



ANNUAL FINANCIAL REPORT

Houston County, Tennessee

For the Year Ended June 30, 2024

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
HOUSTON 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.

HOUSTON COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in no findings.



INTRODUCTORY SECTION

HOUSTON COUNTY OFFICIALS

June 30, 2024

Officials

Joey Brake, County Mayor
Teresa Wolfe, Road Superintendent
Kris McAskill, Director of Schools
Jimmy Lowery, Trustee
Joy Hooper, Assessor of Property
Robert Brown, County Clerk
Donna Vincent, Circuit, General Sessions, and Juvenile Courts Clerk
Patsy Brooks, Clerk and Master
Linda Lamberth, Register of Deeds
Kevin Sugg, Sheriff

Board of County Commissioners

Joey Brake, County Mayor, Chairman
William Agy
Glen Baggett
Carter Cary
Johnathan Floyd
Randall French
Steven Hall
Darrell Kingsmill

Garett Mathis
Robert Earl Parchman
Vickie Reedy
Fred Richardson
Stephanie Smith
Howard Spurgeon
Jean Tolley

Board of Education

Jeff Mathis, Chairman
Amanda Fansler
Sandy Harvey
Charlie Ligon

Travis Mitchell
Miller Moore
Wayne Skelton

Audit Committee

Glen Baggett, Chairman
Johnathan Floyd
Steven Hall

Garett Mathis
Fred Richardson
Stephanie Smith

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

Houston County Mayor
Board of County Commissioners
Houston 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 Houston 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 Houston County, Tennessee, as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparisons for the General, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund of the Houston County School Department (a discretely presented component unit), which represent 2.7 percent, 2.6 percent, and 5.3 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 Houston 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 Houston 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., Houston 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 Houston 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 Houston 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 Houston 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's 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 Houston 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 Houston 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 Houston 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

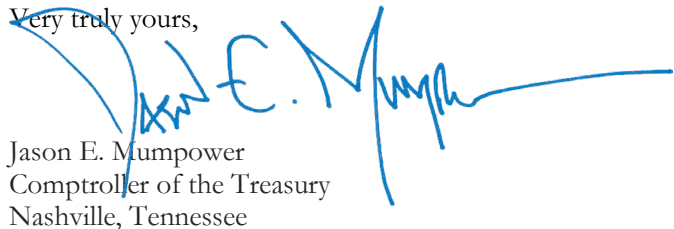
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, 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 January 14, 2025, on our consideration of Houston 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 Houston 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 Houston County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 14, 2025

JEM/gc

BASIC FINANCIAL STATEMENTS SECTION

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

	Primary Government Governmental Activities	Component Unit Houston County School Department
ASSETS		
Cash	\$ 560	\$ 394,613
Equity in Pooled Cash and Investments	4,163,606	4,163,258
Accounts Receivable	4,227	0
Due from Other Governments	563,938	685,436
Property Taxes Receivable	4,467,870	341,455
Allowance for Uncollectible Property Taxes	(119,588)	(9,404)
Accrued Interest Receivable	0	51,194
Net Pension Asset - Agent Hybrid Pension Plan	8,236	8,585
Net Pension Asset - Teacher Retirement Plan	0	42,579
Net Pension Asset - Teacher Legacy Pension Plan	0	1,548,040
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	168,669
Capital Assets:		
Assets Not Depreciated:		
Land	759,110	483,220
Construction in Progress	364,377	238,885
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	3,836,320	5,653,494
Infrastructure	1,612,587	0
Other Capital Assets	2,374,865	998,606
Total Assets	<u>\$ 18,036,108</u>	<u>\$ 14,768,630</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	\$ 265,537	\$ 0
Pension Changes in Experience	0	370,256
Pension Changes in Investment Earnings	5	279,425
Pension Changes in Assumptions	0	536,428
Pension Changes in Proportion	0	131,200
Pension Contributions After Measurement Date	47,872	392,749
OPEB Changes in Experience	0	169,901
OPEB Changes in Assumptions	0	229,899
OPEB Changes in Proportion	0	13,884
OPEB Contributions After Measurement Date	0	25,181
Total Deferred Outflows of Resources	<u>\$ 313,414</u>	<u>\$ 2,148,923</u>

(Continued)

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

	Primary Government Governmental Activities	Component Unit Houston County School Department
LIABILITIES		
Accounts Payable	\$ 21,410	\$ 7,070
Accrued Payroll	37,392	0
Payroll Deductions Payable	44,938	131,963
Accrued Interest Payable	6,000	0
Due to State of Tennessee	534	0
Noncurrent Liabilities:		
Due Within One Year - Debt	976,294	0
Due Within One Year - Other	34,698	95,090
Due in More Than One Year - Debt	8,383,728	0
Due in More Than One Year - Other	0	889,718
Total Liabilities	<u>\$ 9,504,994</u>	<u>\$ 1,123,841</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	\$ 4,196,776	\$ 319,764
Pension Changes in Experience	0	96,692
Pension Changes in Proportion	0	18,919
OPEB Changes in Experience	0	213,564
OPEB Changes in Assumptions	0	113,150
OPEB Changes in Proportion	0	53,444
Total Deferred Inflows of Resources	<u>\$ 4,196,776</u>	<u>\$ 815,533</u>
NET POSITION		
Net Investment in Capital Assets	\$ 1,904,981	\$ 7,374,205
Restricted for:		
General Government	157,040	0
Administration of Justice	30,722	0
Public Safety	113,912	0
Public Health and Welfare	104,317	0
Highway/Public Works	528,610	0
Capital Outlay	4,228	0
Debt Service	269,520	0
Education	0	397,288
Operation of Non-instructional Services	0	634,500
Hybrid Retirement Stabilization Funds	0	168,669
Pensions	8,236	1,599,204
Unrestricted	<u>1,526,186</u>	<u>4,804,313</u>
Total Net Position	<u>\$ 4,647,752</u>	<u>\$ 14,978,179</u>

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

Exhibit B

HOUSTON COUNTY, TENNESSEE
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Government	Unit
					Total Governmental Activities	Houston County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,551,384	\$ 85,803	\$ 114,116	\$ 0	\$ (1,351,465)	\$ 0
Finance	491,747	272,825	0	0	(218,922)	0
Administration of Justice	563,250	170,248	9,000	0	(384,002)	0
Public Safety	2,821,111	171,910	563,117	0	(2,086,084)	0
Public Health and Welfare	1,019,201	48,868	234,693	0	(735,640)	0
Social, Cultural, and Recreational Services	252,879	15,855	5,000	0	(232,024)	0
Highway/Public Works	4,208,955	0	1,925,305	2,133,462	(150,188)	0
Education	0	0	524,638	0	524,638	0
Interest on Long-term Debt	383,335	0	0	0	(383,335)	0
Total Primary Government	\$ 11,291,862	\$ 765,509	\$ 3,375,869	\$ 2,133,462	\$ (5,017,022)	\$ 0
Component Unit:						
Houston County School Department	\$ 17,686,659	\$ 248,960	\$ 14,378,196	\$ 308,600	\$ 0	\$ (2,750,903)
Total Component Unit	\$ 17,686,659	\$ 248,960	\$ 14,378,196	\$ 308,600	\$ 0	\$ (2,750,903)

(Continued)

Exhibit B

HOUSTON COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Government	Unit
				Total	Houston	
				Governmental	County	
				Activities	School	
					Department	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 4,027,630	\$ 346,941
Property Taxes Levied for Debt Service					205,690	0
Local Option Sales Taxes					336,506	1,124,135
Hotel/Motel Tax					29,455	0
Wheel Tax					502,555	0
Litigation Tax					18,853	0
Business Tax					32,676	37,705
Wholesale Beer Tax					61,632	0
Other Local Taxes					1,966	0
Grants and Contributions Not Restricted to Specific Programs					534,705	735,268
Unrestricted Investment Income					17	178,908
Miscellaneous					84,042	105,762
Total General Revenues					<u>\$ 5,835,727</u>	<u>\$ 2,528,719</u>
Change in Net Position					\$ 818,705	\$ (222,184)
Net Position, July 1, 2023					<u>3,829,047</u>	<u>15,200,363</u>
Net Position, June 30, 2024					<u>\$ 4,647,752</u>	<u>\$ 14,978,179</u>

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

Exhibit C-1

HOUSTON COUNTY, TENNESSEE

Balance Sheet

Governmental Funds

June 30, 2024

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	
ASSETS						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 560	\$ 560
Equity in Pooled Cash and Investments	2,536,282	244,746	691,913	574,874	115,791	4,163,606
Accounts Receivable	2,992	1,235	0	0	0	4,227
Due from Other Governments	227,977	0	335,961	0	0	563,938
Due from Other Funds	2,223	0	0	0	0	2,223
Property Taxes Receivable	3,656,561	568,100	27,023	216,186	0	4,467,870
Allowance for Uncollectible Property Taxes	(98,363)	(14,703)	(724)	(5,798)	0	(119,588)
Total Assets	<u>\$ 6,327,672</u>	<u>\$ 799,378</u>	<u>\$ 1,054,173</u>	<u>\$ 785,262</u>	<u>\$ 116,351</u>	<u>\$ 9,082,836</u>
LIABILITIES						
Accounts Payable	\$ 20,884	\$ 300	\$ 226	\$ 0	\$ 0	\$ 21,410
Accrued Payroll	37,392	0	0	0	0	37,392
Payroll Deductions Payable	43,029	1,909	0	0	0	44,938
Due to Other Funds	0	0	0	0	2,223	2,223
Due to State of Tennessee	511	23	0	0	0	534
Total Liabilities	<u>\$ 101,816</u>	<u>\$ 2,232</u>	<u>\$ 226</u>	<u>\$ 0</u>	<u>\$ 2,223</u>	<u>\$ 106,497</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 3,432,895	\$ 535,478	\$ 25,378	\$ 203,025	\$ 0	\$ 4,196,776
Deferred Delinquent Property Taxes	118,269	16,571	888	7,168	0	142,896
Other Deferred/Unavailable Revenue	40,816	0	167,898	0	0	208,714
Total Deferred Inflows of Resources	<u>\$ 3,591,980</u>	<u>\$ 552,049</u>	<u>\$ 194,164</u>	<u>\$ 210,193</u>	<u>\$ 0</u>	<u>\$ 4,548,386</u>

(Continued)

HOUSTON COUNTY, TENNESSEE

Balance Sheet

Governmental Funds (Cont.)

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	
FUND BALANCES						
Restricted:						
Restricted for General Government	\$ 18,797	\$ 0	\$ 0	\$ 0	\$ 0	18,797
Restricted for Administration of Justice	30,722	0	0	0	0	30,722
Restricted for Public Safety	20,847	0	0	0	93,065	113,912
Restricted for Public Health and Welfare	75,877	0	0	0	11,869	87,746
Restricted for Other Operations	129,155	0	0	0	3,781	132,936
Restricted for Highways/Public Works	0	0	399,102	0	0	399,102
Restricted for Capital Projects	0	0	0	0	4,228	4,228
Committed:						
Committed for General Government	754,775	0	0	0	18	754,793
Committed for Public Health and Welfare	0	245,097	0	0	1,167	246,264
Committed for Highways/Public Works	0	0	460,681	0	0	460,681
Committed for Debt Service	0	0	0	575,069	0	575,069
Assigned:						
Assigned for Public Safety	433,373	0	0	0	0	433,373
Assigned for Other Operations	5,850	0	0	0	0	5,850
Unassigned	1,164,480	0	0	0	0	1,164,480
Total Fund Balances	<u>\$ 2,633,876</u>	<u>\$ 245,097</u>	<u>\$ 859,783</u>	<u>\$ 575,069</u>	<u>\$ 114,128</u>	<u>\$ 4,427,953</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,327,672</u>	<u>\$ 799,378</u>	<u>\$ 1,054,173</u>	<u>\$ 785,262</u>	<u>\$ 116,351</u>	<u>\$ 9,082,836</u>

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

HOUSTON 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)	\$	4,427,953	
 (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	759,110	
Add: construction in progress		364,377	
Add: buildings and improvements net of accumulated depreciation		3,836,320	
Add: infrastructure net of accumulated depreciation		1,612,587	
Add: other capital assets net of accumulated depreciation		<u>2,374,865</u>	8,947,259
 (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(684,000)	
Less: other loans payable		(2,267,744)	
Less: bonds payable		(6,408,278)	
Add: deferred amount on refunding		265,537	
Less: accrued interest payable		(6,000)	
Less: compensated absences payable		<u>(34,698)</u>	(9,135,183)
 (3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as a component of pension expense in future years.			
Add: deferred outflows of resources related to pensions			47,877
 (4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
			8,236
 (5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			
			<u>351,610</u>
Net position of governmental activities (Exhibit A)	\$		<u><u>4,647,752</u></u>

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

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

	Major Funds				Nonmajor	Total
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	
Revenues						
Local Taxes	\$ 3,963,374	\$ 508,069	\$ 25,231	\$ 747,046	\$ 0	\$ 5,243,720
Fines, Forfeitures, and Penalties	27,614	0	0	0	1,755	29,369
Charges for Current Services	74,234	0	0	0	5,250	79,484
Other Local Revenues	126,240	18,576	3,848	0	2,322	150,986
Fees Received From County Officials	444,510	0	0	0	0	444,510
State of Tennessee	863,717	31,154	4,030,834	71,541	0	4,997,246
Federal Government	221,819	0	0	0	0	221,819
Other Governments and Citizens Groups	274,429	0	0	653,467	0	927,896
Total Revenues	\$ 5,995,937	\$ 557,799	\$ 4,059,913	\$ 1,472,054	\$ 9,327	\$ 12,095,030
Expenditures						
Current:						
General Government	\$ 1,303,955	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,303,955
Finance	457,527	0	0	0	0	457,527
Administration of Justice	511,763	0	0	0	5,250	517,013
Public Safety	2,679,837	0	0	0	142,661	2,822,498
Public Health and Welfare	232,662	535,877	0	0	0	768,539
Social, Cultural, and Recreational Services	235,283	0	0	0	0	235,283
Agriculture and Natural Resources	99,903	0	0	0	0	99,903
Other Operations	477,439	27,345	0	0	41,237	546,021
Highways	0	0	4,159,162	0	0	4,159,162
Debt Service:						
Principal on Debt	0	0	61,000	1,005,864	0	1,066,864
Interest on Debt	0	0	7,624	361,030	0	368,654
Other Debt Service	0	0	0	9,882	0	9,882
Capital Projects	150,143	0	0	0	0	150,143
Total Expenditures	\$ 6,148,512	\$ 563,222	\$ 4,227,786	\$ 1,376,776	\$ 189,148	\$ 12,505,444

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor	Total
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ (152,575)	\$ (5,423)	\$ (167,873)	\$ 95,278	\$ (179,821)	\$ (410,414)
Other Financing Sources (Uses)						
Insurance Recovery	\$ 2,365	\$ 10,996	\$ 0	\$ 0	\$ 0	\$ 13,361
Transfers In	0	0	0	100,000	0	100,000
Transfers Out	(100,000)	0	0	0	0	(100,000)
Total Other Financing Sources (Uses)	\$ (97,635)	\$ 10,996	\$ 0	\$ 100,000	\$ 0	\$ 13,361
Net Change in Fund Balances	\$ (250,210)	\$ 5,573	\$ (167,873)	\$ 195,278	\$ (179,821)	\$ (397,053)
Fund Balance, July 1, 2023	2,884,086	239,524	1,027,656	379,791	293,949	4,825,006
Fund Balance, June 30, 2024	\$ 2,633,876	\$ 245,097	\$ 859,783	\$ 575,069	\$ 114,128	\$ 4,427,953

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

HOUSTON 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)		\$	(397,053)
(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	\$	787,794	
Less: current-year depreciation expense		<u>(697,663)</u>	90,131
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			
Less: proceeds received on disposal of capital assets			(10,157)
(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	\$	351,610	
Less: deferred delinquent property taxes and other deferred June 30, 2023		<u>(325,916)</u>	25,694
(4) The issuance of long-term debt (e.g., notes, bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Less: change in deferred amount on refunding debt	\$	(16,718)	
Add: principal payments on notes		233,500	
Add: principal payments on other loans		693,116	
Add: principal payments on bonds		<u>140,248</u>	1,050,146
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Change in net pension asset - agent hybrid pension plan	\$	8,236	
Change in deferred outflows related to pensions		47,877	
Change in accrued interest payable		2,037	
Change in compensated absences payable		<u>1,794</u>	59,944
Change in net position of governmental activities (Exhibit B)		\$	<u><u>818,705</u></u>

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

HOUSTON 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	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 3,963,374	\$ 0	\$ 0	\$ 3,963,374	\$ 3,817,828	\$ 3,817,828	\$ 145,546
Fines, Forfeitures, and Penalties	27,614	0	0	27,614	37,100	37,100	(9,486)
Charges for Current Services	74,234	0	0	74,234	62,700	62,700	11,534
Other Local Revenues	126,240	0	0	126,240	138,250	255,120	(128,880)
Fees Received From County Officials	444,510	0	0	444,510	465,500	465,500	(20,990)
State of Tennessee	863,717	0	0	863,717	1,455,839	1,460,839	(597,122)
Federal Government	221,819	0	0	221,819	26,000	26,000	195,819
Other Governments and Citizens Groups	274,429	0	0	274,429	65,500	65,500	208,929
Total Revenues	\$ 5,995,937	\$ 0	\$ 0	\$ 5,995,937	\$ 6,068,717	\$ 6,190,587	\$ (194,650)
Expenditures							
General Government							
County Commission	\$ 180,915	\$ 0	\$ 0	\$ 180,915	\$ 194,479	\$ 194,479	\$ 13,564
Board of Equalization	1,295	0	0	1,295	1,309	1,309	14
County Mayor/Executive	272,442	0	0	272,442	283,940	283,940	11,498
Election Commission	192,304	0	0	192,304	181,587	208,147	15,843
Register of Deeds	132,079	0	0	132,079	137,406	137,406	5,327
County Buildings	105,899	0	0	105,899	133,945	133,799	27,900
Other General Administration	375,574	0	0	375,574	368,777	386,777	11,203
Preservation of Records	43,447	0	0	43,447	38,732	43,732	285
Finance							
Property Assessor's Office	123,428	0	0	123,428	126,519	126,519	3,091
Reappraisal Program	15,255	0	0	15,255	18,025	18,025	2,770
County Trustee's Office	145,394	0	0	145,394	148,233	148,233	2,839
County Clerk's Office	173,450	0	0	173,450	178,163	184,163	10,713
Data Processing	0	0	0	0	700	700	700
Other Finance	0	0	0	0	5,000	5,000	5,000
Administration of Justice							
Circuit Court	200,922	0	0	200,922	226,573	212,573	11,651
General Sessions Judge	72,825	0	0	72,825	73,524	74,309	1,484

(Continued)

HOUSTON 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	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Administration of Justice (Cont.)							
Chancery Court	\$ 151,461	\$ 0	\$ 0	\$ 151,461	\$ 152,451	\$ 152,451	\$ 990
Juvenile Court	69,323	0	0	69,323	68,515	75,514	6,191
Judicial Commissioners	17,232	0	0	17,232	17,333	17,333	101
Public Safety							
Sheriff's Department	829,659	0	0	829,659	995,378	993,878	164,219
Special Patrols	3,051	0	0	3,051	8,772	8,772	5,721
Administration of the Sexual Offender Registry	0	0	0	0	1,200	1,200	1,200
Jail	885,416	0	0	885,416	918,199	1,097,699	212,283
Fire Prevention and Control	163,055	(1,887)	433,373	594,541	296,586	605,464	10,923
Civil Defense	116,120	0	0	116,120	111,993	127,190	11,070
Other Emergency Management	379,740	0	0	379,740	359,098	455,552	75,812
County Coroner/Medical Examiner	12,741	0	0	12,741	34,170	34,170	21,429
Other Public Safety	290,055	0	0	290,055	400,000	415,000	124,945
Public Health and Welfare							
Local Health Center	118,916	0	0	118,916	160,907	314,907	195,991
Sanitation Education/Information	41,457	0	0	41,457	44,200	42,419	962
Waste Pickup	20,997	0	0	20,997	32,104	33,885	12,888
Other Public Health and Welfare	51,292	0	0	51,292	20,000	52,292	1,000
Social, Cultural, and Recreational Services							
Adult Activities	77,226	(9,951)	0	67,275	42,500	67,500	225
Libraries	142,657	0	0	142,657	141,423	147,043	4,386
Other Social, Cultural, and Recreational	15,400	0	0	15,400	15,400	15,400	0
Agriculture and Natural Resources							
Agricultural Extension Service	89,106	0	0	89,106	77,350	77,350	(11,756)
Soil Conservation	10,797	0	0	10,797	10,854	10,854	57
Other Operations							
Tourism	35,098	0	5,850	40,948	27,500	70,500	29,552
Airport	43,798	0	0	43,798	65,655	65,655	21,857
Veterans' Services	38,661	0	0	38,661	43,405	43,405	4,744

(Continued)

HOUSTON 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	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Other Operations (Cont.)							
Employee Benefits	\$ 340,800	\$ 0	\$ 0	\$ 340,800	\$ 372,000	\$ 372,000	\$ 31,200
Payments to Cities	19,082	0	0	19,082	12,500	22,500	3,418
Capital Projects							
Social, Cultural, and Recreation Projects	150,143	0	0	150,143	0	150,150	7
Total Expenditures	\$ 6,148,512	\$ (11,838)	\$ 439,223	\$ 6,575,897	\$ 6,546,405	\$ 7,629,194	\$ 1,053,297
Excess (Deficiency) of Revenues Over Expenditures	\$ (152,575)	\$ 11,838	\$ (439,223)	\$ (579,960)	\$ (477,688)	\$ (1,438,607)	\$ 858,647
Other Financing Sources (Uses)							
Insurance Recovery	\$ 2,365	\$ 0	\$ 0	\$ 2,365	\$ 8,000	\$ 8,000	\$ (5,635)
Transfers In	0	0	0	0	435,900	435,900	(435,900)
Transfers Out	(100,000)	0	0	(100,000)	0	(100,000)	0
Total Other Financing Sources	\$ (97,635)	\$ 0	\$ 0	\$ (97,635)	\$ 443,900	\$ 343,900	\$ (441,535)
Net Change in Fund Balance	\$ (250,210)	\$ 11,838	\$ (439,223)	\$ (677,595)	\$ (33,788)	\$ (1,094,707)	\$ 417,112
Fund Balance, July 1, 2023	2,884,086	(11,838)	0	2,872,248	1,740,941	2,884,086	(11,838)
Fund Balance, June 30, 2024	\$ 2,633,876	\$ 0	\$ (439,223)	\$ 2,194,653	\$ 1,707,153	\$ 1,789,379	\$ 405,274

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

HOUSTON COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 508,069	\$ 492,829	\$ 492,829	\$ 15,240
Other Local Revenues	18,576	14,000	14,000	4,576
State of Tennessee	31,154	42,000	42,000	(10,846)
Total Revenues	<u>\$ 557,799</u>	<u>\$ 548,829</u>	<u>\$ 548,829</u>	<u>\$ 8,970</u>
Expenditures				
Public Health and Welfare				
Convenience Centers	\$ 535,877	\$ 523,607	\$ 547,602	\$ 11,725
Other Operations				
Other Charges	10,548	8,000	8,000	(2,548)
Employee Benefits	16,797	39,000	39,000	22,203
Total Expenditures	<u>\$ 563,222</u>	<u>\$ 570,607</u>	<u>\$ 594,602</u>	<u>\$ 31,380</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (5,423)</u>	<u>\$ (21,778)</u>	<u>\$ (45,773)</u>	<u>\$ 40,350</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 10,996	\$ 0	\$ 10,996	\$ 0
Transfers In	0	22,000	22,000	(22,000)
Total Other Financing Sources	<u>\$ 10,996</u>	<u>\$ 22,000</u>	<u>\$ 32,996</u>	<u>\$ (22,000)</u>
Net Change in Fund Balance	\$ 5,573	\$ 222	\$ (12,777)	\$ 18,350
Fund Balance, July 1, 2023	<u>239,524</u>	<u>210,467</u>	<u>239,524</u>	<u>0</u>
Fund Balance, June 30, 2024	<u>\$ 245,097</u>	<u>\$ 210,689</u>	<u>\$ 226,747</u>	<u>\$ 18,350</u>

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

HOUSTON 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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 25,231	\$ 15,003	\$ 15,003	\$ 10,228
Other Local Revenues	3,848	33,000	33,000	(29,152)
State of Tennessee	4,030,834	4,408,759	4,408,759	(377,925)
Federal Government	0	195,541	195,541	(195,541)
Total Revenues	<u>\$ 4,059,913</u>	<u>\$ 4,652,303</u>	<u>\$ 4,652,303</u>	<u>\$ (592,390)</u>
Expenditures				
Highways				
Administration	\$ 201,945	\$ 206,427	\$ 209,358	\$ 7,413
Highway and Bridge Maintenance	1,087,746	1,817,040	1,833,273	745,527
Operation and Maintenance of Equipment	303,272	390,420	401,070	97,798
Other Charges	80,154	79,930	90,423	10,269
Employee Benefits	226,297	274,500	272,387	46,090
Capital Outlay	2,259,748	3,115,657	3,077,462	817,714
Principal on Debt				
Highways and Streets	61,000	64,812	64,812	3,812
Interest on Debt				
Highways and Streets	7,624	7,624	7,624	0
Total Expenditures	<u>\$ 4,227,786</u>	<u>\$ 5,956,410</u>	<u>\$ 5,956,409</u>	<u>\$ 1,728,623</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ (167,873)</u>	<u>\$ (1,304,107)</u>	<u>\$ (1,304,106)</u>	<u>\$ 1,136,233</u>
Net Change in Fund Balance				
Fund Balance, July 1, 2023	<u>\$ 1,027,656</u>	<u>\$ 1,725,689</u>	<u>\$ 1,725,689</u>	<u>\$ (698,033)</u>
Fund Balance, June 30, 2024	<u>\$ 859,783</u>	<u>\$ 421,582</u>	<u>\$ 421,583</u>	<u>\$ 438,200</u>

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

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

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 335,944
Due from Other Governments	<u>143,874</u>
Total Assets	<u>\$ 479,818</u>
LIABILITIES	
Due to Other Taxing Units	<u>\$ 143,874</u>
Total Liabilities	<u>\$ 143,874</u>
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 335,944</u>
Total Net Position	<u><u>\$ 335,944</u></u>

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

HOUSTON COUNTY, TENNESSEE
Statement of Changes in Net Position
 Fiduciary Funds
For the Year Ended June 30, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Sales Tax Collections for Other Governments	\$ 789,926
Fines/Fees and Other Collections	2,465,941
Total Additions	<u>\$ 3,255,867</u>
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	\$ 789,926
Payments to State	1,114,039
Payments to Cities, Individuals, and Others	1,344,897
Total Deductions	<u>\$ 3,248,862</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 7,005
Net Position, July 1, 2023	<u>328,939</u>
Net Position, June 30, 2024	<u><u>\$ 335,944</u></u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Houston 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 Houston County:

A. *Reporting Entity*

Houston County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Houston County (the primary government) and its component units. The financial statements of the Houston County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of the omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Houston County School Department operates the public school system in the county, and the voters of Houston 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 Houston County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Houston County, and the Houston 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 Houston County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Office:

Houston County Emergency Communications District
P.O. Box 333
Erin, TN 37061

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 Houston 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 Houston 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.

Houston County issues all debt for the discretely presented Houston 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 proprietary fund and 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 Houston 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/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Houston County only 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. Houston County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

Fiduciary funds financial statements are reported using the economic resources measurement focus 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.

Houston County reports the following major governmental funds:

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

Solid Waste/Sanitation Fund – This special revenue fund accounts for all solid waste activities, including those activities specifically related to the landfill.

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, Houston County reports the following fund types:

Capital Projects Fund – The General Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

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

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

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

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

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

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. 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 Houston 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 discretely presented school department's General Purpose School Fund. Houston 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. Houston 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 1.41 percent of total taxes levied.

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

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

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

3. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Houston 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 Houston County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Houston County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

4. Capital Assets

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

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

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

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

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

Assets	Years	
	Primary Government	Houston County School Department
Buildings and Improvements	25 - 40 or life of note	10 - 40
Other Capital Assets	5 - 12	5 - 20
Infrastructure:		
Roads	8 - 20	
Bridges	30	

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. 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, 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

The policy of Houston County, except for the highway department, does not permit its 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 highway department to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the department does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide statements for the department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

The general policy of the discretely presented Houston County School Department permits the unlimited accumulation of unused sick leave for professional personnel (teachers). Nonprofessional personnel are allowed to accumulate a limited amount of sick leave. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. No provisions exist for accruing vacation leave.

7. Long-term Debt and Long-term Obligations

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences 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.

As of June 30, 2024, Houston County had \$2,317,744 in outstanding debt for capital purposes for the discretely presented Houston County School Department. This debt is a liability of Houston County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Houston 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 Houston County’s participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Houston County’s fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Houston 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 Houston 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 Houston 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 Houston 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 Houston County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. *Budgetary Information*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers – Fees, Special Purpose, Other General Government, Other Special Revenue and the school department's Internal School funds (special revenue funds), which are not budgeted, and the General Capital Projects Fund, which adopts a project length budget. All annual appropriations lapse at fiscal year-end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the

county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

On June 30, 2024, the General Fund had outstanding encumbrances of \$439,223.

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the following major categories of the following funds:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General Fund:	
Agriculture and Natural Resources - Agricultural Extension Service	\$ 11,756
Solid Waste Sanitation Fund:	
Other Operations - Other Charges	2,548
General Debt Service Fund:	
Interest on Debt - General Government	3,032
Interest on Debt - Education	19,883

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Houston County and the Houston 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 and nonpooled investments as of June 30, 2024.

TCRS Stabilization Trust

Legal Provisions. The Houston 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 Houston 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 Houston 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	\$ 52,287
Developed Market International Equity	N/A	N/A	23,614
Emerging Market International Equity	N/A	N/A	6,747
U.S. Fixed Income	N/A	N/A	33,734
Real Estate	N/A	N/A	16,867
Short-term Securities	N/A	N/A	1,686
NAV - Private Equity and Strategic Lending	N/A	N/A	33,734
 Total			 \$ 168,669

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. 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	\$ 759,110	\$ 0	\$ 0	\$ 759,110
Construction in Progress	186,264	178,113	0	364,377
Total Capital Assets Not Depreciated	<u>\$ 945,374</u>	<u>\$ 178,113</u>	<u>\$ 0</u>	<u>\$ 1,123,487</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 6,619,642	\$ 0	\$ 0	\$ 6,619,642
Infrastructure	3,066,558	0	0	3,066,558
Other Capital Assets	6,649,970	609,681	(58,622)	7,201,029
Total Capital Assets Depreciated	<u>\$ 16,336,170</u>	<u>\$ 609,681</u>	<u>\$ (58,622)</u>	<u>\$ 16,887,229</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,610,210	\$ 173,112	\$ 0	\$ 2,783,322
Infrastructure	1,328,953	125,018	0	1,453,971
Other Capital Assets	4,475,096	399,533	(48,465)	4,826,164
Total Accumulated Depreciation	<u>\$ 8,414,259</u>	<u>\$ 697,663</u>	<u>\$ (48,465)</u>	<u>\$ 9,063,457</u>
Total Capital Assets Depreciated, Net	<u>\$ 7,921,911</u>	<u>\$ (87,982)</u>	<u>\$ (10,157)</u>	<u>\$ 7,823,772</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,867,285</u>	<u>\$ 90,131</u>	<u>\$ (10,157)</u>	<u>\$ 8,947,259</u>

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

Governmental Activities:

General Government	\$	87,146
Finance		5,362
Administration of Justice		12,910
Public Safety		262,381
Public Health and Welfare		81,810
Social, Cultural, and Recreational Services		8,727
Agriculture and Natural Resources		1,339
Highway/Public Works		<u>237,988</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>697,663</u></u>

Net Investment in Capital Assets

Capital Assets	\$	8,947,259
Less:		
Outstanding principal of capital debt and other capital borrowings		<u>(7,042,278)</u>
Net Investment in Capital Assets	\$	<u><u>1,904,981</u></u>

Discretely Presented Houston County School Department

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 483,220	\$ 0	\$ 0	\$ 483,220
Construction in Progress	1,059,785	136,500	(957,400)	238,885
Total Capital Assets Not Depreciated	\$ 1,543,005	\$ 136,500	\$ (957,400)	\$ 722,105
Capital Assets Depreciated:				
Buildings and Improvements	\$ 14,801,354	\$ 1,409,932	\$ 0	\$ 16,211,286
Other Capital Assets	3,589,405	162,770	0	3,752,175
Total Capital Assets Depreciated	\$ 18,390,759	\$ 1,572,702	\$ 0	\$ 19,963,461
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 10,145,512	\$ 412,280	\$ 0	\$ 10,557,792
Other Capital Assets	2,618,204	135,365		2,753,569
Total Accumulated Depreciation	\$ 12,763,716	\$ 547,645	\$ 0	\$ 13,311,361
Total Capital Assets Depreciated, Net	\$ 5,627,043	\$ 1,025,057	\$ 0	\$ 6,652,100
Governmental Activities Capital Assets, Net	\$ 7,170,048	\$ 1,161,557	\$ (957,400)	\$ 7,374,205

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

Governmental Activities:

Instruction	\$ 153,315
Support Services	371,860
Operation of Non-instructional Services	<u>22,470</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 547,645</u>

C. *Interfund Receivables, Payables, and Transfers*

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 2,223

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

Interfund Transfers:

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

Primary Government

Transfer Out	Transfer In	
	General Debt Service Fund	Purpose
General Fund	\$ 100,000	Debt Retirement
Total	<u>\$ 100,000</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.

D. *Long-term Debt*

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Houston 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 37 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 - Houston County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school

department. Capital outlay notes are also issued to fund capital facilities. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 12 years for notes and up to 27 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. All notes and other loans included in long-term debt as of June 30, 2024, will be retired from the General Debt Service and Highway/Public Works funds.

General obligation bonds, capital outlay notes, 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				
Refunding	3.125 %	9-14-52	\$ 7,500,000	\$ 6,408,278
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	1.97 to 4.95	5-6-29	1,251,000	684,000
Other Loans	variable	5-25-27	10,000,000	2,185,000
Other Loans - Fixed rate	0.75	4-26-25	646,620	82,744

During the 1999-2000 year, Houston County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$10,000,000 to Houston County for school construction. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent weekly. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with the loan. On June 30, 2024, the variable interest rate was 3.41 percent on the loan. Other fees totaled 1.2 percent (letter of credit fee), .08 percent (remarketing fee), and .15 percent (trustee fee) of the outstanding loan principal.

During the 2017-18 year, Houston County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient Schools Initiative program. Under this agreement, the program made \$646,620 available for loan to Houston County to fund a project to increase energy efficiency in the Houston County School Department. The loan has an interest rate of .75 percent.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 145,050	\$ 197,850	\$ 342,900
2026	149,700	193,200	342,900
2027	154,500	188,400	342,900
2028	159,300	183,600	342,900
2029	164,400	178,500	342,900
2030-2034	903,300	811,200	1,714,500
2035-2039	1,055,800	658,700	1,714,500
2040-2044	1,234,050	480,450	1,714,500
2045-2049	1,442,800	271,700	1,714,500
2050-2053	999,378	48,700	1,048,078
Total	\$ 6,408,278	\$ 3,212,300	\$ 9,620,578

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2025	\$ 135,500	\$ 23,755	\$ 159,255
2026	135,500	19,637	155,137
2027	266,500	10,619	277,119
2028	78,500	3,012	81,512
2029	68,000	1,340	69,340
Total	\$ 684,000	\$ 58,363	\$ 742,363

Year Ending June 30	Other Loans - Direct Placement			Total
	Principal	Interest	Other Fees	
2025	\$ 695,744	\$ 74,827	\$ 29,767	\$ 800,338
2026	644,000	53,605	21,492	719,097
2027	928,000	31,645	12,798	972,443
Total	\$ 2,267,744	\$ 160,077	\$ 64,057	\$ 2,491,878

There is \$575,069 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$774, based on the 2020 federal census. Total debt per capita, including bonds, notes, and other loans totaled \$1,130 based on the 2020 federal census.

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

Description of Debt	Outstanding 6-30-24
<u>Notes Payable - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Board of Education Capital Outlay Notes, Series 2016	\$ 50,000
<u>Loans Payable - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
School Construction	2,185,000
Energy Efficient School Initiative	82,744

Changes in Long-term Debt

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

	Governmental Activities:		
	Bonds	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2023	\$ 6,548,526	\$ 917,500	\$ 2,960,860
Reductions	(140,248)	(233,500)	(693,116)
Balance, June 30, 2024	<u>\$ 6,408,278</u>	<u>\$ 684,000</u>	<u>\$ 2,267,744</u>
Balance Due Within One Year	<u>\$ 145,050</u>	<u>\$ 135,500</u>	<u>\$ 695,744</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2024	\$ 9,360,022
Less: Balance Due Within One Year - Debt	<u>(976,294)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 8,383,728</u>

E. 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:

	<u>Compensated Absences</u>
Balance, July 1, 2023	\$ 36,492
Additions	40,777
Reductions	<u>(42,571)</u>
Balance, June 30, 2024	<u>\$ 34,698</u>
Balance Due Within One Year	<u>\$ 34,698</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2024	\$ 34,698
Less: Balance Due Within One Year - Other	<u>(34,698)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 0</u>

Compensated absences will be paid from the employing fund, the Highway/Public Works Fund.

Discretely Presented Houston County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Houston County School Department for the year ended June 30, 2024, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2023	\$ 975,503
Additions	152,862
Reductions	<u>(143,557)</u>
Balance, June 30, 2024	<u>\$ 984,808</u>
Balance Due Within One Year	<u>\$ 95,090</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2024	\$ 984,808
Less: Balance Due Within One Year - Other	<u>(95,090)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 889,718</u>

Other postemployment benefits liability will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

F. Pledges of Future Revenues**Component Unit Revenues Pledged for Primary Government Debt**

The Houston County School Department has pledged to pay \$400,000 annually from its future revenues to the primary government's General Debt Service Fund to be applied toward the retirement of certain school debt. The related debt was issued by the primary government for the construction of a high school and is payable through 2027. Total principal, interest, and other fees remaining on the debt are approximately \$2,337,179 with annual requirements ranging from approximately \$717,277 in the next fiscal year to \$972,442 in the final year. For the current year, principal, interest, and other fees paid by the county and the appropriation by the school department were \$723,148 and \$400,000, respectively.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Houston 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 \$19,253. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Revenue Anticipation Note Activity

In a prior fiscal year, Houston County issued \$200,000 in the form of revenue anticipation notes in advance of property tax and other revenue collections and deposited the proceeds in the General Debt Service Fund. These notes were necessary because funds were not available to meet obligations coming due before current tax and other revenue collections. Houston County failed to repay interfund revenue anticipation notes in the amount of \$200,000 by year end and received approvals from the Comptroller’s Division of Local Government Finance for extensions with a final maturity in fiscal year 2025; however, this note was retired in fiscal year 2024. Revenue anticipation note activity for the year ended June 30, 2024, was as follows:

	Balance 7-1-23	Issued	Paid	Interfund Borrowing- Extended Portion
Revenue Anticipation Notes	\$ 40,000	\$ 0	\$ 40,000	\$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

Employee Health Insurance

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

Workers’ Compensation Insurance

Houston County participates in the Local Government Workers’ Compensation Fund (LWCF), a public entity risk pool established under provisions of Section 29-20-401, *Tennessee Code Annotated*, by the Tennessee County Services Association to provide a program of workers’ compensation coverage to employees of local governments. The county pays an annual premium to the LWCF for its workers’ compensation insurance coverage. The LWCF is to be self-sustaining through member premiums. The LWCF reinsures through commercial insurance companies for claims exceeding \$500,000.

Liability, Property, and Casualty

The county is exposed to various risks related to general liability, property, and casualty losses. Houston County participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$250,000 for property and \$450,000 for liability for each insured event.

Discretely Presented Houston County School Department

Employee Health Insurance

The Houston County School Department participates in the Local Education Group Insurance Fund (LEGIF), which is a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the 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.

Workers' Compensation, Liability, Property, and Casualty

The school department participates 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 school department pays an annual premium to the TN-RMT for its 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.

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.

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

D. Joint Ventures

The Twenty-third Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-third Judicial District; Cheatham, Dickson, Houston, Humphreys, and Stewart 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. Houston County made no contributions to the DTF for the year ended June 30, 2024.

The discretely presented school department participates in the Volunteer State Cooperative (VOLCO), which represents a cost-sharing arrangement. The cooperative was established through a contractual agreement between the Boards of Education of Bedford County, Coffee County, Dickson County, Fayetteville City, Hickman County, Houston County, Humphreys County, Manchester City, Marshall County, Maury County, Robertson County, and Stewart County. The cooperative was authorized through Title 49 of *Tennessee Code Annotated*. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Fayetteville City Schools) and a service provider to provide these services. The cooperative is governed by a Representative Committee, comprising one representative from each of the member districts; and an Executive Council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the Representative Committee.

Houston County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Twenty-third Judicial District Drug Task Force and the Volunteer State Cooperative can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Twenty-third Judicial District Drug Task Force
P.O. Box 580
Charlotte, TN 37036

Volunteer State Cooperative
1800 Wilson Parkway
Fayetteville, TN 37334

E. Jointly Governed Organizations

The Houston-Stewart County Industrial Park Board operates an industrial park that is jointly owned by Stewart and Houston counties. The board comprises seven members. The Stewart and Houston County Commissions appoint the board members alternately (four one year and three the next year); however, the counties do not have any ongoing financial interest or responsibility for the entity. Also, the board operates in conjunction with the Houston-Stewart County Development Commission, which consists of seven board members appointed by Stewart and Houston counties. The commission was incorporated to receive and administer

grant and loan funds for construction of buildings in the industrial park. The commission was declared inactive by its Board of Directors on October 25, 1990, and so remains until such time as a need develops.

The Industrial Development Board of Houston-Stewart Counties has been delegated the authority to develop, operate and maintain an industrial site located near the Stewart-Houston County line near Cumberland City, Tennessee. The board operates in conjunction with the Houston-Stewart Industrial Park Board and is comprised of eight members. The Stewart and Houston County Commissions appoint the board members; however, the counties do not have any ongoing financial interest or responsibility for the entity.

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government – Public Employee Retirement Plan (Hybrid without Cost Controls)

Plan Description. Beginning January 1, 2023, employees of Houston County and non-certified employees of the discretely presented Houston County School Department are provided a defined benefit pension plan (Houston County Hybrid Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 48.96 percent and the non-certified employees of the discretely presented school department comprised 51.04 percent of the plan based on the census 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 65 with five years of service 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 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. 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	0
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	7
Active Employees	<u>96</u>
 Total	 <u><u>103</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 are non-contributory. Houston County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation and statutory provisions. 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 Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of Houston County if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2024, to the Retirement Plan were \$80,735, which is 2.3 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Houston County’s net pension liability (asset) was measured on June 30, 2023, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 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 asset class are summarized in the following table:

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the 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 Houston 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	\$ 0	\$ 0	\$ 0
Changes for the year:			
Service Cost	\$ 85,246	\$ 0	\$ 85,246
Interest		0	0
Differences Between Expected and Actual Experience	0	0	0
Contributions-Employer	0	32,065	(32,065)
Contributions-Employee	0	69,707	(69,707)
Net Investment Income	0	3,319	(3,319)
Benefit Payments, Including Refunds of Employee Contributions	0	0	0
Administrative Expense	0	(3,024)	3,024
Net Changes	\$ 85,246	\$ 102,067	\$ (16,821)
Balance, June 30, 2023	\$ 85,246	\$ 102,067	\$ (16,821)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	48.96%	\$ 41,736	\$ 49,972	\$ (8,236)
School Department	51.04%	43,510	52,095	(8,585)
Total		<u>\$ 85,246</u>	<u>\$ 102,067</u>	<u>\$ (16,821)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Houston County calculated using the discount rate of 6.75 percent, as well as what the net pension liability (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% Decrease	Current Discount Rate	1% Increase
Houston County	5.75%	6.75%	7.75%
Net Pension Liability (Asset)	\$ 1,593	\$ (16,821)	\$ (31,290)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, Houston County recognized pension expense of \$15,233.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, Houston 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
Differences Between Expected and Actual Experience	\$ 0	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	11	0
Changes in Assumptions	0	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	80,735	N/A
Total	<u>\$ 80,746</u>	<u>\$ 0</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	\$ 47,877	\$ 0
School Department	32,869	0
Total	<u>\$ 80,746</u>	<u>\$ 0</u>

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

June 30	Amount
2025	\$ 3
2026	3
2027	3
2028	2
2029	0
Thereafter	0

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

Discretely Presented Houston County School Department - Non-certified Employees

General Information About the Pension Plan

Plan Description -Houston County Hybrid Plan. Beginning January 1, 2023, employees of Houston County and non-certified employees of the discretely presented Houston County School Department are provided a defined benefit pension plan (Houston County Hybrid Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 48.96 percent and the non-certified employees of the discretely presented school department comprised 51.04 percent of the plan based on employee population data.

Discretely Presented Houston County School Department - Certified Employees - Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Houston 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 \$77,326, which is 2.95 percent of covered payroll. In addition, employer contributions of \$23,762, 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, 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 (\$42,579) 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 .100415 percent. The proportion as of June 30, 2022, was .101915 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense of \$52,721.

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	\$ 1,434	\$ 24,853
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	10,826	0
Changes in Assumptions	32,034	0
Changes in Proportion of Net Pension Liability (Asset)	5,949	18,275
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	77,326	N/A
Total	<u>\$ 127,569</u>	<u>\$ 43,128</u>

The school department's employer contributions of \$77,326, 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	\$ (1,366)
2026	(2,941)
2027	13,759
2028	(400)
2029	(334)
Thereafter	(1,603)

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 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 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 Real Estate	6.57	20
Short-term Securities	1.20	20
	4.38	10
	0.00	1
Total		100

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Net Pension Liability (Asset)	\$ 195,863	\$ (42,579)	\$ (214,239)

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 Houston County School Department - Certified Employees - Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Houston 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 Houston County School Department for the year ended June 30, 2024, to the Teacher Legacy Pension Plan were \$282,560, 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 (\$1,548,040) 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 .131304 percent. The proportion measured on June 30, 2022, was .137840 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized (negative pension expense) of \$436,836.

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	\$ 368,822	\$ 71,839
Changes in Assumptions	504,394	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	268,593	0
Changes in Proportion of Net Pension Liability (Asset)	125,251	644
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	282,560	N/A
Total	<u>\$ 1,549,620</u>	<u>\$ 72,483</u>

The school department's employer contributions of \$282,560 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	\$ 411,784
2026	(168,263)
2027	948,951
2028	2,105
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 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 asset class are summarized in the following table:

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 3,371,739 \$ (1,548,040) \$ (5,639,908)

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**

Effective December 1, 2017, Houston County offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 401(k). All costs of administering and funding these programs are the responsibility of plan participants. The Section 401(k) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k) and 457 establish participation, contribution, and withdrawal provisions for the plans.

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 \$95,516 and teachers contributed \$20,251 to this deferred compensation pension plan.

G. *Other Postemployment Benefits (OPEB)*

The discretely presented Houston County School Department provides OPEB benefits to its retirees under the state administered public entity risk pools. 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 meet the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through State Administered Public Entity Risk Pools

Discretely Presented Houston County School Department

Retirees of the Houston County School Department are provided healthcare under a Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of the Houston County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The 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 Houston County School Department

Plan Description. Employees of the Houston 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 Houston County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The Houston 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	4
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	91
Total	<hr style="border: 1px solid black;"/> <hr style="border: 3px double black;"/> 95

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 \$25,181 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			Total OPEB Liability
	Houston County School Department 60.662%	State of TN 39.338%		
Balance July 1, 2022	\$ 975,503	\$ 615,113	\$	1,590,616
Changes for the Year:				
Service Cost	\$ 44,769	\$ 29,031	\$	73,800
Interest	35,226	22,844		58,070
Difference between Expected and Actuarial Experience	(103,560)	(67,156)		(170,716)
Change in Proportion	(10,604)	10,604		0
Changes in Assumption and Other Inputs	72,867	47,253		120,120
Benefit Payments	(29,394)	(19,061)		(48,455)
Net Changes	\$ 9,305	\$ 23,514	\$	32,819
Balance June 30, 2023	\$ 984,808	\$ 638,627	\$	1,623,435

The Houston 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 Houston 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 \$71,789 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Houston County School Department's proportionate share of the collective OPEB liability was 60.662 percent and the State of Tennessee's share was 39.338 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 \$166,879, 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	\$ 169,901	\$ 213,564
Changes of Assumptions	229,899	113,150
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	13,884	53,444
Benefits Paid After the Measurement Date of June 30, 2023	25,181	0
Total	<u>\$ 438,865</u>	<u>\$ 380,158</u>

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

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

Year Ending June 30	School Department
2025	\$ 15,095
2026	15,095
2027	15,095
2028	15,359
2029	(4,232)
Thereafter	(22,886)

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

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

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

Proportionate Share of the Collective Total OPEB Liability	\$ 1,057,300	\$ 984,808	\$ 915,437
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

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

Proportionate Share of the Collective Total OPEB Liability	\$ 881,447	\$ 984,808	\$ 1,104,899
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H. Purchasing Laws

Office of County Mayor

The County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, govern purchasing procedures for the general county government. These statutes provide for purchases exceeding \$25,000 to be made after public advertisement and solicitation of competitive bids.

Office of Road Superintendent

Chapter 366, Private Acts of 1945, as amended, and Section 54-7-113, *TCA* (Uniform Road Law), govern purchasing procedures for the highway department. These statutes provide for a highway commission, which includes the county mayor (who serves as chairman), the road superintendent, and three members of the county commission. The highway commission is required to authorize all purchases exceeding \$500 and to solicit competitive bids on all purchases exceeding \$25,000.

Office of Director of Schools

Purchasing procedures for the discretely presented Houston County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also

requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$25,000.

I. Subsequent Event

On June 30, 2024, Kris McAskill left the Office of Director of Schools and was succeeded by Scott Moore effective July 1, 2024.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

HOUSTON COUNTY, TENNESSEE**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Retirement Plan of TCRS**

Primary Government - Agent Hybrid Pension Plan

For the Fiscal Year Ended June 30

	<u>2023</u>
Total Pension Liability	
Service Cost	\$ 85,246
Interest	0
Differences Between Actual and Expected Experience	0
Changes in Assumption	0
Benefit Payments, Including Refunds of Employee Contributions	0
Net Change in Total Pension Liability	\$ 85,246
Total Pension Liability, Beginning	<u>0</u>
Total Pension Liability, Ending (a)	<u>\$ 85,246</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 32,065
Contributions - Employee	69,707
Net Investment Income	3,319
Benefit Payments, Including Refunds of Employee Contributions	0
Administrative Expense	(3,024)
Other Changes	0
Net Change in Plan Fiduciary Net Position	\$ 102,067
Plan Fiduciary Net Position, Beginning	<u>0</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 102,067</u>
Net Pension Liability (Asset), Ending (a - b)	<u>\$ (16,821)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	119.73%
Covered Payroll	\$ 1,395,285
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(1.21)%

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

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

HOUSTON COUNTY, TENNESSEE
Schedule of Contributions Based on Participation in the Public
Employee Retirement Plan of TCRS
 Primary Government - Agent Hybrid Pension Plan
For the Fiscal Year Ended June 30

	<u>2023</u>	<u>2024</u>
Actuarially Determined Contribution	\$ 32,065	\$ 80,735
Less: Contributions in Relation to the Actuarially Determined Contribution	<u>(32,065)</u>	<u>(80,735)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 1,395,285	\$ 3,510,150
Contributions as a Percentage of Covered Payroll	2.3%	2.3%

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

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

HOUSTON COUNTY, TENNESSEE

Schedule of Contributions Based on Participation in the Teacher

Retirement Plan of TCRS

Discretely Presented Houston County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 5,607	\$ 9,000	\$ 17,557	\$ 10,381	\$ 20,434	\$ 24,313	\$ 25,025	\$ 34,982	\$ 57,323	\$ 77,326
Less: Contributions in Relation to the Contractually Required Contribution	(5,607)	(9,000)	(17,557)	(25,463)	(20,434)	(24,313)	(25,025)	(34,982)	(57,323)	(77,326)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (15,082)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 140,180	\$ 225,001	\$ 438,929	\$ 636,570	\$ 1,053,317	\$ 1,197,662	\$ 1,238,888	\$ 1,686,846	\$ 1,997,304	\$ 2,621,220
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.07%	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%

HOUSTON COUNTY, TENNESSEE

Schedule of Contributions Based on Participation in the Teacher

Legacy Pension Plan of TCRS

Discretely Presented Houston County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 457,150	\$ 455,698	\$ 446,627	\$ 454,426	\$ 488,478	\$ 497,543	\$ 475,344	\$ 467,231	\$ 370,270	\$ 282,560
Less: Contributions in Relation to the Contractually Required Contribution	(457,150)	(455,698)	(446,627)	(454,426)	(488,478)	(497,543)	(475,344)	(467,231)	(370,270)	(282,560)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 5,056,968	\$ 5,040,908	\$ 4,940,567	\$ 5,004,684	\$ 4,669,972	\$ 4,680,566	\$ 4,628,479	\$ 4,454,073	\$ 4,260,874	\$ 4,149,191
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.49%	8.69%	6.81%

HOUSTON COUNTY, TENNESSEE
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS
 Discretely Presented Houston 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)	0.067467%	0.051137%	0.066876%	0.072844%	0.099539%	0.094909%	0.085841%	0.101915%	0.100415%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (2,714)	\$ (5,323)	\$ (17,642)	\$ (33,037)	\$ (56,188)	\$ (53,969)	\$ (92,984)	\$ (30,873)	\$ (42,579)
Covered Payroll	\$ 140,180	\$ 225,001	\$ 438,929	\$ 636,570	\$ 1,053,317	\$ 1,197,662	\$ 1,238,888	\$ 1,686,846	\$ 1,997,304
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)%	(1.83)%	(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.

HOUSTON COUNTY, TENNESSEE
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
 Discretely Presented Houston 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)	0.136702%	0.135087%	0.139645%	0.139763%	0.142923%	0.139271%	0.140631%	0.141019%	0.137840%	0.131304%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (22,213)	\$ 55,336	\$ 872,705	\$ (45,728)	\$ (502,933)	\$ (1,431,959)	\$ (1,072,414)	\$ (6,082,476)	\$ (1,690,476)	\$ (1,548,040)
Covered Payroll	\$ 5,365,543	\$ 5,056,968	\$ 5,040,908	\$ 4,940,567	\$ 5,004,684	\$ 4,669,972	\$ 4,680,566	\$ 4,628,479	\$ 4,454,073	\$ 4,260,874
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094255%	17.31%	(0.93)%	(10.05)%	(30.66)%	(22.91)%	(131.41)%	(37.95)%	(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%

HOUSTON COUNTY, TENNESSEE

Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan

Discretely Presented Houston County School Department

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 65,209	\$ 60,659	\$ 53,725	\$ 58,421	\$ 79,286	\$ 89,179	\$ 73,800
Interest	33,614	39,526	36,012	42,674	34,404	36,101	58,070
Differences Between Actual and Expected Experience	0	(147,739)	315,238	141,946	(206,867)	78,648	(170,716)
Changes in Assumptions or Other Inputs	(47,472)	34,317	(95,508)	159,374	267,154	(165,753)	120,120
Benefit Payments	(85,123)	(90,290)	(101,182)	(85,055)	(79,274)	(59,140)	(48,455)
Net Change in Total OPEB Liability	\$ (33,772)	\$ (103,527)	\$ 208,285	\$ 317,360	\$ 94,703	\$ (20,965)	\$ 32,819
Total OPEB Liability, Beginning	1,128,532	1,094,760	991,233	1,199,518	1,516,878	1,611,581	1,590,616
Total OPEB Liability, Ending	\$ 1,094,760	\$ 991,233	\$ 1,199,518	\$ 1,516,878	\$ 1,611,581	\$ 1,590,616	\$ 1,623,435
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 393,846	\$ 351,133	\$ 447,583	\$ 530,310	\$ 582,663	\$ 615,113	\$ 638,627
Employer Proportionate Share of the Total OPEB Liability	700,914	640,100	751,935	986,568	1,028,918	975,503	984,808
Covered Employee Payroll	\$ 5,004,984	\$ 4,669,672	\$ 4,680,566	\$ 4,628,479	\$ 4,454,073	\$ 4,260,874	\$ 5,577,995
Net OPEB Liability as a Percentage of Covered Employee Payroll	14.00%	13.71%	16.07%	21.32%	23.10%	22.89%	17.66%

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:

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

HOUSTON 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.

Special Purpose Fund – The Special Purpose Fund was used to account for transactions of the county’s local hospital, which was sold in the prior year.

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

Other General Government Fund – The Other General Government Fund is used to account for proceeds received from the American Rescue Plan.

Other Special Revenue Fund – The Other Special Revenue Fund was used to account for transactions of the county’s sale of its local hospital, which occurred in the prior year.

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 accounts for general capital expenditures of the county.

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

	Special Revenue Funds					Total
	Special Purpose	Drug Control	Other General Government	Other Special Revenue	Constitutional Officers - Fees	
ASSETS						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 560	\$ 560
Equity in Pooled Cash and Investments	1,167	93,065	3,799	11,869	0	109,900
Total Assets	\$ 1,167	\$ 93,065	\$ 3,799	\$ 11,869	\$ 560	\$ 110,460
LIABILITIES						
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 560	\$ 560
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 560	\$ 560
FUND BALANCES						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 93,065	\$ 0	\$ 0	\$ 0	\$ 93,065
Restricted for Public Health and Welfare	0	0	0	11,869	0	11,869
Restricted for Other Operations	0	0	3,781	0	0	3,781
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for General Government	0	0	18	0	0	18
Committed for Public Health and Welfare	1,167	0	0	0	0	1,167
Total Fund Balances	\$ 1,167	\$ 93,065	\$ 3,799	\$ 11,869	\$ 0	\$ 109,900
Total Liabilities and Fund Balances	\$ 1,167	\$ 93,065	\$ 3,799	\$ 11,869	\$ 560	\$ 110,460

(Continued)

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

	Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS		
Cash	\$ 0	\$ 560
Equity in Pooled Cash and Investments	5,891	115,791
Total Assets	<u>\$ 5,891</u>	<u>\$ 116,351</u>
LIABILITIES		
Due to Other Funds	\$ 1,663	\$ 2,223
Total Liabilities	<u>\$ 1,663</u>	<u>\$ 2,223</u>
FUND BALANCES		
Restricted:		
Restricted for Public Safety	\$ 0	\$ 93,065
Restricted for Public Health and Welfare	0	11,869
Restricted for Other Operations	0	3,781
Restricted for Capital Projects	4,228	4,228
Committed:		
Committed for General Government	0	18
Committed for Public Health and Welfare	0	1,167
Total Fund Balances	<u>\$ 4,228</u>	<u>\$ 114,128</u>
Total Liabilities and Fund Balances	<u>\$ 5,891</u>	<u>\$ 116,351</u>

Exhibit F-2

HOUSTON 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					Total
	Special Purpose	Drug Control	Other General Government	Other Special Revenue	Constitutional Officers - Fees	
Revenues						
Fines, Forfeitures, and Penalties	\$ 0	\$ 1,755	\$ 0	\$ 0	\$ 0	1,755
Charges for Current Services	0	0	0	0	5,250	5,250
Other Local Revenues	0	2,304	18	0	0	2,322
Total Revenues	<u>\$ 0</u>	<u>\$ 4,059</u>	<u>\$ 18</u>	<u>\$ 0</u>	<u>\$ 5,250</u>	<u>\$ 9,327</u>
Expenditures						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,250	\$ 5,250
Public Safety	0	142,661	0	0	0	142,661
Other Operations	0	0	0	0	0	0
Total Expenditures	<u>\$ 0</u>	<u>\$ 142,661</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,250</u>	<u>\$ 147,911</u>
Excess (Deficiency) of Revenues						
Over Expenditures	<u>\$ 0</u>	<u>\$ (138,602)</u>	<u>\$ 18</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (138,584)</u>
Net Change in Fund Balances	\$ 0	\$ (138,602)	\$ 18	\$ 0	\$ 0	\$ (138,584)
Fund Balance, July 1, 2023	<u>1,167</u>	<u>231,667</u>	<u>3,781</u>	<u>11,869</u>	<u>0</u>	<u>248,484</u>
Fund Balance, June 30, 2024	<u>\$ 1,167</u>	<u>\$ 93,065</u>	<u>\$ 3,799</u>	<u>\$ 11,869</u>	<u>\$ 0</u>	<u>\$ 109,900</u>

(Continued)

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

	Capital Projects Fund		Total
	General Capital Projects		Nonmajor Governmental Funds
Revenues			
Fines, Forfeitures, and Penalties	\$ 0	\$	1,755
Charges for Current Services	0		5,250
Other Local Revenues	0		2,322
Total Revenues	<u>\$ 0</u>	<u>\$</u>	<u>9,327</u>
Expenditures			
Current:			
Administration of Justice	\$ 0	\$	5,250
Public Safety	0		142,661
Other Operations	41,237		41,237
Total Expenditures	<u>\$ 41,237</u>	<u>\$</u>	<u>189,148</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (41,237)</u>	<u>\$</u>	<u>(179,821)</u>
Net Change in Fund Balances	\$ (41,237)	\$	(179,821)
Fund Balance, July 1, 2023	45,465		293,949
Fund Balance, June 30, 2024	<u>\$ 4,228</u>	<u>\$</u>	<u>114,128</u>

HOUSTON COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Drug Control Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Fines, Forfeitures, and Penalties	\$ 1,755	\$ 6,000	\$ 6,000	\$ (4,245)
Other Local Revenues	2,304	30,000	30,000	(27,696)
Total Revenues	\$ 4,059	\$ 36,000	\$ 36,000	\$ (31,941)
Expenditures				
Public Safety				
Drug Enforcement	\$ 142,661	\$ 197,809	\$ 197,809	\$ 55,148
Total Expenditures	\$ 142,661	\$ 197,809	\$ 197,809	\$ 55,148
Excess (Deficiency) of Revenues Over Expenditures	\$ (138,602)	\$ (161,809)	\$ (161,809)	\$ 23,207
Net Change in Fund Balance	\$ (138,602)	\$ (161,809)	\$ (161,809)	\$ 23,207
Fund Balance, July 1, 2023	231,667	224,869	231,667	0
Fund Balance, June 30, 2024	\$ 93,065	\$ 63,060	\$ 69,858	\$ 23,207

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.

HOUSTON 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	\$ 747,046	\$ 669,674	\$ 669,674	\$ 77,372
Charges for Current Services	0	400,000	400,000	(400,000)
State of Tennessee	71,541	66,875	66,875	4,666
Other Governments and Citizens Groups	653,467	138,000	138,000	515,467
Total Revenues	\$ 1,472,054	\$ 1,274,549	\$ 1,274,549	\$ 197,505
Expenditures				
Principal on Debt				
General Government	\$ 300,248	\$ 190,900	\$ 305,400	\$ 5,152
Education	705,616	720,116	732,616	27,000
Interest on Debt				
General Government	218,861	209,222	215,829	(3,032)
Education	142,169	120,393	122,286	(19,883)
Other Debt Service				
General Government	9,882	15,000	15,000	5,118
Total Expenditures	\$ 1,376,776	\$ 1,255,631	\$ 1,391,131	\$ 14,355
Excess (Deficiency) of Revenues Over Expenditures				
	\$ 95,278	\$ 18,918	\$ (116,582)	\$ 211,860
Other Financing Sources (Uses)				
Notes Issued	\$ 0	\$ 8,000	\$ 8,000	\$ (8,000)
Transfers In	100,000	0	100,000	0
Total Other Financing Sources	\$ 100,000	\$ 8,000	\$ 108,000	\$ (8,000)
Net Change in Fund Balance				
	\$ 195,278	\$ 26,918	\$ (8,582)	\$ 203,860
Fund Balance, July 1, 2023	379,791	322,156	379,791	0
Fund Balance, June 30, 2024	\$ 575,069	\$ 349,074	\$ 371,209	\$ 203,860

CUSTODIAL FUNDS

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

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

Constitutional Officers - Custodial Fund – The Constitutional Officers - Custodial Fund is used to account for amounts collected in a custodial capacity by the county clerk; circuit, 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.

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

	Custodial Funds		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
ASSETS			
Cash	\$ 0	\$ 335,944	\$ 335,944
Due from Other Governments	143,874	0	143,874
Total Assets	<u>\$ 143,874</u>	<u>\$ 335,944</u>	<u>\$ 479,818</u>
LIABILITIES			
Due to Other Taxing Units	\$ 143,874	\$ 0	\$ 143,874
Total Liabilities	<u>\$ 143,874</u>	<u>\$ 0</u>	<u>\$ 143,874</u>
NET POSITION			
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 335,944	\$ 335,944
Total Net Position	<u>\$ 0</u>	<u>\$ 335,944</u>	<u>\$ 335,944</u>

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

	Custodial Funds		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
Additions			
Sales Tax Collections for Other Governments	\$ 789,926	\$ 0	\$ 789,926
Fines/Fees and Other Collections	0	2,465,941	2,465,941
Total Additions	<u>\$ 789,926</u>	<u>\$ 2,465,941</u>	<u>\$ 3,255,867</u>
Deductions			
Payment of Sales Tax Collections for Other Governments	\$ 789,926	\$ 0	\$ 789,926
Payments to State	0	1,114,039	1,114,039
Payments to Cities, Individuals, and Others	0	1,344,897	1,344,897
Total Deductions	<u>\$ 789,926</u>	<u>\$ 2,458,936</u>	<u>\$ 3,248,862</u>
Change in Net Position	\$ 0	\$ 7,005	\$ 7,005
Net Position July 1, 2023	0	328,939	328,939
Net Position June 30, 2024	<u>\$ 0</u>	<u>\$ 335,944</u>	<u>\$ 335,944</u>

HOUSTON COUNTY SCHOOL DEPARTMENT

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

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.

Exhibit I-1

HOUSTON COUNTY, TENNESSEE

Statement of Activities

Discretely Presented Houston County School Department

For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Instruction	\$ 9,516,901	\$ 8,993	\$ 11,856,569	\$ 308,600	\$ 2,657,261
Support Services	5,931,337	17,507	574,166	0	(5,339,664)
Operation of Non-instructional Services	2,238,421	222,460	1,947,461	0	(68,500)
Total Governmental Activities	<u>\$ 17,686,659</u>	<u>\$ 248,960</u>	<u>\$ 14,378,196</u>	<u>\$ 308,600</u>	<u>\$ (2,750,903)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 346,941
Local Option Sales Taxes					1,124,135
Business Tax					37,705
Grants and Contributions Not Restricted to Specific Programs					735,268
Unrestricted Investment Income					178,908
Miscellaneous					105,762
Total General Revenues					<u>\$ 2,528,719</u>
Change in Net Position					\$ (222,184)
Net Position, July 1, 2023					<u>15,200,363</u>
Net Position, June 30, 2024					<u>\$ 14,978,179</u>

HOUSTON COUNTY, TENNESSEE

Balance Sheet - Governmental Funds

Discretely Presented Houston County School Department

June 30, 2024

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
ASSETS					
Cash	\$ 0	\$ 0	\$ 714	\$ 393,899	\$ 394,613
Equity in Pooled Cash and Investments	3,027,254	499,849	636,155	0	4,163,258
Due from Other Governments	665,559	14,063	5,814	0	685,436
Property Taxes Receivable	341,455	0	0	0	341,455
Allowance for Uncollectible Property Taxes	(9,404)	0	0	0	(9,404)
Accrued Interest Receivable	51,005	0	189	0	51,194
Restricted Assets	168,669	0	0	0	168,669
Total Assets	<u>\$ 4,244,538</u>	<u>\$ 513,912</u>	<u>\$ 642,872</u>	<u>\$ 393,899</u>	<u>\$ 5,795,221</u>
LIABILITIES					
Accounts Payable	\$ 7,070	\$ 0	\$ 0	\$ 0	\$ 7,070
Payroll Deductions Payable	109,679	13,912	8,372	0	131,963
Total Liabilities	<u>\$ 116,749</u>	<u>\$ 13,912</u>	<u>\$ 8,372</u>	<u>\$ 0</u>	<u>\$ 139,033</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 319,764	\$ 0	\$ 0	\$ 0	\$ 319,764
Deferred Delinquent Property Taxes	10,698	0	0	0	10,698
Other Deferred/Unavailable Revenue	144,573	0	0	0	144,573
Total Deferred Inflows of Resources	<u>\$ 475,035</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 475,035</u>

(Continued)

HOUSTON COUNTY, TENNESSEE

Balance Sheet - Governmental Funds

Discretely Presented Houston County School Department (Cont.)

FUND BALANCES

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
Restricted:					
Restricted for Education	\$ 3,389	\$ 0	\$ 0	\$ 393,899	\$ 397,288
Restricted for Operation of Non-instructional Services	0	0	634,500	0	634,500
Restricted for Hybrid Retirement Stabilization Funds	168,669	0	0	0	168,669
Committed:					
Committed for Education	2,869,474	0	0	0	2,869,474
Assigned:					
Assigned for Education	0	500,000	0	0	500,000
Unassigned	611,222	0	0	0	611,222
Total Fund Balances	<u>\$ 3,652,754</u>	<u>\$ 500,000</u>	<u>\$ 634,500</u>	<u>\$ 393,899</u>	<u>\$ 5,181,153</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,244,538</u>	<u>\$ 513,912</u>	<u>\$ 642,872</u>	<u>\$ 393,899</u>	<u>\$ 5,795,221</u>

HOUSTON COUNTY, TENNESSEE
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
 Discretely Presented Houston 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)	\$	5,181,153	
 (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	483,220	
Add: construction in progress		238,885	
Add: buildings and improvements net of accumulated depreciation		5,653,494	
Add: other capital assets net of accumulated depreciation		<u>998,606</u>	7,374,205
 (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: net OPEB liability			(984,808)
 (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	\$	1,710,058	
Less: deferred inflows of resources related to pensions		(115,611)	
Add: deferred outflows of resources related to OPEB		438,865	
Less: deferred inflows of resources related to OPEB		<u>(380,158)</u>	1,653,154
 (4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent hybrid pension plan	\$	8,585	
Add: net pension asset - teacher retirement plan		42,579	
Add: net pension asset - teacher legacy pension plan		<u>1,548,040</u>	1,599,204
 (5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			
			<u>155,271</u>
Net position of governmental activities (Exhibit A)	\$		<u><u>14,978,179</u></u>

HOUSTON COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
 Discretely Presented Houston County School Department
For the Year Ended June 30, 2024

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
Revenues					
Local Taxes	\$ 1,542,221	\$ 0	\$ 0	\$ 0	\$ 1,542,221
Licenses and Permits	494	0	0	0	494
Charges for Current Services	26,500	0	222,460	0	248,960
Other Local Revenues	195,789	0	10,589	934,058	1,140,436
State of Tennessee	11,294,584	12,470	620	0	11,307,674
Federal Government	242,506	2,047,435	697,565	0	2,987,506
Other Governments and Citizens Groups	182,515	0	0	0	182,515
Total Revenues	\$ 13,484,609	\$ 2,059,905	\$ 931,234	\$ 934,058	\$ 17,409,806
Expenditures					
Current:					
Instruction	\$ 6,906,434	\$ 1,358,209	\$ 0	\$ 0	\$ 8,264,643
Support Services	5,621,309	383,800	0	0	6,005,109
Operation of Non-Instructional Services	373,363	2,981	955,730	873,771	2,205,845
Capital Outlay	360,412	314,915	0	0	675,327
Debt Service:					
Other Debt Service	524,638	0	0	0	524,638
Total Expenditures	\$ 13,786,156	\$ 2,059,905	\$ 955,730	\$ 873,771	\$ 17,675,562
Excess (Deficiency) of Revenues Over Expenditures	\$ (301,547)	\$ 0	\$ (24,496)	\$ 60,287	\$ (265,756)
Other Financing Sources (Uses)					
Insurance Recovery	\$ 8,986	\$ 0	\$ 0	\$ 0	\$ 8,986
Total Other Financing Sources (Uses)	\$ 8,986	\$ 0	\$ 0	\$ 0	\$ 8,986
Net Change in Fund Balances	\$ (292,561)	\$ 0	\$ (24,496)	\$ 60,287	\$ (256,770)
Fund Balance, July 1, 2023	3,945,315	500,000	658,996	333,612	5,437,923
Fund Balance, June 30, 2024	\$ 3,652,754	\$ 500,000	\$ 634,500	\$ 393,899	\$ 5,181,153

HOUSTON COUNTY, TENNESSEE
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
 Discretely Presented Houston 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)		\$ (256,770)
(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	\$ 751,802	
Less: current-year depreciation expense	<u>(547,645)</u>	204,157
(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	\$ 155,271	
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(153,138)</u>	2,133
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net pension asset - agent hybrid pension plan	\$ 8,585	
Change in net pension asset - teacher retirement plan	11,706	
Change in net pension asset - teacher legacy pension plan	(142,436)	
Change in deferred outflows related to pensions	(191,093)	
Change in deferred inflows related to pensions	211,443	
Change in net OPEB liability	(9,305)	
Change in deferred outflows related to OPEB	(14,187)	
Change in deferred inflows related to OPEB	<u>(46,417)</u>	<u>(171,704)</u>
Change in net position of governmental activities (Exhibit B)		<u><u>\$ (222,184)</u></u>

HOUSTON COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Discretely Presented Houston County School Department
 General Purpose School Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 1,542,221	\$ 1,444,630	\$ 1,444,630	\$ 97,591
Licenses and Permits	494	500	500	(6)
Charges for Current Services	26,500	23,000	23,000	3,500
Other Local Revenues	195,789	60,700	68,533	127,256
State of Tennessee	11,294,584	11,591,364	11,646,338	(351,754)
Federal Government	242,506	30,000	30,000	212,506
Other Governments and Citizens Groups	182,515	0	182,515	0
Total Revenues	\$ 13,484,609	\$ 13,150,194	\$ 13,395,516	\$ 89,093
Expenditures				
Instruction				
Regular Instruction Program	\$ 5,528,312	\$ 6,262,439	\$ 6,133,904	\$ 605,592
Special Education Program	938,131	881,723	967,958	29,827
Career and Technical Education Program	439,991	1,329,315	1,280,588	840,597
Support Services				
Attendance	24,518	26,231	26,231	1,713
Health Services	209,172	219,264	223,664	14,492
Other Student Support	511,788	353,464	568,619	56,831
Regular Instruction Program	484,983	516,719	516,719	31,736
Alternative Instruction Program	75,660	78,659	78,659	2,999
Special Education Program	251,346	205,398	253,108	1,762
Career and Technical Education Program	0	0	47,767	47,767
Technology	343,480	351,119	385,319	41,839
Other Programs	19,253	0	19,253	0
Board of Education	444,356	447,586	483,544	39,188
Director of Schools	254,226	258,724	291,974	37,748
Office of the Principal	783,682	880,806	870,706	87,024
Fiscal Services	171,386	172,563	206,848	35,462
Operation of Plant	915,476	1,000,366	1,000,366	84,890
Maintenance of Plant	246,861	241,762	252,237	5,376
Transportation	885,122	935,284	965,984	80,862
Operation of Non-Instructional Services				
Food Service	51,495	51,407	52,517	1,022
Community Services	18,975	29,610	37,443	18,468
Early Childhood Education	302,893	316,224	319,305	16,412
Capital Outlay				
Regular Capital Outlay	360,412	705,000	860,217	499,805
Principal on Debt				
Education	0	522,000	0	0
Interest on Debt				
Education	0	5,000	0	0
Other Debt Service				
Education	524,638	0	527,000	2,362
Total Expenditures	\$ 13,786,156	\$ 15,790,663	\$ 16,369,930	\$ 2,583,774
Excess (Deficiency) of Revenues Over Expenditures				
	\$ (301,547)	\$ (2,640,469)	\$ (2,974,414)	\$ 2,672,867

(Continued)

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Other Financing Sources (Uses)				
Insurance Recovery	\$ 8,986	\$ 1,000	\$ 1,000	\$ 7,986
Total Other Financing Sources	\$ 8,986	\$ 1,000	\$ 1,000	\$ 7,986
Net Change in Fund Balance	\$ (292,561)	\$ (2,639,469)	\$ (2,973,414)	\$ 2,680,853
Fund Balance, July 1, 2023	3,945,315	3,442,745	3,945,315	0
Fund Balance, June 30, 2024	\$ 3,652,754	\$ 803,276	\$ 971,901	\$ 2,680,853

HOUSTON COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Discretely Presented Houston 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	\$ 12,470	\$ 0	\$ 12,470	\$ 0
Federal Government	2,047,435	2,589,638	2,588,975	(541,540)
Total Revenues	\$ 2,059,905	\$ 2,589,638	\$ 2,601,445	\$ (541,540)
Expenditures				
Instruction				
Regular Instruction Program	\$ 951,665	\$ 1,196,284	\$ 1,336,813	\$ 385,148
Special Education Program	390,807	449,130	432,536	41,729
Career and Technical Education Program	15,737	14,239	15,737	0
Support Services				
Other Student Support	194,246	206,940	205,400	11,154
Regular Instruction Program	93,893	159,097	169,409	75,516
Special Education Program	12,955	37,379	28,663	15,708
Career and Technical Education Program	3,176	2,500	3,176	0
Office of the Principal	7,187	13,210	7,290	103
Fiscal Services	56,200	56,200	56,200	0
Operation of Plant	0	8,000	8,000	8,000
Transportation	16,143	7,280	16,311	168
Operation of Non-Instructional Services				
Food Service	2,981	7,000	7,000	4,019
Capital Outlay				
Regular Capital Outlay	314,915	432,380	314,915	0
Total Expenditures	\$ 2,059,905	\$ 2,589,639	\$ 2,601,450	\$ 541,545
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 0	\$ (1)	\$ (5)	\$ 5
Net Change in Fund Balance				
Fund Balance, July 1, 2023	\$ 500,000	\$ 500,000	\$ 500,000	0
Fund Balance, June 30, 2024	\$ 500,000	\$ 499,999	\$ 499,995	\$ 5

HOUSTON COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Discretely Presented Houston County School Department
 Central Cafeteria Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Charges for Current Services	\$ 222,460	\$ 235,000	\$ 235,000	\$ (12,540)
Other Local Revenues	10,589	8,000	8,000	2,589
State of Tennessee	620	1,000	1,000	(380)
Federal Government	697,565	732,200	797,123	(99,558)
Total Revenues	<u>\$ 931,234</u>	<u>\$ 976,200</u>	<u>\$ 1,041,123</u>	<u>\$ (109,889)</u>
Expenditures				
Operation of Non-Instructional Services				
Food Service	\$ 955,730	\$ 922,400	\$ 987,323	\$ 31,593
Total Expenditures	<u>\$ 955,730</u>	<u>\$ 922,400</u>	<u>\$ 987,323</u>	<u>\$ 31,593</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (24,496)</u>	<u>\$ 53,800</u>	<u>\$ 53,800</u>	<u>\$ (78,296)</u>
Net Change in Fund Balance	\$ (24,496)	\$ 53,800	\$ 53,800	\$ (78,296)
Fund Balance, July 1, 2023	<u>658,996</u>	<u>500,000</u>	<u>658,996</u>	<u>0</u>
Fund Balance, June 30, 2024	<u><u>\$ 634,500</u></u>	<u><u>\$ 553,800</u></u>	<u><u>\$ 712,796</u></u>	<u><u>\$ (78,296)</u></u>

MISCELLANEOUS SCHEDULES

HOUSTON 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	Paid and/or Matured During Period	Outstanding 6-30-24
NOTES PAYABLE							
Payable through Highway/Public Works Fund							
Highway Department Capital Outlay Notes, Series 2022	\$ 447,000	1.97 %	1-13-22	2-1-29	\$ 387,000	\$ 61,000	\$ 326,000
Total Payable through Highway/Public Works Fund					<u>\$ 387,000</u>	<u>\$ 61,000</u>	<u>\$ 326,000</u>
Payable through General Debt Service Fund							
Board of Education Capital Outlay Notes, Series 2016	150,000	2.98	5-26-16	5-26-28	\$ 62,500	\$ 12,500	\$ 50,000
Convenience Center Equipment	330,000	4.95	5-6-19	5-6-29	198,000	133,000	65,000
Communications Tower	324,000	3.15	9-30-20	9-30-26	270,000	27,000	243,000
Total Payable through General Debt Service Fund					<u>\$ 530,500</u>	<u>\$ 172,500</u>	<u>\$ 358,000</u>
Total Notes Payable					<u>\$ 917,500</u>	<u>\$ 233,500</u>	<u>\$ 684,000</u>
OTHER LOANS PAYABLE							
Payable through General Debt Service Fund							
School Construction	10,000,000	variable	1-31-00	5-25-27	\$ 2,769,000	\$ 584,000	\$ 2,185,000
Energy Efficient School Initiative	646,620	0.75	4-26-18	4-26-25	191,860	109,116	82,744
Total Other Loans Payable					<u>\$ 2,960,860</u>	<u>\$ 693,116</u>	<u>\$ 2,267,744</u>
BONDS PAYABLE							
Payable through General Debt Service Fund							
General Obligation Refunding Bond, Series 2015	7,500,000	3.125	9-14-15	9-14-52	\$ 6,548,526	\$ 140,248	\$ 6,408,278
Total Bonds Payable					<u>\$ 6,548,526</u>	<u>\$ 140,248</u>	<u>\$ 6,408,278</u>

HOUSTON COUNTY, TENNESSEE
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Notes		
	Principal	Interest	Total
2025	\$ 135,500	\$ 23,755	\$ 159,255
2026	135,500	19,637	155,137
2027	266,500	10,619	277,119
2028	78,500	3,012	81,512
2029	68,000	1,340	69,340
Total	\$ 684,000	\$ 58,363	\$ 742,363

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2025	\$ 695,744	\$ 74,827	\$ 29,767	\$ 800,338
2026	644,000	53,605	21,492	719,097
2027	928,000	31,645	12,798	972,443
Total	\$ 2,267,744	\$ 160,077	\$ 64,057	\$ 2,491,878

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 145,050	\$ 197,850	\$ 342,900
2026	149,700	193,200	342,900
2027	154,500	188,400	342,900
2028	159,300	183,600	342,900
2029	164,400	178,500	342,900
2030	169,550	173,350	342,900
2031	174,950	167,950	342,900
2032	180,500	162,400	342,900
2033	186,200	156,700	342,900
2034	192,100	150,800	342,900
2035	198,250	144,650	342,900
2036	204,450	138,450	342,900
2037	210,950	131,950	342,900
2038	217,750	125,150	342,900
2039	224,400	118,500	342,900
2040	231,600	111,300	342,900
2041	238,900	104,000	342,900
2042	246,600	96,300	342,900
2043	254,450	88,450	342,900
2044	262,500	80,400	342,900
2045	270,800	72,100	342,900
2046	279,450	63,450	342,900
2047	288,300	54,600	342,900
2048	297,350	45,550	342,900
2049	306,900	36,000	342,900
2050	316,550	26,350	342,900
2051	326,550	16,350	342,900
2052	336,900	6,000	342,900
2053	19,378	0	19,378
Total	\$ 6,408,278	\$ 3,212,300	\$ 9,620,578

HOUSTON COUNTY, TENNESSEE
Schedule of Transfers
For the Year Ended June 30, 2024

From Fund	To Fund	Purpose	Amount
General	General Debt Service	Debt retirement	\$ 100,000
Total Transfers			\$ 100,000

HOUSTON COUNTY, TENNESSEE

Schedule of Salaries and Official Bonds of Principal Officials

Primary Government and Discretely Presented Houston County School Department

For the Year Ended June 30, 2024

Official	Salary	Authorization	Bond	Surety
County Mayor		Section 8-24-102, <i>TCA</i>	\$ (1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 93,805</u>			
Road Superintendent		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 89,338</u>			
Director of Schools		State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 105,804			
Career Ladder	1,000			
Total compensation	<u>\$ 106,804</u>			
Trustee		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 81,216</u>			
Assessor of Property		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 81,216</u>			
County Clerk		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 81,216</u>			
Circuit, General Sessions and Juvenile Courts Clerk		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 81,216</u>			
Clerk and Master		Section 8-24-102, <i>TCA</i>	150,000 (1)	Auto-Owners Insurance Company and Local Government Property and Casualty Fund
Base salary	\$ 81,216			
Special commissioner fees	5,250			
Total compensation	<u>\$ 86,466</u>			
Register of Deeds -		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 81,216</u>			
Sheriff		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary	\$ 89,338			
Law enforcement training supplement	1,600			
Total compensation	<u>\$ 90,938</u>			
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Local Government Property and Casualty Fund
Employee Fidelity - School Department			400,000	Tennessee Risk Management Trust

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

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu - tional Officers - Fees	Highway / Public Works
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 3,347,993	\$ 479,655	\$ 0	\$ 0	\$ 0	24,543
Discount on Property Taxes	(33,528)	(4,796)	0	0	0	(247)
Trustee's Collections - Prior Year	101,940	20,529	0	0	0	479
Circuit Clerk/Clerk and Master Collections - Prior Years	44,935	6,426	0	0	0	330
Interest and Penalty	23,503	4,091	0	0	0	126
Pickup Taxes	39	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	418	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	14,784	0	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	334,841	0	0	0	0	0
Hotel/Motel Tax	29,455	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	13,504	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Business Tax	32,570	0	0	0	0	0
Mixed Drink Tax	0	516	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	26,918	0	0	0	0	0
Wholesale Beer Tax	26,002	0	0	0	0	0
Other Statutory Local Taxes	0	1,648	0	0	0	0
Total Local Taxes	\$ 3,963,374	\$ 508,069	\$ 0	\$ 0	\$ 0	25,231
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	\$ 3,469	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu- tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)						
Circuit Court (Cont.)						
Officers Costs	\$ 1,660	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	0	0	451	0	0	0
Jail Fees	293	0	0	0	0	0
Data Entry Fee - Circuit Court	230	0	0	0	0	0
General Sessions Court						
Fines	4,403	0	0	0	0	0
Officers Costs	9,396	0	0	0	0	0
Drug Control Fines	0	0	1,304	0	0	0
Jail Fees	1,541	0	0	0	0	0
Data Entry Fee - General Sessions Court	1,933	0	0	0	0	0
Juvenile Court						
Fines	138	0	0	0	0	0
Officers Costs	551	0	0	0	0	0
Data Entry Fee - Juvenile Court	906	0	0	0	0	0
Chancery Court						
Officers Costs	822	0	0	0	0	0
Data Entry Fee - Chancery Court	2,224	0	0	0	0	0
Courtroom Security Fee	48	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 27,614	\$ 0	\$ 1,755	\$ 0	\$ 0	0
Charges for Current Services						
General Service Charges						
Other General Service Charges	\$ 28,120	\$ 0	\$ 0	\$ 0	\$ 0	0
Fees						
Airport Fees	6,500	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu- tional Officers - Fees	Highway / Public Works
Charges for Current Services (Cont.)						
Fees (Cont.)						
Copy Fees	\$ 30	\$ 0	\$ 0	\$ 0	\$ 0	0
Library Fees	1,034	0	0	0	0	0
Archives and Records Management Fee	13,421	0	0	0	0	0
Greenbelt Late Application Fee	200	0	0	0	0	0
Telephone Commissions	13,285	0	0	0	0	0
Additional Fees - Titling and Registration	6,000	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	5,250	0
Data Processing Fee - Register	2,872	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,550	0	0	0	0	0
Data Processing Fee - County Clerk	222	0	0	0	0	0
Total Charges for Current Services	\$ 74,234	\$ 0	\$ 0	\$ 0	\$ 5,250	\$ 0
Other Local Revenues						
Recurring Items						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 18	\$ 0	0
Lease/Rentals/PPP	19,381	0	0	0	0	0
Commissary Sales	9,387	0	0	0	0	0
Sale of Recycled Materials	0	17,292	0	0	0	0
Miscellaneous Refunds	22,374	1,284	0	0	0	3,848
Nonrecurring Items						
Sale of Equipment	53,448	0	2,304	0	0	0
Contributions and Gifts	1,000	0	0	0	0	0
Other Local Revenues						
Other Local Revenues	20,650	0	0	0	0	0
Total Other Local Revenues	\$ 126,240	\$ 18,576	\$ 2,304	\$ 18	\$ 0	\$ 3,848

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu- tional Officers - Fees	Highway / Public Works
Fees Received From County Officials						
Excess Fees						
Other Officials	\$ 2,610	\$ 0	\$ 0	\$ 0	\$ 0	0
Fees In-Lieu-of Salary						
County Clerk	98,863	0	0	0	0	0
Circuit Court Clerk	10,992	0	0	0	0	0
General Sessions Court Clerk	79,233	0	0	0	0	0
Clerk and Master	33,379	0	0	0	0	0
Juvenile Court Clerk	9,415	0	0	0	0	0
Register	39,842	0	0	0	0	0
Sheriff	3,885	0	0	0	0	0
Trustee	166,291	0	0	0	0	0
Total Fees Received From County Officials	\$ 444,510	\$ 0	\$ 0	\$ 0	\$ 0	0
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Airport Maintenance Program	15,000	0	0	0	0	0
Aging Programs	5,000	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	5,600	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	0	0	2,133,462
Litter Program	50,346	0	0	0	0	0
Other Public Works Grants	150,902	0	0	0	0	0
Other State Revenues						
Resort District Sales Tax	113,384	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu- tional Officers - Fees	Highway / Public Works
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Beer Tax	\$ 18,498	\$ 0	\$ 0	\$ 0	\$ 0	0
Alcoholic Beverage Tax	0	31,154	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	49,041	0	0	0	0	0
State Revenue Sharing - T.V.A.	179,180	0	0	0	0	0
State Revenue Sharing - Telecommunications	25,357	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	10,632	0	0	0	0	0
Contracted Prisoner Boarding	101,137	0	0	0	0	0
Gasoline and Motor Fuel Tax	16,263	0	0	0	0	1,884,258
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0	7,626
Petroleum Special Tax	0	0	0	0	0	5,488
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	52,069	0	0	0	0	0
Other State Revenues	47,144	0	0	0	0	0
Total State of Tennessee	\$ 863,717	\$ 31,154	\$ 0	\$ 0	\$ 0	4,030,834
Federal Government						
Federal Through State						
Homeland Security Grants	\$ 31,820	\$ 0	\$ 0	\$ 0	\$ 0	0
Law Enforcement Grants	103,704	0	0	0	0	0
COVID-19 Grant B	78,645	0	0	0	0	0
Direct Federal Revenue						
American Rescue Plan Act Grant #6	7,650	0	0	0	0	0
Total Federal Government	\$ 221,819	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu- tional Officers - Fees	Highway / Public Works
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 215,625	\$ 0	\$ 0	\$ 0	\$ 0	0
Contracted Services	17,820	0	0	0	0	0
Other						
Other	5,000	0	0	0	0	0
Opioid Settlement Funds - Past Remediation	35,984	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 274,429</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Total	<u>\$ 5,995,937</u>	<u>\$ 557,799</u>	<u>\$ 4,059</u>	<u>\$ 18</u>	<u>\$ 5,250</u>	<u>\$ 4,059,913</u>

(Continued)

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

	<u>Debt Service</u>	
	<u>Fund</u>	
	General Debt Service	Total
Local Taxes		
County Property Taxes		
Current Property Tax	\$ 196,162	\$ 4,048,353
Discount on Property Taxes	(1,965)	(40,536)
Trustee's Collections - Prior Year	2,749	125,697
Circuit Clerk/Clerk and Master Collections - Prior Years	2,640	54,331
Interest and Penalty	1,197	28,917
Pickup Taxes	0	39
Payments in-Lieu-of Taxes - T.V.A.	0	418
Payments in-Lieu-of Taxes - Local Utilities	0	14,784
County Local Option Taxes		
Local Option Sales Tax	0	334,841
Hotel/Motel Tax	0	29,455
Wheel Tax	502,555	502,555
Litigation Tax - General	0	13,504
Litigation Tax - Jail, Workhouse, or Courthouse	5,349	5,349
Business Tax	0	32,570
Mixed Drink Tax	0	516
Statutory Local Taxes		
Bank Excise Tax	0	26,918
Wholesale Beer Tax	38,359	64,361
Other Statutory Local Taxes	0	1,648
Total Local Taxes	<u>\$ 747,046</u>	<u>\$ 5,243,720</u>
Fines, Forfeitures, and Penalties		
Circuit Court		
Fines	\$ 0	\$ 3,469

(Continued)

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

	<u>Debt Service Fund</u>		
	General Debt Service		Total
Fines, Forfeitures, and Penalties (Cont.)			
Circuit Court (Cont.)			
Officers Costs	\$ 0	\$	1,660
Drug Control Fines	0		451
Jail Fees	0		293
Data Entry Fee - Circuit Court	0		230
General Sessions Court			
Fines	0		4,403
Officers Costs	0		9,396
Drug Control Fines	0		1,304
Jail Fees	0		1,541
Data Entry Fee - General Sessions Court	0		1,933
Juvenile Court			
Fines	0		138
Officers Costs	0		551
Data Entry Fee - Juvenile Court	0		906
Chancery Court			
Officers Costs	0		822
Data Entry Fee - Chancery Court	0		2,224
Courtroom Security Fee	0		48
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$</u>	<u>29,369</u>
Charges for Current Services			
General Service Charges			
Other General Service Charges	\$ 0	\$	28,120
Fees			
Airport Fees	0		6,500

(Continued)

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

	<u>Debt Service</u>		
	Fund		
	General	Debt	Total
	Service		
Charges for Current Services (Cont.)			
Fees (Cont.)			
Copy Fees	\$	0	\$ 30
Library Fees		0	1,034
Archives and Records Management Fee		0	13,421
Greenbelt Late Application Fee		0	200
Telephone Commissions		0	13,285
Additional Fees - Titling and Registration		0	6,000
Special Commissioner Fees/Special Master Fees		0	5,250
Data Processing Fee - Register		0	2,872
Sexual Offender Registration Fee - Sheriff		0	2,550
Data Processing Fee - County Clerk		0	222
Total Charges for Current Services	<u>\$</u>	<u>0</u>	<u>\$ 79,484</u>
Other Local Revenues			
Recurring Items			
Investment Income	\$	0	\$ 18
Lease/Rentals/PPP		0	19,381
Commissary Sales		0	9,387
Sale of Recycled Materials		0	17,292
Miscellaneous Refunds		0	27,506
Nonrecurring Items			
Sale of Equipment		0	55,752
Contributions and Gifts		0	1,000
Other Local Revenues			
Other Local Revenues		0	20,650
Total Other Local Revenues	<u>\$</u>	<u>0</u>	<u>\$ 150,986</u>

(Continued)

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

	<u>Debt Service Fund</u>	
	General Debt Service	Total
Fees Received From County Officials		
Excess Fees		
Other Officials	\$ 0	\$ 2,610
Fees In-Lieu-of Salary		
County Clerk	0	98,863
Circuit Court Clerk	0	10,992
General Sessions Court Clerk	0	79,233
Clerk and Master	0	33,379
Juvenile Court Clerk	0	9,415
Register	0	39,842
Sheriff	0	3,885
Trustee	0	166,291
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 444,510</u>
State of Tennessee		
General Government Grants		
Juvenile Services Program	\$ 0	\$ 9,000
Airport Maintenance Program	0	15,000
Aging Programs	0	5,000
Public Safety Grants		
Law Enforcement Training Programs	0	5,600
Public Works Grants		
State Aid Program	0	2,133,462
Litter Program	0	50,346
Other Public Works Grants	0	150,902
Other State Revenues		
Resort District Sales Tax	0	113,384

(Continued)

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

	<u>Debt Service Fund</u>	
	General Debt Service	Total
State of Tennessee (Cont.)		
Other State Revenues (Cont.)		
Beer Tax	\$ 0	\$ 18,498
Alcoholic Beverage Tax	0	31,154
Opioid Settlement Funds - TN Abatement Council	0	49,041
State Revenue Sharing - T.V.A.	35,000	214,180
State Revenue Sharing - Telecommunications	0	25,357
State Shared Sports Gaming Privilege Tax	0	10,632
Contracted Prisoner Boarding	36,541	137,678
Gasoline and Motor Fuel Tax	0	1,900,521
Hybrid/Electric Vehicle Registration Fee	0	7,626
Petroleum Special Tax	0	5,488
Registrar's Salary Supplement	0	15,164
Other State Grants	0	52,069
Other State Revenues	0	47,144
Total State of Tennessee	<u>\$ 71,541</u>	<u>\$ 4,997,246</u>
Federal Government		
Federal Through State		
Homeland Security Grants	\$ 0	\$ 31,820
Law Enforcement Grants	0	103,704
COVID-19 Grant B	0	78,645
Direct Federal Revenue		
American Rescue Plan Act Grant #6	0	7,650
Total Federal Government	<u>\$ 0</u>	<u>\$ 221,819</u>

(Continued)

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

	<u>Debt Service Fund</u>	
	General Debt Service	Total
<hr/>		
Other Governments and Citizens Groups		
Other Governments		
Contributions	\$ 653,467	\$ 869,092
Contracted Services	0	17,820
Other		
Other	0	5,000
Opioid Settlement Funds - Past Remediation	0	35,984
Total Other Governments and Citizens Groups	<u>\$ 653,467</u>	<u>\$ 927,896</u>
 Total	 <u>\$ 1,472,054</u>	 <u>\$ 12,095,030</u>

HOUSTON COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Houston County School Department

For the Year Ended June 30, 2024

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 330,598	\$ 0	\$ 0	\$ 0	\$ 0	330,598
Discount on Property Taxes	(3,295)	0	0	0	0	(3,295)
Trustee's Collections - Prior Year	23,248	0	0	0	0	23,248
Circuit Clerk/Clerk and Master Collections - Prior Years	4,406	0	0	0	0	4,406
Interest and Penalty	4,612	0	0	0	0	4,612
Payments in-Lieu-of Taxes - T.V.A.	628	0	0	0	0	628
Payments in-Lieu-of Taxes - Local Utilities	20,898	0	0	0	0	20,898
County Local Option Taxes						
Local Option Sales Tax	1,123,382	0	0	0	0	1,123,382
Business Tax	37,744	0	0	0	0	37,744
Total Local Taxes	\$ 1,542,221	\$ 0	\$ 0	\$ 0	\$ 0	1,542,221
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 494	\$ 0	\$ 0	\$ 0	\$ 0	494
Total Licenses and Permits	\$ 494	\$ 0	\$ 0	\$ 0	\$ 0	494
Charges for Current Services						
Education Charges						
Tuition - Regular Day Students	\$ 8,993	\$ 0	\$ 0	\$ 0	\$ 0	8,993
Lunch Payments - Children	0	0	133,875	0	0	133,875
Lunch Payments - Adults	0	0	30,563	0	0	30,563
Income from Breakfast	0	0	27,452	0	0	27,452
A la Carte Sales	0	0	30,570	0	0	30,570

(Continued)

HOUSTON COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Houston County School Department (Cont.)

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
Charges for Current Services (Cont.)					
Education Charges (Cont.)					
Receipts from Individual Schools	\$ 17,507	\$ 0	\$ 0	\$ 0	\$ 17,507
Total Charges for Current Services	\$ 26,500	\$ 0	\$ 222,460	\$ 0	\$ 248,960
Other Local Revenues					
Recurring Items					
Investment Income	\$ 155,736	\$ 0	\$ 7,457	\$ 0	\$ 163,193
Miscellaneous Refunds	4,854	0	3,132	0	7,986
Nonrecurring Items					
Sale of Equipment	5,250	0	0	0	5,250
Damages Recovered from Individuals	64	0	0	0	64
Contributions and Gifts	29,885	0	0	0	29,885
Other Local Revenues					
Other Local Revenues	0	0	0	934,058	934,058
Total Other Local Revenues	\$ 195,789	\$ 0	\$ 10,589	\$ 934,058	\$ 1,140,436
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	\$ 19,253	\$ 0	\$ 0	\$ 0	\$ 19,253
State Education Funds					
Tennessee Investment in Student Achievement	10,011,714	0	0	0	10,011,714
Basic Education Program	232,025	0	0	0	232,025
TISA - On-behalf Payments	15,666	0	0	0	15,666
Early Childhood Education	308,327	0	0	0	308,327
School Food Service	5,578	0	620	0	6,198

(Continued)

HOUSTON COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Houston County School Department (Cont.)

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
State of Tennessee (Cont.)					
State Education Funds (Cont.)					
Other State Education Funds	\$ 49,536	\$ 0	\$ 0	\$ 0	\$ 49,536
Career Ladder Program	15,962	0	0	0	15,962
Other Vocational	243,923	0	0	0	243,923
Other State Revenues					
State Revenue Sharing - T.V.A.	268,770	0	0	0	268,770
Other State Grants	55,632	0	0	0	55,632
Safe Schools	13,880	0	0	0	13,880
Other State Revenues	54,318	12,470	0	0	66,788
Total State of Tennessee	\$ 11,294,584	\$ 12,470	\$ 620	\$ 0	\$ 11,307,674
Federal Government					
Federal Through State					
USDA School Lunch Program	\$ 0	\$ 0	\$ 394,652	\$ 0	\$ 394,652
USDA - Commodities	0	0	54,685	0	54,685
Breakfast	0	0	182,652	0	182,652
USDA - Other	0	0	65,576	0	65,576
Vocational Education - Basic Grants to States	0	25,373	0	0	25,373
Title I Grants to Local Education Agencies	0	433,002	0	0	433,002
Special Education - Grants to States	0	371,243	0	0	371,243
Special Education Preschool Grants	0	8,252	0	0	8,252
Rural Education	0	35,740	0	0	35,740
Eisenhower Professional Development State Grants	0	36,455	0	0	36,455
Medicaid	62,578	0	0	0	62,578
COVID-19 Grant B	0	136,109	0	0	136,109

(Continued)

HOUSTON COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Houston County School Department (Cont.)

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
Federal Government (Cont.)					
Federal Through State (Cont.)					
COVID-19 Grant C	\$ 0	\$ 891,458	\$ 0	\$ 0	\$ 891,458
COVID-19 Grant D	0	4,000	0	0	4,000
COVID-19 Grant E	0	86,776	0	0	86,776
American Rescue Plan Act Grant #2	0	18,983	0	0	18,983
American Rescue Plan Act Grant #3	0	44	0	0	44
Other Federal through State	179,928	0	0	0	179,928
Total Federal Government	<u>\$ 242,506</u>	<u>\$ 2,047,435</u>	<u>\$ 697,565</u>	<u>\$ 0</u>	<u>\$ 2,987,506</u>
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 182,515	\$ 0	\$ 0	\$ 0	\$ 182,515
Total Other Governments and Citizens Groups	<u>\$ 182,515</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 182,515</u>
Total	<u>\$ 13,484,609</u>	<u>\$ 2,059,905</u>	<u>\$ 931,234</u>	<u>\$ 934,058</u>	<u>\$ 17,409,806</u>

HOUSTON 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	\$	25,200	
Social Security		1,562	
Employer Medicare		365	
Audit Services		3,562	
Dues and Memberships		1,050	
Legal Services		108,747	
Legal Notices, Recording, and Court Costs		4,146	
Other Contracted Services		36,159	
Other Charges		124	
Total County Commission			\$ 180,915

Board of Equalization

Board and Committee Members Fees	\$	1,200	
Social Security		74	
Unemployment Compensation		4	
Employer Medicare		17	
Total Board of Equalization			1,295

County Mayor/Executive

County Official/Administrative Officer	\$	93,805	
Accountants/Bookkeepers		48,594	
Data Processing Personnel		28,320	
Clerical Personnel		28,162	
Other Salaries and Wages		28,580	
In-service Training		330	
Social Security		14,094	
Unemployment Compensation		183	
Employer Medicare		3,296	
Data Processing Services		21,337	
Dues and Memberships		1,155	
Travel		735	
Office Supplies		2,126	
Other Charges		1,725	
Total County Mayor/Executive			272,442

Election Commission

County Official/Administrative Officer	\$	73,094	
Deputy(ies)		25,312	
Election Commission		2,350	
Election Workers		14,051	
In-service Training		721	
Social Security		6,307	
Unemployment Compensation		175	
Employer Medicare		1,475	
Data Processing Services		20,950	
Legal Notices, Recording, and Court Costs		4,764	
Maintenance and Repair Services - Equipment		294	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Maintenance and Repair Services - Office Equipment	\$	605	
Pest Control		708	
Rentals		832	
Travel		339	
Data Processing Supplies		2,443	
Utilities		3,452	
Other Supplies and Materials		5,369	
Data Processing Equipment		2,503	
Voting Machines		26,560	
Total Election Commission			\$ 192,304

Register of Deeds

County Official/Administrative Officer	\$	81,216	
Deputy(ies)		26,957	
Part-time Personnel		3,521	
Social Security		6,925	
Unemployment Compensation		164	
Employer Medicare		1,620	
Dues and Memberships		698	
Printing, Stationery, and Forms		1,700	
Office Supplies		4,975	
Data Processing Equipment		3,442	
Office Equipment		861	
Total Register of Deeds			132,079

County Buildings

Custodial Personnel	\$	29,120	
Social Security		1,793	
Unemployment Compensation		42	
Employer Medicare		419	
Maintenance Agreements		3,951	
Maintenance and Repair Services - Buildings		16,984	
Pest Control		2,005	
Custodial Supplies		4,291	
Electricity		23,760	
Natural Gas		3,526	
Water and Sewer		4,347	
Other Charges		1,563	
Furniture and Fixtures		650	
Other Equipment		7,750	
Other Construction		5,698	
Total County Buildings			105,899

Other General Administration

Communication	\$	50,612	
Dues and Memberships		981	
Evaluation and Testing		1,570	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration (Cont.)

Legal Services	\$	2,586	
Postal Charges		16,849	
Rentals		4,760	
Data Processing Supplies		1,858	
Liability Insurance		174,176	
Trustee's Commission		79,922	
Other Charges		42,260	
Total Other General Administration			\$ 375,574

Preservation of Records

Supervisor/Director	\$	29,250	
Social Security		1,814	
Unemployment Compensation		42	
Employer Medicare		424	
Dues and Memberships		385	
Travel		1,165	
Disposal Fees		1,415	
Office Supplies		3,952	
Other Supplies and Materials		5,000	
Total Preservation of Records			43,447

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	81,216	
Secretary(ies)		26,089	
Social Security		6,653	
Unemployment Compensation		63	
Employer Medicare		1,556	
Contracts with Private Agencies		1,800	
Data Processing Services		2,157	
Dues and Memberships		1,050	
Legal Notices, Recording, and Court Costs		96	
Travel		375	
Gasoline		248	
Office Supplies		2,125	
Total Property Assessor's Office			123,428

Reappraisal Program

Clerical Personnel	\$	12,500	
In-service Training		175	
Social Security		775	
Unemployment Compensation		50	
Employer Medicare		181	
Data Processing Services		1,444	
Travel		130	
Total Reappraisal Program			15,255

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	81,216	
Secretary(ies)		26,359	
Clerical Personnel		7,265	
Social Security		7,120	
Unemployment Compensation		106	
Employer Medicare		1,665	
Data Processing Services		12,112	
Dues and Memberships		718	
Legal Notices, Recording, and Court Costs		168	
Travel		45	
Other Contracted Services		4,225	
Office Supplies		1,948	
Data Processing Equipment		2,447	
Total County Trustee's Office	\$		145,394

County Clerk's Office

County Official/Administrative Officer	\$	81,216	
Deputy(ies)		35,939	
Secretary(ies)		28,889	
Social Security		9,055	
Unemployment Compensation		134	
Employer Medicare		2,118	
Contracts with Private Agencies		3,000	
Maintenance and Repair Services - Records		3,064	
Office Supplies		4,059	
Other Charges		5,976	
Total County Clerk's Office			173,450

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	81,216	
Deputy(ies)		66,668	
Clerical Personnel		7,350	
Other Salaries and Wages		7,140	
Jury and Witness Expense		2,196	
Social Security		10,067	
Unemployment Compensation		127	
Employer Medicare		2,354	
Data Processing Services		18,608	
Dues and Memberships		783	
Legal Notices, Recording, and Court Costs		720	
Travel		208	
Office Supplies		3,485	
Total Circuit Court			200,922

General Sessions Judge

Judge(s)	\$	61,290	
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(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge (Cont.)

Salary Supplements	\$	5,283	
Social Security		4,079	
Employer Medicare		954	
Dues and Memberships		150	
Travel		1,069	
		<hr/>	
Total General Sessions Judge	\$		72,825

Chancery Court

County Official/Administrative Officer	\$	81,216	
Deputy(ies)		29,055	
Part-time Personnel		16,373	
Social Security		7,843	
Unemployment Compensation		177	
Employer Medicare		1,834	
Data Processing Services		8,144	
Dues and Memberships		783	
Legal Notices, Recording, and Court Costs		3,492	
Travel		344	
Office Supplies		2,200	
		<hr/>	
Total Chancery Court			151,461

Juvenile Court

Judge(s)	\$	15,857	
Social Workers		36,130	
Social Security		3,223	
Unemployment Compensation		42	
Employer Medicare		754	
Contracts with Private Agencies		12,655	
Travel		116	
Office Supplies		546	
		<hr/>	
Total Juvenile Court			69,323

Judicial Commissioners

Clerical Personnel	\$	16,008	
Social Security		992	
Employer Medicare		232	
		<hr/>	
Total Judicial Commissioners			17,232

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	89,338	
Deputy(ies)		384,367	
Salary Supplements		10,400	
Secretary(ies)		63,300	
In-service Training		4,557	
Social Security		33,938	
Unemployment Compensation		772	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Employer Medicare	\$	7,928	
Communication		4,585	
Maintenance and Repair Services - Office Equipment		2,265	
Maintenance and Repair Services - Vehicles		8,194	
Postal Charges		690	
Gasoline		40,750	
Law Enforcement Supplies		1,142	
Office Supplies		960	
Tires and Tubes		5,644	
Uniforms		2,834	
Other Supplies and Materials		462	
Data Processing Equipment		344	
Law Enforcement Equipment		57,844	
Motor Vehicles		109,345	
Total Sheriff's Department			\$ 829,659

Special Patrols

Deputy(ies)	\$	2,830	
Social Security		176	
Unemployment Compensation		4	
Employer Medicare		41	
Total Special Patrols			3,051

Jail

Deputy(ies)	\$	11,018	
Guards		408,951	
Social Security		26,038	
Unemployment Compensation		1,042	
Employer Medicare		6,090	
Communication		9,067	
Data Processing Services		1,500	
Dues and Memberships		1,000	
Maintenance and Repair Services - Buildings		5,998	
Maintenance and Repair Services - Equipment		4,798	
Maintenance and Repair Services - Office Equipment		1,139	
Medical and Dental Services		170,078	
Pest Control		432	
Postal Charges		600	
Travel		490	
Custodial Supplies		5,604	
Electricity		23,619	
Food Supplies		62,527	
Gasoline		5,962	
Law Enforcement Supplies		800	
Natural Gas		6,563	
Office Supplies		140	
Prisoners Clothing		980	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Uniforms	\$	1,293	
Water and Sewer		17,014	
Other Supplies and Materials		2,489	
Building Improvements		9,000	
Law Enforcement Equipment		680	
Motor Vehicles		100,504	
Total Jail			\$ 885,416

Fire Prevention and Control

Supervisor/Director	\$	25,480	
In-service Training		3,210	
Social Security		1,580	
Disability Insurance		5,091	
Unemployment Compensation		61	
Employer Medicare		369	
Dues and Memberships		1,490	
Forest Resource Services		1,000	
Electricity		5,074	
Equipment and Machinery Parts		46,560	
Gasoline		10,480	
General Construction Materials		1,408	
Natural Gas		2,880	
Uniforms		7,408	
Water and Sewer		1,028	
Other Charges		2,842	
Building Construction		748	
Maintenance Equipment		19,459	
Motor Vehicles		25,000	
Other Equipment		1,887	
Total Fire Prevention and Control			163,055

Civil Defense

Supervisor/Director	\$	42,230	
Part-time Personnel		17,408	
Social Security		3,698	
Unemployment Compensation		114	
Employer Medicare		865	
Communication		3,888	
Maintenance and Repair Services - Equipment		3,641	
Maintenance and Repair Services - Vehicles		3,378	
Tuition		700	
Disposal Fees		263	
Food Supplies		382	
Office Supplies		337	
Uniforms		385	
Other Supplies and Materials		852	
Other Charges		26,371	
Motor Vehicles		11,608	
Total Civil Defense			116,120

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Supervisor/Director	\$	46,677	
Deputy(ies)		708	
Dispatchers/Radio Operators		239,805	
Social Security		17,771	
Unemployment Compensation		448	
Employer Medicare		4,156	
Communication		49,670	
Maintenance and Repair Services - Buildings		537	
Maintenance and Repair Services - Office Equipment		1,241	
Pest Control		228	
Postal Charges		82	
Internet Connectivity		2,240	
Disposal Fees		636	
Custodial Supplies		873	
Electricity		11,572	
Natural Gas		548	
Office Supplies		1,307	
Water and Sewer		291	
Other Equipment		950	
Total Other Emergency Management			\$ 379,740

County Coroner/Medical Examiner

Assessment Personnel	\$	12,741	
Total County Coroner/Medical Examiner			12,741

Other Public Safety

School Resource Officer	\$	212,352	
In-service Training		1,170	
Social Security		13,215	
Unemployment Compensation		402	
Employer Medicare		3,091	
Maintenance and Repair Services - Vehicles		1,777	
Law Enforcement Supplies		109	
Uniforms		9,256	
Other Charges		1,000	
Law Enforcement Equipment		47,683	
Total Other Public Safety			290,055

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	5,880	
Social Security		365	
Unemployment Compensation		38	
Employer Medicare		85	
Communication		9,880	
Contracts with Government Agencies		4,420	
Dues and Memberships		375	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Pest Control	\$	208	
Electricity		5,691	
Natural Gas		962	
Office Supplies		35	
Water and Sewer		631	
Other Charges		11,701	
Building Improvements		<u>78,645</u>	
Total Local Health Center			\$ 118,916

Sanitation Education/Information

Laborers	\$	25,739	
Social Security		1,596	
Unemployment Compensation		46	
Employer Medicare		373	
Maintenance and Repair Services - Vehicles		777	
Gasoline		3,525	
Other Supplies and Materials		853	
Other Charges		<u>8,548</u>	
Total Sanitation Education/Information			41,457

Waste Pickup

Laborers	\$	16,841	
Social Security		1,044	
Unemployment Compensation		38	
Employer Medicare		244	
Gasoline		2,604	
Other Supplies and Materials		<u>226</u>	
Total Waste Pickup			20,997

Other Public Health and Welfare

Contributions	\$	36,138	
Other Charges		<u>15,154</u>	
Total Other Public Health and Welfare			51,292

Social, Cultural, and Recreational Services

Adult Activities

Contributions	\$	<u>77,226</u>	
Total Adult Activities			77,226

Libraries

Deputy(ies)	\$	28,043	
Librarians		40,512	
Clerical Personnel		37,697	
Social Security		6,656	
Unemployment Compensation		213	
Employer Medicare		1,557	
Janitorial Services		1,100	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Maintenance and Repair Services - Buildings	\$	447	
Pest Control		448	
Postal Charges		164	
Travel		64	
Other Contracted Services		1,650	
Custodial Supplies		600	
Data Processing Supplies		1,295	
Electricity		5,222	
Library Books/Media		12,370	
Natural Gas		1,263	
Office Supplies		2,145	
Water and Sewer		536	
Other Charges		675	
Total Libraries			\$ 142,657

Other Social, Cultural, and Recreational

Contracts with Other Public Agencies	\$	15,400	
Total Other Social, Cultural, and Recreational			15,400

Agriculture and Natural Resources

Agricultural Extension Service

Assistant(s)	\$	32,577	
Supervisor/Director		18,154	
Secretary(ies)		11,955	
Longevity Pay		503	
Social Security		3,750	
Pensions		621	
Employee and Dependent Insurance		2,292	
Local Retirement		11,959	
Employer Medicare		954	
Dues and Memberships		360	
Travel		3,407	
Office Supplies		690	
Other Charges		300	
Data Processing Equipment		1,584	
Total Agricultural Extension Service			89,106

Soil Conservation

Secretary(ies)	\$	9,984	
Social Security		619	
Unemployment Compensation		49	
Employer Medicare		145	
Total Soil Conservation			10,797

Other Operations

Tourism

Contracts with Other Public Agencies	\$	650	
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(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Tourism (Cont.)

Dues and Memberships	\$	2,137	
Maintenance and Repair Services - Equipment		200	
Disposal Fees		1,360	
Electricity		3,310	
Other Charges		23,841	
Building Improvements		<u>3,600</u>	
Total Tourism			\$ 35,098

Airport

Part-time Personnel	\$	8,460	
Social Security		525	
Unemployment Compensation		48	
Employer Medicare		123	
Contracts with Private Agencies		12,218	
Maintenance Agreements		1,675	
Maintenance and Repair Services - Buildings		336	
Diesel Fuel		11,143	
Electricity		2,151	
Water and Sewer		396	
Building and Contents Insurance		2,723	
Other Charges		<u>4,000</u>	
Total Airport			43,798

Veterans' Services

Supervisor/Director	\$	26,556	
Social Security		1,646	
Unemployment Compensation		54	
Employer Medicare		385	
Communication		1,196	
Pest Control		240	
Travel		1,120	
Electricity		3,413	
Office Supplies		1,221	
Other Supplies and Materials		255	
Office Equipment		<u>2,575</u>	
Total Veterans' Services			38,661

Employee Benefits

Pensions	\$	62,997	
Medical Insurance		228,681	
Workers' Compensation Insurance		<u>49,122</u>	
Total Employee Benefits			340,800

Payments to Cities

Matching Share	\$	<u>19,082</u>	
Total Payments to Cities			19,082

(Continued)

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

General Fund (Cont.)

Capital Projects

Social, Cultural, and Recreation Projects

Engineering Services	\$	2,001	
Other Charges		569	
Building Improvements		147,573	
Total Social, Cultural, and Recreation Projects			\$ 150,143

Total General Fund \$ 6,148,512

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Supervisor/Director	\$	32,046	
Equipment Operators		36,492	
Maintenance Personnel		35,542	
Part-time Personnel		29,646	
Social Security		8,291	
Unemployment Compensation		250	
Employer Medicare		1,939	
Communication		745	
Contracts with Private Agencies		335,247	
Evaluation and Testing		10,166	
Maintenance and Repair Services - Equipment		26,722	
Maintenance and Repair Services - Vehicles		3,691	
Disposal Fees		300	
Diesel Fuel		3,519	
Electricity		3,601	
Gasoline		3,737	
Office Supplies		178	
Small Tools		577	
Water and Sewer		2,400	
Other Charges		788	
Total Convenience Centers			\$ 535,877

Other Operations

Other Charges

Trustee's Commission	\$	10,548	
Total Other Charges			10,548

Employee Benefits

Pensions	\$	1,622	
Medical Insurance		15,175	
Total Employee Benefits			16,797

Total Solid Waste/Sanitation Fund 563,222

(Continued)

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

Drug Control Fund

Public Safety

Drug Enforcement

Other Supplies and Materials	\$	206	
Other Charges		474	
Law Enforcement Equipment		141,981	
Total Drug Enforcement			\$ 142,661

Total Drug Control Fund \$ 142,661

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	5,250	
Total Chancery Court			\$ 5,250

Total Constitutional Officers - Fees Fund 5,250

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	89,338	
Accountants/Bookkeepers		43,175	
Secretary(ies)		34,320	
Pensions		6,385	
Data Processing Services		18,168	
Dues and Memberships		2,521	
Freight Expenses		1,246	
Legal Notices, Recording, and Court Costs		144	
Maintenance Agreements		624	
Postal Charges		396	
Printing, Stationery, and Forms		328	
Travel		1,956	
Office Supplies		867	
Other Charges		2,477	
Total Administration			\$ 201,945

Highway and Bridge Maintenance

Foremen	\$	98,880	
Equipment Operators		158,865	
Truck Drivers		145,822	
Laborers		14,868	
Overtime Pay		5,721	
Pensions		5,788	
Other Contracted Services		37,067	
Asphalt - Cold Mix		39,365	
Asphalt - Hot Mix		6,072	
Asphalt - Liquid		183,601	
Concrete		40	
Crushed Stone		366,777	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Ice	\$	190	
Other Road Materials		250	
Pipe - Metal		18,424	
Road Signs		5,106	
Wood Products		749	
Other Supplies and Materials		161	
Total Highway and Bridge Maintenance			\$ 1,087,746

Operation and Maintenance of Equipment

Mechanic(s)	\$	72,800	
Overtime Pay		1,380	
Pensions		2,500	
Licenses		76	
Maintenance and Repair Services - Equipment		23,188	
Maintenance and Repair Services - Vehicles		14,061	
Diesel Fuel		65,509	
Equipment and Machinery Parts		44,042	
Garage Supplies		8,244	
Gasoline		16,699	
Lubricants		1,423	
Propane Gas		263	
Small Tools		827	
Tires and Tubes		23,311	
Vehicle Parts		28,949	
Total Operation and Maintenance of Equipment			303,272

Other Charges

Communication	\$	10,104	
Contracts with Private Agencies		1,133	
Janitorial Services		2,040	
Pest Control		300	
Rentals		482	
Custodial Supplies		597	
Drugs and Medical Supplies		324	
Electricity		6,527	
Natural Gas		5,181	
Water and Sewer		578	
Trustee's Commission		19,463	
Vehicle and Equipment Insurance		26,113	
Other Charges		7,312	
Total Other Charges			80,154

Employee Benefits

Social Security	\$	37,881	
Life Insurance		5,483	
Medical Insurance		145,305	
Unemployment Compensation		3,847	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits (Cont.)

Employer Medicare	\$	8,859	
Laundry Service		2,591	
Workers' Compensation Insurance		22,331	
Total Employee Benefits			\$ 226,297

Capital Outlay

Engineering Services	\$	24,834	
Building Improvements		16,225	
Motor Vehicles		147,057	
Office Equipment		1,560	
State Aid Projects		2,070,072	
Total Capital Outlay			2,259,748

Principal on Debt

Highways and Streets

Principal on Notes	\$	61,000	
Total Highways and Streets			61,000

Interest on Debt

Highways and Streets

Interest on Notes	\$	7,624	
Total Highways and Streets			7,624

Total Highway/Public Works Fund \$ 4,227,786

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	140,248	
Principal on Notes		160,000	
Total General Government			\$ 300,248

Education

Principal on Notes	\$	12,500	
Principal on Other Loans		693,116	
Total Education			705,616

Interest on Debt

General Government

Interest on Bonds	\$	202,652	
Interest on Notes		16,209	
Total General Government			218,861

Education

Interest on Notes	\$	1,893	
Interest on Other Loans		140,276	
Total Education			142,169

(Continued)

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

General Debt Service Fund (Cont.)		
Other Debt Service		
General Government		
Trustee's Commission	\$ 9,882	
Total General Government		\$ 9,882
Total General Debt Service Fund		\$ 1,376,776
General Capital Projects Fund		
Other Operations		
Industrial Development		
Maintenance and Repair Services - Buildings	\$ 40,000	
Solid Waste Equipment	1,237	
Total Industrial Development		\$ 41,237
Total General Capital Projects Fund		41,237
Total Governmental Funds - Primary Government		<u>\$ 12,505,444</u>

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	3,745,490	
Career Ladder Program		10,600	
Homebound Teachers		7,568	
Educational Assistants		281,300	
Other Salaries and Wages		141,862	
Non-certified Substitute Teachers		39,830	
Social Security		239,765	
Pensions		289,687	
Life Insurance		4,696	
Medical Insurance		400,590	
Employer Medicare		57,066	
Travel		28	
Other Contracted Services		44,792	
Instructional Supplies and Materials		59,600	
Textbooks - Bound		173,590	
Other Supplies and Materials		10,746	
TISA - On-behalf Payments		15,666	
Regular Instruction Equipment		5,436	
Total Regular Instruction Program	\$		5,528,312

Special Education Program

Teachers	\$	496,109	
Homebound Teachers		4,148	
Educational Assistants		258,975	
Non-certified Substitute Teachers		4,910	
Social Security		42,415	
Pensions		35,972	
Medical Insurance		79,117	
Employer Medicare		10,373	
Instructional Supplies and Materials		4,604	
Other Supplies and Materials		1,228	
Special Education Equipment		280	
Total Special Education Program			938,131

Career and Technical Education Program

Teachers	\$	293,867	
Other Salaries and Wages		5,996	
Non-certified Substitute Teachers		1,895	
Social Security		15,660	
Pensions		20,973	
Medical Insurance		46,531	
Employer Medicare		3,675	
Instructional Supplies and Materials		16,069	
Other Supplies and Materials		6,300	
Vocational Instruction Equipment		29,025	
Total Career and Technical Education Program			439,991

(Continued)

HOUSTON COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Houston County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services

Attendance

Supervisor/Director	\$	19,294	
Social Security		1,021	
Pensions		1,314	
Medical Insurance		2,650	
Employer Medicare		239	
Total Attendance	\$		24,518

Health Services

Supervisor/Director	\$	53,020	
Medical Personnel		105,910	
Social Security		9,592	
Pensions		2,929	
Medical Insurance		6,590	
Employer Medicare		2,243	
Travel		611	
Drugs and Medical Supplies		1,238	
Other Supplies and Materials		27,039	
Total Health Services			209,172

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		167,848	
Other Salaries and Wages		47,301	
Social Security		13,234	
Pensions		14,437	
Employer Medicare		3,095	
Internet Connectivity		182,515	
In Service/Staff Development		4,500	
Other Equipment		77,858	
Total Other Student Support			511,788

Regular Instruction Program

Supervisor/Director	\$	179,486	
Career Ladder Program		2,100	
Librarians		199,151	
Social Security		16,848	
Pensions		20,906	
Medical Insurance		40,714	
Employer Medicare		4,571	
Travel		507	
Library Books/Media		7,000	
Other Supplies and Materials		10,111	
In Service/Staff Development		3,589	
Total Regular Instruction Program			484,983

(Continued)

HOUSTON COUNTY, TENNESSEE**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Houston County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program

Supervisor/Director	\$	57,161	
Career Ladder Program		1,000	
Social Security		3,037	
Pensions		3,961	
Medical Insurance		9,653	
Employer Medicare		710	
Other Supplies and Materials		138	
Total Alternative Instruction Program			\$ 75,660

Special Education Program

Supervisor/Director	\$	65,626	
Psychological Personnel		74,234	
Social Security		8,588	
Pensions		9,519	
Employer Medicare		2,008	
Contracts with Private Agencies		73,640	
Travel		439	
Other Contracted Services		13,874	
Other Supplies and Materials		2,394	
In Service/Staff Development		1,024	
Total Special Education Program			251,346

Technology

Supervisor/Director	\$	77,064	
Other Salaries and Wages		135,648	
Social Security		10,909	
Pensions		6,808	
Medical Insurance		34,697	
Employer Medicare		2,551	
Internet Connectivity		29,040	
Other Contracted Services		9,179	
Software		4,986	
Other Supplies and Materials		1,082	
Other Equipment		31,516	
Total Technology			343,480

Other Programs

On-behalf Payments to OPEB	\$	19,253	
Total Other Programs			19,253

Board of Education

Board and Committee Members Fees	\$	5,100	
Social Security		308	
Unemployment Compensation		3,191	
Employer Medicare		72	
Audit Services		5,500	

(Continued)

HOUSTON COUNTY, TENNESSEE

**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Houston County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Dues and Memberships	\$	5,366	
Legal Services		45,428	
Other Contracted Services		29,570	
Other Supplies and Materials		108	
Liability Insurance		175,958	
Trustee's Commission		38,608	
Workers' Compensation Insurance		112,046	
In Service/Staff Development		12,738	
Criminal Investigation of Applicants - TBI		1,259	
Other Charges		9,104	
Total Board of Education	\$		444,356

Director of Schools

County Official/Administrative Officer	\$	105,804	
Assistant(s)		2,491	
Career Ladder Program		1,000	
Secretary(ies)		42,230	
Clerical Personnel		39,534	
Social Security		10,859	
Pensions		9,099	
Medical Insurance		22,132	
Employer Medicare		2,576	
Communication		7,872	
Dues and Memberships		2,013	
Postal Charges		2,272	
In Service/Staff Development		6,344	
Total Director of Schools			254,226

Office of the Principal

Principals	\$	343,244	
Assistant Principals		111,657	
Secretary(ies)		113,174	
Clerical Personnel		76,961	
Social Security		38,246	
Pensions		34,325	
Medical Insurance		29,500	
Employer Medicare		8,945	
Communication		11,240	
Other Contracted Services		1,600	
Other Supplies and Materials		388	
In Service/Staff Development		750	
Other Charges		10,750	
Administration Equipment		2,902	
Total Office of the Principal			783,682

(Continued)

HOUSTON COUNTY, TENNESSEE**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Houston County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Accountants/Bookkeepers	\$	115,763	
Social Security		6,995	
Pensions		4,978	
Medical Insurance		5,811	
Employer Medicare		1,636	
Other Contracted Services		25,717	
Data Processing Supplies		577	
Office Supplies		6,012	
In Service/Staff Development		2,682	
Administration Equipment		1,215	
Total Fiscal Services			\$ 171,386

Operation of Plant

Guards	\$	23,817	
Custodial Personnel		250,753	
Other Salaries and Wages		32,397	
Social Security		18,439	
Pensions		3,135	
Medical Insurance		35,512	
Employer Medicare		4,312	
Maintenance and Repair Services - Equipment		14,822	
Rentals		11,000	
Travel		575	
Disposal Fees		7,939	
Other Contracted Services		17,727	
Custodial Supplies		29,095	
Electricity		296,381	
Natural Gas		53,403	
Water and Sewer		84,342	
Other Supplies and Materials		4,455	
Boiler Insurance		1,774	
Other Charges		505	
Plant Operation Equipment		25,093	
Total Operation of Plant			915,476

Maintenance of Plant

Maintenance Personnel	\$	98,773	
Social Security		5,943	
Pensions		389	
Medical Insurance		9,586	
Employer Medicare		1,390	
Maintenance and Repair Services - Buildings		21,026	
Maintenance and Repair Services - Equipment		18,224	
Other Contracted Services		65,000	
Other Supplies and Materials		26,530	
Total Maintenance of Plant			246,861

(Continued)

HOUSTON COUNTY, TENNESSEE

**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Houston County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$ 50,877	
Mechanic(s)	86,368	
Bus Drivers	269,976	
Other Salaries and Wages	83,817	
Social Security	29,151	
Pensions	7,119	
Medical Insurance	34,948	
Employer Medicare	6,817	
Communication	2,226	
Maintenance and Repair Services - Vehicles	13,916	
Medical and Dental Services	3,016	
Other Contracted Services	812	
Garage Supplies	89	
Gasoline	97,706	
Lubricants	3,604	
Tires and Tubes	12,045	
Vehicle Parts	34,182	
Other Supplies and Materials	4,365	
In Service/Staff Development	3,581	
Other Charges	3,123	
Transportation Equipment	<u>137,384</u>	
Total Transportation		\$ 885,122

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 39,533	
Cafeteria Personnel	6,000	
Other Salaries and Wages	1,000	
Social Security	2,875	
Pensions	1,003	
Employer Medicare	672	
Food Supplies	<u>412</u>	
Total Food Service		51,495

Community Services

Supervisor/Director	\$ 15,416	
Social Security	956	
Pensions	268	
Employer Medicare	224	
Travel	336	
Other Supplies and Materials	<u>1,775</u>	
Total Community Services		18,975

Early Childhood Education

Supervisor/Director	\$ 16,406
Teachers	159,126

(Continued)

HOUSTON COUNTY, TENNESSEE**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Houston County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Educational Assistants	\$	58,450	
Other Salaries and Wages		6,755	
Non-certified Substitute Teachers		1,140	
Social Security		14,014	
Pensions		13,861	
Medical Insurance		16,971	
Employer Medicare		3,278	
Instructional Supplies and Materials		45	
Other Supplies and Materials		9,915	
In Service/Staff Development		270	
Other Equipment		2,662	
Total Early Childhood Education			\$ 302,893

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	137,700	
Building Improvements		222,712	
Total Regular Capital Outlay			360,412

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	524,638	
Total Education			524,638

Total General Purpose School Fund \$ 13,786,156

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	326,415	
Educational Assistants		214,228	
Other Salaries and Wages		5,980	
Non-certified Substitute Teachers		2,470	
Social Security		32,843	
Pensions		23,693	
Medical Insurance		27,275	
Employer Medicare		7,687	
Other Contracted Services		9,760	
Instructional Supplies and Materials		114,437	
Other Supplies and Materials		2,604	
Regular Instruction Equipment		184,273	
Total Regular Instruction Program			\$ 951,665

Special Education Program

Teachers	\$	53,634	
Educational Assistants		88,799	

(Continued)

HOUSTON COUNTY, TENNESSEE

**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Houston County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Speech Pathologist	\$	131,302	
Non-certified Substitute Teachers		725	
Social Security		15,695	
Pensions		15,071	
Medical Insurance		21,726	
Employer Medicare		3,672	
Instructional Supplies and Materials		42,463	
Other Supplies and Materials		6,597	
Special Education Equipment		11,123	
Total Special Education Program	\$		390,807

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$	365	
Instructional Supplies and Materials		9,261	
Other Supplies and Materials		3,456	
Vocational Instruction Equipment		2,655	
Total Career and Technical Education Program			15,737

Support Services

Other Student Support

Social Workers	\$	103,173	
Other Salaries and Wages		44,330	
Social Security		5,280	
Pensions		8,202	
Medical Insurance		18,399	
Employer Medicare		1,860	
Travel		4,736	
Other Supplies and Materials		6,542	
In Service/Staff Development		1,724	
Total Other Student Support			194,246

Regular Instruction Program

Other Salaries and Wages	\$	5,957	
Social Security		311	
Pensions		406	
Medical Insurance		877	
Employer Medicare		73	
Other Contracted Services		71,250	
In Service/Staff Development		15,019	
Total Regular Instruction Program			93,893

Special Education Program

Contracts with Private Agencies	\$	3,766	
Evaluation and Testing		3,047	
Travel		145	
Other Contracted Services		5,997	
Total Special Education Program			12,955

(Continued)

HOUSTON COUNTY, TENNESSEE

**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Houston County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program

In Service/Staff Development	\$ 3,176	
Total Career and Technical Education Program		\$ 3,176

Office of the Principal

Other Salaries and Wages	\$ 6,360	
Social Security	391	
Pensions	345	
Employer Medicare	91	
Total Office of the Principal		7,187

Fiscal Services

Other Contracted Services	\$ 56,200	
Total Fiscal Services		56,200

Transportation

Bus Drivers	\$ 8,225	
Other Salaries and Wages	6,736	
Social Security	910	
Pensions	59	
Employer Medicare	213	
Total Transportation		16,143

Operation of Non-Instructional Services

Food Service

Food Supplies	\$ 2,981	
Total Food Service		2,981

Capital Outlay

Regular Capital Outlay

Engineering Services	\$ 6,315	
Building Improvements	308,600	
Total Regular Capital Outlay		314,915

Total School Federal Projects Fund		\$ 2,059,905
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Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$ 331,283	
Social Security	18,888	
Pensions	8,374	
Medical Insurance	49,799	
Employer Medicare	4,417	
Communication	2,362	
Maintenance and Repair Services - Equipment	27,347	
Travel	1,924	

(Continued)

HOUSTON COUNTY, TENNESSEE

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Houston County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Contracted Services	\$ 14,324	
Food Supplies	377,320	
USDA - Commodities	54,685	
Other Supplies and Materials	34,077	
In Service/Staff Development	2,383	
Other Charges	11,851	
Food Service Equipment	<u>16,696</u>	
Total Food Service		<u>\$ 955,730</u>

Total Central Cafeteria Fund		\$ 955,730
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Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$ 873,771	
Total Community Services		<u>\$ 873,771</u>

Total Internal School Fund		<u>873,771</u>
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Total Governmental Funds - Houston County School Department		<u><u>\$ 17,675,562</u></u>
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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*

Houston County Mayor and
Board of County Commissioners
Houston 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 Houston County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Houston County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated January 14, 2025. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Houston County School Department (a discretely presented component unit) as described in our report on Houston County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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


Report on Compliance and Other Matters

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

Purpose of this Report

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

January 14, 2025

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

Houston County Mayor and
Board of County Commissioners
Houston 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 Houston 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 Houston County's major federal programs for the year ended June 30, 2024. Houston 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, Houston 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 Houston 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 Houston 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 Houston 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 Houston 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 Houston 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 Houston 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 Houston 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 Houston 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 Houston County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Houston County's basic financial statements. We issued our report thereon dated January 14, 2025, 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

January 14, 2025

JEM/gc

HOUSTON COUNTY, TENNESSEE, AND THE HOUSTON COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)
For the Year-Ended June 30, 2024

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Local Food for Schools Cooperative Agreement Program	10.185	N/A	\$ 30,000
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	182,652
National School Lunch Program	10.555	N/A	429,575 (7)
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	653
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	54,685 (7)
Total U.S. Department of Agriculture			<u>\$ 697,565</u>
U.S. Department of Transportation:			
Passed-through State Department of Safety and Homeland Security:			
Alcohol Open Container Requirements	20.607	(5)	\$ 3,200
Total U.S. Department of Transportation			<u>\$ 3,200</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	32701-05051	\$ 7,650 (7)
Passed-through State Department of Education:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds(ARP)	21.027	N/A	15,479 (7)
Total U.S. Department of the Treasury			<u>\$ 23,129</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 433,002
Special Education Cluster: (4)			
Special Education Grants to States	84.027	N/A	371,243 (7)
COVID 19 - Special Education Grants to States(ARP)	84.027X	N/A	18,983 (7)
Special Education Preschool Grants	84.173	N/A	8,252 (7)
COVID 19 - Special Education Preschool Grants(ARP)	84.173X	N/A	44 (7)
Career and Technical Education -- Basic Grants to States	84.048	N/A	25,373
Rural Education	84.358	N/A	35,740
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	N/A	36,455
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary			
School Emergency Relief Fund (ESSER II)	84.425D	N/A	226,886 (7)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary			
School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	891,458 (7)
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	34570-54623	52,525
Total U.S. Department of Education			<u>\$ 2,099,961</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
COVID 19 - Immunization Cooperative Agreements	93.268	34360-96724	\$ 78,645
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (ARP)	93.323	34349-17623	100,504
Total U.S. Department of Health and Human Services			<u>\$ 179,149</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	34101-34123	\$ 5,466
Homeland Security Grant Program	97.067	34101-20522	26,354
Total U.S. Department of Homeland Security			<u>\$ 31,820</u>
Total Expenditures of Federal Grants			<u>\$ 3,034,824</u>

(Continued)

HOUSTON COUNTY, TENNESSEE, AND THE HOUSTON COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (Cont.)

		<u>Contract Number</u>	<u>Expenditures</u>
State Grants			
Juvenile Court State Supplement Funds - State Department of Children's Services	N/A	35910-10425	\$ 9,000
Tennessee Law Enforcement Hiring, Training, and Recruitment Grant Program - State Department of Commerce and Insurance	N/A	33501-244890	1,000
Innovative School Models Grant - State Department of Education	N/A	N/A	243,923
Public School Security Grant - State Department of Education	N/A	N/A	55,632
Early Childhood Education - State Department of Education	N/A	N/A	303,352
Safe Schools Act - State Department of Education	N/A	N/A	13,880
State Special Education Preschool Grant - State Department of Education	N/A	N/A	4,975
COVID 19 - Summer Learning Camps - State Department of Education	N/A	N/A	111,924
COVID 19 - Summer Learning Transportation - State Department of Education	N/A	N/A	19,599
Project Diabetes Initiative Services - State Department of Health	N/A	34347-88423	150,902
Airport Maintenance Program - State Department of Transportation	N/a	40100-51008	15,000
Litter Program - State Department of Transportation	N/A	40100-50985	50,346
Violent Crime Intervention Fund Grant - State Office of Criminal Justice Programs	N/A	(6)	51,069
Archives Development Grant - Tennessee Secretary of State	N/A	Z24THS134	5,000
Total State Grants			<u>\$ 1,035,602</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) Houston County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Child Nutrition Cluster total \$666,912; Special Education Cluster total \$398,522.
- (5) Z23THS127: \$2,437; Z24THS134: \$763.
- (6) Information not available.
- (7) Total for ALN 10.555 is \$484,260; Total for ALN 21.027 is \$23,129; Total for ALN 84.027 is \$390,226;
Total for ALN 84.173 is \$8,296; Total for ALN 84.425 is \$1,118,344.

HOUSTON 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 Houston 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
OFFICE OF COUNTY MAYOR					
2023	174	2023-001	The office had accounting deficiencies.	N/A	Corrected

Prior-year Federal Awards Findings

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

HOUSTON 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 Houston County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Numbers: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * 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

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

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2024.

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

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

BEST PRACTICE

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

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

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

Houston 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.