Fair Value Measurements

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity including quoted market prices in active markets for identical assets (Level 1), or significant other observable inputs (Level 2) and the reporting entity's own assumptions about market participant assumptions (Level 3). As of June 30, 2024, the medical center had approximately \$922,000 in a money market fund and mutual and exchange traded funds, which would be classified as Level 1, and certificates of deposit, which would be classified as Level 2 under the hierarchy above. The medical center also had a net pension asset of \$5,624,698 as of June 30, 2024, which would be classified as Level 2 under the hierarchy above. The medical center does not have any fair value measurements using significant unobservable inputs (Level 3) as of June 30, 2024.

7. Property and Equipment

Property and equipment acquisitions are recorded at cost or, if obtained through acquisition, at fair value as determined on the date of acquisition. Assets are depreciated on a straight-line basis over their estimated useful lives as follows: land improvements 5-20 years, buildings and improvements 5-40 years, capital equipment 10-20 years, and major movable equipment 5-20 years.

8. Leases

The medical center determines if an arrangement is a lease at inception of the contract. Right-to-use assets and lease liabilities, for leases where the medical center is the lessee, and lease receivables and deferred inflows for lease obligations, for leases where the medical center is the lessor, are recognized at the commencement date of the lease based on the present value of lease payments over the lease term. The medical center uses an estimated incremental borrowing rate, which is derived from information available at the lease commencement date, in determining the present value of lease payments. The medical center does not recognize a right-to-use asset, lease liability, lease receivable, or deferred inflow of resources for lease obligations or expected receipts for leases with an initial term of 12 months or less, but includes the expense or income associated with short-term leases in rent expense or other revenue, respectively, in the Statement of Revenue, Expenses and Changes in Net Position.

Certain of the medical center's leases include one or more options to renew. The exercise of lease renewal options is at the medical center's sole discretion. In general, the medical center considers renewal options to be reasonably certain to be exercised and therefore, renewal options are generally recognized as part of the determination of the lease terms. The lease agreements do not contain any material residual value guarantees, restrictions, or covenants.

9. Subscription-based Information Technology Arrangements

The medical center determines if an arrangement is a subscription-based information technology arrangement (SBITA) at the inception of the arrangement. Right-to-use assets

and corresponding liabilities, for SBITAs where the Medical Center is the recipient of the arrangement, are recognized at the commencement date of the arrangement based on the present value of all future payments over the arrangement term.

10. Intangible Assets

As of June 30, 2024, intangible assets consisted of a certificate of need acquired through an acquisition completed by the medical center during the year ended June 30, 2012. The certificate of need has an indefinite life and is therefore not amortized.

The medical center evaluates intangible assets for impairment on an annual basis or more frequently if impairment indicators arise. In the event intangible assets are considered to be impaired, a charge to earnings would be recorded during the period in which management makes such impairment assessment.

11. Excess Consideration Provided for Acquisition

The medical center evaluates excess consideration provided for acquisition for impairment on an annual basis or more frequently if impairment indicators arise. In the event excess consideration provided for acquisition is considered to be impaired, a charge to earnings would be recorded during the period in which management makes such impairment assessment. The excess consideration provided for acquisition is amortized over five years on a straight-line basis in accordance with GASB No. 69, Governmental Combinations and Disposals of Government Operations. Amortization expense for the year ended June 30, 2024, \$49,596 which is included within depreciation and amortized in the accompanying Statement of Revenue, Expenses and Changes in Net Position.

12. Patient Service Revenue

The medical center has agreements with third-party payors that provide for payments to the medical center at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per-diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Patient service revenue is net of contractual adjustments and policy discounts of approximately \$211 million for the year ended June 30, 2024. For the year ended June 30, 2024, approximately 53 percent of net patient service revenue was from Medicare and approximately 17 percent was from Medicaid/TennCare.

The medical center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the medical center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. These costs are estimated based on the ratio of total costs to gross charges and totaled approximately \$1,079,000 for the year ended June 30, 2024.

13. Operating Activities

The medical center defines operating activities as reported on the Statement of Revenue, Expenses, and Changes in Net Position as those that generally result from exchange transactions, such as payments for providing services and payments for goods and services received. Non-exchange transactions, including investment income, interest expense, and

grants received for purposes other than capital asset acquisition are considered nonoperating revenue and expenses.

14. Pension Plan

Medical center employees are covered under the Tennessee Consolidated Retirement System (TCRS), a defined benefit plan. For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employee Retirement Plan in the TCRS and additions to/deductions from the plan's 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 Public Employee Retirement Plan. Investments are reported at fair value. See Note VI.H. for further information related to the pension plan.

15. Compensated Absences

The medical center provides its full-time employees with paid days off for holiday, vacation, sick, and bereavement absences. The paid days off begin accruing after a three-month probationary period and are based on the table below. Such days may be taken only after the employee has earned them. All earned days must be taken annually, except that an employee may carry forward up to the normal number of hours worked in a four-week period. Such liabilities have been accrued in the accompanying Statement of Net Position.

Years of Service	Days Earned Per Year
0 - 5	20
5 -10	25
10 or more	30

16. Risk Management

The medical center is exposed to various risks of loss from medical malpractice; torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; and natural disasters. Commercial insurance is purchased for claims arising from such matters. The medical center is self-insured for employee health and workers' compensation claims and judgments.

17. Net Position

The medical center's net position is classified in three components. The net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the remaining balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted net position is the noncapital net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the medical center, including amounts related to county contributions and bond indebtedness restricted for specific purposes. The unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted. The medical center first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. As of June 30, 2024, the medical center had restricted net position of \$5,624,698 relating to the net pension asset.

18. Income Taxes

The medical center is a not-for-profit corporation as described in Chapter 176 of the Private Acts and is exempt from federal income taxes pursuant to Section 115 of the Internal Revenue Code.

19. Performance Indicator

Excess of revenue over expenses (expenses over revenue) reflected in the accompanying Statement of Revenue, Expenses, and Changes in Net Position is a performance indicator.

20. Long-lived Assets

Management evaluates the recoverability of its investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

21. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

22. Emergency Medical Service Agreement

In exchange for the assignment of the EMS's rights to provide the emergency medical services (see Note VI.A.), the third party is to compensate the medical center on a monthly basis in an amount equal to approximately \$15,000 per month plus reimbursement for certain salaries and benefits, subject to adjustment as provided in the agreement. The initial term of the agreement is 3 years and was effective as of July 1, 2020. For the year ended June 30, 2024, the medical center recognized approximately \$1,273,000 in revenue under the agreement, which is presented within other revenue in the accompanying Statement of Revenue, Expenses and Changes in Net Position. Under the terms of the agreement, either party may terminate the agreement without cause upon 90 days written notice. As such, the agreement is accounted for as a short-term lease under GASB Statement No. 87.

23. Events Occurring After Reporting Date

The medical center has evaluated events and transactions that occurred between June 30, 2024, and the date of the report, for possible recognition or disclosure in the financial statements.

C. *Third-party Reimbursement Programs*

The medical center receives revenue under various third-party reimbursement programs, which include Medicare, TennCare, and other third-party payors. Contractual adjustments under third-party reimbursement programs represent the difference between the medical center's billings at its established rates and the amounts reimbursed by third-party payors. They also include any differences between estimated third-party reimbursement settlements for prior years and subsequent tentative or final settlements. The adjustments resulting from tentative or final settlements to estimated

reimbursement amounts resulted in an increase to revenue of approximately \$265,000 for the year ended June 30, 2024.

1. Medicare

The medical center is paid for substantially all services rendered to inpatient acute and psychiatric Medicare program beneficiaries under prospectively determined rates-per-discharge. Those rates vary according to a classification system that is based on clinical, diagnostic, and other factors. The medical center is paid for outpatient and emergency medical services under a Medicare program known as the Ambulatory Payment Classification (APC) system. Under the APC system, outpatient services are classified into APC categories based on standard procedure codes (CPT-4 Codes) for the service provided and payment for the APC categories are determined using prospectively determined Federal payment rates adjusted for geographical area wage differences. The medical center's provider-based rural health clinics (RHC) are paid an all-inclusive rate that is updated annually by the Medicare Economic Index (MEI). The medical center's freestanding RHC is paid based on a fee schedule. The medical center receives cash payments at an interim rate with final settlement determined after the medical center's submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. The medical center's classification of patients under the Medicare Prospective Payment System and the appropriateness of the patients' admissions are subject to validation reviews by the Medicare peer review organization.

2. Medicaid

The Medicaid program reimburses the medical center for the cost of services rendered to Medicaid beneficiaries at a prospective rate, which is based on the lower of the reimbursable cost of services rendered or a reimbursement cap set by Medicaid. The reimbursement cap is expressed as a per diem.

3. TennCare

The State of Tennessee TennCare program is a managed care program, which provides healthcare coverage to those previously eligible for Medicaid as well as the uninsured population. The medical center contracts with various managed care organizations, which offer both Health Maintenance Organization and Preferred Provider Organization healthcare products. Reimbursement to the medical center is received through per diems, Diagnosis – Related Group payments, and discounted fees for services.

4. Commercial Payors

The medical center has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the medical center under these agreements includes prospectively determined rates per discharge and discounts from established rates.

5. Credit Concentration

The medical center grants credit to patients and generally does not require collateral or other security in extending credit; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies. On June 30, 2024, the medical center had net receivables from the federal government (Medicare) of approximately \$4.9 million and from Medicaid/TennCare of approximately \$700,000.

D. Inventories

A summary of inventories as of June 30, 2024, was as follows:

Medical Stores	\$ 109,676
Dietary	42,714
Departmental	<u>2,527,484</u>
Total	<u>\$ 2,679,874</u>

E. Investments and Assets Limited to Use

The medical center's investments and assets limited as to use are reported at estimated fair value based on quoted market prices or cost. The medical center invests in money market funds, certificates of deposits, mutual funds, and exchange traded funds that are in accordance with the medical center's investment policy. A 50 percent interest in a joint venture with a balance of (\$388,767) on June 30, 2024, is not included in the schedule below. A summary of investments and assets limited as to use as of June 30, 2024, is as follows:

	Cost	Fair Value	Unrealized Gain
Cash and cash equivalents	\$ 5,434,998	\$ 5,434,998	0
Money market funds	<u>922,484</u>	<u>922,484</u>	<u>0</u>
	<u>\$ 6,357,482</u>	<u>\$ 6,357,482</u>	<u>0</u>

Interest rate risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. The medical center's investment policy selected a blended investment approach in order to diversify the entire asset pool while reducing the risk of wide swings in market value from year-to-year, or from incurring large compounded losses.

The following schedule summarizes the investment income in the Statement of Revenue, Expenses, and Changes in Net Position for 2024:

Interest income and realized gain on investments	\$ 225,662
Unrealized loss on investments	<u>59,463</u>
Total	<u>\$ 285,125</u>

F. Property and Equipment

The major classifications and changes in property and equipment as of and for the year ended June 30, 2024, are as follows:

	Balance 7-1-23	Additions/ Transfers	Placed in Service/ Retirements	Balance 6-30-24
Land	\$ 794,549	\$ 0	\$ 0	\$ 794,549
Land Improvements	2,059,199	0	(253,034)	1,806,165
Building and Improvements	71,981,712	263,938	(5,744,232)	66,501,418
Machinery and Equipment	48,472,325	50,104	(2,060,368)	46,462,061
Right-to-use Leased Assets	7,749,086	6,214,923	(38,663)	13,925,346
Right-to-use Subscription- Based IT Assets	4,098,101	1,646,324	(1,263,133)	4,481,292
Total	<u>\$ 135,154,972</u>	<u>\$ 8,175,289</u>	<u>\$ (9,359,430)</u>	<u>\$ 133,970,831</u>
Less Allowance for Depreciation and Amortization:				
Land Improvements	\$ (1,682,120)	\$ (53,447)	\$ 218,713	\$ (1,516,854)
Building and Improvements	(45,998,100)	(1,956,411)	5,259,042	(42,695,469)
Machinery and Equipment	(43,502,192)	(1,627,790)	1,903,797	(43,226,185)
Right-to-use Leased Assets	(2,257,015)	(1,584,070)	38,663	(3,802,422)
Right-to-use Subscription- Based IT Assets	(2,098,124)	(1,202,222)	1,263,133	(2,037,213)
Total	<u>\$ (95,537,551)</u>	<u>\$ (6,423,940)</u>	<u>\$ 8,683,348</u>	<u>\$ (93,278,143)</u>
Subtotal	\$ 39,617,421	\$ 1,751,349	\$ (676,082)	\$ 40,692,688
Construction in Progress	653,177	1,353,131	(15,088)	1,991,220
Total Capital Assets, Net	<u><u>\$ 40,270,598</u></u>	<u><u>\$ 3,104,480</u></u>	<u><u>\$ (691,170)</u></u>	<u><u>\$ 42,683,908</u></u>

The medical center is in the process of constructing various expansions and additions to the existing facilities. As of June 30, 2024, the total cost of these projects is expected to be approximately \$104,000.

G. Long-term Debt

A schedule of changes in the medical center's long-term debt as of and for the year ended June 30, 2024, is as follows:

	Balance			Balance	Amounts
	7-1-23	Additions	Reductions	6-30-24	Due Within
					One Year
Public Building					
Authority of the					
County of					
Montgomery,					
Tennessee -					
Series 2002	\$ 4,240,000	\$ 0	\$ (984,000)	\$ 3,256,000	\$ 1,033,000
Public Building					
Authority of the					
City of					
Clarksville, TN:					
Series 2012	2,097,000	0	(507,000)	1,590,000	518,000
Series 2015	3,577,000	0	(189,000)	3,388,000	191,000
Series 2018	7,795,000	0	(303,000)	7,492,000	311,000
Series 2022	2,630,244	0	0	2,630,244	153,000
TAN Series 2023	0	3,000,000	(3,000,000)	0	
Equipment	589,957	0	(315,258)	274,699	243,922
Total	\$ 20,929,201	\$ 3,000,000	\$ (5,298,258)	\$ 18,630,943	\$ 2,449,922

During June 2002, the medical center entered into a loan agreement with the Public Building Authority of the County of Montgomery, Tennessee, whereby the authority agreed to loan the medical center up to \$16,500,000 for the construction, acquisition, and enlargement of its buildings, structures, and facilities. As of June 30, 2024, the medical center had outstanding borrowings of \$3,256,000 under this agreement. The loan agreement bears interest at an adjustable rate (4.03 percent as of June 30, 2024) and is due in annual installments varying between \$1,033,000 and \$1,139,000 through May 25, 2027. The adjustable interest rate is adjusted daily as determined by the remarketing agent.

During January 2012, the medical center entered into a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee, whereby the authority agreed to loan the medical center up to \$7,000,000 to provide funding to finance certain public works projects, including the acquisition of the Kentucky Lake Surgery Center, LLC. As of June 30, 2024, the medical center had outstanding borrowings of \$1,590,000 under this obligation. The note bears interest at an adjustable rate (4.05 percent as of June 30, 2024) and is due in annual installments varying between \$518,000 and \$542,000 through May 25, 2027. The adjustable interest rate is adjusted weekly as determined by the remarketing agent.

During June 2015, the medical center entered into a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee, whereby the authority agreed to loan the medical center up to \$5,000,000 for the acquisition of the existing building and the construction, equipping, extension, and improvement of the medical center's facilities, including the construction and equipping, extension and improvement of the medical center's facilities, including the construction and equipping of a new operating room. As of June 30, 2024, the medical center had outstanding

borrowings of \$3,388,000 under this obligation. The note bears interest at an adjustable rate (4.3 percent as of June 30, 2024) and is due in annual installments varying between \$191,000 and \$234,000 through May 25, 2040. The adjustable interest rate is adjusted weekly as determined by the remarketing agent.

During February 2018, the medical center entered into a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee, whereby, the authority agreed to loan the medical center up to \$9,200,000 for the purpose of financing all or a portion of the costs of the acquisition, construction, renovation, equipping, extension, and improvement of the medical center's facilities. As of June 30, 2024, the medical center had outstanding borrowings of \$7,492,000 under this obligation. The note bears interest at a fixed rate of 2.57 percent per annum and is due in annual installments varying between \$311,000 and \$491,000 through February 1, 2043. The loan agreement does contain a provision providing the lender the right to require the principal amount outstanding under the loan be repaid immediately at each five-year anniversary of the loan agreement. As of June 30, 2024, absent an election to extend, all balances would become due and payable on February 1, 2028. The maturity schedules that follow have been prepared accordingly.

During February 2022, the medical center entered into a loan agreement with the Clarksville Building Authority, whereby the authority agreed to loan the medical center up to \$4,500,000 for the purpose of financing the acquisition, construction, renovation, equipping, extension, and improvement of the medical center's facilities. As of June 30, 2024, the medical center had outstanding borrowings of \$2,630,244 under this obligation. The medical center has the ability to continue to draw funds under this loan agreement through February 2025. The note bears interest at a fixed rate of 2.18 percent per annum, and is due in annual installments varying between \$153,000 and \$246,000 through October 1, 2046. The first payment is due on October 1, 2024.

During July 2023, the medical center entered into a Tax Anticipation Note, Series 2023, for borrowings of up to \$4,000,000 for the purpose of funding the short-term operations of the medical center. The note bore a fixed interest rate of 6.89 percent, payable upon maturity. The note was scheduled to mature on June 30, 2024, or upon the sale of the healthcare center. The note was repaid in full in June 2024 subsequent to the sale of the healthcare center. The note was unsecured.

The agreements for the building authority loans and capital outlay note provide for certain events of default to include failure to pay obligations, failure to observe and perform covenants, making false representations or defaulting under other loan agreements. In the event of default, all amounts due under the building authority loans may become immediately due and payable. The full faith and credit of Henry County, Tennessee, is irrevocably pledged to pay principal, redemption premiums, if any, and interest on all loans and the capital outlay note. The note is secured by a pledge of the net revenues to be derived from the operation of the medical center. The building authority loan and note agreements also contain provisions allowing ad valorem taxes to be levied and collected by Henry County, Tennessee, on all taxable property within Henry County should funds from the medical center be insufficient to pay amounts due under the loans.

Pursuant to the agreements for the building authority loans, if the principal of all bonds issued under such loans are accelerated, and the bonds are paid by the remarketing agent, the repayment schedule applicable to such loans shall be recalculated over a term of 60 months from the date of such acceleration. The interest rate on the loan amounts after such acceleration shall adjust to the prime rate as defined in the agreements.

During 2017 through 2021, the medical center entered into multiple agreements with financing entities related to the purchase of medical equipment. As of June 30, 2024, the medical center had outstanding borrowings of \$274,699 under these agreements. The agreements bear interest at rates ranging from 1.18 percent to 1.76 percent per annum and are due in monthly installments varying between \$868 and \$16,639 through 2025. The agreements are secured by the medical equipment.

Due to an underlying provision that transfers ownership of the underlying medical equipment at the end of the contract, these agreements with financing entities are accounted for as financed purchases under GASB Statement No. 87.

The agreements with financing entities related to the purchase of medical equipment are secured by the underlying medical equipment. The agreements provide for certain events of default which generally include failure to pay obligations when due, failure to maintain insurance as required, failure to perform or comply with covenants, completion of a change in ownership event, bankruptcy, or default under other debt agreements. In the event of default, the financing entities may require the return of medical equipment, apply or off-set obligations with security deposits, and/or require the medical center to repay all obligations under the agreement together with interest.

A summary of future maturities and interest of long-term debt, as of June 30, 2024, is as follows:

Year	Principal	Estimated Interest	Total Payments
2025	\$ 2,449,922	\$ 552,000	\$ 3,001,922
2026	2,313,777	466,000	2,779,777
2027	2,363,000	380,000	2,743,000
2028	6,897,000	245,000	7,142,000
2029	368,000	150,000	518,000
2030-2034	1,939,000	556,000	2,495,000
2035-2039	2,066,244	229,000	2,295,244
2040	234,000	5,000	239,000
Total	<u>\$ 18,630,943</u>	<u>\$ 2,583,000</u>	<u>\$ 21,213,943</u>

Further detail of future maturities and interest of long-term debt by issue is as follows:

Year Ending June 30:	Public Building Authority Bonds		
	Principal	Interest	Total
2025	\$ 2,206,000	\$ 551,000	\$ 2,757,000
2026	2,283,000	466,000	2,749,000
2027	2,363,000	380,000	2,743,000
2028	6,897,000	245,000	7,142,000
2029	368,000	150,000	518,000
2030	374,000	137,000	511,000
2031	381,000	124,000	505,000
2032	388,000	111,000	499,000
2033	395,000	99,000	494,000
2034	401,000	85,000	486,000
2035	409,000	72,000	481,000
2036	415,000	58,000	473,000
2037	422,000	45,000	467,000
2038	429,000	35,000	464,000
2039	391,244	19,000	410,244
2040	234,000	5,000	239,000
Total	\$ 18,356,244	\$ 2,582,000	\$ 20,938,244

Year Ending June 30:	Other Long-term Debt		
	Principal	Interest	Total
2025	\$ 243,922	\$ 1,000	\$ 244,922
2026	30,777	0	30,777
Total	\$ 274,699	\$ 1,000	\$ 275,699

H. Pension Plan

General Information About the Pension Plan

Plan Description. Employees of the medical center, a component unit of Henry County, Tennessee, are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the Tennessee Consolidated Retirement System (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 administrative 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 an 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.

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. The component units of Henry County make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, employer contributions for the medical center to the Public Employee Retirement Plan were \$1,539,380, which is 4.65 percent of covered payroll. By law, employer contributions for the Public Employee Retirement Plan 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 contribution 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 Asset

On June 30, 2024, the medical center reported an asset of \$5,624,698 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, and the total pension liability (asset) used to calculate net pension asset was determined by an actuarial valuation as of that date. As of June 30, 2023, the medical center's proportion of the net pension asset was based on the medical center's contributions to the pension plan relative to the contributions of all component units of Henry County as of June 30, 2023. At the June 30, 2023, measurement date, the medical center's proportion was 70.82 percent.

Actuarial Assumptions. The total pension liability as of the June 30, 2023, 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, 2023, 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 historic 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 weighing 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		Percentage	
	Long-term		Target	
	Expected		Allocations	
	Real Rate			
	of Return			
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 three 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 component units of 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.

Sensitivity of the Net Pension Asset to Changes in the Discount Rate. The following presents the medical center's proportionate share of the net pension asset calculated using the discount rate of 6.75 percent, as well as what the medical center's proportionate share of the net pension asset would be if it was calculated using a discount rate that is one-percentage-point lower (5.75%) or one-percentage-point higher (7.75%) than the current rate:

	1%	Current Discount Rate	1%
Medical Center's Proportionate Share	Decrease 6.25%	7.25%	Increase 8.25%

Net Pension Liability (Asset) \$ 8,584,868 \$ (5,624,698) \$ (17,388,799)

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

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, 2024, the medical center recognized pension expense of \$2,160,936.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the medical center 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
Differences Between Expected and Actual Experience	\$ 37,657	\$ 813,758
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	838,872	0
Changes in Assumptions	1,705,361	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	1,539,380	0
Total	\$ 4,121,270	\$ 813,758

- (1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2023," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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
2025	\$ 842,313
2026	(1,227,615)
2027	2,147,401
2028	6,033
2029	0
Thereafter	0

Payable to the Pension Plan. The medical center reported a payable of \$209,496 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

I. Deferred Compensation Plans

Effective January 1, 2002, the medical center established a deferred compensation plan under Section 457 of the Internal Revenue Code. Employees become eligible to participate in the plan on their first day of employment. The medical center does not make any contributions to the plan nor does it bear any of the administrative costs. The plan is administered by Valic.

During 2010, the medical center implemented a physician on-call pay plan whereas the medical center would make contributions to the plan on behalf of the physicians. Effective July 1, 2011, the deferred element of the physician on-call plan was terminated, and participants are paid quarterly. The medical center still holds the life insurance policies and the underlying assets, which are invested in mutual funds and totaled approximately \$1.769 million on June 30, 2024. These assets are included in other assets in the accompanying Statement of Net Position. The plan is administered by the Pangburn Group.

J. Defined Contribution Plan

During February 2009, the medical center established the Henry County Medical Center Exclusive Benefit Plan (the "403(b) Plan"), a 403(b) plan which covers employees classified as physicians or full-time certified registered nurse anesthetists. The 403(b) Plan is administered by Valic. The medical center will match up to \$12,000 per calendar year of each employee's contribution. Employee benefits expense, as presented on the accompanying Statement of Revenue, Expenses and Changes in Net Position, includes approximately \$375,000 relating to the medical center's expense for the 403(b) Plan for 2023. Employees classified as full-time certified registered nurse anesthetists are subject to a three-year cliff vesting schedule with respect to the medical center's matching contributions. All other employees are immediately 100 percent vested in the medical center's matching contributions. Forfeitures created when participants terminate employment prior to becoming fully vested in the medical center's matching contributions may be used to reduce the medical center's future match contributions, pay for plan expenses, or reallocated as additional contributions.

K. Leases

The medical center leases equipment and office space under finance lease agreements that expire on various dates through December 2038.

A schedule of changes in the medical center's finance lease liabilities as of and for the year ended June 30, 2024, is as follows:

	Equipment	Office Space
Balance, July 1, 2023	\$ 2,070,172	\$ 3,521,593
Additions	200,582	6,014,341
Reductions	(805,008)	(589,407)
Balance, June 30, 2024	<u>\$ 1,465,746</u>	<u>\$ 8,946,527</u>
Due Within One Year	<u>\$ 678,284</u>	<u>\$ 643,215</u>

Future minimum lease payments under noncancellable finance leases with initial or remaining lease terms in excess of one year as of June 30, 2024, are as follows:

Year	Principal	Interest	Total
2025	\$ 1,321,499	\$ 291,247	\$ 1,612,746
2026	1,049,714	256,807	1,306,521
2027	878,551	228,365	1,106,916
2028	682,759	203,369	886,128
2029	466,554	186,762	653,316
2030-2034	2,733,448	704,456	3,437,904
2035-2039	<u>3,279,748</u>	<u>233,613</u>	<u>3,513,361</u>
Total	<u>\$ 10,412,273</u>	<u>\$ 2,104,619</u>	<u>\$ 12,516,892</u>

L. Subscription-Based Information Technology Arrangements

The medical center is party to subscription-based information technology arrangements (SBITA) that expire on various dates through December 2027. Right-to-use subscription-based assets of \$4,481,292, related accumulated amortization of \$2,037,213, and subscription-based liabilities of \$2,541,310 are included in the accompanying Statement of Net Position as of June 30, 2024. Amortization expense totaling \$1,202,222 for the years ended June 30, 2024, is included in depreciation and amortization in the accompanying Statement of Revenue, Expenses and Changes in Net Position. Future subscription payments are discounted using the interest rate the SBITA vendor charges the medical center, which may be implicit, or the medical center's incremental borrowing rate if the interest rate is not readily determinable. The medical center recognized certain SBITAs using an incremental borrowing rate of 3.5 percent during the year ended June 30, 2024.

Subscription payment obligations as of and for the year ended June 30, 2024, are as follows:

	SBITAs
Balance, July 1, 2023	\$ 2,147,063
Additions	1,646,324
Reductions	<u>(1,252,077)</u>
Balance, June 30, 2024	<u>\$ 2,541,310</u>
Due Within One Year	<u>\$ 1,101,451</u>

Future minimum subscription payments under noncancellable SBITAs with initial or remaining subscription terms in excess of one year as of June 30, 2024, are as follows:

Year	Principal	Interest	Total
2025	\$ 1,101,451	\$ 70,374	\$ 1,171,825
2026	806,706	37,992	844,698
2027	599,762	9,672	609,434
2028	<u>33,391</u>	<u>268</u>	<u>33,659</u>
Total	<u>\$ 2,541,310</u>	<u>\$ 118,306</u>	<u>\$ 2,659,616</u>

M. Commitments and Contingencies

1. Litigation

In March 2024, the medical center received a Civil Investigative Demand letter from the Department of Justice. The investigation primarily relates to air ambulance transports beginning January 2018 through the date of service of the Civil Investigative Demand. The medical center has engaged legal counsel, is providing documentation requested and is fully cooperating with the investigation. Based on currently known facts, management is unable to estimate potential outcomes. As such, the medical center has not recorded a liability related to this matter as of June 30, 2024. It is possible this estimate could change as the medical center proceeds with this matter.

2. Insurance

The medical center maintains commercial insurance on a claims-made basis for medical malpractice liabilities. Insurance coverages are \$1,00,000 individually and \$3,000,000 in the aggregate annually, which is consistent with current litigation settlement limitations established by the State of Tennessee for governmental entities. Management intends to maintain such coverages in the future. The medical center is involved in litigation arising in the ordinary course of business; however, management is of the opinion that insurance coverages are adequate to cover any potential losses on asserted claims. Management is unaware of any incidents that would ultimately result in a loss in excess of the medical center's insurance coverages.

The medical center is self-insured for a portion of employee medical and other healthcare benefits and workers' compensation claims. The risk of loss retained by the medical center

was limited to \$275,000 per occurrence for employee health coverage. The risk of loss retained by the medical center is limited to \$1,000,000 per occurrence for workers' compensation. The medical center has purchased excess insurance to provide coverage for claims in excess of the self-insured retention. Contributions by the medical center for employee health are based on actuarial estimates, while contributions for workers' compensation are based on actual claims experience. Claims expense and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include a provision for estimated claims incurred but not reported. Reserves included within accrued expenses related to employee medical and other healthcare benefits amounted to \$1,100,000 in 2024. Reserves included within accrued expenses related to workers' compensation claims amounted to \$275,000 in 2024.

3. Healthcare Industry

The delivery of personal and health care services entails an inherent risk of liability. Participants in the health care services industry have become subject to an increasing number of lawsuits alleging negligence or related legal theories, many of which involve large claims and result in the incurrence of significant exposure and defense costs. The medical center and its subsidiaries are insured with respect to medical malpractice risk on a claims-made basis. The medical center also maintains insurance for general liability, director and officer liability, and property. Certain policies are subject to deductibles. In addition to the insurance coverage provided, the medical center indemnifies certain officers and directors for actions taken on behalf of the medical center and its subsidiaries. Management is not aware of any claims against it or its subsidiaries, which would have a material financial impact.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare fraud and abuse. Recently, government activity has increased with respect to investigations and/or allegations concerning possible violations of fraud and abuse statutes and/or regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as repayments for patient services previously billed. Management believes that the medical center is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

Management continues to implement policies, procedures, and compliance overview of organizational structure to enforce and monitor compliance with the Health Insurance Portability and Accountability Act of 1996 and other government statutes and regulations. The medical center's compliance with such laws and regulations is subject to future government review and interpretations, as well as regulatory actions, which are unknown or unasserted at this time.

The Centers for Medicare and Medicaid Services (CMS) have implemented a Recovery Audit Contractors (RAC) program. The purpose of the program is to reduce improper Medicare and Medicaid payments through the detection and recovery of overpayments. CMS has engaged subcontractors to perform these audits and they are being compensated on a contingency basis, which is based on the amount of overpayments that are recovered. While management believes that all Medicare and Medicaid billings are proper and adequate support is maintained, certain aspects of Medicare and Medicaid billing, coding, and support are subject to interpretation and may be viewed differently by the RAC auditors. As the amount of any recovery is unknown, management has not recorded any reserves related to the RAC audit at this time.

4. Health Care Reform

In recent years, the United States health care industry has undergone significant changes at the federal and state levels, many of which have been aimed at reducing costs and increasing access to health insurance. The most prominent of these legislative reform efforts is the Affordable Care Act (ACA). These measures impact how health care services are delivered, reimbursed and covered. The ACA and other health care reforms are subject to ongoing changes, including legislative amendments, regulatory adjustments and legal challenges. The uncertainty surrounding future reforms, including proposals for government-sponsored health care options or changes to Medicare and Medicaid, could adversely affect the volume of insured individuals and reimbursement rates.

Health care companies are required to comply with complex regulatory requirements across federal, state and local levels. These regulations govern areas such as billing practices, the classification of care settings, patient eligibility, relationships with providers, data security and reimbursement models. In addition, recent initiatives around price transparency and out-of-network billing could affect pricing structures and relationships with providers, patients and payors. As these reforms evolve, they may result in additional compliance costs, changes in reimbursement levels or shifts in patient insurance coverage, all of which could materially impact financial performance and operations.

5. General Economic and Demographic Factors

The health care industry is impacted by the overall United States economy. The COVID-19 pandemic has led, and may continue to lead, to a general worsening of economic conditions. Budget deficits at federal, state, and local government entities have had a negative impact on spending for many health and human service programs, including Medicare, Medicaid, and similar programs, which represent significant payor sources for the medical center. It is anticipated that the federal deficit, the growing magnitude of Medicare and Medicaid expenditures and the aging of the United States population will continue to place pressure on government health care programs.

6. Functional Expenses

The following is a summary of management's functional classification of operating expenses:

Healthcare Services	\$ 78,958,809
General and Administrative	<u>25,647,420</u>
Total	<u><u>\$ 104,606,229</u></u>

7. Subsequent Event

In July 2024, the Board of Trustees approved a resolution to enter into an operations transfer agreement and an associated lease agreement with West Tennessee Healthcare (WTH). Under the terms of the operations transfer agreement, the medical center will transfer all of its rights, title and interest in any and all assets it owns or uses solely with respect to operations, other than excluded assets as defined in the agreement which generally excludes all rights under the TCRS pension plan and owned real property. The new operator will also assume substantially all liabilities of the medical center, which

generally excludes the TCRS pension plan balances and long-term debt. As part of the operations transfer agreement, the new operator agreed to provide healthcare services in the service area for 40 years from the effective date of the transaction. Additionally, for a period of 10 years after the effective date, the new operator will maintain and provide certain services within the service area, provided that such services are financially viable, supported by the community and necessary physician coverage is available. The new operator also agreed to make capital commitments of at least \$10,000,000 with respect to the medical center and other healthcare infrastructure within the service area during the five year period immediately following the effective date.

Under the terms of the lease agreement, the medical center will lease to the new operator substantially all of the real property used in providing healthcare services in the service area. The lease agreement is for a term of 25 years beginning on the effective date and provides for rental payments to be made in amounts consistent with the medical center's long-term debt service requirements. At the end of the lease term and upon repayment of all of the medical center's long-term debt obligations or upon WTH's sale of all of its assets or a default under the lease, the medical center will have a right of first refusal to reacquire the medical center based on the fair market value amounts, as defined in the lease agreement. If this repurchase option is not exercised by the medical center, the real property will transfer to WTH at the end of the lease term.

The transactions contemplated above became effective on October 1, 2024, and the medical center now operates as West Tennessee Healthcare Henry County.

8. Liquidity and Management's Plans

As of June 30, 2024, the medical center does not have sufficient assets limited as to use to cover current maturities of long-term debt. During the year ended June 30, 2024, the medical center had excess expenses over revenue and a decrease in net assets of \$8,879,578 prior to the gain from the sale of the healthcare center.

The proceeds received from the sale of the healthcare center assets provide the medical center with funding needed to cover operations through October 1, 2024, at which time the operations transferred to WTH. Subsequent to this transaction, the lease agreement with West Tennessee Healthcare Henry County will provide rental income to the medical center in an amount sufficient to cover the debt service requirements. All other operating costs will be the responsibility of West Tennessee Healthcare Henry County beginning October 1, 2024.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

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	2021	2022	2023
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	\$ 4,053,486	\$ 4,002,466
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	9,458,364	9,925,106
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)	106,348	(1,455,476)
Changes in Assumptions	0	0	0	2,298,195	0	0	0	9,632,087	0	0
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)	(6,605,549)	(6,699,438)
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	\$ 7,012,649	\$ 5,772,658
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	139,373,205	146,385,854
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	\$ 146,385,854	\$ 152,158,512
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	\$ 1,984,559	\$ 2,118,007
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	1,998,127	1,910,292
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	(6,127,061)	10,170,754
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)	(6,605,549)	(6,699,438)
Administrative Expense	(35,043)	(42,315)	(67,983)	(76,116)	(86,369)	(80,003)	(83,128)	(57,593)	(66,595)	(85,728)
Other	0	0	383,761	(399,241)	0	0	(48)	0	0	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	\$ (8,816,519)	\$ 7,413,887
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	161,503,390	152,686,871
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	\$ 152,686,871	\$ 160,100,758
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)	\$ (6,301,017)	\$ (7,942,246)
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%	104.30%	105.22%
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	\$ 39,690,030	\$ 38,093,643
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)%	(15.88)%	(20.85)%

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government, 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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 2,134,430	\$ 2,277,366	\$ 1,538,244	\$ 1,590,258	\$ 1,622,153	\$ 1,847,166	\$ 1,858,789	\$ 1,857,547	\$ 2,118,007	\$ 2,237,044
Less: Contributions in Relation to the Actuarially Determined Contribution	(2,134,430)	(2,277,366)	(1,776,175)	(1,853,451)	(1,890,621)	(1,973,468)	(1,985,886)	(1,984,559)	(2,118,007)	(2,237,044)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ (237,931)	\$ (263,193)	\$ (268,468)	\$ (126,302)	\$ (127,097)	\$ (127,012)	\$ 0	\$ 0
Covered Payroll	\$ 32,321,287	\$ 34,552,634	\$ 35,525,263	\$ 37,068,951	\$ 37,811,386	\$ 39,508,365	\$ 39,763,625	\$ 39,690,030	\$ 38,093,643	\$ 40,236,492
Contributions as a Percentage of Covered Payroll	6.60%	6.59%	5.00%	5.00%	5.00%	5.00%	4.99%	5.00%	5.56%	5.56%

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government, 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	2023	2024
Contractually Required Contribution	\$ 21,224	\$ 54,244	\$ 87,959	\$ 42,769	\$ 53,663	\$ 60,355	\$ 71,417	\$ 75,585	\$ 122,988	\$ 149,785
Less: Contributions in Relation to the Contractually Required Contribution	(21,224)	(54,244)	(87,959)	(104,906)	(53,663)	(60,355)	(71,417)	(75,585)	(122,988)	(149,785)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (62,137)	\$ 0	\$ 0	\$ 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	\$ 3,760,453	\$ 4,285,258	\$ 5,077,482
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%	2.95%

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

2019: Pension - 1.94%, SRT - 2.02%
2020: Pension - 2.03%, SRT - 1.97%
2021: Pension - 2.02%, SRT - 1.98%
2022: Pension - 2.01%, SRT - 1.99%
2023: Pension - 2.87%, SRT - 1.13%
2024: Pension - 2.95%, SRT - 1.05%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 1,084,571	\$ 1,014,657	\$ 981,433	\$ 975,234	\$ 1,086,921	\$ 1,125,696	\$ 1,093,182	\$ 1,122,763	\$ 917,424	\$ 732,873
Less: Contributions in Relation to the Contractually Required Contribution	(1,084,571)	(1,014,657)	(981,433)	(975,234)	(1,086,921)	(1,125,696)	(1,093,182)	(1,122,763)	(917,424)	(732,873)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 11,997,463	\$ 11,224,085	\$ 10,856,577	\$ 10,740,457	\$ 10,391,217	\$ 10,589,809	\$ 10,644,417	\$ 10,900,618	\$ 10,557,240	\$ 10,761,712
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%	6.81%

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	2022	2023
School Department's Proportion of the Net Pension Liability (Asset)	0.250102%	0.308201%	0.335037%	0.300117%	0.261397%	0.235606%	0.244974%	0.220206%	0.215444%
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)	\$ (66,706)	\$ (91,356)
Covered Payroll	\$ 530,587	\$ 1,356,099	\$ 2,198,988	\$ 2,622,661	\$ 2,766,137	\$ 2,973,170	\$ 3,535,508	\$ 3,760,453	\$ 4,285,258
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)%	(1.77)%	(2.13)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%	104.97%

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	2022	2023
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%	0.331231%	0.325334%
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)	\$ (4,062,237)	\$ (3,835,602)
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	\$ 10,557,240
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)%	(37.27)%	(36.33)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%

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	2022	2023
Total OPEB Liability							
Service Cost	\$ 177,720	\$ 164,705	\$ 157,448	\$ 152,792	\$ 202,293	\$ 273,334	\$ 211,824
Interest	108,797	127,057	114,984	111,369	79,871	101,305	155,079
Changes in Benefit Terms	0	68,900	0	0	0	0	0
Differences Between Actual and Expected Experience	0	(573,762)	217,045	(56,179)	103,500	(8,244)	88,258
Changes in Assumptions or Other Inputs	(151,923)	98,118	(250,292)	383,662	781,672	(457,941)	374,021
Benefit Payments	(271,757)	(285,232)	(257,909)	(217,646)	(181,449)	(143,146)	(169,978)
Net Change in Total OPEB Liability	\$ (137,163)	\$ (400,214)	\$ (18,724)	\$ 373,998	\$ 985,887	\$ (234,692)	\$ 659,204
Total OPEB Liability, Beginning	3,684,099	3,546,936	3,146,722	3,127,998	3,501,996	4,487,883	4,253,191
Total OPEB Liability, Ending	\$ 3,546,936	\$ 3,146,722	\$ 3,127,998	\$ 3,501,996	\$ 4,487,883	\$ 4,253,191	\$ 4,912,395
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	\$ 1,510,559	\$ 1,947,013
Employer Proportionate Share of the Total OPEB Liability	2,416,751	2,127,222	2,046,990	2,338,174	2,887,395	2,742,632	2,965,382
Covered Employee Payroll	\$ 13,839,020	\$ 13,692,123	\$ 13,805,342	\$ 13,994,712	\$ 14,403,881	\$ 14,589,330	\$ 15,679,381
Net OPEB Liability as a Percentage of Covered Employee Payroll	17.46%	15.54%	14.83%	16.71%	20.05%	18.80%	18.91%

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%

(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%
2023 plan year	- from 7.36% to 8.37%
2024 plan year	- from 8.37% to 10.31%

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, 2024

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2024 were calculated based on the June 30, 2022, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation; averaging 4%
Investment Rate of Return	6.75%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.125%

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified mortality assumptions.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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.

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for proceeds received from the American Rescue Plan Act.

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 FUND

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

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

HENRY COUNTY, TENNESSEE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 3,510	\$ 3,510
Equity in Pooled Cash and Investments	572,827	148,797	3,814,311	0	4,535,935
Accounts Receivable	17,235	7,425	0	0	24,660
Due from Other Governments	0	0	0	0	0
Due from Other Funds	109,791	0	0	0	109,791
Property Taxes Receivable	491,055	0	0	0	491,055
Allowance for Uncollectible Property Taxes	(5,126)	0	0	0	(5,126)
Total Assets	<u>\$ 1,185,782</u>	<u>\$ 156,222</u>	<u>\$ 3,814,311</u>	<u>\$ 3,510</u>	<u>\$ 5,159,825</u>
LIABILITIES					
Accounts Payable	\$ 31,477	\$ 0	\$ 0	\$ 0	\$ 31,477
Due to Other Funds	196	0	109,791	3,510	113,497
Due to Other Governments	0	0	50,000	0	50,000
Total Liabilities	<u>\$ 31,673</u>	<u>\$ 0</u>	<u>\$ 159,791</u>	<u>\$ 3,510</u>	<u>\$ 194,974</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 476,127	\$ 0	\$ 0	\$ 0	\$ 476,127
Deferred Delinquent Property Taxes	9,000	0	0	0	9,000
Total Deferred Inflows of Resources	<u>\$ 485,127</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 485,127</u>

(Continued)

HENRY COUNTY, TENNESSEE
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds				
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total
FUND BALANCES					
Restricted:					
Restricted for General Government	\$ 0	\$ 0	\$ 3,654,520	\$ 0	\$ 3,654,520
Restricted for Public Safety	0	156,222	0	0	156,222
Restricted for Public Health and Welfare	0	0	0	0	0
Committed:					
Committed for Public Health and Welfare	668,982	0	0	0	668,982
Committed for Capital Outlay	0	0	0	0	0
Total Fund Balances	\$ 668,982	\$ 156,222	\$ 3,654,520	\$ 0	\$ 4,479,724
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,185,782	\$ 156,222	\$ 3,814,311	\$ 3,510	\$ 5,159,825

(Continued)

HENRY COUNTY, TENNESSEE
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Capital Projects Fund		Total Nonmajor Governmental Funds
	General Capital Projects		
ASSETS			
Cash	\$	0	\$ 3,510
Equity in Pooled Cash and Investments		91,681	4,627,616
Accounts Receivable		0	24,660
Due from Other Governments		29,265	29,265
Due from Other Funds		0	109,791
Property Taxes Receivable		0	491,055
Allowance for Uncollectible Property Taxes		0	(5,126)
Total Assets	\$	120,946	\$ 5,280,771
LIABILITIES			
Accounts Payable	\$	0	\$ 31,477
Due to Other Funds		0	113,497
Due to Other Governments		16,634	66,634
Total Liabilities	\$	16,634	\$ 211,608
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	\$	0	\$ 476,127
Deferred Delinquent Property Taxes		0	9,000
Total Deferred Inflows of Resources	\$	0	\$ 485,127

(Continued)

HENRY COUNTY, TENNESSEE
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Capital Projects Fund		Total Nonmajor Governmental Funds
	General Capital Projects		
FUND BALANCES			
Restricted:			
Restricted for General Government	\$	0	\$ 3,654,520
Restricted for Public Safety		0	156,222
Restricted for Public Health and Welfare		5,922	5,922
Committed:			
Committed for Public Health and Welfare		0	668,982
Committed for Capital Outlay		98,390	98,390
Total Fund Balances	\$	104,312	\$ 4,584,036
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	120,946	\$ 5,280,771

HENRY COUNTY, TENNESSEE**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**

Nonmajor Governmental Funds

For the Year Ended June 30, 2024

	Special Revenue Funds					
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total	
Revenues						
Local Taxes	\$ 439,428	\$ 0	\$ 0	\$ 0	\$ 439,428	
Fines, Forfeitures, and Penalties	0	57,184	0	0	57,184	
Charges for Current Services	29,917	0	0	21,664	51,581	
Other Local Revenues	199,414	0	178,905	0	378,319	
State of Tennessee	0	0	0	0	0	
Federal Government	0	0	0	0	0	
Total Revenues	<u>\$ 668,759</u>	<u>\$ 57,184</u>	<u>\$ 178,905</u>	<u>\$ 21,664</u>	<u>\$ 926,512</u>	
Expenditures						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 21,664	\$ 21,664	
Public Safety	0	52,001	0	0	52,001	
Public Health and Welfare	625,402	0	0	0	625,402	
Other Operations	12,573	0	1,059,887	0	1,072,460	
Debt Service:						
Principal on Debt	0	0	0	0	0	
Capital Projects	0	0	0	0	0	
Total Expenditures	<u>\$ 637,975</u>	<u>\$ 52,001</u>	<u>\$ 1,059,887</u>	<u>\$ 21,664</u>	<u>\$ 1,771,527</u>	
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 30,784	\$ 5,183	\$ (880,982)	\$ 0	\$ (845,015)	

(Continued)

HENRY COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds					
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total	
Other Financing Sources (Uses)						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Net Change in Fund Balances	\$ 30,784	\$ 5,183	\$ (880,982)	\$ 0	\$ 0	(845,015)
Fund Balance, July 1, 2023	638,198	151,039	4,535,502	0		5,324,739
Fund Balance, June 30, 2024	\$ 668,982	\$ 156,222	\$ 3,654,520	\$ 0	\$ 0	4,479,724

(Continued)

HENRY COUNTY, TENNESSEE**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**

Nonmajor Governmental Funds (Cont.)

	<u>Capital Projects Fund</u>		Total Nonmajor Governmental Funds	
	General	Capital	Projects	
Revenues				
Local Taxes	\$	0	\$	439,428
Fines, Forfeitures, and Penalties		0		57,184
Charges for Current Services		0		51,581
Other Local Revenues		0		378,319
State of Tennessee		29,265		29,265
Federal Government		350,559		350,559
Total Revenues	\$	379,824	\$	1,306,336
Expenditures				
Current:				
Administration of Justice	\$	0	\$	21,664
Public Safety		0		52,001
Public Health and Welfare		0		625,402
Other Operations		0		1,072,460
Debt Service:				
Principal on Debt		289,707		289,707
Capital Projects		830,346		830,346
Total Expenditures	\$	1,120,053	\$	2,891,580
Excess (Deficiency) of Revenues Over Expenditures	\$	(740,229)	\$	(1,585,244)

(Continued)

HENRY COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	<u>Capital Projects Fund</u>		Total Nonmajor Governmental Funds
	General Capital Projects		
<hr/>			
Other Financing Sources (Uses)			
Notes Issued	\$ 691,007	\$ 691,007	
Total Other Financing Sources (Uses)	<u>\$ 691,007</u>	<u>\$ 691,007</u>	
Net Change in Fund Balances	\$ (49,222)	\$ (894,237)	
Fund Balance, July 1, 2023	<u>153,534</u>	<u>5,478,273</u>	
Fund Balance, June 30, 2024	<u><u>\$ 104,312</u></u>	<u><u>\$ 4,584,036</u></u>	

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, 2024

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Local Taxes	\$ 439,428	\$ 430,188	\$ 430,188	\$ 9,240
Charges for Current Services	29,917	25,000	25,000	4,917
Other Local Revenues	199,414	180,100	180,100	19,314
Total Revenues	<u>\$ 668,759</u>	<u>\$ 635,288</u>	<u>\$ 635,288</u>	<u>\$ 33,471</u>
Expenditures				
Public Health and Welfare				
Sanitation Management	\$ 54,959	\$ 57,342	\$ 57,342	\$ 2,383
Recycling Center	509,639	598,975	598,975	89,336
Landfill Operation and Maintenance	60,804	70,000	70,000	9,196
Other Waste Disposal	0	2,500	2,500	2,500
Other Operations				
Other Charges	10,573	13,000	13,000	2,427
Employee Benefits	2,000	0	2,000	0
Total Expenditures	<u>\$ 637,975</u>	<u>\$ 741,817</u>	<u>\$ 743,817</u>	<u>\$ 105,842</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 30,784</u>	<u>\$ (106,529)</u>	<u>\$ (108,529)</u>	<u>\$ 139,313</u>
Net Change in Fund Balance	\$ 30,784	\$ (106,529)	\$ (108,529)	\$ 139,313
Fund Balance, July 1, 2023	<u>638,198</u>	<u>106,529</u>	<u>638,198</u>	<u>0</u>
Fund Balance, June 30, 2024	<u>\$ 668,982</u>	<u>\$ 0</u>	<u>\$ 529,669</u>	<u>\$ 139,313</u>

HENRY COUNTY, TENNESSEE

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Actual and Budget

Drug Control Fund

For the Year Ended June 30, 2024

					Variance with Final Budget - Positive (Negative)
	Actual		Budgeted Amounts		
			Original	Final	
Revenues					
Fines, Forfeitures, and Penalties	\$ 57,184	\$	36,000	\$ 36,000	\$ 21,184
Other Local Revenues	0		1,000	1,000	(1,000)
Other Governments and Citizens Groups	0		1,000	1,000	(1,000)
Total Revenues	<u>\$ 57,184</u>	<u>\$</u>	<u>38,000</u>	<u>\$ 38,000</u>	<u>\$ 19,184</u>
Expenditures					
Public Safety					
Drug Enforcement	\$ 52,001	\$	64,000	\$ 64,040	\$ 12,039
Total Expenditures	<u>\$ 52,001</u>	<u>\$</u>	<u>64,000</u>	<u>\$ 64,040</u>	<u>\$ 12,039</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>\$ 5,183</u>	<u>\$</u>	<u>(26,000)</u>	<u>\$ (26,040)</u>	<u>\$ 31,223</u>
Net Change in Fund Balance	\$ 5,183	\$	(26,000)	\$ (26,040)	\$ 31,223
Fund Balance, July 1, 2023	<u>151,039</u>		<u>26,000</u>	<u>151,039</u>	<u>0</u>
Fund Balance, June 30, 2024	<u>\$ 156,222</u>	<u>\$</u>	<u>0</u>	<u>\$ 124,999</u>	<u>\$ 31,223</u>

HENRY COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2024

									Variance with Final Budget - Positive (Negative)
		Actual		Budgeted Amounts		Original	Final		
Revenues									
Other Local Revenues	\$	178,905	\$	75,000	\$	75,000	\$	103,905	
Total Revenues	\$	178,905	\$	75,000	\$	75,000	\$	103,905	
Expenditures									
Other Operations									
American Rescue Plan Act Grant #6	\$	1,059,887	\$	2,967,284	\$	2,967,284	\$	1,907,397	
Total Expenditures	\$	1,059,887	\$	2,967,284	\$	2,967,284	\$	1,907,397	
Excess (Deficiency) of Revenues Over Expenditures	\$	(880,982)	\$	(2,892,284)	\$	(2,892,284)	\$	2,011,302	
Net Change in Fund Balance	\$	(880,982)	\$	(2,892,284)	\$	(2,892,284)	\$	2,011,302	
Fund Balance, July 1, 2023		4,535,502		2,892,284		2,892,284		1,643,218	
Fund Balance, June 30, 2024	\$	3,654,520	\$	0	\$	0	\$	3,654,520	

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.

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, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 180,839	\$ 176,946	\$ 176,946	\$ 3,893
Other Local Revenues	2,080,698	863,260	1,622,460	458,238
Other Governments and Citizens Groups	2,466,830	0	2,520,842	(54,012)
Total Revenues	<u>\$ 4,728,367</u>	<u>\$ 1,040,206</u>	<u>\$ 4,320,248</u>	<u>\$ 408,119</u>
Expenditures				
Other Operations				
Other Charges	\$ 22,984	\$ 18,000	\$ 23,000	\$ 16
Principal on Debt				
General Government	2,469,300	516,201	2,499,201	29,901
Education	2,240,000	2,240,000	2,240,000	0
Interest on Debt				
General Government	28,591	43,835	43,835	15,244
Education	225,828	225,842	225,842	14
Other Debt Service				
General Government	75,515	105,000	148,865	73,350
Education	1,004	5,000	5,000	3,996
Total Expenditures	<u>\$ 5,063,222</u>	<u>\$ 3,153,878</u>	<u>\$ 5,185,743</u>	<u>\$ 122,521</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (334,855)</u>	<u>\$ (2,113,672)</u>	<u>\$ (865,495)</u>	<u>\$ 530,640</u>
Other Financing Sources (Uses)				
Transfers In	\$ 0	\$ 2,520,842	\$ 0	\$ 0
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 2,520,842</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	<u>\$ (334,855)</u>	<u>\$ 407,170</u>	<u>\$ (865,495)</u>	<u>\$ 530,640</u>
Fund Balance, July 1, 2023	<u>24,343,590</u>	<u>4,003,664</u>	<u>5,381,850</u>	<u>18,961,740</u>
Fund Balance, June 30, 2024	<u><u>\$ 24,008,735</u></u>	<u><u>\$ 4,410,834</u></u>	<u><u>\$ 4,516,355</u></u>	<u><u>\$ 19,492,380</u></u>

CUSTODIAL FUNDS

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

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

Cities - Property Tax Fund – The Cities - Property Tax Fund is used to account for property tax collections received by the county trustee on behalf of the cities of Cottage Grove, Henry, McKenzie, Paris, and Puryear. These collections are remitted monthly to the municipalities.

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, general sessions, and juvenile courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, 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.

HENRY COUNTY, TENNESSEE
Combining Statement of Net Position
Custodial Funds
June 30, 2024

	Custodial Funds						
	Cities - Sales Tax	Cities - Property Tax	Watershed District	Special School District	Constitu - tional Officers - Custodial	Judicial District Drug	Total
ASSETS							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,597,026	\$ 8,299	\$ 2,605,325
Equity in Pooled Cash and Investments	0	2,967	1,606	244,986	0	2,083,234	2,332,793
Accounts Receivable	0	0	0	0	25,013	0	25,013
Due from Other Governments	1,174,490	0	0	491,643	0	979	1,667,112
Property Taxes Receivable	0	2,175,051	0	3,804,887	0	0	5,979,938
Allowance for Uncollectible Property Taxes	0	(24,018)	0	(42,700)	0	0	(66,718)
Total Assets	\$ 1,174,490	\$ 2,154,000	\$ 1,606	\$ 4,498,816	\$ 2,622,039	\$ 2,092,512	\$ 12,543,463
LIABILITIES							
Due to Other Taxing Units	\$ 1,174,490	\$ 96,870	\$ 0	\$ 841,562	\$ 0	\$ 0	\$ 2,112,922
Total Liabilities	\$ 1,174,490	\$ 96,870	\$ 0	\$ 841,562	\$ 0	\$ 0	\$ 2,112,922
DEFERRED INFLOWS OF RESOURCES							
Deferred Current Property Taxes	\$ 0	\$ 2,057,130	\$ 0	\$ 3,657,254	\$ 0	\$ 0	\$ 5,714,384
Total Deferred Inflows of Resources	\$ 0	\$ 2,057,130	\$ 0	\$ 3,657,254	\$ 0	\$ 0	\$ 5,714,384
NET POSITION							
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 1,606	\$ 0	\$ 2,622,039	\$ 2,092,512	\$ 4,716,157
Total Net Position	\$ 0	\$ 0	\$ 1,606	\$ 0	\$ 2,622,039	\$ 2,092,512	\$ 4,716,157

HENRY COUNTY, TENNESSEE
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2024

	Custodial Funds						
	Cities - Sales Tax	Cities - Property Tax	Watershed District	Special School District	Constitu - tional Officers - Custodial	Judicial District Drug	Total
Additions							
Sales Tax Collections for Other Governments	\$ 6,861,837	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,861,837
Property Tax Collections for Other Governments	0	2,080,531	0	0	0	0	2,080,531
ADA - Educational Funds Collected for Cities	0	0	0	6,683,341	0	0	6,683,341
Fines/Fees and Other Collections	0	0	0	0	13,777,729	0	13,777,729
Drug Task Force Collections	0	0	0	0	0	2,074,967	2,074,967
Total Additions	\$ 6,861,837	\$ 2,080,531	\$ 0	\$ 6,683,341	\$ 13,777,729	\$ 2,074,967	\$ 31,478,405
Deductions							
Payment of Sales Tax Collections for Other Governments	\$ 6,861,837	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,861,837
Payment of Property Tax Collections for Other Governments	0	2,080,531	0	0	0	0	2,080,531
Payments to City School Systems	0	0	0	6,683,341	0	0	6,683,341
Payments to State	0	0	0	0	5,856,103	0	5,856,103
Payments to Cities, Individuals, and Others	0	0	0	0	7,267,174	0	7,267,174
Payment of Drug Task Force Expenses	0	0	0	0	0	1,326,260	1,326,260
Total Deductions	\$ 6,861,837	\$ 2,080,531	\$ 0	\$ 6,683,341	\$ 13,123,277	\$ 1,326,260	\$ 30,075,246
Change in Net Position	\$ 0	\$ 0	\$ 0	\$ 0	\$ 654,452	\$ 748,707	\$ 1,403,159
Net Position July 1, 2023	0	0	1,606	0	1,967,587	1,343,805	3,312,998
Net Position June 30, 2024	\$ 0	\$ 0	\$ 1,606	\$ 0	\$ 2,622,039	\$ 2,092,512	\$ 4,716,157

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.

Exhibit I-1

HENRY COUNTY, TENNESSEE

Statement of Activities

Discretely Presented Henry County School Department

For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		Total Governmental Activities
Governmental Activities:					
Instruction	\$ 25,501,514	\$ 0	\$ 4,246,379	\$ 0	\$ (21,255,135)
Support Services	15,508,828	75,785	1,669,012	1,648,170	(12,115,861)
Operation of Non-instructional Services	4,826,228	474,033	3,631,772	0	(720,423)
Total Governmental Activities	\$ 45,836,570	\$ 549,818	\$ 9,547,163	\$ 1,648,170	\$ (34,091,419)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 5,343,185
Local Option Sales Taxes					5,854,385
Business Tax					223,498
Other Local Taxes					879,236
Grants and Contributions Not Restricted to Specific Programs					25,005,376
Unrestricted Investment Earnings					90,274
Miscellaneous					155,201
Total General Revenues					\$ 37,551,155
Change in Net Position					\$ 3,459,736
Net Position, July 1, 2023					55,166,509
Net Position, June 30, 2024					\$ 58,626,245

HENRY COUNTY, TENNESSEE
Balance Sheet - Governmental Funds
Discretely Presented Henry County School Department
June 30, 2024

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern-mental Funds	
ASSETS				
Cash	\$ 0	\$ 0	\$ 823,913	\$ 823,913
Equity in Pooled Cash and Investments	20,441,080	162,406	1,374,050	21,977,536
Inventories	0	0	2,118	2,118
Accounts Receivable	162,808	0	68	162,876
Due from Other Governments	2,292,848	271,069	85,084	2,649,001
Due from Other Funds	88,789	0	0	88,789
Property Taxes Receivable	5,623,713	0	0	5,623,713
Allowance for Uncollectible Property Taxes	(63,374)	0	0	(63,374)
Restricted Assets	416,166	0	0	416,166
Total Assets	<u>\$ 28,962,030</u>	<u>\$ 433,475</u>	<u>\$ 2,285,233</u>	<u>\$ 31,680,738</u>
LIABILITIES				
Accounts Payable	\$ 464,335	\$ 72,201	\$ 1,509	\$ 538,045
Payroll Deductions Payable	861,647	109,793	40,815	1,012,255
Contracts Payable	1,323,568	0	0	1,323,568
Due to Other Funds	0	88,789	0	88,789
Total Liabilities	<u>\$ 2,649,550</u>	<u>\$ 270,783</u>	<u>\$ 42,324</u>	<u>\$ 2,962,657</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 5,428,019	\$ 0	\$ 0	\$ 5,428,019
Deferred Delinquent Property Taxes	121,495	0	0	121,495
Other Deferred/Unavailable Revenue	519,957	0	0	519,957
Total Deferred Inflows of Resources	<u>\$ 6,069,471</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,069,471</u>

(Continued)

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern-mental Funds	
FUND BALANCES				
Nonspendable:				
Inventory	\$ 0	\$ 0	\$ 2,118	\$ 2,118
Restricted:				
Restricted for Education	754,892	0	823,913	1,578,805
Restricted for Operation of Non-instructional Services	0	0	1,240,349	1,240,349
Restricted for Capital Projects	0	0	176,529	176,529
Restricted for Hybrid Retirement Stabilization Funds	416,166	0	0	416,166
Committed:				
Committed for Education	4,887	0	0	4,887
Committed for Capital Projects	410,435	0	0	410,435
Assigned:				
Assigned for Public Safety	773,892	0	0	773,892
Assigned for Education	0	162,692	0	162,692
Assigned for Capital Projects	801,755	0	0	801,755
Unassigned	17,080,982	0	0	17,080,982
Total Fund Balances	<u>\$ 20,243,009</u>	<u>\$ 162,692</u>	<u>\$ 2,242,909</u>	<u>\$ 22,648,610</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 28,962,030</u>	<u>\$ 433,475</u>	<u>\$ 2,285,233</u>	<u>\$ 31,680,738</u>

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, 2024

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)		\$ 22,648,610
(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	4,396,476	
Add: buildings and improvements net of accumulated depreciation	21,455,817	
Add: other capital assets net of accumulated depreciation	<u>2,752,547</u>	29,214,906
(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	\$ (75,246)	
Less: net OPEB liability	<u>(2,965,382)</u>	(3,040,628)
(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	\$ 4,596,456	
Less: deferred inflows of resources related to pensions	(427,452)	
Add: deferred outflows of resources related to OPEB	922,264	
Less: deferred inflows of resources related to OPEB	<u>(698,993)</u>	4,392,275
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 842,672	
Add: net pension asset - teacher retirement plan	91,356	
Add: net pension asset - teacher legacy pension plan	<u>3,835,602</u>	4,769,630
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>641,452</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 58,626,245</u></u>

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, 2024

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues				
Local Taxes	\$ 12,671,544	\$ 0	\$ 0	\$ 12,671,544
Licenses and Permits	1,784	0	0	1,784
Charges for Current Services	137,111	0	412,427	549,538
Other Local Revenues	359,895	0	1,246,486	1,606,381
State of Tennessee	26,082,652	0	15,435	26,098,087
Federal Government	114,473	5,974,674	2,017,126	8,106,273
Other Governments and Citizens Groups	158,343	0	0	158,343
Total Revenues	<u>\$ 39,525,802</u>	<u>\$ 5,974,674</u>	<u>\$ 3,691,474</u>	<u>\$ 49,191,950</u>
Expenditures				
Current:				
Instruction	\$ 18,452,323	\$ 2,847,967	\$ 0	\$ 21,300,290
Support Services	11,958,255	1,007,867	0	12,966,122
Operation of Non-Instructional Services	733,766	85,725	3,769,567	4,589,058
Capital Outlay	7,508,837	145,973	0	7,654,810
Debt Service:				
Other Debt Service	2,466,830	0	0	2,466,830
Total Expenditures	<u>\$ 41,120,011</u>	<u>\$ 4,087,532</u>	<u>\$ 3,769,567</u>	<u>\$ 48,977,110</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,594,209)</u>	<u>\$ 1,887,142</u>	<u>\$ (78,093)</u>	<u>\$ 214,840</u>

(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
Other Financing Sources (Uses)				
Insurance Recovery	\$ 6,500	\$ 0	\$ 0	\$ 6,500
Transfers In	1,822,439	80,000	0	1,902,439
Transfers Out	(80,000)	(1,822,439)	0	(1,902,439)
Total Other Financing Sources (Uses)	<u>\$ 1,748,939</u>	<u>\$ (1,742,439)</u>	<u>\$ 0</u>	<u>\$ 6,500</u>
Net Change in Fund Balances	\$ 154,730	\$ 144,703	\$ (78,093)	\$ 221,340
Fund Balance, July 1, 2023	<u>20,088,279</u>	<u>17,989</u>	<u>2,321,002</u>	<u>22,427,270</u>
Fund Balance, June 30, 2024	<u><u>\$ 20,243,009</u></u>	<u><u>\$ 162,692</u></u>	<u><u>\$ 2,242,909</u></u>	<u><u>\$ 22,648,610</u></u>

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, 2024

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)		\$	221,340
(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	\$	5,688,046	
Less: current-year depreciation expense		<u>(2,250,648)</u>	3,437,398
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.			
Add: book value of donated capital assets			10,000
(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, 2024	\$	641,452	
Less: deferred delinquent property taxes and other deferred June 30, 2023		<u>(695,149)</u>	(53,697)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in compensated absences payable	\$	(6,576)	
Change in net OPEB liability		(222,750)	
Change in deferred outflows related to OPEB		52,147	
Change in deferred inflows related to OPEB		19,537	
Change in net pension asset - agent plan		286,293	
Change in net pension asset - teacher retirement plan		24,650	
Change in net pension asset - teacher legacy pension plan		(226,635)	
Change in deferred outflows related to pensions		(552,239)	
Change in deferred inflows related to pensions		<u>470,268</u>	<u>(155,305)</u>
Change in net position of governmental activities (Exhibit B)		\$	<u><u>3,459,736</u></u>

HENRY COUNTY, TENNESSEE**Combining Balance Sheet - Nonmajor Governmental Funds**

Discretely Presented Henry County School Department

June 30, 2024

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	Total	Education Capital Projects	
ASSETS					
Cash	\$ 0	\$ 823,913	\$ 823,913	\$ 0	\$ 823,913
Equity in Pooled Cash and Investments	1,197,521	0	1,197,521	176,529	1,374,050
Inventories	0	2,118	2,118	0	2,118
Accounts Receivable	68	0	68	0	68
Due from Other Governments	85,084	0	85,084	0	85,084
Total Assets	<u>\$ 1,282,673</u>	<u>\$ 826,031</u>	<u>\$ 2,108,704</u>	<u>\$ 176,529</u>	<u>\$ 2,285,233</u>
LIABILITIES					
Accounts Payable	\$ 1,509	\$ 0	\$ 1,509	\$ 0	\$ 1,509
Payroll Deductions Payable	40,815	0	40,815	0	40,815
Total Liabilities	<u>\$ 42,324</u>	<u>\$ 0</u>	<u>\$ 42,324</u>	<u>\$ 0</u>	<u>\$ 42,324</u>
FUND BALANCES					
Nonspendable:					
Inventory	\$ 0	\$ 2,118	\$ 2,118	\$ 0	\$ 2,118
Restricted:					
Restricted for Education	0	823,913	823,913	0	823,913
Restricted for Operation of Non-instructional Services	1,240,349	0	1,240,349	0	1,240,349
Restricted for Capital Projects	0	0	0	176,529	176,529
Total Fund Balances	<u>\$ 1,240,349</u>	<u>\$ 826,031</u>	<u>\$ 2,066,380</u>	<u>\$ 176,529</u>	<u>\$ 2,242,909</u>
Total Liabilities and Fund Balances	<u>\$ 1,282,673</u>	<u>\$ 826,031</u>	<u>\$ 2,108,704</u>	<u>\$ 176,529</u>	<u>\$ 2,285,233</u>

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, 2024

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	Total	Education Capital Projects	
Revenues					
Charges for Current Services	\$ 412,427	\$ 0	\$ 412,427	\$ 0	\$ 412,427
Other Local Revenues	47,771	1,191,332	1,239,103	7,383	1,246,486
State of Tennessee	15,435	0	15,435	0	15,435
Federal Government	2,017,126	0	2,017,126	0	2,017,126
Total Revenues	<u>\$ 2,492,759</u>	<u>\$ 1,191,332</u>	<u>\$ 3,684,091</u>	<u>\$ 7,383</u>	<u>\$ 3,691,474</u>
Expenditures					
Current:					
Operation of Non-Instructional Services	\$ 2,544,783	\$ 1,224,784	\$ 3,769,567	\$ 0	\$ 3,769,567
Total Expenditures	<u>\$ 2,544,783</u>	<u>\$ 1,224,784</u>	<u>\$ 3,769,567</u>	<u>\$ 0</u>	<u>\$ 3,769,567</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (52,024)</u>	<u>\$ (33,452)</u>	<u>\$ (85,476)</u>	<u>\$ 7,383</u>	<u>\$ (78,093)</u>
Net Change in Fund Balances	\$ (52,024)	\$ (33,452)	\$ (85,476)	\$ 7,383	\$ (78,093)
Fund Balance, July 1, 2023	<u>1,292,373</u>	<u>859,483</u>	<u>2,151,856</u>	<u>169,146</u>	<u>2,321,002</u>
Fund Balance, June 30, 2024	<u>\$ 1,240,349</u>	<u>\$ 826,031</u>	<u>\$ 2,066,380</u>	<u>\$ 176,529</u>	<u>\$ 2,242,909</u>

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, 2024**

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Local Taxes	\$ 12,671,544	\$ 9,810,064	\$ 9,810,064	\$ 2,861,480
Licenses and Permits	1,784	1,500	1,500	284
Charges for Current Services	137,111	189,828	189,828	(52,717)
Other Local Revenues	359,895	277,250	463,602	(103,707)
State of Tennessee	26,082,652	24,325,957	28,684,554	(2,601,902)
Federal Government	114,473	0	72,276	42,197
Other Governments and Citizens Groups	158,343	0	158,343	0
Total Revenues	<u>\$ 39,525,802</u>	<u>\$ 34,604,599</u>	<u>\$ 39,380,167</u>	<u>\$ 145,635</u>
Expenditures				
Instruction				
Regular Instruction Program	\$ 14,415,833	\$ 14,913,252	\$ 14,868,204	\$ 452,371
Alternative Instruction Program	271,426	307,490	286,700	15,274
Special Education Program	2,280,386	2,081,231	2,380,822	100,436
Career and Technical Education Program	1,484,678	1,270,070	4,001,588	2,516,910
Support Services				
Attendance	185,141	225,791	225,791	40,650
Health Services	386,382	412,412	416,116	29,734
Other Student Support	1,088,262	985,709	1,192,294	104,032
Regular Instruction Program	908,008	1,017,221	952,142	44,134
Alternative Instruction Program	6,137	14,476	14,476	8,339
Special Education Program	126,333	131,699	131,901	5,568
Career and Technical Education Program	344,136	10,250	526,250	182,114
Technology	447,183	403,631	578,932	131,749
Other Programs	57,647	0	57,647	0
Board of Education	482,728	475,528	530,208	47,480
Director of Schools	270,626	304,068	304,068	33,442
Office of the Principal	1,746,410	1,798,679	1,816,749	70,339
Fiscal Services	281,170	314,640	314,907	33,737
Operation of Plant	1,934,372	2,270,416	2,240,686	306,314
Maintenance of Plant	1,194,826	911,949	1,306,367	111,541
Transportation	2,498,894	2,582,116	2,698,157	199,263
Operation of Non-Instructional Services				
Food Service	0	0	150,000	150,000
Community Services	374,208	419,780	455,151	80,943
Early Childhood Education	359,558	391,940	367,060	7,502

(Continued)

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		Variance with Final Budget - Positive (Negative)
		Original	Final	
Expenditures (Cont.)				
Capital Outlay				
Regular Capital Outlay	\$ 7,508,837	\$ 801,361	\$ 7,554,139	\$ 45,302
Principal on Debt				
Education	0	2,247,650	0	0
Interest on Debt				
Education	0	373,240	0	0
Other Debt Service				
Education	2,466,830	0	2,466,830	0
Total Expenditures	<u>\$ 41,120,011</u>	<u>\$ 34,664,599</u>	<u>\$ 45,837,185</u>	<u>\$ 4,717,174</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,594,209)</u>	<u>\$ (60,000)</u>	<u>\$ (6,457,018)</u>	<u>\$ 4,862,809</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 6,500	\$ 0	\$ 0	\$ 6,500
Transfers In	1,822,439	60,000	1,923,281	(100,842)
Transfers Out	(80,000)	0	(80,000)	0
Total Other Financing Sources	<u>\$ 1,748,939</u>	<u>\$ 60,000</u>	<u>\$ 1,843,281</u>	<u>\$ (94,342)</u>
Net Change in Fund Balance	\$ 154,730	\$ 0	\$ (4,613,737)	\$ 4,768,467
Fund Balance, July 1, 2023	<u>20,088,279</u>	<u>8,900,386</u>	<u>8,900,386</u>	<u>11,187,893</u>
Fund Balance, June 30, 2024	<u>\$ 20,243,009</u>	<u>\$ 8,900,386</u>	<u>\$ 4,286,649</u>	<u>\$ 15,956,360</u>

HENRY COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget**

Discretely Presented Henry County School Department

School Federal Projects Fund

For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
State of Tennessee	\$ 0	\$ 278,042	\$ 277,139	\$ (277,139)
Federal Government	5,974,674	11,411,668	7,979,868	(2,005,194)
Total Revenues	<u>\$ 5,974,674</u>	<u>\$ 11,689,710</u>	<u>\$ 8,257,007</u>	<u>\$ (2,282,333)</u>
Expenditures				
Instruction				
Regular Instruction Program	\$ 1,844,340	\$ 2,683,539	\$ 2,568,936	\$ 724,596
Special Education Program	919,335	1,007,621	1,013,553	94,218
Career and Technical Education Program	84,292	2,840,475	84,292	0
Support Services				
Attendance	115,958	146,048	146,048	30,090
Health Services	7,350	10,500	10,500	3,150
Other Student Support	265,728	373,525	330,179	64,451
Regular Instruction Program	499,131	1,058,447	886,255	387,124
Special Education Program	111,283	120,004	120,700	9,417
Career and Technical Education Program	5,000	521,000	5,000	0
Technology	0	182,500	7,199	7,199
Transportation	3,417	72,294	61,133	57,716
Operation of Non-Instructional Services				
Community Services	85,725	107,625	107,625	21,900
Capital Outlay				
Regular Capital Outlay	145,973	2,521,517	921,402	775,429
Total Expenditures	<u>\$ 4,087,532</u>	<u>\$ 11,645,095</u>	<u>\$ 6,262,822</u>	<u>\$ 2,175,290</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,887,142</u>	<u>\$ 44,615</u>	<u>\$ 1,994,185</u>	<u>\$ (107,043)</u>
Other Financing Sources (Uses)				
Transfers In	\$ 80,000	\$ 0	\$ 0	\$ 80,000
Transfers Out	(1,822,439)	(44,615)	(1,849,645)	27,206
Total Other Financing Sources	<u>\$ (1,742,439)</u>	<u>\$ (44,615)</u>	<u>\$ (1,849,645)</u>	<u>\$ 107,206</u>
Net Change in Fund Balance	\$ 144,703	\$ 0	\$ 144,540	\$ 163
Fund Balance, July 1, 2023	<u>17,989</u>	<u>17,989</u>	<u>17,989</u>	<u>0</u>
Fund Balance, June 30, 2024	<u><u>\$ 162,692</u></u>	<u><u>\$ 17,989</u></u>	<u><u>\$ 162,529</u></u>	<u><u>\$ 163</u></u>

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, 2024

					Variance with Final Budget - Positive (Negative)
	Actual	Budgeted Amounts			
		Original	Final		
Revenues					
Charges for Current Services	\$ 412,427	\$ 860,050	\$ 860,050	\$	(447,623)
Other Local Revenues	47,771	4,817	4,817		42,954
State of Tennessee	15,435	16,500	16,500		(1,065)
Federal Government	2,017,126	1,989,637	1,991,893		25,233
Total Revenues	<u>\$ 2,492,759</u>	<u>\$ 2,871,004</u>	<u>\$ 2,873,260</u>	<u>\$</u>	<u>(380,501)</u>
Expenditures					
Operation of Non-Instructional Services					
Food Service	\$ 2,544,783	\$ 3,221,004	\$ 3,223,260	\$	678,477
Total Expenditures	<u>\$ 2,544,783</u>	<u>\$ 3,221,004</u>	<u>\$ 3,223,260</u>	<u>\$</u>	<u>678,477</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>\$ (52,024)</u>	<u>\$ (350,000)</u>	<u>\$ (350,000)</u>	<u>\$</u>	<u>297,976</u>
Net Change in Fund Balance	\$ (52,024)	\$ (350,000)	\$ (350,000)	\$	297,976
Fund Balance, July 1, 2023	<u>1,292,373</u>	<u>350,000</u>	<u>350,000</u>		<u>942,373</u>
Fund Balance, June 30, 2024	\$ 1,240,349	\$ 0	\$ 0	\$	1,240,349

MISCELLANEOUS SCHEDULES

Exhibit J-1

HENRY COUNTY, TENNESSEE

Schedule of Changes in Long-term Notes, Other Loans, and Bonds

For the Year Ended June 30, 2024

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-23	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-24
NOTES PAYABLE								
Payable through General Debt Service Fund								
2019 Capital Outlay Note, Series 2019b	\$ 425,000	2.55 %	8-7-19	8-7-24	\$ 170,000	\$ 0	\$ 85,000	\$ 85,000
2024 Capital Outlay Notes, Series 2024a	401,300	5.04	10-23-23	6-30-24	0	401,300	401,300	0
Payable through General Capital Projects Fund								
2024 Capital Outlay Notes, Series 2024a	289,707	5.04	10-23-23	6-30-24	0	289,707	289,707	0
Total Notes Payable					<u>\$ 170,000</u>	<u>\$ 691,007</u>	<u>\$ 776,007</u>	<u>\$ 85,000</u>
OTHER LOANS PAYABLE								
Contributions Due by the Henry County Medical Center to the General Debt Service Fund								
Public Building Authority of the Montgomery County, TN - Series 2002	16,500,000	Variable	8-19-02	5-25-27	\$ 4,240,000	\$ 0	\$ 984,000	\$ 3,256,000
Public Building Authority of the City of Clarksville, TN - Series 2012	7,000,000	Variable	1-3-12	5-25-27	2,097,000	0	507,000	1,590,000
Public Building Authority of the City of Clarksville, TN - Series 2015	5,000,000	Variable	6-29-15	5-25-40	3,577,000	0	189,000	3,388,000
Public Building Authority of the City of Clarksville, TN - Series 2018	9,200,000	2.57	2-5-18	2-1-40	7,795,000	0	303,000	7,492,000
Public Building Authority of the City of Clarksville, TN - Series 2022	(1)	2.18	2-28-22	10-1-39	2,630,244	0	0	2,630,244
Total Other Loans Payable					<u>\$ 20,339,244</u>	<u>\$ 0</u>	<u>\$ 1,983,000</u>	<u>\$ 18,356,244</u>
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	\$ 2,005,000	\$ 0	\$ 1,540,000	\$ 465,000
General Obligation High School Bonds, Series 2017	8,850,000	2 to 2.25	11-3-17	5-1-29	5,915,000	0	625,000	5,290,000
General Obligation School Refunding Bonds, Series 2020	2,045,000	1.74	2-12-20	5-1-26	1,830,000	0	75,000	1,755,000
Total Bonds Payable					<u>\$ 9,750,000</u>	<u>\$ 0</u>	<u>\$ 2,240,000</u>	<u>\$ 7,510,000</u>

(1) Total amount approved was \$4,500,000, of which \$1,869,756 remains available for draws as of June 30, 2024.

Exhibit J-2

HENRY COUNTY, TENNESSEE

Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Note		
	Principal	Interest	Total
2025	\$ 85,000	\$ 2,167	\$ 87,167
Total	\$ 85,000	\$ 2,167	\$ 87,167

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2025	\$ 2,206,000	\$ 501,000	\$ 2,707,000
2026	2,283,000	436,000	2,719,000
2027	2,363,000	370,000	2,733,000
2028	6,897,000	247,000	7,144,000
2029	368,000	151,000	519,000
2030	374,000	138,000	512,000
2031	381,000	125,000	506,000
2032	388,000	112,000	500,000
2033	395,000	100,000	495,000
2034	401,000	87,000	488,000
2035	409,000	72,000	481,000
2036	415,000	59,000	474,000
2037	422,000	45,000	467,000
2038	429,000	29,000	458,000
2039	391,244	15,000	406,244
2040	234,000	5,000	239,000
Total	\$ 18,356,244	\$ 2,492,000	\$ 20,848,244

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	\$ 7,510,000	\$ 382,458	\$ 7,892,458

HENRY COUNTY, TENNESSEE**Schedule of Notes Receivable****June 30, 2024**

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-24
PRIMARY GOVERNMENT						
General Debt Service Fund						
Hospital Debt	Henry County Medical Center	\$ 42,200,000	8-19-02	10-1-46	Variable	<u>\$ 18,356,244</u>
Total Notes Receivable						<u><u>\$ 18,356,244</u></u>

HENRY COUNTY, TENNESSEE**Schedule of Leases Receivable****June 30, 2024**

Description	Debtor	Original Amount of Lease	Date of Issue	Date of Maturity	Interest Rate	Balance 7-1-23	Deductions	Balance 6-30-24
PRIMARY GOVERNMENT								
General Debt Service Fund								
Airport Hangar Rental	Air Evac EMS, Inc.	\$ 470,983	9-1-19	9-1-29	3 %	\$ 278,411	\$ 38,804	\$ 239,607
Total Leases Receivable						\$ 278,411	\$ 38,804	\$ 239,607

Exhibit J-5

HENRY COUNTY, TENNESSEE

Schedule of Transfers

Primary Government and Discretely Presented Henry County School Department

For the Year Ended June 30, 2024

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Highway/Public Works	Net wheel tax revenue	\$ 475,975
Total Transfers Primary Government			<u>\$ 475,975</u>
DISCRETELY PRESENTED HENRY COUNTY SCHOOL DEPARTMENT			
General Purpose Schools	School Federal Projects	Cash flow funds	\$ 80,000
School Federal Projects	General Purpose School	Indirect costs	47,356
"	"	Title II expenses	28,369
"	"	CTE expenses	43,600
"	"	ESSER expenses	1,651,473
"	"	Resilient School Communities expenses	12,799
"	"	HQIM Literacy expenses	18,698
"	"	GEAR UP expenses	<u>20,144</u>
Total Transfers Discretely Presented Henry County School Department			<u>\$ 1,902,439</u>

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, 2024

Official	Authorization	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ (1)	Tennessee Risk Management Trust
Base salary/Total compensation	\$ 115,254		
County Road Supervisor	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 99,787		
Certified public administrator supplement	2,614		
Total compensation	\$ 102,401		
Director of Schools	State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 171,077		
Chief executive officer training supplement	1,000		
Bonus	500		
Total compensation	\$ 172,577		
Trustee	Section 8-24-102, <i>TCA</i>	1,682,833	RLI Insurance Company
Base salary	\$ 90,715		
Certified public administrator supplement	1,373		
Total compensation	\$ 92,088		
Assessor of Property - Charles VanDyke (7-1-23 to 4-30-24)	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	\$ 75,596		
Assessor of Property - Ginger Cox (5-30-24 to 6-30-24)	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	8,179		
Total Assessor of Property compensation	\$ 83,775		
County Clerk	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 90,715		
Certified public administrator supplement	1,373		
Total compensation	\$ 92,088		
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 90,715		
Certified public administrator supplement	1,373		
Total compensation	\$ 92,088		
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	(1) (1)	Tennessee Risk Management Trust
Base salary	\$ 90,715		
Special commissioner fees	21,664		
Total compensation	\$ 112,379		
Register of Deeds	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 90,715		
Certified public administrator supplement	1,029		
Total compensation	\$ 91,744		
Sheriff	Section 8-24-102, <i>TCA</i>	(1)	RLI Insurance Company
Base salary	\$ 99,787		
Superintendent of workhouse	9,978		
Law enforcement training supplement	800		
Total compensation	\$ 110,565		
Employee Blanket Bonds:			
Employee Fidelity - County Departments		400,000	Tennessee Risk Management Trust
Employee Fidelity - School Department		400,000	"

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

HENRY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2024

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue		
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 3,621,437	\$ 378,526	\$ 0	\$ 0	\$ 0	
Trustee's Collections - Prior Year	85,489	8,936	0	0	0	
Circuit Clerk/Clerk and Master Collections - Prior Years	40,879	4,304	0	0	0	
Interest and Penalty	17,442	1,824	0	0	0	
Pickup Taxes	6,824	713	0	0	0	
Payments in-Lieu-of Taxes - Local Utilities	61,591	7,206	0	0	0	
Payments in-Lieu-of Taxes - Other	131,838	13,780	0	0	0	
County Local Option Taxes						
Local Option Sales Tax	1,775,392	0	0	0	0	
Hotel/Motel Tax	506,999	0	0	0	0	
Wheel Tax	475,018	0	0	0	0	
Litigation Tax - General	173,331	0	0	0	0	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	
Business Tax	158,502	16,536	0	0	0	
Mixed Drink Tax	40,289	0	0	0	0	
Statutory Local Taxes						
Bank Excise Tax	72,735	7,603	0	0	0	
Wholesale Beer Tax	180,697	0	0	0	0	
Total Local Taxes	\$ 7,348,463	\$ 439,428	\$ 0	\$ 0	\$ 0	
Licenses and Permits						
Licenses						
Animal Registration	\$ 17,428	\$ 0	\$ 0	\$ 0	\$ 0	
Cable TV Franchise	148,375	0	0	0	0	
Total Licenses and Permits	\$ 165,803	\$ 0	\$ 0	\$ 0	\$ 0	

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	General	Special Revenue Funds				Constitu - tional Officers - Fees
		Solid Waste / Sanitation	Drug Control	Other Special Revenue		
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	\$ 10,536	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	17,031	0	0	0	0	0
Drug Control Fines	9,609	0	1,019	0	0	0
DUI Treatment Fines	618	0	0	0	0	0
Data Entry Fee - Circuit Court	1,364	0	0	0	0	0
Courtroom Security Fee	782	0	0	0	0	0
General Sessions Court						
Fines	22,959	0	0	0	0	0
Fines for Littering	475	0	0	0	0	0
Officers Costs	70,817	0	0	0	0	0
Game and Fish Fines	799	0	0	0	0	0
Drug Control Fines	11,295	0	12,802	0	0	0
Drug Court Fees	4,460	0	0	0	0	0
Jail Fees	815	0	0	0	0	0
DUI Treatment Fines	7,961	0	0	0	0	0
Data Entry Fee - General Sessions Court	12,878	0	0	0	0	0
Victims Assistance Assessments	21,456	0	0	0	0	0
Juvenile Court						
Fines	154	0	0	0	0	0
Officers Costs	2,908	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,072	0	0	0	0	0
Chancery Court						
Officers Costs	1,933	0	0	0	0	0
Data Entry Fee - Chancery Court	3,713	0	0	0	0	0

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
Fines, Forfeitures, and Penalties (Cont.)					
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 43,363	\$ 0	\$ 0
Total Fines, Forfeitures, and Penalties	\$ 203,635	\$ 0	\$ 57,184	\$ 0	\$ 0
Charges for Current Services					
General Service Charges					
Sale of Electricity	\$ 40,015	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Waste Tire Disposal	0	29,917	0	0	0
Work Release Charges for Board	142,684	0	0	0	0
Other General Service Charges	121	0	0	0	0
Fees					
Airport Fees	57,908	0	0	0	0
Copy Fees	154	0	0	0	0
Greenbelt Late Application Fee	200	0	0	0	0
Telephone Commissions	64,989	0	0	0	0
Vending Machine Collections	13	0	0	0	0
Additional Fees - Titling and Registration	52,395	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	21,664
Data Processing Fee - Register	11,086	0	0	0	0
Data Processing Fee - Sheriff	5,579	0	0	0	0
Sexual Offender Registration Fee - Sheriff	6,950	0	0	0	0
Data Processing Fee - County Clerk	4,699	0	0	0	0
Subscription and Electronic Filing Fee - Chancery	10,530	0	0	0	0
Vehicle Registration Reinstatement Fees	2,215	0	0	0	0
Total Charges for Current Services	\$ 399,538	\$ 29,917	\$ 0	\$ 0	\$ 21,664

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

		Special Revenue Funds				
		General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
Other Local Revenues						
Recurring Items						
Investment Income	\$	2,266	\$ 0	\$ 0	\$ 178,905	\$ 0
Lease/Rentals/PPP		146,520	0	0	0	0
Lease/PPP Interest		0	0	0	0	0
Commissary Sales		68,103	0	0	0	0
Sale of Gasoline		328,950	0	0	0	0
Sale of Recycled Materials		0	199,414	0	0	0
Sale of Animals/Livestock		75	0	0	0	0
Miscellaneous Refunds		0	0	0	0	0
Nonrecurring Items						
Gain on Disposal of Property		6,301	0	0	0	0
Sale of Equipment		102,680	0	0	0	0
Sale of Property		19,535	0	0	0	0
Damages Recovered from Individuals		0	0	0	0	0
Performance Bond Forfeitures		2,572	0	0	0	0
Other Local Revenues						
Other Local Revenues		90,000	0	0	0	0
Total Other Local Revenues	\$	767,002	\$ 199,414	\$ 0	\$ 178,905	\$ 0
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	\$	566,442	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk		69,807	0	0	0	0
General Sessions Court Clerk		181,676	0	0	0	0
Clerk and Master		122,266	0	0	0	0
Juvenile Court Clerk		70,412	0	0	0	0

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue		
Fees Received From County Officials (Cont.)						
Fees In-Lieu-of Salary (Cont.)						
Register	\$ 147,600	\$ 0	\$ 0	\$ 0	\$ 0	0
Sheriff	11,538	0	0	0	0	0
Trustee	675,353	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,845,094	\$ 0	\$ 0	\$ 0	\$ 0	0
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Aging Programs	12,992	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	29,000	0	0	0	0	0
Health and Welfare Grants						
Other Health and Welfare Grants	34,379	0	0	0	0	0
Public Works Grants						
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0
Litter Program	0	0	0	0	0	0
Other State Revenues						
Resort District Sales Tax	1,447,410	0	0	0	0	0
Beer Tax	18,498	0	0	0	0	0
Vehicle Certificate of Title Fees	11,088	0	0	0	0	0
Alcoholic Beverage Tax	101,829	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	147,421	0	0	0	0	0
State Revenue Sharing - Telecommunications	57,378	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	38,238	0	0	0	0	0

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
State of Tennessee (Cont.)					
Other State Revenues (Cont.)					
Prisoner Transportation	\$ 52	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Prisoner Boarding	1,156,159	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	939,741	0	0	0	0
Other State Revenues	21,348	0	0	0	0
Total State of Tennessee	<u>\$ 4,039,697</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Federal Government					
Federal Through State					
Community Development	\$ 142,628	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	13,202	0	0	0	0
American Rescue Plan Act Grant #1	368,229	0	0	0	0
American Rescue Plan Act Grant #2	32,000	0	0	0	0
Other Federal through State	468,915	0	0	0	0
Direct Federal Revenue					
Other Direct Federal Revenue	8,357	0	0	0	0
Total Federal Government	<u>\$ 1,033,331</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 267,382	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	27,601	0	0	0	0

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
Other Governments and Citizens Groups (Cont.)					
Citizens Groups					
Donations	\$ 11,184	\$ 0	\$ 0	\$ 0	\$ 0
Other					
Other	101,189	0	0	0	0
Opioid Settlement Funds - Past Remediation	149,133	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 556,489</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 Total	 <u>\$ 16,359,052</u>	 <u>\$ 668,759</u>	 <u>\$ 57,184</u>	 <u>\$ 178,905</u>	 <u>\$ 21,664</u>

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
	Highway / Public Works	General Debt Service	General Capital Projects	Total
Local Taxes				
County Property Taxes				
Current Property Tax	\$ 1,539,901	\$ 125,927	\$ 0	\$ 5,665,791
Trustee's Collections - Prior Year	36,351	3,228	0	134,004
Circuit Clerk/Clerk and Master Collections - Prior Years	17,367	1,480	0	64,030
Interest and Penalty	7,418	611	0	27,295
Pickup Taxes	2,902	238	0	10,677
Payments in-Lieu-of Taxes - Local Utilities	26	2,029	0	70,852
Payments in-Lieu-of Taxes - Other	56,060	4,593	0	206,271
County Local Option Taxes				
Local Option Sales Tax	0	0	0	1,775,392
Hotel/Motel Tax	0	0	0	506,999
Wheel Tax	0	0	0	475,018
Litigation Tax - General	0	0	0	173,331
Litigation Tax - Jail, Workhouse, or Courthouse	0	34,763	0	34,763
Business Tax	66,270	5,436	0	246,744
Mixed Drink Tax	0	0	0	40,289
Statutory Local Taxes				
Bank Excise Tax	30,928	2,534	0	113,800
Wholesale Beer Tax	0	0	0	180,697
Total Local Taxes	\$ 1,757,223	\$ 180,839	\$ 0	\$ 9,725,953
Licenses and Permits				
Licenses				
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 17,428
Cable TV Franchise	0	0	0	148,375
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 165,803

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Highway / Public Works	General Debt Service	General Capital Projects	Total
Fines, Forfeitures, and Penalties				
Circuit Court				
Fines	\$ 0	\$ 0	\$ 0	\$ 10,536
Officers Costs	0	0	0	17,031
Drug Control Fines	0	0	0	10,628
DUI Treatment Fines	0	0	0	618
Data Entry Fee - Circuit Court	0	0	0	1,364
Courtroom Security Fee	0	0	0	782
General Sessions Court				
Fines	0	0	0	22,959
Fines for Littering	0	0	0	475
Officers Costs	0	0	0	70,817
Game and Fish Fines	0	0	0	799
Drug Control Fines	0	0	0	24,097
Drug Court Fees	0	0	0	4,460
Jail Fees	0	0	0	815
DUI Treatment Fines	0	0	0	7,961
Data Entry Fee - General Sessions Court	0	0	0	12,878
Victims Assistance Assessments	0	0	0	21,456
Juvenile Court				
Fines	0	0	0	154
Officers Costs	0	0	0	2,908
Data Entry Fee - Juvenile Court	0	0	0	1,072
Chancery Court				
Officers Costs	0	0	0	1,933
Data Entry Fee - Chancery Court	0	0	0	3,713

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
	Highway / Public Works	General Debt Service	General Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)				
Other Fines, Forfeitures, and Penalties				
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 43,363
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 260,819
Charges for Current Services				
General Service Charges				
Sale of Electricity	\$ 0	\$ 0	\$ 0	\$ 40,015
Surcharge - Waste Tire Disposal	0	0	0	29,917
Work Release Charges for Board	0	0	0	142,684
Other General Service Charges	0	0	0	121
Fees				
Airport Fees	0	0	0	57,908
Copy Fees	0	0	0	154
Greenbelt Late Application Fee	0	0	0	200
Telephone Commissions	0	0	0	64,989
Vending Machine Collections	0	0	0	13
Additional Fees - Titling and Registration	0	0	0	52,395
Special Commissioner Fees/Special Master Fees	0	0	0	21,664
Data Processing Fee - Register	0	0	0	11,086
Data Processing Fee - Sheriff	0	0	0	5,579
Sexual Offender Registration Fee - Sheriff	0	0	0	6,950
Data Processing Fee - County Clerk	0	0	0	4,699
Subscription and Electronic Filing Fee - Chancery	0	0	0	10,530
Vehicle Registration Reinstatement Fees	0	0	0	2,215
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 451,119

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
	Highway / Public Works	General Debt Service	General Capital Projects	Total
Other Local Revenues				
Recurring Items				
Investment Income	\$ 0	\$ 2,033,541	\$ 0	\$ 2,214,712
Lease/Rentals/PPP	0	38,805	0	185,325
Lease/PPP Interest	0	8,352	0	8,352
Commissary Sales	0	0	0	68,103
Sale of Gasoline	0	0	0	328,950
Sale of Recycled Materials	2,590	0	0	202,004
Sale of Animals/Livestock	0	0	0	75
Miscellaneous Refunds	5,971	0	0	5,971
Nonrecurring Items				
Gain on Disposal of Property	0	0	0	6,301
Sale of Equipment	0	0	0	102,680
Sale of Property	0	0	0	19,535
Damages Recovered from Individuals	750	0	0	750
Performance Bond Forfeitures	0	0	0	2,572
Other Local Revenues				
Other Local Revenues	0	0	0	90,000
Total Other Local Revenues	\$ 9,311	\$ 2,080,698	\$ 0	\$ 3,235,330
Fees Received From County Officials				
Fees In-Lieu-of Salary				
County Clerk	\$ 0	\$ 0	\$ 0	\$ 566,442
Circuit Court Clerk	0	0	0	69,807
General Sessions Court Clerk	0	0	0	181,676
Clerk and Master	0	0	0	122,266
Juvenile Court Clerk	0	0	0	70,412

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Highway / Public Works	General Debt Service	General Capital Projects	Total
Fees Received From County Officials (Cont.)				
Fees In-Lieu-of Salary (Cont.)				
Register	\$ 0	\$ 0	\$ 0	\$ 147,600
Sheriff	0	0	0	11,538
Trustee	0	0	0	675,353
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,845,094</u>
State of Tennessee				
General Government Grants				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 9,000
Aging Programs	0	0	0	12,992
Public Safety Grants				
Law Enforcement Training Programs	0	0	0	29,000
Health and Welfare Grants				
Other Health and Welfare Grants	0	0	0	34,379
Public Works Grants				
Bridge Program	1,861,858	0	0	1,861,858
State Aid Program	2,067,218	0	0	2,067,218
Litter Program	51,289	0	0	51,289
Other State Revenues				
Resort District Sales Tax	0	0	0	1,447,410
Beer Tax	0	0	0	18,498
Vehicle Certificate of Title Fees	0	0	0	11,088
Alcoholic Beverage Tax	0	0	0	101,829
Opioid Settlement Funds - TN Abatement Council	0	0	0	147,421
State Revenue Sharing - Telecommunications	0	0	0	57,378
State Shared Sports Gaming Privilege Tax	0	0	0	38,238

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
	Highway / Public Works	General Debt Service	General Capital Projects	Total
State of Tennessee (Cont.)				
Other State Revenues (Cont.)				
Prisoner Transportation	\$ 0	\$ 0	\$ 0	\$ 52
Contracted Prisoner Boarding	0	0	0	1,156,159
Gasoline and Motor Fuel Tax	2,735,408	0	0	2,735,408
Hybrid/Electric Vehicle Registration Fee	10,605	0	0	10,605
Petroleum Special Tax	21,335	0	0	21,335
Registrar's Salary Supplement	0	0	0	15,164
Other State Grants	0	0	29,265	969,006
Other State Revenues	0	0	0	21,348
Total State of Tennessee	<u>\$ 6,747,713</u>	<u>\$ 0</u>	<u>\$ 29,265</u>	<u>\$ 10,816,675</u>
Federal Government				
Federal Through State				
Community Development	\$ 0	\$ 0	\$ 0	\$ 142,628
Homeland Security Grants	0	0	0	13,202
American Rescue Plan Act Grant #1	0	0	33,366	401,595
American Rescue Plan Act Grant #2	0	0	0	32,000
Other Federal through State	0	0	317,193	786,108
Direct Federal Revenue				
Other Direct Federal Revenue	0	0	0	8,357
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 350,559</u>	<u>\$ 1,383,890</u>
Other Governments and Citizens Groups				
Other Governments				
Contributions	\$ 0	\$ 2,466,830	\$ 0	\$ 2,734,212
Contracted Services	0	0	0	27,601

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Highway / Public Works	General Debt Service	General Capital Projects	Total
<hr/>				
Other Governments and Citizens Groups (Cont.)				
Citizens Groups				
Donations	\$ 0	\$ 0	\$ 0	\$ 11,184
Other				
Other	0	0	0	101,189
Opioid Settlement Funds - Past Remediation	0	0	0	149,133
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 2,466,830</u>	<u>\$ 0</u>	<u>\$ 3,023,319</u>
Total	<u>\$ 8,514,247</u>	<u>\$ 4,728,367</u>	<u>\$ 379,824</u>	<u>\$ 30,908,002</u>

HENRY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Henry County School Department
For the Year Ended June 30, 2024

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 5,110,049	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,110,049
Trustee's Collections - Prior Year	120,557	0	0	0	0	120,557
Circuit Clerk/Clerk and Master Collections - Prior Years	57,612	0	0	0	0	57,612
Interest and Penalty	25,000	0	0	0	0	25,000
Pickup Taxes	9,629	0	0	0	0	9,629
Payments in-Lieu-of Taxes - T.V.A.	3,170	0	0	0	0	3,170
Payments in-Lieu-of Taxes - Local Utilities	82,163	0	0	0	0	82,163
Payments in-Lieu-of Taxes - Other	185,976	0	0	0	0	185,976
County Local Option Taxes						
Local Option Sales Tax	5,870,790	0	0	0	0	5,870,790
Wheel Tax	833,410	0	0	0	0	833,410
Business Tax	223,498	0	0	0	0	223,498
Mixed Drink Tax	47,056	0	0	0	0	47,056
Statutory Local Taxes						
Bank Excise Tax	102,634	0	0	0	0	102,634
Total Local Taxes	\$ 12,671,544	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,671,544
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 1,784	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,784
Total Licenses and Permits	\$ 1,784	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,784

(Continued)

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

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
Charges for Current Services						
Education Charges						
Lunch Payments - Children	\$ 0	\$ 0	\$ 346,495	\$ 0	\$ 0	\$ 346,495
Lunch Payments - Adults	0	0	3,724	0	0	3,724
Income from Breakfast	0	0	606	0	0	606
A la Carte Sales	0	0	61,602	0	0	61,602
Receipts from Individual Schools	39,838	0	0	0	0	39,838
Community Service Fees - Adults	61,606	0	0	0	0	61,606
Other Charges for Services	35,667	0	0	0	0	35,667
Total Charges for Current Services	\$ 137,111	\$ 0	\$ 412,427	\$ 0	\$ 0	\$ 549,538
Other Local Revenues						
Recurring Items						
Investment Income	\$ 35,120	\$ 0	\$ 47,771	\$ 0	\$ 7,383	\$ 90,274
Lease/Rentals/PPP	4,550	0	0	0	0	4,550
Sale of Materials and Supplies	427	0	0	0	0	427
Miscellaneous Refunds	8,282	0	0	0	0	8,282
Nonrecurring Items						
Sale of Property	65,000	0	0	0	0	65,000
Damages Recovered from Individuals	305	0	0	0	0	305
Contributions and Gifts	245,931	0	0	0	0	245,931
Other Local Revenues						
Other Local Revenues	280	0	0	1,191,332	0	1,191,612
Total Other Local Revenues	\$ 359,895	\$ 0	\$ 47,771	\$ 1,191,332	\$ 7,383	\$ 1,606,381

(Continued)

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

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
State of Tennessee						
General Government Grants						
On-behalf Contributions for OPEB	\$ 57,647	\$ 0	\$ 0	\$ 0	\$ 0	\$ 57,647
State Education Funds						
Tennessee Investment in Student Achievement	22,178,294	0	0	0	0	22,178,294
TISA - On-behalf Payments	64,122	0	0	0	0	64,122
Early Childhood Education	314,746	0	0	0	0	314,746
School Food Service	0	0	15,435	0	0	15,435
Driver Education	4,015	0	0	0	0	4,015
Career Ladder Program	24,844	0	0	0	0	24,844
Other Vocational	811,228	0	0	0	0	811,228
Other State Revenues						
State Revenue Sharing - T.V.A.	1,997,392	0	0	0	0	1,997,392
Other State Grants	494,267	0	0	0	0	494,267
Safe Schools	59,460	0	0	0	0	59,460
Other State Revenues	76,637	0	0	0	0	76,637
Total State of Tennessee	\$ 26,082,652	\$ 0	\$ 15,435	\$ 0	\$ 0	\$ 26,098,087
Federal Government						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,219,234	\$ 0	\$ 0	\$ 1,219,234
USDA - Commodities	0	0	156,808	0	0	156,808
Breakfast	0	0	512,446	0	0	512,446
USDA - Other	3,256	0	128,638	0	0	131,894
Vocational Education - Basic Grants to States	0	149,192	0	0	0	149,192
Title I Grants to Local Education Agencies	0	865,439	0	0	0	865,439

(Continued)

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

	<u>Special Revenue Funds</u>				<u>Capital Projects Fund</u>	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
Federal Government (Cont.)						
Federal Through State (Cont.)						
Special Education - Grants to States	\$ 28,411	\$ 853,483	\$ 0	\$ 0	\$ 0	\$ 881,894
Special Education Preschool Grants	0	54,084	0	0	0	54,084
Rural Education	0	86,390	0	0	0	86,390
Eisenhower Professional Development State Grants	0	161,449	0	0	0	161,449
COVID-19 Grant #2	0	186,697	0	0	0	186,697
COVID-19 Grant #3	0	2,943,161	0	0	0	2,943,161
COVID-19 Grant #5	0	71,250	0	0	0	71,250
American Rescue Plan Act Grant #1	0	97,474	0	0	0	97,474
American Rescue Plan Act Grant #2	0	10,482	0	0	0	10,482
Other Federal through State	33,117	495,573	0	0	0	528,690
Direct Federal Revenue						
Other Direct Federal Revenue	49,689	0	0	0	0	49,689
Total Federal Government	<u>\$ 114,473</u>	<u>\$ 5,974,674</u>	<u>\$ 2,017,126</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,106,273</u>
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 158,343	\$ 0	\$ 0	\$ 0	\$ 0	\$ 158,343
Total Other Governments and Citizens Groups	<u>\$ 158,343</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 158,343</u>
Total	<u>\$ 39,525,802</u>	<u>\$ 5,974,674</u>	<u>\$ 2,492,759</u>	<u>\$ 1,191,332</u>	<u>\$ 7,383</u>	<u>\$ 49,191,950</u>

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2024

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	44,500	
Dues and Memberships		1,850	
Travel		23,923	
Total County Commission			\$ 70,273

Board of Equalization

Other Per Diem and Fees	\$	600	
Total Board of Equalization			600

Other Boards and Committees

Board and Committee Members Fees	\$	775	
Total Other Boards and Committees			775

County Mayor/Executive

County Official/Administrative Officer	\$	115,254	
Secretary(ies)		38,221	
Custodial Personnel		47,519	
Maintenance Personnel		82,225	
Data Processing Services		45	
Dues and Memberships		2,035	
Lease/SBITA Payments		1,164	
Maintenance and Repair Services - Office Equipment		21	
Postal Charges		400	
Travel		5,323	
Gasoline		1,414	
Office Supplies		1,852	
In Service/Staff Development		478	
Total County Mayor/Executive			295,951

County Attorney

Other Per Diem and Fees	\$	30,159	
Total County Attorney			30,159

Election Commission

County Official/Administrative Officer	\$	81,644	
Deputy(ies)		38,221	
Election Commission		3,190	
Election Workers		13,113	
Communication		4,830	
Data Processing Services		22,652	
Legal Notices, Recording, and Court Costs		2,124	
Maintenance and Repair Services - Office Equipment		4,220	
Postal Charges		14,968	
Printing, Stationery, and Forms		2,000	
Rentals		100	
Travel		1,340	
Other Contracted Services		5,342	

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Natural Gas	\$	126	
Office Supplies		7,327	
Data Processing Equipment		9,148	
Total Election Commission			\$ 210,345

Register of Deeds

County Official/Administrative Officer	\$	90,715	
Deputy(ies)		74,765	
Dues and Memberships		969	
Lease/SBITA Payments		2,174	
Maintenance and Repair Services - Office Equipment		41	
Postal Charges		941	
Printing, Stationery, and Forms		312	
Travel		619	
Data Processing Supplies		14,306	
Office Supplies		498	
Other Charges		140	
Total Register of Deeds			185,480

Building

Maintenance Personnel	\$	38,027	
Part-time Personnel		14,687	
Communication		294	
Maintenance and Repair Services - Buildings		14,438	
Other Contracted Services		2,350	
Custodial Supplies		4,677	
Utilities		34,070	
Total Building			108,543

County Buildings

Communication	\$	73,759	
Natural Gas		21,339	
Utilities		61,037	
Total County Buildings			156,135

Other General Administration

Maintenance and Repair Services - Buildings	\$	82,886	
Maintenance and Repair Services - Equipment		500	
Maintenance and Repair Services - Vehicles		5,634	
Rentals		757	
Other Contracted Services		12,250	
Custodial Supplies		6,217	
Small Tools		1,486	
Other Supplies and Materials		164	
Building and Contents Insurance		215,552	
Other Charges		452	
Total Other General Administration			325,898

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Preservation of Records

Part-time Personnel	\$	17,428	
Other Supplies and Materials		1,000	
Other Charges		1,150	
Total Preservation of Records			\$ 19,578

Finance

Accounting and Budgeting

Supervisor/Director	\$	77,406	
Deputy(ies)		69,775	
Bonus Payments		1,000	
Data Processing Services		20,707	
Lease/SBITA Payments		1,420	
Postal Charges		1,518	
Travel		85	
Data Processing Supplies		3,264	
Office Supplies		2,011	
In Service/Staff Development		300	
Total Accounting and Budgeting			177,486

Property Assessor's Office

County Official/Administrative Officer	\$	83,775	
Deputy(ies)		138,411	
Data Processing Services		3,333	
Dues and Memberships		1,865	
Lease/SBITA Payments		2,711	
Maintenance and Repair Services - Office Equipment		330	
Postal Charges		1,650	
Travel		994	
Office Supplies		2,467	
Other Supplies and Materials		1,997	
Other Charges		365	
Total Property Assessor's Office			237,898

Reappraisal Program

Deputy(ies)	\$	71,929	
Part-time Personnel		3,836	
Contracts with Private Agencies		39,550	
Data Processing Services		13,493	
Lease/SBITA Payments		30	
Maintenance and Repair Services - Vehicles		878	
Postal Charges		2,028	
Gasoline		1,245	
Other Charges		1,755	
Total Reappraisal Program			134,744

County Trustee's Office

County Official/Administrative Officer	\$	90,715	
--	----	--------	--

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Deputy(ies)	\$	103,697	
Part-time Personnel		1,088	
Data Processing Services		30,071	
Dues and Memberships		1,650	
Lease/SBITA Payments		600	
Legal Notices, Recording, and Court Costs		432	
Printing, Stationery, and Forms		1,400	
Travel		2,900	
Office Supplies		2,535	
In Service/Staff Development		900	
Other Charges		27,120	
Data Processing Equipment		12,025	
Total County Trustee's Office			\$ 275,133

County Clerk's Office

County Official/Administrative Officer	\$	90,715	
Deputy(ies)		171,127	
Part-time Personnel		15,021	
Communication		1,320	
Data Processing Services		19,092	
Dues and Memberships		1,259	
Lease/SBITA Payments		1,183	
Maintenance and Repair Services - Office Equipment		400	
Postal Charges		14,968	
Travel		2,247	
Data Processing Supplies		8,849	
Office Supplies		2,814	
Other Charges		403	
Data Processing Equipment		330	
Total County Clerk's Office			329,728

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	90,715	
Deputy(ies)		104,901	
Part-time Personnel		8,679	
Jury and Witness Expense		5,438	
Communication		1,166	
Data Processing Services		21,418	
Dues and Memberships		1,199	
Maintenance Agreements		1,744	
Maintenance and Repair Services - Office Equipment		4,389	
Postal Charges		6,400	
Travel		932	
Other Contracted Services		683	
Office Supplies		13,850	
Other Charges		900	
Data Processing Equipment		1,600	
Total Circuit Court			264,014

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Deputy(ies)	\$ 133,298	
Total General Sessions Court		\$ 133,298

General Sessions Judge

Judge(s)	\$ 182,242	
Assistant(s)	8,335	
Dues and Memberships	1,248	
Travel	3,646	
Periodicals	252	
Total General Sessions Judge		195,723

Chancery Court

County Official/Administrative Officer	\$ 90,715	
Deputy(ies)	102,571	
Data Processing Services	6,746	
Dues and Memberships	547	
Lease/SBITA Payments	2,016	
Legal Notices, Recording, and Court Costs	1,747	
Postal Charges	1,798	
Travel	102	
Data Processing Supplies	2,922	
Office Supplies	4,676	
Other Charges	1,044	
Data Processing Equipment	689	
Other Capital Outlay	119,968	
Total Chancery Court		335,541

Juvenile Court

Deputy(ies)	\$ 40,035	
Probation Officer(s)	69,589	
Youth Service Officer(s)	48,619	
Social Workers	44,541	
Part-time Personnel	21,823	
Communication	3,011	
Contracts with Other Public Agencies	3,827	
Dues and Memberships	210	
Lease/SBITA Payments	1,028	
Maintenance and Repair Services - Office Equipment	1,580	
Maintenance and Repair Services - Vehicles	490	
Postal Charges	300	
Travel	1,586	
Other Contracted Services	66,772	
Gasoline	224	
Office Supplies	2,700	
Other Supplies and Materials	21	
Other Charges	242	
Data Processing Equipment	5,218	
Furniture and Fixtures	6,819	
Total Juvenile Court		318,635

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Probate Court

Deputy(ies)	\$	71,554	
Data Processing Services		6,746	
Dues and Memberships		686	
Lease/SBITA Payments		2,390	
Postal Charges		800	
Travel		86	
Data Processing Supplies		1,311	
Office Supplies		1,971	
Other Charges		302	
Total Probate Court			\$ 85,846

Other Administration of Justice

Legal Services	\$	20,180	
Other Contracted Services		1,000	
Total Other Administration of Justice			21,180

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	109,765	
Assistant(s)		61,946	
Supervisor/Director		45,470	
Deputy(ies)		542,131	
Investigator(s)		290,946	
Lieutenant(s)		53,423	
Sergeant(s)		340,614	
Secretary to Board		4,200	
Salary Supplements		29,570	
Dispatchers/Radio Operators		155,898	
Clerical Personnel		39,092	
Attendants		36,492	
Maintenance Personnel		9,766	
Part-time Personnel		41,778	
School Resource Officer		423,128	
Longevity Pay		27,480	
Overtime Pay		35,454	
Bonus Payments		1,000	
Other Salaries and Wages		60,580	
Communication		5,545	
Data Processing Services		45,076	
Dues and Memberships		2,300	
Lease/SBITA Payments		2,749	
Maintenance and Repair Services - Buildings		10,955	
Maintenance and Repair Services - Equipment		6,150	
Maintenance and Repair Services - Office Equipment		199	
Maintenance and Repair Services - Vehicles		50,833	
Postal Charges		1,734	
Towing Services		405	

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Travel	\$	10,261	
Other Contracted Services		25,800	
Custodial Supplies		2,502	
Gasoline		129,668	
Law Enforcement Supplies		116,960	
Office Supplies		17,022	
Tires and Tubes		8,682	
Uniforms		18,565	
Utilities		111,896	
Other Supplies and Materials		3,615	
In Service/Staff Development		14,076	
Other Charges		6,387	
Furniture and Fixtures		4,471	
Law Enforcement Equipment		80,129	
Motor Vehicles		166,101	
Total Sheriff's Department			\$ 3,150,814

Special Patrols

Nightwatchmen	\$	91,138	
Total Special Patrols			91,138

Drug Enforcement

Deputy(ies)	\$	126,579	
Clerical Personnel		41,885	
Overtime Pay		7,498	
Bonus Payments		800	
Medical Insurance		107	
Dental Insurance		380	
Total Drug Enforcement			177,249

Administration of the Sexual Offender Registry

Other Charges	\$	2,901	
Total Administration of the Sexual Offender Registry			2,901

Jail

Lieutenant(s)	\$	113,128	
Medical Personnel		32,730	
Guards		672,866	
Clerical Personnel		76,500	
Cafeteria Personnel		38,083	
Maintenance Personnel		39,098	
Temporary Personnel		99,902	
Part-time Personnel		17,610	
Longevity Pay		6,870	
Overtime Pay		35,902	
Other Salaries and Wages		31,605	
Data Processing Services		2,500	

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Lease/SBITA Payments	\$	7,006	
Maintenance and Repair Services - Buildings		35,164	
Maintenance and Repair Services - Equipment		4,988	
Maintenance and Repair Services - Office Equipment		231	
Maintenance and Repair Services - Vehicles		2,492	
Medical and Dental Services		74,440	
Transportation - Other than Students		19,573	
Travel		3,119	
Custodial Supplies		24,798	
Drugs and Medical Supplies		47,483	
Food Preparation Supplies		1,989	
Food Supplies		230,112	
Law Enforcement Supplies		864	
Prisoners Clothing		6,890	
Uniforms		10,623	
Other Supplies and Materials		3,570	
In Service/Staff Development		620	
Other Charges		54,714	
Building Improvements		94,923	
Food Service Equipment		11,737	
Furniture and Fixtures		1,925	
Heating and Air Conditioning Equipment		35,603	
Law Enforcement Equipment		186,466	
Motor Vehicles		39,375	
Other Equipment		30,678	
Total Jail			\$ 2,096,177

Fire Prevention and Control

Contributions	\$	33,200	
Total Fire Prevention and Control			33,200

Rescue Squad

Contributions	\$	6,000	
Total Rescue Squad			6,000

Other Emergency Management

Supervisor/Director	\$	27,705	
Part-time Personnel		17,448	
Social Security		2,780	
Pensions		1,540	
Employer Medicare		650	
Communication		2,010	
Maintenance and Repair Services - Vehicles		1,747	
Rentals		1,200	
Travel		3,058	
Utilities		4,294	
Other Supplies and Materials		748	

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Other Charges	\$	15,741	
Communication Equipment		77,797	
Other Equipment		256,826	
Total Other Emergency Management			\$ 413,544

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	64,143	
Pauper Burials		1,000	
Other Contracted Services		13,946	
Other Supplies and Materials		7,031	
Total County Coroner/Medical Examiner			86,120

Public Health and Welfare

Local Health Center

Medical Personnel	\$	49,398	
Bonus Payments		1,351	
Social Security		3,096	
Pensions		2,747	
Medical Insurance		8,366	
Unemployment Compensation		210	
Employer Medicare		724	
Communication		1,235	
Contracts with Government Agencies		22,120	
Dues and Memberships		423	
Maintenance and Repair Services - Buildings		2,340	
Maintenance and Repair Services - Office Equipment		701	
Travel		55	
Other Contracted Services		9,600	
Custodial Supplies		2,200	
Drugs and Medical Supplies		440	
Office Supplies		882	
Other Supplies and Materials		242	
Other Charges		1,271	
Total Local Health Center			107,401

Rabies and Animal Control

Contracts with Other Public Agencies	\$	8,000	
Other Charges		4,042	
Total Rabies and Animal Control			12,042

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		2,250	
Total Alcohol and Drug Programs			3,750

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Crippled Children Services

Contracts with Government Agencies	\$ 2,660	
Total Crippled Children Services		\$ 2,660

Other Local Health Services

Contributions	\$ 12,500	
Total Other Local Health Services		12,500

General Welfare Assistance

Other Charges	\$ 18,808	
Total General Welfare Assistance		18,808

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$ 22,850	
Social Workers	28,977	
Bus Drivers	3,721	
Part-time Personnel	23,112	
Other Salaries and Wages	13,329	
Social Security	5,643	
Handling Charges and Administrative Costs	871	
Pensions	1,811	
Unemployment Compensation	1,290	
Employer Medicare	1,320	
Communication	1,569	
Lease/SBITA Payments	730	
Maintenance and Repair Services - Vehicles	20	
Postal Charges	204	
Printing, Stationery, and Forms	477	
Travel	2,104	
Other Contracted Services	6,427	
Gasoline	725	
Office Supplies	1,135	
Other Supplies and Materials	534	
Other Charges	12,926	
Motor Vehicles	13,799	
Total Adult Activities		143,574

Libraries

Contributions	\$ 196,096	
Total Libraries		196,096

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

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	67,050	
Secretary(ies)		11,333	
Part-time Personnel		16,224	
Social Security		5,584	
Pensions		19,083	
Unemployment Compensation		4	
Employer Medicare		1,306	
Communication		3,975	
Dues and Memberships		345	
Lease/SBITA Payments		3,459	
Rentals		10,000	
Travel		6,000	
Other Contracted Services		1,200	
Custodial Supplies		5,469	
Office Supplies		636	
Utilities		13,048	
Workers' Compensation Insurance		36	
Other Charges		689	
Data Processing Equipment		1,289	
Total Agricultural Extension Service			\$ 166,730

Soil Conservation

Secretary(ies)	\$	32,861	
Social Security		2,035	
Pensions		1,827	
Unemployment Compensation		210	
Employer Medicare		476	
Total Soil Conservation			37,409

Flood Control

Contributions	\$	22,898	
Total Flood Control			22,898

Other Operations

Tourism

Contributions	\$	26,800	
Total Tourism			26,800

Tourism - Resort District

Contributions	\$	697,715	
Total Tourism - Resort District			697,715

Industrial Development

Contributions	\$	75,000	
Total Industrial Development			75,000

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development

Other Contracted Services	\$	368,229	
Total Other Economic and Community Development			\$ 368,229

Airport

Supervisor/Director	\$	47,137	
Part-time Personnel		2,109	
Other Salaries and Wages		85,172	
Social Security		8,566	
Pensions		6,350	
Employer Medicare		2,003	
Communication		3,295	
Maintenance and Repair Services - Buildings		3,266	
Maintenance and Repair Services - Equipment		38,173	
Maintenance and Repair Services - Vehicles		757	
Travel		1,295	
Remittance of Revenue Collected		12,637	
Other Contracted Services		734	
Diesel Fuel		4,517	
Gasoline		242,186	
Office Supplies		960	
Utilities		14,850	
Liability Insurance		4,500	
Other Charges		1,833	
Airport Improvement		160,589	
Office Equipment		515	
Total Airport			641,444

Veterans' Services

County Official/Administrative Officer	\$	38,676	
Part-time Personnel		22,576	
Other Salaries and Wages		4,700	
Maintenance and Repair Services - Vehicles		807	
Transportation - Other than Students		400	
Travel		825	
Gasoline		1,007	
Office Supplies		973	
Total Veterans' Services			69,964

Other Charges

Advertising	\$	1,772	
Audit Services		13,846	
Dues and Memberships		14,855	
Pest Control		8,400	
Other Supplies and Materials		1,873	
Trustee's Commission		124,499	
Total Other Charges			165,245

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$	109,781	
Matching Share		50,000	
Remittance of Revenue Collected		37,847	
Total Contributions to Other Agencies			\$ 197,628

Employee Benefits

Educational Incentive - Official/Admin Officer	\$	5,147	
Longevity Pay		17,850	
Social Security		412,675	
Pensions		319,711	
Medical Insurance		1,018,711	
Unemployment Compensation		34,177	
Employer Medicare		92,268	
Workers' Compensation Insurance		121,941	
Total Employee Benefits			2,022,480

Miscellaneous

Contracts with Government Agencies	\$	48,250	
Other Charges		6,600	
Total Miscellaneous			54,850

Total General Fund \$ 15,047,429

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	40,654	
Social Security		2,493	
Pensions		2,260	
Medical Insurance		8,396	
Unemployment Compensation		210	
Employer Medicare		583	
Dues and Memberships		150	
Office Supplies		213	
Total Sanitation Management			\$ 54,959

Recycling Center

Foremen	\$	37,586	
Truck Drivers		229,688	
Longevity Pay		3,250	
Overtime Pay		1,092	
Social Security		16,638	
Pensions		14,248	
Medical Insurance		75,564	
Unemployment Compensation		1,859	
Employer Medicare		3,882	
Communication		1,397	

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center (Cont.)

Freight Expenses	\$	19,500	
Maintenance and Repair Services - Buildings		401	
Maintenance and Repair Services - Equipment		18,109	
Maintenance and Repair Services - Office Equipment		103	
Maintenance and Repair Services - Vehicles		20,244	
Pest Control		160	
Custodial Supplies		230	
Drugs and Medical Supplies		279	
Food Supplies		1,947	
Gasoline		38,247	
Natural Gas		364	
Small Tools		278	
Tires and Tubes		4,077	
Utilities		11,053	
Wire		5,550	
Other Supplies and Materials		1,301	
Other Charges		2,592	
Total Recycling Center			\$ 509,639

Landfill Operation and Maintenance

Contracts with Government Agencies	\$	60,804	
Total Landfill Operation and Maintenance			60,804

Other Operations

Other Charges

Trustee's Commission	\$	10,573	
Total Other Charges			10,573

Employee Benefits

Other Salaries and Wages	\$	2,000	
Total Employee Benefits			2,000

Total Solid Waste/Sanitation Fund \$ 637,975

Drug Control Fund

Public Safety

Drug Enforcement

Dues and Memberships	\$	565	
Maintenance and Repair Services - Vehicles		1,168	
Towing Services		300	
Animal Food and Supplies		3,561	
Trustee's Commission		494	
Other Charges		643	
Law Enforcement Equipment		20,470	
Motor Vehicles		24,800	
Total Drug Enforcement			\$ 52,001

Total Drug Control Fund 52,001

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Other Special Revenue Fund

Other Operations

American Rescue Plan Act Grant #6

Communication Equipment	\$	700,000	
Motor Vehicles		21,005	
Other Capital Outlay		338,882	
Total American Rescue Plan Act Grant #6			\$ 1,059,887

Total Other Special Revenue Fund \$ 1,059,887

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	21,664	
Total Chancery Court			\$ 21,664

Total Constitutional Officers - Fees Fund 21,664

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	99,787	
Assistant(s)		45,448	
Salary Supplements		1,000	
Secretary(ies)		41,823	
Clerical Personnel		41,988	
Custodial Personnel		7,353	
Educational Incentive - Official/Admin Officer		2,614	
Longevity Pay		13,350	
Board and Committee Members Fees		8,280	
In-service Training		1,241	
Maintenance and Repair Services - Buildings		262	
Postal Charges		553	
Printing, Stationery, and Forms		976	
Travel		1,511	
Custodial Supplies		449	
Drugs and Medical Supplies		401	
Office Supplies		651	
Total Administration			\$ 267,687

Highway and Bridge Maintenance

Equipment Operators	\$	381,879	
Truck Drivers		346,146	
Laborers		207,460	
Overtime Pay		13,045	
Rentals		280	
Other Contracted Services		96,445	
Asphalt - Hot Mix		624,419	
Asphalt - Liquid		441,606	
Concrete		800	

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Crushed Stone	\$	390,745	
General Construction Materials		502	
Other Road Materials		260	
Pipe		155,177	
Road Signs		8,674	
Small Tools		615	
Other Charges		2,090	
Total Highway and Bridge Maintenance			\$ 2,670,143

Operation and Maintenance of Equipment

Mechanic(s)	\$	219,544	
Overtime Pay		1,553	
Maintenance and Repair Services - Equipment		23,214	
Towing Services		1,000	
Diesel Fuel		167,293	
Equipment and Machinery Parts		91,555	
Garage Supplies		3,058	
Gasoline		33,269	
Ice		96	
Lubricants		10,828	
Propane Gas		398	
Small Tools		1,722	
Tires and Tubes		33,393	
Other Supplies and Materials		10,601	
Total Operation and Maintenance of Equipment			597,524

Litter and Trash Collection

Educational Assistants	\$	6,431	
Other Salaries and Wages		28,238	
Advertising		6,150	
Instructional Supplies and Materials		6,589	
Other Charges		3,882	
Total Litter and Trash Collection			51,290

Other Charges

Communication	\$	7,285	
Data Processing Services		15,960	
Dues and Memberships		3,929	
Evaluation and Testing		2,116	
Legal Notices, Recording, and Court Costs		725	
Utilities		9,370	
Water and Sewer		1,671	
Trustee's Commission		66,821	
Vehicle and Equipment Insurance		40,585	
Workers' Compensation Insurance		94,592	
Other Self-insured Claims		307	
Other Charges		10	
Total Other Charges			243,371

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Social Security	\$	88,679	
Pensions		74,198	
Medical Insurance		312,568	
Unemployment Compensation		9,788	
Employer Medicare		20,739	
Total Employee Benefits			\$ 505,972

Capital Outlay

Engineering Services	\$	123,868	
Lease/SBITA Payments		2,052	
Bridge Construction		1,673,369	
Highway Equipment		171,814	
Plant Operation Equipment		8,087	
State Aid Projects		2,113,632	
Total Capital Outlay			4,092,822

Total Highway/Public Works Fund \$ 8,428,809

General Debt Service Fund

Other Operations

Other Charges

Trustee's Commission	\$	22,984	
Total Other Charges			\$ 22,984

Principal on Debt

General Government

Principal on Notes	\$	486,300	
Principal on Other Loans		1,983,000	
Total General Government			2,469,300

Education

Principal on Bonds	\$	2,240,000	
Total Education			2,240,000

Interest on Debt

General Government

Interest on Notes	\$	28,591	
Total General Government			28,591

Education

Interest on Bonds	\$	225,828	
Total Education			225,828

Other Debt Service

General Government

Bank Charges	\$	1,750	
Contributions		73,765	
Total General Government			75,515

(Continued)

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)

Other Debt Service (Cont.)

Education

Bank Charges	\$ 1,004	
Total Education		\$ 1,004

Total General Debt Service Fund \$ 5,063,222

General Capital Projects Fund

Principal on Debt

General Government

Principal on Notes	\$ 289,707	
Total General Government		\$ 289,707

Capital Projects

General Administration Projects

Airport Improvement	\$ 11,850	
Building Improvements	55,334	
Communication Equipment	53,594	
Data Processing Equipment	25,830	
Heating and Air Conditioning Equipment	144,665	
Law Enforcement Equipment	71,730	
Motor Vehicles	123,160	
Voting Machines	289,706	
Other Equipment	48,774	
Other Capital Outlay	5,703	
Total General Administration Projects		830,346

Total General Capital Projects Fund 1,120,053

Total Governmental Funds - Primary Government \$ 31,431,040

HENRY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Henry County School Department
For the Year Ended June 30, 2024

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	8,747,613	
Career Ladder Program		14,965	
Homebound Teachers		6,503	
Salary Supplements		365,120	
Educational Assistants		443,441	
Bonus Payments		207,119	
Other Salaries and Wages		95,153	
Certified Substitute Teachers		38,342	
Non-certified Substitute Teachers		72,013	
Social Security		581,856	
Pensions		690,439	
Medical Insurance		1,269,767	
Employer Medicare		136,014	
Other Fringe Benefits		5,889	
Maintenance and Repair Services - Equipment		9,374	
Other Contracted Services		245,800	
Instructional Supplies and Materials		352,716	
Textbooks - Electronic		7,942	
Textbooks - Bound		207,882	
Other Supplies and Materials		18,305	
Other Charges		523,722	
Regular Instruction Equipment		375,858	
Total Regular Instruction Program			\$ 14,415,833

Alternative Instruction Program

Teachers	\$	191,519	
Educational Assistants		18,284	
Social Security		11,948	
Pensions		14,059	
Medical Insurance		31,167	
Employer Medicare		2,795	
Other Fringe Benefits		92	
Instructional Supplies and Materials		1,562	
Total Alternative Instruction Program			271,426

Special Education Program

Teachers	\$	1,089,027	
Career Ladder Program		1,000	
Homebound Teachers		30,445	
Educational Assistants		372,163	
Speech Pathologist		121,681	
Certified Substitute Teachers		1,500	
Non-certified Substitute Teachers		15,243	
Social Security		91,965	
Pensions		106,455	
Medical Insurance		329,258	

(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.)

Employer Medicare	\$	21,752	
Other Contracted Services		87,560	
Instructional Supplies and Materials		677	
Other Supplies and Materials		6,329	
Special Education Equipment		5,331	
Total Special Education Program			\$ 2,280,386

Career and Technical Education Program

Teachers	\$	934,343	
Certified Substitute Teachers		954	
Non-certified Substitute Teachers		6,618	
Social Security		54,499	
Pensions		66,830	
Medical Insurance		136,164	
Employer Medicare		12,757	
Other Fringe Benefits		369	
Instructional Supplies and Materials		148,694	
Vocational Instruction Equipment		123,450	
Total Career and Technical Education Program			1,484,678

Support Services

Attendance

Supervisor/Director	\$	62,292	
Other Salaries and Wages		35,097	
Social Security		5,638	
Pensions		6,169	
Medical Insurance		18,949	
Employer Medicare		1,319	
Other Fringe Benefits		240	
Postal Charges		2,108	
Other Contracted Services		51,240	
Other Supplies and Materials		802	
In Service/Staff Development		1,287	
Total Attendance			185,141

Health Services

Supervisor/Director	\$	48,785	
Medical Personnel		186,871	
Other Salaries and Wages		34,748	
Social Security		15,163	
Pensions		15,200	
Medical Insurance		58,849	
Employer Medicare		3,546	
Travel		1,074	
Drugs and Medical Supplies		7,874	
Other Supplies and Materials		11,093	
In Service/Staff Development		3,179	
Total Health Services			386,382

(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.)

Other Student Support

Guidance Personnel	\$	471,316	
Secretary(ies)		53,587	
Other Salaries and Wages		65,201	
Social Security		29,494	
Pensions		37,277	
Medical Insurance		86,721	
Employer Medicare		7,929	
Other Fringe Benefits		1,012	
Evaluation and Testing		18,028	
Internet Connectivity		158,343	
Other Supplies and Materials		8,968	
In Service/Staff Development		1,445	
Other Charges		7,013	
Other Equipment		141,928	
Total Other Student Support			\$ 1,088,262

Regular Instruction Program

Supervisor/Director	\$	336,814	
Career Ladder Program		2,000	
Librarians		246,583	
Clerical Personnel		38,121	
Educational Assistants		19,314	
Social Security		36,464	
Pensions		43,258	
Medical Insurance		94,424	
Employer Medicare		8,645	
Travel		32,569	
Library Books/Media		31,280	
In Service/Staff Development		18,536	
Total Regular Instruction Program			908,008

Alternative Instruction Program

Supervisor/Director	\$	5,390	
Social Security		308	
Pensions		367	
Employer Medicare		72	
Total Alternative Instruction Program			6,137

Special Education Program

Supervisor/Director	\$	80,354	
Secretary(ies)		19,167	
Social Security		5,765	
Pensions		6,538	
Medical Insurance		13,161	
Employer Medicare		1,348	
Total Special Education Program			126,333

(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.)

Career and Technical Education Program

Travel	\$	7,522	
In Service/Staff Development		5,368	
Other Equipment		331,246	
Total Career and Technical Education Program			\$ 344,136

Technology

Supervisor/Director	\$	91,094	
Data Processing Personnel		106,226	
Social Security		11,099	
Pensions		11,291	
Medical Insurance		32,224	
Employer Medicare		2,596	
Maintenance and Repair Services - Equipment		3,485	
Internet Connectivity		55,295	
Travel		3,476	
Software		65,258	
Other Equipment		65,139	
Total Technology			447,183

Other Programs

On-behalf Payments to OPEB	\$	57,647	
Total Other Programs			57,647

Board of Education

Secretary to Board	\$	5,618	
Board and Committee Members Fees		7,350	
Social Security		769	
Pensions		378	
Life Insurance		10,063	
Medical Insurance		461	
Unemployment Compensation		1,905	
Employer Medicare		201	
Audit Services		12,425	
Dues and Memberships		9,624	
Legal Services		18,938	
Travel		176	
Other Contracted Services		5,000	
Liability Insurance		62,514	
Trustee's Commission		241,130	
Workers' Compensation Insurance		85,000	
In Service/Staff Development		8,838	
Refund to Applicant for Criminal Investigation		5,102	
Other Charges		7,236	
Total Board of Education			482,728

(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	\$	171,077	
Career Ladder Program		1,000	
Clerical Personnel		14,142	
Social Security		10,820	
Pensions		12,505	
Medical Insurance		17,689	
Employer Medicare		2,530	
Communication		8,450	
Dues and Memberships		3,669	
Postal Charges		6,157	
Travel		502	
Other Contracted Services		6,120	
Office Supplies		5,325	
In Service/Staff Development		5,835	
Other Charges		2,415	
Administration Equipment		2,390	
Total Director of Schools			\$ 270,626

Office of the Principal

Principals	\$	565,996	
Career Ladder Program		2,000	
Accountants/Bookkeepers		146,323	
Assistant Principals		433,197	
Secretary(ies)		187,208	
Social Security		77,927	
Pensions		86,091	
Medical Insurance		184,035	
Employer Medicare		18,225	
Other Fringe Benefits		277	
Communication		19,069	
Dues and Memberships		737	
Travel		769	
Office Supplies		13,558	
Other Charges		10,998	
Total Office of the Principal			1,746,410

Fiscal Services

Accountants/Bookkeepers	\$	130,775	
Other Salaries and Wages		61,537	
Social Security		11,879	
Pensions		11,032	
Medical Insurance		31,511	
Employer Medicare		2,778	
Dues and Memberships		50	
Travel		529	
Other Contracted Services		26,778	

(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.)

Fiscal Services (Cont.)

Office Supplies	\$	592	
In Service/Staff Development		3,709	
Total Fiscal Services			\$ 281,170

Operation of Plant

Custodial Personnel	\$	642,052	
Other Salaries and Wages		25,558	
Social Security		40,037	
Pensions		21,154	
Medical Insurance		50,798	
Employer Medicare		9,364	
Laundry Service		2,864	
Travel		2,468	
Other Contracted Services		41,198	
Custodial Supplies		116,739	
Electricity		626,637	
Natural Gas		98,551	
Water and Sewer		77,848	
Other Supplies and Materials		5,845	
Boiler Insurance		9,729	
Building and Contents Insurance		157,500	
Plant Operation Equipment		6,030	
Total Operation of Plant			1,934,372

Maintenance of Plant

Supervisor/Director	\$	67,095	
Clerical Personnel		7,300	
Maintenance Personnel		319,367	
Social Security		23,047	
Pensions		20,475	
Medical Insurance		59,130	
Employer Medicare		5,496	
Other Fringe Benefits		92	
Communication		1,101	
Laundry Service		4,495	
Travel		113	
Other Contracted Services		119,634	
Other Supplies and Materials		412,092	
In Service/Staff Development		1,500	
Maintenance Equipment		40,000	
Other Equipment		113,889	
Total Maintenance of Plant			1,194,826

Transportation

Supervisor/Director	\$	68,666	
Mechanic(s)		118,800	

(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.)

Bus Drivers	\$	704,547	
Clerical Personnel		35,131	
Other Salaries and Wages		31,175	
In-service Training		8,218	
Social Security		52,584	
Pensions		45,686	
Medical Insurance		156,848	
Employer Medicare		13,366	
Communication		357	
Contracts with Parents		38,764	
Laundry Service		3,541	
Maintenance and Repair Services - Vehicles		49,649	
Medical and Dental Services		6,289	
Other Contracted Services		5,579	
Diesel Fuel		278,743	
Garage Supplies		200	
Gasoline		17,604	
Lubricants		24,838	
Tires and Tubes		27,922	
Vehicle Parts		116,043	
Other Supplies and Materials		2,547	
Vehicle and Equipment Insurance		35,000	
In Service/Staff Development		2,560	
Other Charges		3,277	
Transportation Equipment		650,960	
Total Transportation			\$ 2,498,894

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	25,476	
Teachers		76,315	
Educational Assistants		83,376	
Other Salaries and Wages		74,798	
Social Security		15,003	
Pensions		14,772	
Medical Insurance		20,594	
Employer Medicare		3,520	
Communication		3,006	
Travel		2,448	
Other Contracted Services		6,278	
Food Supplies		4,708	
Instructional Supplies and Materials		201	
Other Supplies and Materials		2,477	
Other Charges		41,236	
Total Community Services			374,208

(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

Teachers	\$	171,983	
Educational Assistants		88,155	
Certified Substitute Teachers		94	
Non-certified Substitute Teachers		1,184	
Social Security		14,625	
Pensions		16,233	
Medical Insurance		57,584	
Employer Medicare		3,444	
Food Supplies		2,956	
Instructional Supplies and Materials		3,300	
Total Early Childhood Education			\$ 359,558

Capital Outlay

Regular Capital Outlay

Architects	\$	368,442	
Other Contracted Services		208,425	
Building Improvements		6,740,910	
Other Capital Outlay		191,060	
Total Regular Capital Outlay			7,508,837

Other Debt Service

Education

Contributions	\$	2,466,830	
Total Education			2,466,830

Total General Purpose School Fund \$ 41,120,011

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	519,001	
Educational Assistants		155,540	
Other Salaries and Wages		117,876	
Certified Substitute Teachers		1,377	
Non-certified Substitute Teachers		4,493	
Social Security		45,688	
Pensions		50,193	
Medical Insurance		105,197	
Employer Medicare		10,751	
Instructional Supplies and Materials		701,866	
Textbooks - Bound		3,353	
Software		115,464	
Other Supplies and Materials		9,297	
Regular Instruction Equipment		4,244	
Total Regular Instruction Program			\$ 1,844,340

(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

Teachers	\$	322,433	
Educational Assistants		298,891	
Speech Pathologist		65,878	
Other Salaries and Wages		8,080	
Social Security		40,081	
Pensions		43,434	
Medical Insurance		98,315	
Employer Medicare		9,374	
Instructional Supplies and Materials		23,312	
Other Supplies and Materials		1,454	
Special Education Equipment		8,083	
Total Special Education Program			\$ 919,335

Career and Technical Education Program

Instructional Supplies and Materials	\$	23,820	
Vocational Instruction Equipment		60,472	
Total Career and Technical Education Program			84,292

Support Services

Attendance

Supervisor/Director	\$	87,189	
Social Security		4,966	
Pensions		5,938	
Medical Insurance		16,704	
Employer Medicare		1,161	
Total Attendance			115,958

Health Services

Other Contracted Services	\$	7,350	
Total Health Services			7,350

Other Student Support

Social Workers	\$	87,174	
Secretary(ies)		6,144	
Other Salaries and Wages		52,350	
Social Security		7,732	
Pensions		10,193	
Medical Insurance		26,181	
Employer Medicare		1,808	
Travel		13,866	
Other Contracted Services		3,000	
Other Supplies and Materials		44,452	
In Service/Staff Development		12,828	
Total Other Student Support			265,728

(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.)

Regular Instruction Program

Supervisor/Director	\$	114,999	
Instructional Coaches		57,094	
Other Salaries and Wages		78,061	
Social Security		14,712	
Pensions		18,004	
Medical Insurance		16,871	
Employer Medicare		3,441	
Other Contracted Services		77,265	
Library Books/Media		18,946	
Other Supplies and Materials		2,007	
In Service/Staff Development		97,731	
Total Regular Instruction Program			\$ 499,131

Special Education Program

Psychological Personnel	\$	60,982	
Social Security		3,275	
Pensions		4,848	
Medical Insurance		12,420	
Employer Medicare		766	
Other Supplies and Materials		28,992	
Total Special Education Program			111,283

Career and Technical Education Program

Travel	\$	2,001	
In Service/Staff Development		2,999	
Total Career and Technical Education Program			5,000

Transportation

Bus Drivers	\$	2,920	
Social Security		181	
Pensions		183	
Employer Medicare		42	
Other Charges		91	
Total Transportation			3,417

Operation of Non-Instructional Services

Community Services

Teachers	\$	61,424	
Educational Assistants		9,344	
Social Security		4,127	
Pensions		4,544	
Employer Medicare		1,026	
Instructional Supplies and Materials		2,847	
Other Supplies and Materials		1,100	
In Service/Staff Development		1,313	
Total Community Services			85,725

(Continued)

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

School Federal Projects Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Engineering Services	\$	16,404	
Building Construction		<u>129,569</u>	
Total Regular Capital Outlay			<u>\$ 145,973</u>

Total School Federal Projects Fund \$ 4,087,532

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	60,849	
Accountants/Bookkeepers		19,167	
Cafeteria Personnel		776,494	
Social Security		48,812	
Pensions		42,150	
Medical Insurance		170,036	
Employer Medicare		11,537	
Maintenance and Repair Services - Equipment		3,611	
Travel		894	
Other Contracted Services		57,734	
Food Supplies		1,087,212	
Uniforms		1,667	
USDA - Commodities		156,808	
Other Supplies and Materials		88,153	
In Service/Staff Development		3,699	
Other Charges		438	
Food Service Equipment		<u>15,522</u>	
Total Food Service			<u>\$ 2,544,783</u>

Total Central Cafeteria Fund 2,544,783

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	<u>1,224,784</u>	
Total Community Services			<u>\$ 1,224,784</u>

Total Internal School Fund 1,224,784

Total Governmental Funds - Henry County School Department \$ 48,977,110

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

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, 2024, 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 19, 2024. Our report includes references to other auditors who audited the financial statements of the discretely presented Henry County Medical Center and 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 auditors' 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 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 significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a material weakness: 2024-001.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be significant deficiencies: 2024-002, 2024-003(A), and 2024-004(B).

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2024-003(B-D) and 2024-004(A).


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 and 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 the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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 19, 2024

JEM/gc



JASON E. MUMPOWER
Comptroller

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

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 identified as subject to audit 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, 2024. 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 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, 2024.

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; the standards applicable to financial audits contained in *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 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.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on 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 generally accepted auditing standards, *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 noncompliance 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 generally accepted auditing standards, *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, 2024, and the related notes to the financial statements, which collectively comprise Henry County's basic financial statements. We issued our report thereon dated December 19, 2024, which contained unmodified opinions on those financial statements. Our audit was performed 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 19, 2024

JEM/gc

HENRY COUNTY, TENNESSEE, AND THE HENRY COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (9)
For the Year-Ended June 30, 2024

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Agriculture:				
Passed-through State Department of Education:				
Child Nutrition Cluster: (3)				
School Breakfast Program	10.553	N/A	0	\$ 512,446
National School Lunch Program	10.555	N/A	0	1,341,856 (7)
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	0	5,512
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (3)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	0	156,808 (7)
Rebate and Storage Distribution Fees	10.555	N/A	0	3,760 (7)
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	34360-17524	0	18,305
Total U.S. Department of Agriculture				<u>\$ 2,038,687</u>
U.S. Department of Defense:				
Passed-through State Department of General Services:				
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	0	\$ 37,326
Total U.S. Department of Defense				<u>\$ 37,326</u>
U.S. Department of Housing and Urban Development:				
Passed-through State Department of Economic and Community Development:				
Community Development Block Grants/State's Program	14.228	33004-20921	0	\$ 142,628
Total U.S. Department of Housing and Urban Development				<u>\$ 142,628</u>
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Airport Improvement Program	20.106	(4)	0	\$ 38,542
Passed-through State Department of Safety and Homeland Security:				
Alcohol Open Container Requirements	20.607	(5)	0	5,458
Total U.S. Department of Transportation				<u>\$ 44,000</u>
U.S. Department of the Treasury:				
Passed-through State Department of Environment and Conservation:				
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds(ARP)	21.027	32701-05151 (8)	368,229	\$ 368,229 (7)
Passed-through State Department of Education:				
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds(ARP)	21.027	N/A	0	33,117 (7)
Direct Program:				
COVID 19 - Local Assistance and Tribal Consistency Fund (ARP)	21.032	N/A	0	33,366
Total U.S. Department of the Treasury				<u>\$ 434,712</u>
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	0	\$ 865,439
Special Education Cluster: (3)				
Special Education - Grants to States	84.027	N/A	0	880,072 (7)
COVID 19 - Special Education - Grants to States (ARP)	84.027X	N/A	0	10,482 (7)
Special Education - Preschool Grants	84.173	N/A	0	54,084
Career and Technical Education - Basic Grants to States	84.048	N/A	0	141,969
Twenty-first Century Community Learning Centers	84.287	N/A	0	88,341
Rural Education	84.358	N/A	0	86,390
Supporting Effective Instruction State Grants	84.367	N/A	0	171,877
Comprehensive Literacy Development	84.371	N/A	0	106,107
Student Support and Academic Enrichment Program	84.424	N/A	0	73,347
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	0	192,190 (7)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	0	2,956,797 (7)

(Continued)

HENRY COUNTY, TENNESSEE, AND THE HENRY COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (9) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Education (Cont.):				
Passed-through State Department of Human Services:				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	0	\$ 98,946
Passed-through State Higher Education Commission:				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	0	145,099
Total U.S. Department of Education				<u>\$ 5,871,140</u>
U.S. Election Assistance Commission:				
Passed-through Tennessee Secretary of State:				
Help America Vote Act Requirements Payments	90.401	30501-01623-40	0	\$ 298,447
Total U.S. Election Assistance Commission				<u>\$ 298,447</u>
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	NW41017	0	\$ 150
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	NW41017	0	1,700
Aging Cluster: (3)				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	NW41017	0	27,300
Passed-through State Department of Health:				
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ARP)	93.323	Z-23-268421	0	386,072
Maternal and Child Health Services Block Grant to the States	93.994	34360-17524	0	14,647
Passed-through State Department of Education:				
COVID 19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	N/A	0	12,989
Total U.S. Department of Health and Human Services				<u>\$ 442,858</u>
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Emergency Management Performance Grants	97.042	34101-21923		\$ 27,487
Homeland Security Grant Program	97.067	34101-20322	0	13,202
Total U.S. Department of Homeland Security				<u>\$ 40,689</u>
Total Expenditures of Federal Grants				<u>\$ 9,350,487</u>

State Grants		Contract Number	
Safe Baby Grant - Department of Mental Health and Substance Abuse Services	N/A	(6)	\$ 62,332
State Senior Center - Northwest Tennessee Development District	N/A	NW41017	4,992
Courtroom Security Grant - State Administrative Office of the Courts	N/A	(6)	98,530
Senior Center Competitive Grant - State Commission on Aging and Disability	N/A	31602-24862	8,000
Juvenile Court State Supplement Funds - State Commission on Children and Youth	N/A	(6)	9,000
Truancy Prevention Program - State Department of Children's Services	N/A	(6)	48,198
Early Childhood Education - State Department of Education	N/A	N/A	314,746
Innovative School Models - State Department of Education	N/A	N/A	811,228
COVID 19 - Learning Camp Transportation - State Department of Education	N/A	N/A	35,472
Public School Security Grant - State Department of Education	N/A	N/A	113,889
Safe Schools Act - State Department of Education	N/A	N/A	59,460
State School Improvement Grant (SSIG) - State Department of Education	N/A	N/A	141,233
COVID 19 - Summer Learning Camps - State Department of Education	N/A	N/A	155,475

(Continued)

HENRY COUNTY, TENNESSEE, AND THE HENRY COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (9) (Cont.)

	Assistance Listing Number	Contract Number	Expenditures
State Grants (Cont.)			
Material Management Recycling Equipment Grant - State Department of Environment and Conservation	N/A	32701-04700	\$ 29,265
Mental Health Transport - State Department of Finance and Administration	N/A	(6)	46,840
PPE Election - State Department of Finance and Administration	N/A	(6)	43,533
Preventative Health and Human Services - State Department of Health	N/A	34360-17524	34,379
Statewide School Resource Officer Grant - State Department of Safety and Homeland Security	N/A	34901-01482	525,000
Litter Grant - State Department of Transportation	N/A	Z-21-LIT-040	51,289
North Hangar Development - State Department of Transportation	N/A	40100-40400	41,082
VCIF - State Office of Criminal Justice Programs	N/A	(6)	107,533
Training Equipment Grant - Tennessee Corrections Institute	N/A	31609-0103	14,891
Total State Grants			<u>\$ 2,756,367</u>

ALN = Assistance Listing Number
N/A = Not Applicable

- (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) Child Nutrition Cluster total \$2,014,870; Special Education Cluster total \$944,638; Aging Cluster total \$27,300.
(4) 40100-51008: \$6,535; 40100-14620: \$4; 40100-40400: \$3; 40100-47260: \$ 32,000
(5) Z-24-THS-130: \$1,503; Z-23-THS-123: \$ 3,955
(6) Information not available.
(7) Total for ALN 10.555 is \$1,502,424; Total for ALN 21.027 is \$401,346; Total for ALN 84.027 is \$890,554;
Total for ALN 84.425 is \$3,148,987.
(8) SUBRECIPIENT AMOUNTS

	ALN	Amounts Provided to Subrecipients
Subrecipient		
Northeast Henry Utility District	21.027	\$ 41,741
Northwest Henry Utility District	21.027	23,714
Paris Board of Public Utilities	21.027	212,483
Springville Utility District	21.027	90,291
Total amounts provided to subrecipients		<u>\$ 368,229</u>

- (9) CONSOLIDATED ADMINISTRATION
The following amounts were consolidated for administration purposes:

Program Title	ALN	Amounts Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 88,661
Rural Education	84.358	1,532
Supporting Effective Instruction State Grants	84.367	8,209
Student Support and Academic Enrichment Program	84.424	678
Total amounts consolidated for administration purposes		<u>\$ 99,080</u>

HENRY COUNTY, TENNESSEE
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2024

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, 2024.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS					
2023	227	2023-001	The General, General Purpose School, and School Federal Projects funds required material audit adjustments for proper financial statement presentation.	N/A	General Fund: Not Corrected- see explanation on Corrective Action Plan General Purpose School and School Federal Projects funds: Corrected
2023	228	2023-002	Accounting records were not closed and available for audit by August 31, 2023.	N/A	Corrected
2023	228	2023-003	The offices had accounting deficiencies.		Corrected
OFFICE OF COUNTY MAYOR					
2023	230	2023-004	The office had deficiencies in purchasing procedures.	N/A	Part A: Not Corrected - See Explanation on Corrective Action Plan Parts B and C: Corrected
2023	231	2023-005	Payroll tax deposits to the Internal Revenue Service were not properly reported resulting in the assessment of additional tax, interest, and penalties totaling \$55,408.	N/A	Corrected
OFFICE OF ASSESSOR OF PROPERTY					
2023	232	2023-006	The assessor did not properly prorate improvements.	N/A	Corrected
OFFICE OF SHERIFF					
2023	233	2023-007	The cash journal was not properly maintained.	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, 2024

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements 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 Numbers: 10.553 and 10.555	Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
* Assistance Listing Number: 21.027	COVID 19 - Coronavirus State and Local Fiscal Recovery Funds (ARP)
* Assistance Listing Numbers: 84.027 and 84.173	Special Education Cluster (IDEA): Special Education - Grants to States and Special Education - Preschool Grants
* Assistance Listing Number: 84.425	COVID 19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action 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.

OFFICE OF COUNTY MAYOR

FINDING 2024-001

THE GENERAL FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

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

On June 30, 2024, certain general ledger account balances in the General Fund were not materially correct, and audit adjustments for accounts receivable, related deferred revenues, accounts payable, and restricted accounts totaling \$463,529 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Henry County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county'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 county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – RANDY GREIGER, CURRENT COUNTY MAYOR

We concur with the finding. When closing the fiscal year, accruals for accounts receivable, deferred revenues, and accounts payable will be reviewed for accuracy.

FINDING 2024-002

PURCHASE ORDERS WERE NOT ISSUED PROPERLY

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

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 120 disbursements totaling \$701,190 from a population of 3,729 vendor checks totaling \$11,756,168. In 24 of 120 applicable instances, purchase orders were issued after the purchases were made. 18 of those instances involved purchases by juvenile court for the Safe Baby Grant. This practice defeats the purpose of issuing a purchase order and makes the purchase order an approval for payment rather than an approval of the purchase. Purchase orders are necessary to control who has purchasing authority for the department and to document purchase commitments. The failure to issue purchase orders properly increases

the risks of unauthorized purchases. This deficiency is the result of a lack of management oversight and a lack of understanding of internal controls. This deficiency is also the result of management's failure to correct the finding noted in the prior-year audit report and management's failure to implement their corrective action plan.

RECOMMENDATION

Purchase orders should be issued for all applicable purchases before the purchases are made to strengthen internal controls over purchasing procedures and to document purchasing commitments.

MANAGEMENT'S RESPONSE – RANDY GREIGER, CURRENT COUNTY MAYOR

We concur with the finding. We continue to address this issue with the officials and department heads to ensure compliance going forward.

OFFICE OF SHERIFF

FINDING 2024-003

DEFICIENCIES WERE NOTED WITH A BANK ACCOUNT THAT HAD NOT BEEN RECORDED ON THE CASH JOURNAL
(A. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. through D. – Noncompliance Under *Government Auditing Standards*)

During our examination, the sheriff informed auditors of a bank account that had been opened by the bookkeeper during January 2023, without the sheriff's knowledge, that was not recorded in the cash journal. This bank account is being used to account for some collections and disbursements for The Shed, a facility operated by the department that accepts charitable donations and items for the community. Previously, all activity related to operations of The Shed had been receipted, recorded on the cash journal, remitted to the county trustee, and disbursed in compliance with proper internal controls. In opening this separate bank account, the bookkeeper circumvented the proper internal controls of the office. The bookkeeper's employment was terminated by the sheriff after he became aware of this account.

We reviewed the bank statements for the period January 2023 through November 2024 and noted the following deficiencies which are the result of a lack of management oversight and a lack of understanding of internal controls, generally accepted accounting principles, and sound business practices.

- A. Receipts, disbursements, and the bank balance had not been recorded in the cash journal. Sound business practices dictate that accounting records should accurately reflect all account transactions and balances. For the year ended June 30, 2024, receipts and disbursements totaled \$46,916 and \$5,105, respectively, and the bank balance was \$49,696 at year-end. We have properly presented all amounts associated with this bank account in the financial statements of this report.
- B. Official prenumbered receipts were not issued for collections deposited into the bank account from January 6, 2023, through November 29, 2024. Section 9-2-103, *Tennessee Code Annotated (TCA)*, requires official prenumbered receipts be issued for all collections. Without official prenumbered receipts, we were unable to determine if all funds had been accounted for properly. In addition, we were unable to determine if the office had complied with Section 5-8-207, *TCA*, which requires officials to deposit all collections within three days of receipt. The failure to properly issue receipts at the time of collection and the failure to deposit funds promptly increases the risks of fraud and abuse.

- C. Donations collected and deposited into the bank account were not remitted to the county trustee in accordance with state statutes. Section 8-24-103, *TCA*, requires sheriff fees to be remitted to the county trustee monthly, and Section 67-4-213(d), *TCA*, requires officials collecting fees and county revenues to report those collections to the county within 15 days after the end of the month in which the funds were collected. Management's failure to remit collections to the county trustee timely results in a loss of budgetary and accounting controls and increases the risk that errors will not be discovered and corrected in a timely manner.
- D. During January 6, 2023, through November 29, 2024, 32 check and debit card transactions totaling \$12,875 posted to the bank account that bypassed the purchasing and budgetary processes of the county and resulted in county funds that had not been appropriated by the county commission as required by state statute. Section 5-9-401, *TCA*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies."

RECOMMENDATION

The sheriff should close the bank account for The Shed and remit the balance to the county trustee. All financial activity of the office should be recorded in the cash journal. Official prenumbered receipts should be issued for all collections and deposited to the office bank account within three days of collection as required by state statute. All fees and county revenues should be remitted to the county trustee by the fifteenth day of the subsequent month of collection as required by state statute. All operating expenditures of the sheriff's department should be appropriated by the county commission and purchases should be made through the county's purchasing and budgetary processes.

MANAGEMENT'S RESPONSE – SHERIFF

The person that was responsible for opening this account has been terminated from the Henry County Sheriff's Office. It was our understanding that she had permission from the auditors to open this account but during the course of the investigation that was found to be false. This account was self-reported to the audit team once I had knowledge of an improper account.

FINDING 2024-004

THE OFFICE HAD DEFICIENCIES IN FILING ITS ANNUAL FINANCIAL REPORT

(A.– Noncompliance Under *Government Auditing Standards*; B. – Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The following deficiencies were noted during our examination of the office's annual financial report. These deficiencies can be attributed to a lack of management oversight, a lack of understanding of internal controls, and the failure to follow state statute.

- A. The annual financial report for the sheriff's department was not filed with the county mayor and was not filed with the county clerk until September 2024. Section 5-8-505, *Tennessee Code Annotated*, states, "All appointive or elective county public officials, official county boards, committees and commissions in the state having in their charge and custody public funds or moneys are required to file with the county mayor and with the county clerk, who shall provide a copy of this report to each member of the county legislative body on or before the next meeting of the county legislative body an annual financial report for the year ended June 30,

in a form prescribed by the Comptroller of the Treasury.” The next meeting of the county commission after June 30, 2024, was July 15, 2024.

- B. The annual financial report did not accurately reflect the operations of the office because receipts for operations were understated in the report by \$11,198 and disbursements were overstated by \$32,906 and are in addition to amounts noted in *Finding* 2024-003. These amounts were determined by substantive testing and alternative auditing procedures. After correcting these inaccurate amounts, the operations of the office have been properly included in the financial statements of this report.

RECOMMENDATION

The annual financial report should be filed with the county clerk and county mayor in a timely manner as required by state statute and should accurately reflect the operations of the sheriff's department.

MANAGEMENT'S RESPONSE – SHERIFF

The same person was in charge of this report as was the above finding. She had been terminated from the Henry County Sheriff's Office.

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, 2024.

HENRY COUNTY, TENNESSEE
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2024

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

2024-001	The General Fund required material audit adjustments for proper financial statement presentation.	213
2024-002	Purchase orders were not issued properly.	214

OFFICE OF SHERIFF

2024-003	Deficiencies were noted with a bank account that had not been recorded on the cash journal.	215
2024-004	The office had deficiencies in filing its annual financial report.	216



OFFICE OF THE COUNTY MAYOR
RANDY GEIGER

County of Henry

P. O. Box 7

PARIS, TENNESSEE 38242

PHONE: (731) 642-5212

FAX: (731) 642-6531

EMAIL: RGEIGER@HENRYCOUNTYTN.ORG

December 16, 2024

Corrective Action Plan

FINDING

**THE GENERAL FUND REQUIRED MATERIAL AUDIT
ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT
PRESENTATION**

Corrective Action Plan Prepared by:

Randy Greiger, County Mayor

Person Responsible for Implementing the Corrective Action:

Randy Grieger, County Mayor

Anticipated Completion Date of Corrective Action:

August 31, 2025

Repeat Finding:

Yes

Reason Corrective Action was not taken in the prior year:

We failed to properly post accruals at year-end.

Planned Corrective Action:

When closing the fiscal year, accruals for accounts receivable, deferred revenues, and accounts payable will be reviewed for accuracy.



Signature



County of Henry

P. O. Box 7

PARIS, TENNESSEE 38242

PHONE: (731) 642-5212

FAX: (731) 642-6531

EMAIL: RGEIGER@HENRYCOUNTYTN.ORG

December 16, 2024

Corrective Action Plan

FINDING

PURCHASE ORDERS WERE NOT ISSUED PROPERLY

Corrective Action Plan Prepared by:

Randy Greiger, County Mayor

Person Responsible for Implementing the Corrective Action:

Randy Greiger, County Mayor

Anticipated Completion Date of Corrective Action:

Immediately

Repeat Finding:

Yes

Reason Corrective Action was not taken in the prior year:

We had a purchasing deficiency finding in the prior year. We made improvements and corrected part of that finding; however, we continued to issue some purchase orders after the purchase was made.

Planned Corrective Action:

Departments will be reminded of the importance of obtaining a purchase order before a purchase is made.

Signature



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

DEFICIENCIES WERE NOTED WITH A BANK ACCOUNT THAT HAD NOT BEEN RECORDED ON THE CASH JOURNAL

Corrective Action Plan Prepared by:

Josh Frey, Sheriff

Person Responsible for Implementing the Corrective Action:

Josh Frey, Sheriff

Anticipated Completion Date of Corrective Action: By close of business on 12-20-2024

Repeat Finding:

No

Reason Corrective Action Was Not Taken in the Prior Year:

N/A

Planned Corrective Action: To close the account and place money into the general budget line for the Shed.

Corrective Action Plan

FINDING

THE OFFICE HAD DEFICIENCIES IN FILING ITS ANNUAL
FINANCIAL REPORT

Corrective Action Plan Prepared by:

Josh Frey, Sheriff

Person Responsible for Implementing the Corrective Action:

Josh Frey, Sheriff

Anticipated Completion Date of Corrective Action: The report has now been filed.

Repeat Finding:

No

Reason Corrective Action Was Not Taken in the Prior Year:

N/A

Planned Corrective Action: To make sure this doesn't happen again I've put reminders in place and also terminated the person that was in charge of this report. New internal controls are going to be put into use.

Sheriff Josh Frey 12-16-2024

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.