



ANNUAL FINANCIAL REPORT

Henderson County, Tennessee

For the Year Ended June 30, 2025

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
HENDERSON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2025

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.

HENDERSON COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Henderson County, Tennessee
For the Year Ended June 30, 2025

Scope

We have audited the basic financial statements of Henderson County as of and for the year ended June 30, 2025.

Results

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

Our audit resulted in no findings.



INTRODUCTORY SECTION

HENDERSON COUNTY OFFICIALS

June 30, 2025

Officials

Robbie McCready, County Mayor
Steve Vineyard, Road Supervisor
Danny Beecham, Director of Schools
John Cavness, Trustee
Gary Pope, Assessor of Property
Tasha Carver, County Clerk
Beverly Dunaway, Circuit, General Sessions, and Juvenile Courts Clerk
Leigh Milam, Clerk and Master
Doug Bartholomew, Register of Deeds
Brain Duke, Sheriff
Megan Vineyard, Finance Director

Board of County Commissioners

Robbie McCready, County Mayor, Chairman
Terry Allen
Andy Anderson
Todd Beecham
William Carter
Jeff James
Jack Johnson
Randal Keen

Mack Maness, Jr.
Tommy Page
Nick Peterson
Joe Ross
Blake Stanfill
Tonya Stegall
Aaron Wood

Board of Education

John Walker, Chairman
Jeff Camper
Steve Crownover
Tommy Gordon
Bobby Harrington
Michael Tate
Tyler Wadley

Financial Management Committee

Robbie McCready, County Mayor, Chairman
Corey Bingham
Beverly Dunaway
Jeff James
Mack Maness
Steve Vineyard, Road Supervisor
Danny Beecham, Director of Schools

Audit Committee

Tommy Page, Chairman
Aaron Wood
John Walker

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the 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 Henderson County, Tennessee, as of and for the year ended June 30, 2025, 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 Henderson County, Tennessee, as of June 30, 2025, and the respective changes in financial position and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund of the Henderson County School Department (a discretely presented component unit), which represent 2.6 percent, three percent, and 5.5 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for the Henderson 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 Henderson 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.

Changes in Accounting Principle

As described in Note V. B., Henderson County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. GASB 101 updates the recognition and measurement guidance for compensated absences under a unified model and amends certain previously required disclosures. GASB 102 provides users of government

financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Emphasis of Matter

We draw attention to Note I.D.10. to the financial statements, which describes restatements to the beginning Governmental Activities net position totaling (\$35,347) for the primary government and (\$493,274) for the discretely presented Henderson County School Department. These restatements were necessary because of the transitional requirements of GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Henderson County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Henderson County School Department (a discretely presented component unit), 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 Henderson 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 August 22, 2025, on our consideration of Henderson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Henderson County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Henderson County's internal control over financial reporting and compliance.

Very truly yours,


Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

August 22, 2025

JEM/gc

BASIC FINANCIAL STATEMENTS SECTION

HENDERSON COUNTY, TENNESSEE
Statement of Net Position
June 30, 2025

	Primary Government Governmental Activities	Component Unit Henderson County School Department
ASSETS		
Cash	\$ 494	\$ 1,275,952
Equity in Pooled Cash and Investments	9,936,243	12,880,550
Inventories	0	2,378
Accounts Receivable	8,945	28,143
Due from Other Governments	1,754,986	2,155,850
Due from Component Units	640,094	0
Property Taxes Receivable	9,120,728	2,039,443
Allowance for Uncollectible Property Taxes	(93,741)	(21,115)
Net Pension Asset - Agent Plan	435,487	0
Net Pension Asset - Teacher Retirement Plan	0	216,873
Net Pension Asset - Teacher Legacy Pension Plan	0	7,153,526
Restricted Assets - Amounts Accumulated for Pension Benefits	0	595,021
Capital Assets:		
Assets Not Depreciated:		
Land	2,127,209	1,151,661
Construction in Progress	3,165,533	229,000
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	8,602,655	19,011,264
Infrastructure	5,305,328	34,449
Other Capital Assets	3,060,738	2,068,043
Total Assets	<u>\$ 44,064,699</u>	<u>\$ 48,821,038</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	\$ 58,222	\$ 0
Pension Changes in Experience	989,635	2,645,823
Pension Changes in Assumptions	438,339	416,993
Pension Changes in Proportion	0	71,573
Pension Contributions after Measurement Date	670,449	1,476,091
OPEB Changes in Experience	19,003	812,946
OPEB Changes in Proportion	0	259,419
OPEB Changes in Assumptions	84,041	914,729
OPEB Contributions after Measurement Date	1,004	234,281
Total Deferred Outflows of Resources	<u>\$ 2,260,693</u>	<u>\$ 6,831,855</u>

(Continued)

HENDERSON COUNTY, TENNESSEE**Statement of Net Position (Cont.)**

	Primary Government Governmental Activities	Component Unit Henderson County School Department
LIABILITIES		
Accounts Payable	\$ 63,312	\$ 13,020
Payroll Deductions Payable	943	558,791
Accrued Interest Payable	46,081	0
Due to Primary Government	0	640,094
Noncurrent Liabilities:		
Due Within One Year - Debt	1,844,788	0
Due Within One Year - Other	374,584	617,940
Due in More Than One Year - Debt	6,913,436	0
Due in More Than One Year - Other	997,757	6,535,454
Total Liabilities	<u>\$ 10,240,901</u>	<u>\$ 8,365,299</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	\$ 8,735,022	\$ 1,956,792
Pension Changes in Experience	152,484	143,884
Pension Changes in Investment Earnings	218,717	1,560,517
Pension Changes in Assumptions	2,351	0
Pension Changes in Proportion	0	136,765
OPEB Changes in Experience	61,959	414,014
OPEB Changes in Proportion	0	183,451
OPEB Changes in Assumptions	84,239	394,718
Total Deferred Inflows of Resources	<u>\$ 9,254,772</u>	<u>\$ 4,790,141</u>
NET POSITION		
Net Investment in Capital Assets	\$ 16,528,152	\$ 22,494,417
Restricted for:		
General Government	826,832	0
Finance	104,995	0
Administration of Justice	296,058	0
Public Safety	991,876	0
Public Health and Welfare	567,810	0
Highway/Public Works	224,412	0
Capital Projects	306,405	0
Debt Service	264,220	0
Education	0	1,475,729
Operation of Non-instructional Services	0	458,555
Pensions	435,487	7,370,399
Hybrid Retirement Stabilization Funds	0	595,021
Unrestricted	<u>6,283,472</u>	<u>10,103,332</u>
Total Net Position	<u><u>\$ 26,829,719</u></u>	<u><u>\$ 42,497,453</u></u>

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

HENDERSON COUNTY, TENNESSEE
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Henderson County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,315,679	\$ 314,422	\$ 50,876	\$ 1,051,398	\$ 101,017	\$ 0
Finance	1,519,074	794,757	0	0	(724,317)	0
Administration of Justice	1,662,721	1,346,329	500,868	0	184,476	0
Public Safety	9,791,362	2,271,661	929,974	17,785	(6,571,942)	0
Public Health and Welfare	3,605,691	79,251	1,947,798	0	(1,578,642)	0
Social, Cultural, and Recreational Services	123,635	0	0	0	(123,635)	0
Agriculture and Natural Resources	169,270	0	239,045	0	69,775	0
Highways	4,198,376	7,817	2,719,462	434,483	(1,036,614)	0
Education	0	0	459,958	0	459,958	0
Interest on Long-term Debt	284,901	0	31,620	0	(253,281)	0
Total Primary Government	\$ 22,670,709	\$ 4,814,237	\$ 6,879,601	\$ 1,503,666	\$ (9,473,205)	\$ 0
Component Unit:						
Henderson County School Department	\$ 50,986,090	\$ 208,255	\$ 11,623,093	\$ 381	\$ 0	\$ (39,154,361)
Total Component Unit	\$ 50,986,090	\$ 208,255	\$ 11,623,093	\$ 381	\$ 0	\$ (39,154,361)

(Continued)

HENDERSON COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Henderson County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 7,997,449	\$ 1,875,872
Property Taxes Levied for Debt Service					615,321	0
Local Option Sales Taxes					434,400	5,672,309
Hotel/Motel Tax					337,529	0
Wheel Tax					1,043,702	0
Litigation Taxes					238,215	0
Business Tax					372,423	0
Fire Tax					516,809	0
Other Local Taxes					117,743	749
Grants and Contributions Not Restricted to Specific Programs					355,949	33,172,280
Unrestricted Investment Income					957,983	119,994
Miscellaneous					132,134	96,687
Total General Revenues					<u>\$ 13,119,657</u>	<u>\$ 40,937,891</u>
Change in Net Position					\$ 3,646,452	\$ 1,783,530
Net Position, July 1, 2024					23,218,614	41,207,197
Restatement - See Note I.D.10.					<u>(35,347)</u>	<u>(493,274)</u>
Net Position, June 30, 2025					<u><u>\$ 26,829,719</u></u>	<u><u>\$ 42,497,453</u></u>

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

HENDERSON COUNTY, TENNESSEE
Balance Sheet - Governmental Funds
June 30, 2025

	Major Funds			Nonmajor Funds	
		Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
ASSETS	General				
Cash	\$ 0	\$ 0	\$ 0	\$ 494	\$ 494
Equity in Pooled Cash and Investments	5,220,605	558,252	1,888,350	2,269,036	9,936,243
Accounts Receivable	8,708	0	153	84	8,945
Due from Other Governments	1,262,366	456,154	0	36,466	1,754,986
Due from Other Funds	578	1,840	0	0	2,418
Property Taxes Receivable	7,443,425	299,273	575,968	802,062	9,120,728
Allowance for Uncollectible Property Taxes	(75,279)	(3,032)	(6,314)	(9,116)	(93,741)
Total Assets	<u>\$ 13,860,403</u>	<u>\$ 1,312,487</u>	<u>\$ 2,458,157</u>	<u>\$ 3,099,026</u>	<u>\$ 20,730,073</u>
LIABILITIES					
Accounts Payable	\$ 63,312	\$ 0	\$ 0	\$ 0	\$ 63,312
Payroll Deductions Payable	943	0	0	0	943
Due to Other Funds	1,840	0	0	578	2,418
Total Liabilities	<u>\$ 66,095</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 578</u>	<u>\$ 66,673</u>

(Continued)

HENDERSON COUNTY, TENNESSEE
Balance Sheet - Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
		Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
	General				
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 7,133,566	\$ 287,620	\$ 550,107	\$ 763,729	\$ 8,735,022
Deferred Delinquent Property Taxes	215,985	7,912	17,002	26,916	267,815
Other Deferred/Unavailable Revenue	65,800	216,500	0	18,000	300,300
Total Deferred Inflows of Resources	\$ 7,415,351	\$ 512,032	\$ 567,109	\$ 808,645	\$ 9,303,137
FUND BALANCES					
Restricted:					
Restricted for General Government	\$ 168,099	\$ 0	\$ 0	\$ 0	\$ 168,099
Restricted for General Government - American Rescue Plan Act	0	0	0	658,733	658,733
Restricted for Finance	104,995	0	0	0	104,995
Restricted for Administration of Justice	296,058	0	0	0	296,058
Restricted for Public Safety	892,540	0	0	99,336	991,876
Restricted for Public Health and Welfare	535,716	0	0	0	535,716
Restricted for Debt Service	0	0	142,773	92,304	235,077
Restricted for Capital Projects	0	0	0	293,583	293,583
Committed:					
Committed for General Government	334,456	0	0	141,512	475,968
Committed for Public Health and Welfare	0	0	0	369,679	369,679
Committed for Other Operations	385,346	0	0	0	385,346
Committed for Highways/Public Works	0	800,455	0	0	800,455

(Continued)

HENDERSON COUNTY, TENNESSEE
Balance Sheet - Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
FUND BALANCES (Cont.)					
Committed (Cont.):					
Committed for Debt Service	\$ 0	\$ 0	\$ 1,748,275	\$ 622,412	\$ 2,370,687
Committed for Capital Projects	0	0	0	12,244	12,244
Unassigned	3,661,747	0	0	0	3,661,747
Total Fund Balances	<u>\$ 6,378,957</u>	<u>\$ 800,455</u>	<u>\$ 1,891,048</u>	<u>\$ 2,289,803</u>	<u>\$ 11,360,263</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,860,403</u>	<u>\$ 1,312,487</u>	<u>\$ 2,458,157</u>	<u>\$ 3,099,026</u>	<u>\$ 20,730,073</u>

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

HENDERSON COUNTY, TENNESSEE**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position****June 30, 2025**

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)		\$	11,360,263
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,127,209	
Add: construction in progress		3,165,533	
Add: buildings and improvements net of accumulated depreciation		8,602,655	
Add: infrastructure net of accumulated depreciation		5,305,328	
Add: other capital assets net of accumulated depreciation		<u>3,060,738</u>	22,261,463
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other loan payable	\$	(640,094)	
Add: debt to be contributed by the school department		640,094	
Less: bonds payable		(7,635,000)	
Add: deferred amount on refunding		58,222	
Less: compensated absences payable		(365,667)	
Less: landfill closure/postclosure care costs		(16,205)	
Less: net pension liability - Henderson County Employees Agent Plan		(731,076)	
Less: net OPEB liability		(259,393)	
Less: accrued interest payable		(46,081)	
Less: unamortized premium on debt		<u>(483,130)</u>	(9,478,330)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	2,098,423	
Less: deferred inflows of resources related to pensions		(373,552)	
Add: deferred outflows of resources related to OPEB		104,048	
Less: deferred inflows of resources related to OPEB		<u>(146,198)</u>	1,682,721
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - Henderson County Judges, Officials, and Executives Agent Plan			435,487
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>568,115</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>26,829,719</u></u>

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

HENDERSON COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Year Ended June 30, 2025

	Major Funds			Nonmajor Funds	
		Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
	General				
Revenues					
Local Taxes	\$ 8,618,655	\$ 275,186	\$ 1,683,300	\$ 1,124,723	\$ 11,701,864
Licenses and Permits	1,235	0	0	0	1,235
Fines, Forfeitures, and Penalties	633,169	0	0	24,182	657,351
Charges for Current Services	141,985	0	0	53,561	195,546
Other Local Revenues	1,037,095	80,582	196,045	147,933	1,461,655
Fees Received From County Officials	1,621,377	0	0	0	1,621,377
State of Tennessee	5,645,349	3,136,704	0	0	8,782,053
Federal Government	276,660	14,829	0	0	291,489
Other Governments and Citizens Groups	1,090,700	0	103,608	356,350	1,550,658
Total Revenues	<u>\$ 19,066,225</u>	<u>\$ 3,507,301</u>	<u>\$ 1,982,953</u>	<u>\$ 1,706,749</u>	<u>\$ 26,263,228</u>
Expenditures					
Current:					
General Government	\$ 1,710,365	\$ 0	\$ 0	\$ 24,777	\$ 1,735,142
Finance	1,480,799	0	0	0	1,480,799
Administration of Justice	1,282,009	0	0	31,740	1,313,749
Public Safety	8,266,207	0	0	158,187	8,424,394
Public Health and Welfare	2,654,026	0	0	913,239	3,567,265
Social, Cultural, and Recreational Services	95,923	0	0	0	95,923
Agriculture and Natural Resources	159,396	0	0	0	159,396

(Continued)

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
Expenditures (Cont.)					
Current (Cont.)					
Other Operations	\$ 3,237,989	\$ 0	\$ 0	\$ 460,841	\$ 3,698,830
Highways	0	4,265,400	0	0	4,265,400
Debt Service:					
Principal on Debt	0	0	1,518,480	305,000	1,823,480
Interest on Debt	0	0	210,792	51,350	262,142
Other Debt Service	0	0	28,281	2,192	30,473
Total Expenditures	<u>\$ 18,886,714</u>	<u>\$ 4,265,400</u>	<u>\$ 1,757,553</u>	<u>\$ 1,947,326</u>	<u>\$ 26,856,993</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 179,511</u>	<u>\$ (758,099)</u>	<u>\$ 225,400</u>	<u>\$ (240,577)</u>	<u>\$ (593,765)</u>
Other Financing Sources (Uses)					
Insurance Recovery	\$ 30,730	\$ 0	\$ 0	\$ 1,991	\$ 32,721
Transfers In	0	0	95,000	76,028	171,028
Transfers Out	(171,028)	0	0	0	(171,028)
Total Other Financing Sources (Uses)	<u>\$ (140,298)</u>	<u>\$ 0</u>	<u>\$ 95,000</u>	<u>\$ 78,019</u>	<u>\$ 32,721</u>
Net Change in Fund Balances	\$ 39,213	\$ (758,099)	\$ 320,400	\$ (162,558)	\$ (561,044)
Fund Balance, July 1, 2024	<u>6,339,744</u>	<u>1,558,554</u>	<u>1,570,648</u>	<u>2,452,361</u>	<u>11,921,307</u>
Fund Balance, June 30, 2025	<u><u>\$ 6,378,957</u></u>	<u><u>\$ 800,455</u></u>	<u><u>\$ 1,891,048</u></u>	<u><u>\$ 2,289,803</u></u>	<u><u>\$ 11,360,263</u></u>

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

HENDERSON COUNTY, TENNESSEE
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025**

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)		\$	(561,044)
(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	\$	4,109,347	
Less: current-year depreciation expense		<u>(1,812,660)</u>	2,296,687
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value of capital assets disposed			(6,396)
(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, 2025	\$	568,115	
Less: deferred delinquent property taxes and other deferred June 30, 2024		<u>(545,802)</u>	22,313
(4) The issuance of long-term debt (e.g., bonds and other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Add: change in premium on debt issuances	\$	125,100	
Less: change in deferred amount on refunding debt		(36,175)	
Add: principal payments on bonds		1,730,000	
Add: principal payments on other loan		93,480	
Less: contributions from the school department for the other loan		<u>(93,480)</u>	1,818,925
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	13,416	
Change in landfill closure/postclosure care costs		7,533	
Change in compensated absences payable		(34,911)	
Change in net OPEB liability		(70,830)	
Change in deferred outflows related to OPEB		19,471	
Change in deferred inflows related to OPEB		36,352	
Change in net pension liability - Henderson County Employees Agent Plan		(63,359)	
Change in net pension asset - Henderson County Judges, Officials, and Executives Agent Plan		161,957	
Change in deferred outflows related to pensions		100,046	
Change in deferred inflows related to pensions		<u>(93,708)</u>	75,967
Change in net position of governmental activities (Exhibit B)		\$	<u>3,646,452</u>

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

HENDERSON COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2025

			Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual		Original	Final	
Revenues					
Local Taxes	\$ 8,618,655	\$	7,893,829	\$ 8,013,784	\$ 604,871
Licenses and Permits	1,235		1,000	1,000	235
Fines, Forfeitures, and Penalties	633,169		504,600	514,600	118,569
Charges for Current Services	141,985		107,100	107,100	34,885
Other Local Revenues	1,037,095		732,050	732,650	304,445
Fees Received From County Officials	1,621,377		1,385,000	1,385,000	236,377
State of Tennessee	5,645,349		2,288,800	9,602,959	(3,957,610)
Federal Government	276,660		32,000	32,000	244,660
Other Governments and Citizens Groups	1,090,700		422,000	676,725	413,975
Total Revenues	\$ 19,066,225	\$	13,366,379	\$ 21,065,818	\$ (1,999,593)
Expenditures					
General Government					
County Commission	\$ 123,411	\$	126,750	\$ 126,750	\$ 3,339
Board of Equalization	2,320		2,500	4,650	2,330
County Mayor/Executive	192,826		211,345	211,345	18,519
County Attorney	6,405		16,895	16,895	10,490
Election Commission	255,620		231,089	267,839	12,219
Register of Deeds	216,990		225,676	235,676	18,686
County Buildings	912,793		891,500	968,500	55,707
Finance					
Accounting and Budgeting	387,714		438,355	438,955	51,241
Property Assessor's Office	315,583		320,226	336,226	20,643
County Trustee's Office	373,677		366,026	382,231	8,554
County Clerk's Office	403,825		411,874	411,874	8,049
Administration of Justice					
Circuit Court	562,999		579,852	613,793	50,794
General Sessions Court	300,516		311,061	311,061	10,545
Drug Court	5,329		10,000	10,000	4,671
Chancery Court	267,510		267,127	272,627	5,117
Juvenile Court	68,222		74,086	74,086	5,864
Victim Assistance Programs	77,433		0	81,500	4,067
Public Safety					
Sheriff's Department	3,621,447		3,548,807	3,809,857	188,410
Administration of the Sexual Offender Registry	5,692		5,700	5,700	8
Workhouse	2,784,552		2,710,457	2,839,057	54,505
Fire Prevention and Control	393,688		455,628	521,249	127,561
Civil Defense	139,381		170,497	170,497	31,116
Rescue Squad	20,000		20,000	20,000	0

(Continued)

HENDERSON COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Expenditures (Cont.)				
Public Safety (Cont.)				
County Coroner/Medical Examiner	\$ 130,842	\$ 103,050	\$ 145,050	\$ 14,208
Public Safety Grants Program	242,061	0	262,200	20,139
Other Public Safety	928,544	691,666	951,761	23,217
Public Health and Welfare				
Local Health Center	2,372,881	58,250	4,603,150	2,230,269
Alcohol and Drug Programs	75,000	0	82,000	7,000
Other Local Health Services	151,126	8,000	205,500	54,374
Appropriation to State	738	11,420	11,420	10,682
Aid to Dependent Children	0	700	700	700
Waste Pickup	54,281	55,600	59,225	4,944
Social, Cultural, and Recreational Services				
Adult Activities	4,733	4,734	4,734	1
Senior Citizens Assistance	17,500	17,500	17,500	0
Libraries	56,500	56,500	56,500	0
Other Social, Cultural, and Recreational	17,190	20,200	20,200	3,010
Agriculture and Natural Resources				
Agricultural Extension Service	106,020	126,770	127,270	21,250
Soil Conservation	24,541	26,336	26,336	1,795
Flood Control	28,835	40,000	40,000	11,165
Other Operations				
Tourism	44,742	50,250	50,250	5,508
Industrial Development	51,810	60,318	60,318	8,508
Veterans' Services	84,238	85,007	87,322	3,084
Other Charges	623,248	612,000	623,248	0
Employee Benefits	0	2,000	2,000	2,000
Miscellaneous	2,433,951	328,638	2,843,285	409,334
Total Expenditures	\$ 18,886,714	\$ 13,754,390	\$ 22,410,337	\$ 3,523,623
Excess (Deficiency) of Revenues Over Expenditures	\$ 179,511	\$ (388,011)	\$ (1,344,519)	\$ 1,524,030
Other Financing Sources (Uses)				
Insurance Recovery	\$ 30,730	\$ 0	\$ 0	\$ 30,730
Transfers In	0	150,000	206,680	(206,680)
Transfers Out	(171,028)	0	(171,028)	0
Total Other Financing Sources	\$ (140,298)	\$ 150,000	\$ 35,652	\$ (175,950)
Net Change in Fund Balance	\$ 39,213	\$ (238,011)	\$ (1,308,867)	\$ 1,348,080
Fund Balance, July 1, 2024	6,339,744	4,350,000	4,350,000	1,989,744
Fund Balance, June 30, 2025	\$ 6,378,957	\$ 4,111,989	\$ 3,041,133	\$ 3,337,824

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

HENDERSON COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 275,186	\$ 270,499	\$ 270,499	\$ 4,687
Other Local Revenues	80,582	42,500	42,500	38,082
State of Tennessee	3,136,704	2,941,000	2,941,000	195,704
Federal Government	14,829	0	0	14,829
Total Revenues	<u>\$ 3,507,301</u>	<u>\$ 3,253,999</u>	<u>\$ 3,253,999</u>	<u>\$ 253,302</u>
Expenditures				
Highways				
Administration	\$ 203,148	\$ 216,254	\$ 215,454	\$ 12,306
Highway and Bridge Maintenance	2,816,421	1,985,470	2,837,045	20,624
Operation and Maintenance of Equipment	503,942	553,600	553,600	49,658
Other Charges	158,367	175,025	175,025	16,658
Employee Benefits	3,714	11,000	11,000	7,286
Capital Outlay	579,808	821,000	718,400	138,592
Total Expenditures	<u>\$ 4,265,400</u>	<u>\$ 3,762,349</u>	<u>\$ 4,510,524</u>	<u>\$ 245,124</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (758,099)</u>	<u>\$ (508,350)</u>	<u>\$ (1,256,525)</u>	<u>\$ 498,426</u>
Net Change in Fund Balance	\$ (758,099)	\$ (508,350)	\$ (1,256,525)	\$ 498,426
Fund Balance, July 1, 2024	<u>1,558,554</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>258,554</u>
Fund Balance, June 30, 2025	<u><u>\$ 800,455</u></u>	<u><u>\$ 791,650</u></u>	<u><u>\$ 43,475</u></u>	<u><u>\$ 756,980</u></u>

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

HENDERSON COUNTY, TENNESSEE
Statement of Net Position - Fiduciary Funds
June 30, 2025

**Custodial
Funds**

ASSETS

Cash	\$ 1,998,952
Equity in Pooled Cash and Investments	102,922
Accounts Receivable	37,652
Due from Other Governments	1,105,669
Taxes Receivable	91,656
Allowance for Uncollectible Taxes	(974)
	<hr/>
Total Assets	\$ 3,335,877

LIABILITIES

Due to Other Taxing Units	\$ 1,211,529
	<hr/>
Total Liabilities	\$ 1,211,529

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 87,767
	<hr/>
Total Deferred Inflows of Resources	\$ 87,767

NET POSITION

Restricted for Individuals, Organizations and Other Governments	\$ 2,036,581
	<hr/>
Total Net Position	\$ 2,036,581

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

HENDERSON COUNTY, TENNESSEE
Statement of Changes in Net Position - Fiduciary Funds
For the Year Ended June 30, 2025

**Custodial
Funds**

ADDITIONS

Sales Tax Collections for Other Governments	\$ 4,991,459
ADA - Educational Funds Collected for Cities	1,316,075
Fines/Fees and Other Collections	9,655,107
Total Additions	<u>\$ 15,962,641</u>

DEDUCTIONS

Payment of Sales Tax Collections to Other Governments	\$ 4,991,459
Payments to City School Systems	1,316,075
Payments to State	3,706,187
Payments to Cities, Individuals, and Others	6,034,789
Total Deductions	<u>\$ 16,048,510</u>

Net Increase (Decrease) in Fiduciary in Net Position	\$ (85,869)
Net Position, July 1, 2024	<u>2,122,450</u>
Net Position, June 30, 2025	<u><u>\$ 2,036,581</u></u>

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

HENDERSON COUNTY, TENNESSEE

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HENDERSON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Henderson County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Henderson County:

A. *Reporting Entity*

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

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

The Henderson County School Department operates the public school system in the county, and the voters of Henderson County elect its board. The school department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The school department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Henderson County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Henderson County, and the Henderson County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Henderson County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Henderson County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Henderson County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

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

B. Government-wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Henderson County issues all debt for the discretely presented Henderson County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2025.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as

they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Henderson County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

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

Fiduciary funds financial statements are reported using the economic resources measurement focus 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. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes custodial funds.

Henderson County reports the following major governmental funds:

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

Highway/Public Works Fund – This special revenue fund accounts for transactions of the county’s highway department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

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

Additionally, Henderson County reports the following fund types:

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

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Henderson County and the city school system’s share of educational revenues.

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

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

School Transportation Fund – This special revenue fund is used to account for the transportation of students. Local taxes are the foundational revenues of this fund.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 25) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 24) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found on the [Tennessee Comptroller of the Treasury's website](#).

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Henderson County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Henderson County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. 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. Henderson County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value. Other than the pension stabilization trust discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 0.55 percent of total taxes levied.

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

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

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

3. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Henderson County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Henderson County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Henderson County School Department has not withdrawn any funds from the trust to pay pension costs. Trust

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

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of \$25,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

Assets	Years
Buildings and Improvements	25
Other Capital Assets	5 -15
Infrastructure:	
Roads	10 - 20
Bridges	15 - 30

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

It is the county and school department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. However, the general policies of the county (not including the highway and sheriff's departments) and school department do not allow employees to accumulate vacation days beyond the calendar year end. The highway and sheriff's departments allow a limited amount of vacation days to be carried over beyond year end with the remaining amount converting to sick leave. All vacation pay is accrued when incurred in the government-wide financial statements for the county and its discretely presented component unit. Only a portion of the unpaid accumulated sick leave is accrued. The criteria for accrual includes a "more likely than not," to be used or paid. Since Henderson County and the discretely presented school department do not have policies to pay any amounts when employees separate from service with the government, only the portion of sick leave "more likely than not" expected to be used is accrued in the government-wide financial statements. Sick leave expected to be credited to TCRS service is not accrued. A liability for vacation pay benefits or sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements and payable under the county's policies.

7. Long-term Debt and Long-term Obligations

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, landfill postclosure care costs, pension liabilities, and other postemployment benefits are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

The government-wide Statement of Net Position reports \$4,018,095 of restricted net position, of which \$676,119 is restricted by enabling legislation.

As of June 30, 2025, Henderson County had \$2,856,844 in outstanding debt for capital purposes for the discretely presented Henderson County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Lexington School System) based on an average daily attendance proration. This debt is a liability of Henderson County, but the capital assets acquired are reported in the financial statements of the school department and the City of Lexington School System. Therefore, Henderson County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board

of Education, the school department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

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

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

9. Minimum Fund Balance Policy

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

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

10. Restatements

With the implementation of GASB Statement 101, *Compensated Absences*, Henderson County must recognize a restatement to the beginning net position in the Government-wide financial statements for the Primary Government and the discretely presented Henderson County School Department to record compensated absences liabilities. A restatement of (\$35,347) has been presented to reflect the beginning balance of the Primary Government and (\$493,274) for the discretely presented Henderson County School Department. The following table reflects the restatement amounts necessary to implement this standard:

	Government Wide - Governmental Activities	
	Primary Government	Discretely Presented Henderson County School Department
Net Position, as previously reported	\$ 23,218,614	\$ 41,207,197
Adjustments for GASB 101 Implementation:		
Compensated Absences Liability	(35,347)	(493,274)
Net Change in Beginning Net Position	\$ (35,347)	\$ (493,274)
Net Position, June 30, 2024 Restated	<u>\$ 23,183,267</u>	<u>\$ 40,713,923</u>

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net

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

Discretely Presented Henderson County School Department

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by Henderson County. For this purpose, Henderson County recognizes benefit payments when due and payable in accordance with benefit terms. Henderson County's OPEB plan is not administered through a trust.

Discretely Presented Henderson County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Henderson County School Department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Henderson County School Department

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Henderson County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

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

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Henderson County and the Henderson County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of 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, 2025.

TCRS Stabilization Trust

Legal Provisions. The Henderson County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Henderson County School Department may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2025, the Henderson 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	Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 184,457
Developed Market International Equity	N/A	N/A	83,303
Emerging Market International Equity	N/A	N/A	23,801
U.S. Fixed Income	N/A	N/A	119,004
Real Estate	N/A	N/A	59,502
Short-term Securities	N/A	N/A	5,950
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>119,004</u>
Total			<u><u>\$ 595,021</u></u>

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department's investments with the TCRS Stabilization Reserve Trust, financial statements of the Tennessee Consolidated Retirement System may be obtained on the [Tennessee Department of Treasury website](#).

B. Capital Assets

Capital assets activity for the year ended June 30, 2025, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-24	Increases	Decreases	Balance 6-30-25
Capital Assets				
Not Depreciated:				
Land	\$ 2,127,209	\$ 0	\$ 0	\$ 2,127,209
Construction in Progress	0	3,165,533	0	3,165,533
Total Capital Assets				
Not Depreciated	\$ 2,127,209	\$ 3,165,533	\$ 0	\$ 5,292,742
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 19,890,679	\$ 0	\$ 0	\$ 19,890,679
Infrastructure	8,360,214	443,818	0	8,804,032
Other Capital Assets	12,604,113	499,996	193,269	12,910,840
Total Capital Assets				
Depreciated	\$ 40,855,006	\$ 943,814	\$ 193,269	\$ 41,605,551
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 10,561,222	\$ 726,802	\$ 0	\$ 11,288,024
Infrastructure	3,177,024	321,680	0	3,498,704
Other Capital Assets	9,272,797	764,178	186,873	9,850,102
Total Accumulated				
Depreciation	\$ 23,011,043	\$ 1,812,660	\$ 186,873	\$ 24,636,830
Total Capital Assets				
Depreciated, Net	\$ 17,843,963	\$ (868,846)	\$ 6,396	\$ 16,968,721
Governmental Activities				
Capital Assets, Net	\$ 19,971,172	\$ 2,296,687	\$ 6,396	\$ 22,261,463

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

Governmental Activities:

General Government	\$ 172,406
Administration of Justice	142,737
Public Safety	798,204
Public Health and Welfare	60,650
Highway/Public Works	<u>638,663</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,812,660</u></u>

Net Investment in Capital Assets

Capital Assets	\$ 22,261,463
Less:	
Outstanding principal of capital debt and other capital borrowings	(5,418,250)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(315,061)</u>
Net Investment in Capital Assets	<u><u>\$ 16,528,152</u></u>

Discretely Presented Henderson County School Department

Governmental Activities:

	Balance 7-1-24	Increases	Decreases	Balance 6-30-25
Capital Assets				
Not Depreciated:				
Land	\$ 1,151,661	\$ 0	\$ 0	\$ 1,151,661
Construction in Progress	5,395,311	229,000	5,395,311	229,000
Total Capital Assets Not Depreciated	<u>\$ 6,546,972</u>	<u>\$ 229,000</u>	<u>\$ 5,395,311</u>	<u>\$ 1,380,661</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 51,976,225	\$ 7,030,805	\$ 0	\$ 59,007,030
Infrastructure	99,606	0	0	99,606
Other Capital Assets	4,747,449	260,944	0	5,008,393
Total Capital Assets Depreciated	<u>\$ 56,823,280</u>	<u>\$ 7,291,749</u>	<u>\$ 0</u>	<u>\$ 64,115,029</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 38,593,420	\$ 1,402,346	\$ 0	\$ 39,995,766
Infrastructure	60,176	4,981	0	65,157
Other Capital Assets	2,529,465	410,885	0	2,940,350
Total Accumulated Depreciation	<u>\$ 41,183,061</u>	<u>\$ 1,818,212</u>	<u>\$ 0</u>	<u>\$ 43,001,273</u>
Total Capital Assets Depreciated, Net	<u>\$ 15,640,219</u>	<u>\$ 5,473,537</u>	<u>\$ 0</u>	<u>\$ 21,113,756</u>
Governmental Activities Capital Assets, Net	<u>\$ 22,187,191</u>	<u>\$ 5,702,537</u>	<u>\$ 5,395,311</u>	<u>\$ 22,494,417</u>

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

Governmental Activities:

Instruction	\$ 1,241,032
Support Services	356,194
Operation of Noninstructional Services	<u>220,986</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,818,212</u></u>

C. Construction Commitments

On June 30, 2025, the discretely presented school department had uncompleted construction contracts of approximately \$65,853 for school construction and renovations. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2025, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 578
Highway/Public Works	General	1,840

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government: Governmental Activities	Component Unit: School Department: Governmental Activities	\$ 640,094

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2025, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		Purpose
	General Debt Service Fund	Nonmajor Governmental Fund	
General Fund	\$ 95,000	\$ 0	Debt retirement
"	0	76,028	Capital outlay
Total	\$ 95,000	\$ 76,028	

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.

E. Long-term Debt

Primary Government

General Obligation Bonds and Other Loan

General Obligation Bonds - Henderson County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 15 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2025, will be retired from the General Debt Service and Rural Debt Service funds.

Direct Borrowing and Direct Placements - Henderson County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. The other loan outstanding was issued for original terms of 21 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The other loan included in long-term debt as of June 30, 2025, will be retired from the General Debt Service Fund.

General obligation bonds and the other loan outstanding as of June 30, 2025, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-25
General Obligation Bonds	2.5 to 3.05%	4-1-33	\$ 2,310,000	\$ 1,500,000
General Obligation Bonds - Refunding	1 to 5	5-1-29	15,860,000	6,135,000
Direct Borrowing and Direct Placement:				
Other Loan - Fixed Rate	1.38	12-31-31	1,800,582	640,094

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

The annual requirements to amortize all general obligation bonds and the other loan outstanding as of June 30, 2025, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	\$ 1,750,000	\$ 195,103	\$ 1,945,103
2027	1,750,000	135,752	1,885,752
2028	1,700,000	90,203	1,790,203
2029	1,645,000	57,553	1,702,553
2030	190,000	23,802	213,802
2031-2033	600,000	36,608	636,608
Total	\$ 7,635,000	\$ 539,021	\$ 8,174,021

Year Ending June 30	Other Loan - Direct Placement			
	Principal	Interest	Other Fees	Total
2026	\$ 94,788	\$ 8,232	\$ 516	\$ 103,536
2027	96,096	6,924	432	103,452
2028	97,440	5,580	360	103,380
2029	98,784	4,236	276	103,296
2030	100,164	2,856	204	103,224
2031-2032	152,822	1,599	136	154,557
Total	\$ 640,094	\$ 29,427	\$ 1,924	\$ 671,445

There is \$2,605,764 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$274, based on the 2020 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premiums totaled \$315, 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. The debt for the other loan is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the school department and as Due from Component Units in the financial statements of the primary government.

Discretely Presented Henderson County School Department

Description of Debt	Outstanding 6-30-25
Other Loan - Direct Placement	
Contributions from the General Purpose School Fund	
Clean Water State Revolving Fund	\$ 640,094
Bond	
Contributions from the General Purpose School Fund	
Rural School Refunding Bonds, Series 2020	1,325,000

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2025, was as follows:

Governmental Activities:	Other Loan - Direct Placement	
	Bonds	
Balance, July 1, 2024	\$ 9,365,000	\$ 733,574
Reductions	(1,730,000)	(93,480)
Balance, June 30, 2025	\$ 7,635,000	\$ 640,094
Balance Due Within One Year	\$ 1,750,000	\$ 94,788

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2025	\$ 8,275,094
Less: Balance Due Within One Year - Debt	(1,844,788)
Add: Unamortized Premium on Debt	<u>483,130</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u><u>\$ 6,913,436</u></u>

F. Long-term Obligations

Primary Government

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2025, was as follows:

Governmental Activities:

	Compensated Absences*	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2024	\$ 330,756	\$ 23,738
Additions	34,911	0
Reductions	<u>0</u>	<u>(7,533)</u>
Balance, June 30, 2025	<u>\$ 365,667</u>	<u>\$ 16,205</u>
Balance Due Within One Year	<u>\$ 365,667</u>	<u>\$ 7,913</u>

*Restated beginning balance - see Note I.D.10. The change in compensated absences is presented as a net change.

	Net Pension Liability	Net OPEB Liability
Balance, July 1, 2024	\$ 667,717	\$ 188,563
Additions	2,416,794	71,619
Reductions	<u>(2,353,435)</u>	<u>(789)</u>
Balance, June 30, 2025	<u>\$ 731,076</u>	<u>\$ 259,393</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 1,004</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2025	\$ 1,372,341
Less: Balance Due Within One Year - Other	<u>(374,584)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 997,757</u>

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

Discretely Presented Henderson County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Henderson County School Department for the year ended June 30, 2025, was as follows:

Governmental Activities:

	Compensated Absences*	Net Pension Liability	Net OPEB Liability
Balance, July 1, 2024	\$ 493,274	\$ 441,079	\$ 5,477,058
Additions	0	1,823,940	941,151
Reductions	(109,615)	(1,713,281)	(200,212)
Balance, June 30, 2025	<u>\$ 383,659</u>	<u>\$ 551,738</u>	<u>\$ 6,217,997</u>
Balance Due Within One Year	<u>\$ 383,659</u>	<u>\$ 0</u>	<u>\$ 234,281</u>

*Restated beginning balance - see Note I.D.10. The change in compensated absences is presented as a net change.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2025	\$ 7,153,394
Less: Balance Due Within One Year - Other	<u>(617,940)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 6,535,454</u>

Compensated absences, the pension liability, and other postemployment benefits will be paid from the employing funds: the General Purpose School, School Federal Projects, and Central Cafeteria funds.

G. On-Behalf Payments

Discretely Presented Henderson County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Henderson County School Department. These payments are made by the state to the Local Education

Group Insurance. This plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2025, were \$90,859. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Liability, Property, Casualty, and Workers' Compensation Insurance

Henderson County and the discretely presented school department participate in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. Henderson County and the school department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

Employee Health Insurance

Henderson County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the 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.

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

B. Accounting Changes

GASB Statement No. 101, *Compensated Absences*, became effective for the fiscal year ending June 30, 2025. This statement updates the recognition and measurement guidance for compensated absences under a unified model and amends certain previously required disclosures.

GASB Statement No. 102, *Certain Risk Disclosures*, became effective for the fiscal year ending June 30, 2025. This statement provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

C. Contingent Liabilities

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

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

D. Landfill Closure/Postclosure Care Costs

Henderson County and the city of Lexington have an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The city and county have provided financial assurances for estimated closure and postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the city and county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Henderson County and the city of Lexington closed their sanitary landfill in 1997. The \$16,205 reported as postclosure care liability on June 30, 2025, represents the county's 50 percent share of the amounts based on what it would cost to perform all postclosure care in 2025. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. Joint Ventures

The Beech River Regional Airport was established through a joint operations agreement between Decatur County, Henderson County, the city of Parsons, and the city of Lexington. The agreement created the Beech River Regional Airport Board to plan, develop, and maintain a regional airport that will economically benefit all residents of the two-county area. The board comprises nine members, two from each governmental unit and one appointed by the governmental entities on a one-year rotation basis. Each participant retains 25 percent ownership in the airport; however, participants do not retain an equity interest in the airport. Henderson County contributed \$137,138 to the airport for the year ended June 30, 2025.

The Everett Horn Public Library is a joint venture between Henderson County and the city of Lexington. It is operated by an appointed seven-member board. The library is jointly funded by the county and the city of Lexington with additional revenues received from private contributions. During the year ended June 30, 2025, the county contributed \$56,500 to the library.

The Henderson County Joint Economic Community Development Board is a joint venture between Henderson County and the cities of Lexington, Parkers Crossroads, Sardis, and Scotts Hill. The board comprises the mayors from each governmental unit, a member of the board of education, a member of the road commission, a member of Lexington Electric, and no more than 12 additional members consisting of representatives of county and city governments, private citizens, industry, and businesses. Funding for the board will be determined by the county, cities, and Lexington Electric. Henderson County contributed \$452,500 to the board for the year ended June 30, 2025.

Complete financial statements for the Beech River Regional Airport, the Everett Horn Public Library, and the Henderson County Joint Economic Community Development Board can be obtained from their administrative offices at the following addresses:

Administrative Offices:

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

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

Henderson County Joint Economic
Community Development Board
33 First Street
Lexington, TN 38351

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Henderson County and non-certified employees of the discretely presented Henderson County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 56.99 percent and the non-certified employees of the discretely presented school department comprised 43.01 percent of the plan based on contribution data. In addition, certain other county employees are provided a defined benefit pension plan (Henderson County Judges, Officials, and Executives Plan) through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 100 percent of the Henderson County Judges, Officials, and Executives Plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained on the [Tennessee Department of Treasury website](#).

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

Member and beneficiary annuitants of the plans 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, 2024, the following employees were covered by the benefit terms:

Henderson County Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	136
Inactive Employees Entitled to But Not Yet Receiving Benefits	421
Active Employees	345
Total	<u><u>902</u></u>

Henderson County Judges, Officials, and Executives Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	9
Inactive Employees Entitled to But Not Yet Receiving Benefits	1
Active Employees	11
Total	<u><u>21</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Henderson County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2025, the employer contribution for the Henderson County Plan was \$993,941 based on a rate of 7.65 percent of covered payroll. For the year ended June 30, 2025, the employer contribution for the Henderson County Judges, Officials, and Executives Plan was \$102,648 based on a rate of 8.67 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Henderson County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Henderson County's net pension liability (asset) was measured as of June 30, 2024, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2024, 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, 2024, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to reflect more closely actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage 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 Henderson County

will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

Henderson County Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2023	\$ 26,653,114	\$ 25,544,318	\$ 1,108,796
Changes for the Year:			
Service Cost	\$ 1,143,800	\$ 0	\$ 1,143,800
Interest	1,849,527	0	1,849,527
Differences Between Expected and Actual Experience	1,211,995	0	1,211,995
Contributions-Employer	0	920,033	(920,033)
Contributions-Employees	0	618,305	(618,305)
Net Investment Income	0	2,528,378	(2,528,378)
Benefit Payments, Including Refunds of Employee Contributions	(793,023)	(793,023)	0
Administrative Expense	0	(35,412)	35,412
Net Changes	\$ 3,412,299	\$ 3,238,281	\$ 174,018
Balance, June 30, 2024	\$ 30,065,413	\$ 28,782,599	\$ 1,282,814

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	56.99%	\$ 17,134,279	\$ 16,403,203	\$ 731,076
School Department	43.01%	12,931,134	12,379,396	551,738
Total		\$ 30,065,413	\$ 28,782,599	\$ 1,282,814

Henderson Judges, Officials, and Executives County Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2023	\$ 3,815,768	\$ 4,089,298	\$ (273,530)
Changes for the Year:			
Service Cost	\$ 84,479	\$ 0	\$ 84,479
Interest	257,442	0	257,442
Differences Between Expected and Actual Experience	47,024	0	47,024
Contributions-Employer	0	97,752	(97,752)
Contributions-Employees	0	56,373	(56,373)
Net Investment Income	0	398,239	(398,239)
Benefit Payments, Including Refunds of Employee Contributions	(172,593)	(172,593)	0
Administrative Expense	0	(1,462)	1,462
Net Changes	\$ 216,352	\$ 378,309	\$ (161,957)
Balance, June 30, 2024	\$ 4,032,120	\$ 4,467,607	\$ (435,487)

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)			
Henderson County Plan	\$ 6,028,165	\$ 1,282,814	\$ (2,538,090)
Henderson County Judges, Officials, and Executives Plan	7,555	(435,487)	(814,647)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the Henderson County Plan recognized pension expense (negative pension expense) of \$1,002,097 and the Henderson County Judges, Officials, and Executives Plan recognized pension expense (negative pension expense) of (\$42,250).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, Henderson County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Henderson County Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,674,621	\$ 179,622
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	303,924
Changes in Assumptions	769,151	0
Contributions Subsequent to the Measurement Date of June 30, 2024 (1)	993,941	N/A
Total	<u>\$ 3,437,713</u>	<u>\$ 483,546</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2024,” 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	56.99%	\$ 1,960,507	\$ 275,573
School Department	43.01%	1,477,206	207,973
Total		<u>\$ 3,437,713</u>	<u>\$ 483,546</u>

Henderson County Judges, Officials, and Executives Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 35,268	\$ 50,117
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	45,511
Changes in Assumptions	0	2,351
Contributions Subsequent to the Measurement Date of June 30, 2024 (1)	102,648	N/A
Total	<u>\$ 137,916</u>	<u>\$ 97,979</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2024,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

Year Ending June 30	Henderson County Plan	Henderson County Judges, Officials, and Executives Plan
2026	\$ 276,022	\$ (67,747)
2027	1,093,169	57,376
2028	231,722	(27,770)
2029	157,316	(24,577)
2030	201,999	0
Thereafter	0	0

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

Discretely Presented Henderson County School Department - Non-certified Employees

General Information About the Pension Plans

Plan Description. As noted above under the primary government, employees of Henderson County and non-certified employees of the discretely presented Henderson County School Department are provided a defined benefit pension plan (Henderson County Plan) through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 56.99 percent and the non-certified employees of the discretely presented school department comprised 43.01 percent of the plan based on contribution data.

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

General Information About the Pension Plan

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

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, 2025, to the Teacher Retirement Plan were \$236,837, which is three percent of covered payroll. In addition, employer contributions of \$77,047, which is one percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future

pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). On June 30, 2025, the school department reported a liability (asset) of (\$216,873) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, 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, 2024, the school department's proportion was 0.304337 percent. The proportion as of June 30, 2023, was 0.291517 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized pension expense (negative pension expense) of \$177,801.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, 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	\$ 17,914	\$ 66,629
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	36,583
Changes in Assumptions	86,181	0
Changes in Proportion of Net Pension Liability (Asset)	5,161	37,085
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	236,837	N/A
Total	\$ 346,093	\$ 140,297

The school department's employer contributions of \$236,837, 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, 2026. 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
2026	\$ (24,603)
2027	26,011
2028	(16,901)
2029	(16,701)
2030	1,008
Thereafter	145

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

Actuarial Assumptions. The total pension liability (asset) in the June 30, 2024, 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, 2024, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to reflect more closely actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 571,963	\$ (216,873)	\$ (803,932)

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

General Information About the Pension Plan

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

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 Henderson County School Department for the year ended June 30, 2025, to the Teacher Legacy Pension Plan were \$813,114 which is 6.36 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. Employer contributions to separately finance specific liabilities were \$13,811 for the year ended June 30, 2025. The contributions to separately finance specific liabilities were related to employees who have returned to work under a TCRS Return to Work program which requires employer contributions.

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, 2025, the school department reported a liability (asset) of (\$7,153,526) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, 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, 2024, the school department's proportion was 0.415212 percent. The proportion measured on June 30, 2023, was 0.419770 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized pension expense (negative pension expense) of \$1,534,240.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, 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	\$ 1,907,655	\$ 0
Changes in Assumptions	0	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,393,216
Changes in Proportion of Net Pension Liability (Asset)	66,412	99,680
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	813,114	N/A
Total	<u>\$ 2,787,181</u>	<u>\$ 1,492,896</u>

The school department's employer contributions of \$813,114, 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, 2026. 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
2026	\$ (813,845)
2027	2,755,437
2028	(726,883)
2029	(733,538)
2030	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, 2024, 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, 2024, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to reflect more closely actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 9,087,456	\$ (7,153,526)	\$ (20,623,204)

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

2. Deferred Compensation

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion, which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$395,054 and teachers contributed \$175,867 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

Retirees of Henderson County and the Henderson County Highway Department (Hwy) are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. The primary government's LGPs are combined for presentation purposes. Likewise, the school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of the Henderson County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The county and school department's total OPEB liability for each plan was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2024, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.93%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 10.68% for pre-65 retirees in the 2024 calendar year, and decreasing annually over a 13-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.93 percent, based on an average rating of AA/Aa as shown on the Bond Buyers 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, 2024, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2024, valuations were the same as those employed in the July 1, 2022, 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 6 percent load for males and a 14 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 3.65 percent as of the beginning of the measurement period to 3.93 percent as of the measurement date of June 30, 2024. 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 2024 plan year was revised from 10.31 percent to 10.68 percent.

Local Government OPEB Plans (Primary Government)

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

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

Employees Covered by Benefit Terms: At the measurement date of June 30, 2024, the following employees were covered by the benefit terms:

	Henderson County	Hwy Dept	Total
Inactive Employees Currently Receiving Benefits	0	0	0
Inactive Employees Entitled To But Not Yet Receiving Benefits	0	0	0
Active Employees Eligible for Benefits	136	22	158
Total	136	22	158

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGPs by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2025, the county paid \$1,004 (Henderson County - \$930, Highway Dept - \$74) to the LGPs for OPEB benefits as they came due.

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

	Henderson County	Hwy Dept.	Total OPEB Liability
Balance July 1, 2023	\$ 136,302	\$ 52,261	\$ 188,563
Changes for the Year:			
Service Cost	\$ 19,840	\$ 4,760	\$ 24,600
Interest	5,685	2,081	7,766
Difference between Expected and Actuarial Experience	7,135	153	7,288
Changes in Assumption	22,708	9,257	31,965
Benefit Payments	(788)	(1)	(789)
Net Changes	\$ 54,580	\$ 16,250	\$ 70,830
Balance June 30, 2024	\$ 190,882	\$ 68,511	\$ 259,393

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the county recognized OPEB expense of \$16,011 (Henderson County – \$12,015, Highway Dept - \$3,996). On June 30, 2025, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Actual and Expected Experience (DO - County \$12,033, Hwy \$6,970 and DI - County \$48,572, Hwy \$13,387)	\$ 19,003	\$ 61,959
Changes of Assumptions (DO - County \$59,579, Hwy \$24,462 and DI - County \$60,534, Hwy \$23,705)	84,041	84,239
Benefits paid after the measurement date of June 30, 2024 (DO - County \$930, Hwy \$74)	1,004	0
Total	<u>\$ 104,048</u>	<u>\$ 146,198</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	County	Hwy	Total Amount
2026	\$ (13,510)	\$ (2,845)	\$ (16,355)
2027	(12,654)	(2,845)	(15,499)
2028	(7,390)	(1,117)	(8,507)
2029	(8,005)	(1,475)	(9,480)
2030	(5,321)	(773)	(6,094)
Thereafter	9,386	3,395	12,781

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the county calculated using the current discount rate as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Discount Rate	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
County	\$ 208,763	\$ 190,882	\$ 174,506
Hwy	74,480	68,511	62,920
Total OPEB Liability	<u>\$ 283,243</u>	<u>\$ 259,393</u>	<u>\$ 237,426</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the county calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

Healthcare Cost Trend Rate			
	1%	Current	1%
	Decrease 9.68 to 3.5%	Trend Rate 10.68 to 4.5%	Increase 11.68 to 5.5%
County	\$ 167,129	\$ 190,882	\$ 219,239
Hwy	60,586	68,511	77,712
Total OPEB Liability	<u>\$ 227,715</u>	<u>\$ 259,393</u>	<u>\$ 296,951</u>

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

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

Benefits provided. The Henderson County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The Henderson County School Department does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2024, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefits	24
Inactive Employees Entitled To But Not Yet Receiving Benefits	1
Active Employees Eligible for Benefits	<u>299</u>
Total	<u><u>324</u></u>

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$234,281 to the LEP for OPEB benefits as they came due.

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

	Share of Collective Liability		Total OPEB Liability
	Henderson County School Department 66.057%	State of TN 33.943%	
Balance July 1, 2023	\$ 5,477,058	\$ 2,770,379	\$ 8,247,437
Changes for the Year:			
Service Cost	\$ 228,215	\$ 117,266	\$ 345,481
Interest	204,087	104,868	308,955
Difference between Expected and Actuarial Experience	409,436	210,384	619,820
Changes in Proportion	(29,032)	29,032	0
Changes in Assumption	99,413	51,083	150,496
Benefit Payments	(171,181)	(87,959)	(259,140)
Net Changes	\$ 740,939	\$ 424,673	\$ 1,165,612
Balance June 30, 2024	\$ 6,217,997	\$ 3,195,052	\$ 9,413,049

The Henderson County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Henderson County School Department's proportionate share of the collective total OPEB Liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$285,383 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Henderson County School Department's proportionate share of the collective OPEB liability was 66.057% and the State of Tennessee's share was 33.943%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the school department recognized OPEB expense of \$869,745, including the state's share of the expense. On June 30, 2025, 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 Actual and Expected Experience	\$ 812,946	\$ 414,014
Changes in Proportion	259,419	183,451
Changes of Assumptions	914,729	394,718
Benefits Paid After the Measurement Date of June 30, 2024	234,281	0
Total	<u>\$ 2,221,375</u>	<u>\$ 992,183</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
2026	\$ 152,060
2027	152,060
2028	152,060
2029	158,636
2030	151,880
Thereafter	228,215

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

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

Discount Rate	1% Decrease	Current Discount Rate	1% Increase
	2.93%	3.93%	4.93%

Proportionate Share of the Collective Total OPEB Liability	\$ 6,710,162	\$ 6,217,997	\$ 5,753,490
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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.

Healthcare Cost Trend Rate

	1% Decrease 9.68 to 3.5%	Current Rate 10.68 to 4.5%	1% Increase 11.68 to 5.5%
Proportionate Share of the Collective Total OPEB Liability	\$ 5,571,754	\$ 6,217,997	\$ 6,968,375

H. Office of Central Accounting, Budgeting, and Purchasing

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

I. Purchasing Law

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

J. Subsequent Event

On July 1, 2025, the joint operations agreement for the Beech River Regional Airport between Decatur County, Henderson County, the city of Parsons, and the city of Lexington ended. As of that date, Henderson County retained 100 percent ownership of the airport, and the airport now meets the criteria for a discretely presented component unit of the county.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

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

Primary Government - Henderson County Employees

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	\$ 543,125	\$ 582,639	\$ 611,784	\$ 694,135	\$ 708,668	\$ 735,577	\$ 830,275	\$ 995,033	\$ 1,035,138	\$ 1,143,800
Interest	718,253	791,784	841,237	928,445	1,004,472	1,081,929	1,361,239	1,518,252	1,667,689	1,849,527
Change in Benefit Terms	0	0	0	0	0	3,080,364	0	0	0	0
Differences Between Actual and Expected Experience	67,018	(313,790)	69,974	(134,943)	(125,572)	(517,579)	(226,260)	438,439	668,109	1,211,995
Changes in Assumptions	0	0	413,068	0	0	0	2,307,451	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(375,581)	(399,405)	(461,426)	(396,095)	(510,956)	(581,257)	(663,602)	(777,517)	(778,374)	(793,023)
Net Change in Total Pension Liability	\$ 952,815	\$ 661,228	\$ 1,474,637	\$ 1,091,542	\$ 1,076,612	\$ 3,799,034	\$ 3,609,103	\$ 2,174,207	\$ 2,592,562	\$ 3,412,299
Total Pension Liability, Beginning	9,221,374	10,174,189	10,835,417	12,310,054	13,401,596	14,478,208	18,277,242	21,886,345	24,060,552	26,653,114
Total Pension Liability, Ending (a)	\$ 10,174,189	\$ 10,835,417	\$ 12,310,054	\$ 13,401,596	\$ 14,478,208	\$ 18,277,242	\$ 21,886,345	\$ 24,060,552	\$ 26,653,114	\$ 30,065,413
Plan Fiduciary Net Position										
Contributions - Employer	\$ 641,398	\$ 670,607	\$ 369,609	\$ 279,615	\$ 288,080	\$ 280,431	\$ 448,688	\$ 395,361	\$ 781,799	\$ 920,033
Contributions - Employee	378,628	397,144	434,842	448,301	461,776	449,599	465,495	492,970	539,172	618,305
Net Investment Income	355,817	332,851	1,517,812	1,263,131	1,246,175	900,165	4,958,178	(930,723)	1,592,708	2,528,378
Benefit Payments, Including Refunds of Employee Contributions	(375,581)	(399,405)	(461,426)	(396,095)	(510,956)	(581,257)	(663,602)	(777,517)	(778,374)	(793,023)
Administrative Expense	(15,239)	(23,258)	(27,960)	(30,545)	(28,608)	(27,619)	(28,270)	(32,284)	(28,192)	(35,412)
Other	0	4,472	0	0	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 985,023	\$ 982,411	\$ 1,832,877	\$ 1,564,407	\$ 1,456,467	\$ 1,021,319	\$ 5,180,489	\$ (852,193)	\$ 2,107,113	\$ 3,238,281
Plan Fiduciary Net Position, Beginning	11,266,405	12,251,428	13,233,839	15,066,716	16,631,123	18,087,590	19,108,909	24,289,398	23,437,205	25,544,318
Plan Fiduciary Net Position, Ending (b)	\$ 12,251,428	\$ 13,233,839	\$ 15,066,716	\$ 16,631,123	\$ 18,087,590	\$ 19,108,909	\$ 24,289,398	\$ 23,437,205	\$ 25,544,318	\$ 28,782,599
Net Pension Liability (Asset), Ending (a - b)	\$ (2,077,239)	\$ (2,398,422)	\$ (2,756,662)	\$ (3,229,527)	\$ (3,609,382)	\$ (831,667)	\$ (2,403,053)	\$ 623,347	\$ 1,108,796	\$ 1,282,814
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	120.42%	122.14%	122.39%	124.10%	124.93%	104.55%	110.98%	97.41%	95.84%	95.73%
Covered Payroll	\$ 7,570,158	\$ 7,917,431	\$ 8,635,752	\$ 8,904,930	\$ 9,174,452	\$ 8,930,857	\$ 9,288,944	\$ 9,859,379	\$ 10,783,448	\$ 12,366,012
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(27.44)%	(30.29)%	(31.92)%	(36.27)%	(39.34)%	(9.31)%	(25.87)%	6.32%	10.28%	10.37%

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

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

Primary Government - Henderson County Judges, Officials, and Executives

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	\$ 64,449	\$ 65,504	\$ 65,909	\$ 39,226	\$ 49,979	\$ 58,581	\$ 43,908	\$ 76,156	\$ 78,810	\$ 84,479
Interest	181,085	190,272	198,614	197,394	207,325	221,356	248,111	242,612	252,525	257,442
Differences Between Actual and Expected Experience	(48,277)	(68,421)	(166,167)	(19,861)	37,870	230,553	(9,774)	(10,674)	(75,828)	47,024
Changes in Assumptions	0	0	78,515	0	0	0	(11,755)	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(73,537)	(78,113)	(74,945)	(76,445)	(104,642)	(115,849)	(137,701)	(123,720)	(204,068)	(172,593)
Net Change in Total Pension Liability	\$ 123,720	\$ 109,242	\$ 101,926	\$ 140,314	\$ 190,532	\$ 394,641	\$ 132,789	\$ 184,374	\$ 51,439	\$ 216,352
Total Pension Liability, Beginning	2,386,791	2,510,511	2,619,753	2,721,679	2,861,993	3,052,525	3,447,166	3,579,955	3,764,329	3,815,768
Total Pension Liability, Ending (a)	\$ 2,510,511	\$ 2,619,753	\$ 2,721,679	\$ 2,861,993	\$ 3,052,525	\$ 3,447,166	\$ 3,579,955	\$ 3,764,329	\$ 3,815,768	\$ 4,032,120
Plan Fiduciary Net Position										
Contributions - Employer	\$ 70,139	\$ 70,304	\$ 71,517	\$ 74,051	\$ 79,010	\$ 87,224	\$ 90,214	\$ 100,784	\$ 92,972	\$ 97,752
Contributions - Employee	41,899	41,998	42,722	44,236	47,199	50,889	52,087	58,122	53,617	56,373
Net Investment Income	63,559	57,365	255,646	211,773	208,023	149,930	821,659	(154,004)	259,414	398,239
Benefit Payments, Including Refunds of Employee Contributions	(73,537)	(78,113)	(74,945)	(76,445)	(104,642)	(115,849)	(137,701)	(123,720)	(204,068)	(172,593)
Administrative Expense	(558)	(823)	(934)	(1,045)	(979)	(975)	(984)	(1,172)	(1,224)	(1,462)
Net Change in Plan Fiduciary Net Position	\$ 101,502	\$ 90,731	\$ 294,006	\$ 252,570	\$ 228,611	\$ 171,219	\$ 825,275	\$ (119,990)	\$ 200,711	\$ 378,309
Plan Fiduciary Net Position, Beginning	2,044,663	2,146,165	2,236,896	2,530,902	2,783,472	3,012,083	3,183,302	4,008,577	3,888,587	4,089,298
Plan Fiduciary Net Position, Ending (b)	\$ 2,146,165	\$ 2,236,896	\$ 2,530,902	\$ 2,783,472	\$ 3,012,083	\$ 3,183,302	\$ 4,008,577	\$ 3,888,587	\$ 4,089,298	\$ 4,467,607
Net Pension Liability (Asset), Ending (a - b)	\$ 364,346	\$ 382,857	\$ 190,777	\$ 78,521	\$ 40,442	\$ 263,864	\$ (428,622)	\$ (124,258)	\$ (273,530)	\$ (435,487)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.49%	85.39%	92.99%	97.26%	98.68%	92.35%	111.97%	103.30%	107.17%	110.80%
Covered Payroll	\$ 837,985	\$ 839,951	\$ 854,441	\$ 884,719	\$ 943,974	\$ 1,017,779	\$ 1,041,731	\$ 1,162,450	\$ 1,072,348	\$ 1,127,468
Net Pension Liability (Asset) as a Percentage of Covered Payroll	43.48%	45.58%	22.33%	8.88%	4.28%	25.93%	(41.15)%	(10.69)%	(25.51)%	(38.63)%

HENDERSON COUNTY, TENNESSEE**Schedule of Contributions Based on Participation in the Public****Employee Pension Plan of TCRS**

Primary Government - Henderson County Employees

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 670,607	\$ 369,609	\$ 279,615	\$ 281,657	\$ 48,227	\$ 0	\$ 395,361	\$ 781,799	\$ 920,033	\$ 993,941
Less: Contributions in Relation to the Actuarially Determined Contribution	(670,607)	(369,609)	(279,615)	(288,080)	(280,431)	(448,688)	(395,361)	(781,799)	(920,033)	(993,941)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (6,423)	\$ (232,204)	\$ (448,688)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 7,917,431	\$ 8,635,752	\$ 8,904,930	\$ 9,174,452	\$ 8,930,857	\$ 9,288,944	\$ 9,859,379	\$ 10,783,448	\$ 12,366,012	\$ 12,992,685
Contributions as a Percentage of Covered Payroll	8.47%	4.28%	3.14%	3.14%	3.14%	4.83%	4.01%	7.25%	7.44%	7.65%

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

HENDERSON COUNTY, TENNESSEE**Schedule of Contributions Based on Participation in the Public****Employee Pension Plan of TCRS**

Primary Government - Henderson County Judges, Officials, and Executives

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 70,304	\$ 71,517	\$ 74,051	\$ 79,010	\$ 87,224	\$ 90,214	\$ 100,784	\$ 92,972	\$ 97,752	\$ 102,648
Less: Contributions in Relation to the Actuarially Determined Contribution	(70,304)	(71,517)	(74,051)	(79,010)	(87,224)	(90,214)	(100,784)	(92,972)	(97,752)	(102,648)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 839,951	\$ 854,441	\$ 884,719	\$ 943,974	\$ 1,017,779	\$ 1,041,731	\$ 1,162,450	\$ 1,072,348	\$ 1,127,468	\$ 1,183,941
Contributions as a Percentage of Covered Payroll	8.37%	8.37%	8.37%	8.37%	8.57%	8.66%	8.67%	8.67%	8.67%	8.67%

HENDERSON COUNTY, TENNESSEE**Schedule of Contributions Based on Participation in the Teacher****Retirement Plan of TCRS**

Discretely Presented Henderson County School Department

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 26,981	\$ 67,022	\$ 33,680	\$ 47,364	\$ 58,057	\$ 70,882	\$ 91,248	\$ 166,414	\$ 210,905	\$ 236,837
Less: Contributions in Relation to the Contractually Required Contribution	(43,114)	(67,022)	(82,612)	(47,364)	(58,057)	(70,882)	(91,248)	(166,414)	(210,905)	(236,837)
Contribution Deficiency (Excess)	\$ (16,133)	\$ 0	\$ (48,932)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 1,077,863	\$ 1,675,531	\$ 2,065,291	\$ 2,441,438	\$ 2,859,950	\$ 3,508,995	\$ 4,547,934	\$ 5,802,005	\$ 7,149,300	\$ 7,894,570
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%	2.95%	3.00%

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%

2021: Pension - 2.01%, SRT - 1.99%

2022: Pension - 2.87%, SRT - 1.13%

2023: Pension - 2.95%, SRT - 1.05%

2024: Pension - 3.00%, SRT - 1.00%

HENDERSON COUNTY, TENNESSEE**Schedule of Contributions Based on Participation in the Teacher****Legacy Pension Plan of TCRS**

Discretely Presented Henderson County School Department

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 1,298,956	\$ 1,318,789	\$ 1,301,957	\$ 1,471,707	\$ 1,456,839	\$ 1,386,201	\$ 1,389,262	\$ 1,183,728	\$ 932,503	\$ 813,114
Less: Contributions in Relation to the Contractually Required Contribution	(1,298,956)	(1,318,789)	(1,301,957)	(1,471,707)	(1,456,839)	(1,386,201)	(1,389,262)	(1,183,728)	(932,503)	(813,114)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 14,368,981	\$ 14,588,357	\$ 14,338,716	\$ 14,069,853	\$ 13,704,985	\$ 13,497,566	\$ 13,487,987	\$ 13,621,709	\$ 13,693,159	\$ 12,781,944
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%	6.81%	6.36%

HENDERSON COUNTY, TENNESSEE**Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS**

Discretely Presented Henderson County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.280246%	0.244964%	0.255287%	0.236337%	0.230716%	0.226634%	0.243137%	0.265836%	0.291517%	0.304337%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (11,512)	\$ (25,502)	\$ (67,354)	\$ (107,185)	\$ (130,236)	\$ (128,874)	\$ (263,368)	\$ (80,528)	\$ (123,613)	\$ (216,873)
Covered Payroll	\$ 594,559	\$ 1,077,863	\$ 1,675,531	\$ 2,065,291	\$ 2,441,438	\$ 2,859,950	\$ 3,508,995	\$ 4,547,934	\$ 5,802,005	\$ 7,149,300
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.33)%	(4.51)%	(7.51)%	(1.77)%	(2.13)%	(3.03)%
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%	106.49%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.375034%	0.398055%	0.412689%	0.409482%	0.419602%	0.411776%	0.411239%	0.409852%	0.419770%	0.415212%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ 153,627	\$ 2,487,623	\$ (135,025)	\$ (1,440,933)	\$ (4,314,264)	\$ (3,140,098)	\$ (17,737,743)	\$ (5,026,448)	\$ (4,948,974)	\$ (7,153,526)
Covered Payroll	\$ 14,039,408	\$ 14,368,981	\$ 14,588,357	\$ 14,338,716	\$ 14,069,853	\$ 13,704,985	\$ 13,497,566	\$ 13,487,987	\$ 13,621,709	\$ 13,693,159
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	1.09%	17.31%	(.93)%	(10.05)%	(30.66)%	(22.91)%	(131.41)%	(37.27)%	(36.33)%	(52.24)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%	105.76%

HENDERSON COUNTY, TENNESSEE**Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plans**

Primary Government

For the Fiscal Year Ended June 30**Henderson County Plan**

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 16,462	\$ 15,558	\$ 22,668	\$ 22,227	\$ 29,861	\$ 23,292	\$ 13,540	\$ 19,840
Interest	4,567	5,928	6,407	5,697	4,922	3,644	3,956	5,685
Differences Between Actual and Expected Experience	0	(23,662)	(47,280)	14,073	(25,649)	(14,338)	(10,231)	7,135
Changes in Assumptions or Other Inputs	(9,059)	7,629	7,671	18,562	(48,647)	(51,260)	36,754	22,708
Benefit Payments	0	(1,930)	(2,255)	(5,191)	(10,374)	(5,469)	(11,730)	(788)
Net Change in Total OPEB Liability	\$ 11,970	\$ 3,523	\$ (12,789)	\$ 55,368	\$ (49,887)	\$ (44,131)	\$ 32,289	\$ 54,580
Total OPEB Liability, Beginning	139,959	151,929	155,452	142,663	198,031	148,144	104,013	136,302
Total OPEB Liability, Ending	\$ 151,929	\$ 155,452	\$ 142,663	\$ 198,031	\$ 148,144	\$ 104,013	\$ 136,302	\$ 190,882
Covered Employee Payroll	\$ 4,238,439	\$ 4,649,729	\$ 4,581,378	\$ 4,716,742	\$ 4,749,916	\$ 5,712,538	\$ 7,377,804	\$ 7,557,791
Net OPEB Liability as a Percentage of Covered Employee Payroll	3.58%	3.34%	3.11%	4.20%	3.12%	1.82%	1.85%	2.53%

Highway Department Plan

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 3,721	\$ 3,933	\$ 6,632	\$ 4,910	\$ 7,191	\$ 5,800	\$ 4,077	\$ 4,760
Interest	1,140	1,474	2,690	1,935	1,556	1,140	1,313	2,081
Differences Between Actual and Expected Experience	0	20,513	(28,300)	(737)	(6,344)	(671)	(1,515)	153
Changes in Assumptions or Other Inputs	(2,713)	4,387	1,768	7,006	(18,605)	(20,214)	15,384	9,257
Benefit Payments	0	0	(234)	(234)	(12)	(26)	(32)	(1)
Net Change in Total OPEB Liability	\$ 2,148	\$ 30,307	\$ (17,444)	\$ 12,880	\$ (16,214)	\$ (13,971)	\$ 19,227	\$ 16,250
Total OPEB Liability, Beginning	35,328	37,476	67,783	50,339	63,219	47,005	33,034	52,261
Total OPEB Liability, Ending	\$ 37,476	\$ 67,783	\$ 50,339	\$ 63,219	\$ 47,005	\$ 33,034	\$ 52,261	\$ 68,511
Covered Employee Payroll	\$ 872,611	\$ 754,693	\$ 769,011	\$ 789,345	\$ 1,021,920	\$ 955,379	\$ 957,617	\$ 1,048,379
Net OPEB Liability as a Percentage of Covered Employee Payroll	4.29%	8.98%	6.55%	8.01%	4.60%	3.46%	5.46%	6.53%

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%
2024	3.93%

(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%
For the 2025 plan year - from 10.31% to 10.68%

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

HENDERSON COUNTY, TENNESSEE**Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan**

Discretely Presented Henderson County School Department

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 246,796	\$ 227,679	\$ 196,929	\$ 198,580	\$ 258,283	\$ 338,831	\$ 262,920	\$ 345,481
Interest	124,270	150,806	120,198	144,675	105,458	132,178	212,054	308,955
Change in Benefit Terms	0	0	0	0	0	0	1,678,555	0
Differences Between Actual and Expected Experience	0	(1,172,972)	966,669	(123,067)	195,251	292,414	(158,807)	619,820
Changes in Assumptions or Other Inputs	(190,362)	97,011	(319,174)	511,111	859,748	(633,703)	625,638	150,496
Benefit Payments	(169,703)	(192,874)	(183,739)	(145,612)	(135,754)	(167,970)	(198,750)	(259,140)
Net Change in Total OPEB Liability	\$ 11,001	\$ (890,350)	\$ 780,883	\$ 585,687	\$ 1,282,986	\$ (38,250)	\$ 2,421,610	\$ 1,165,612
Total OPEB Liability, Beginning	4,093,870	4,104,871	3,214,521	3,995,404	4,581,091	5,864,077	5,825,827	8,247,437
Total OPEB Liability, Ending	\$ 4,104,871	\$ 3,214,521	\$ 3,995,404	\$ 4,581,091	\$ 5,864,077	\$ 5,825,827	\$ 8,247,437	\$ 9,413,049
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,485,114	\$ 1,123,356	\$ 1,461,387	\$ 1,584,110	\$ 2,139,679	\$ 2,262,407	\$ 2,770,379	\$ 3,195,052
Employer Proportionate Share of the Total OPEB Liability	2,619,757	2,091,165	2,534,017	2,996,981	3,724,398	3,563,420	5,477,058	6,217,997
Covered Employee Payroll	\$ 18,178,250	\$ 18,073,590	\$ 17,445,920	\$ 17,453,134	\$ 17,786,157	\$ 18,029,826	\$ 19,135,024	\$ 18,352,400
Net OPEB Liability as a Percentage of Covered Employee Payroll	14.41%	11.57%	14.52%	17.17%	20.94%	19.76%	28.62%	33.88%

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%
2024	3.93%

(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%
- For the 2025 plan year - from 10.31% to 10.68%

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

HENDERSON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2025 were calculated based on the June 30, 2023, 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 Fair Value
Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation; averaging 4%
Investment Rate of Return	6.75%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.125%

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

DEBT SERVICE FUND

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

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

CAPITAL PROJECTS FUND

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

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

HENDERSON COUNTY, TENNESSEE
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds					Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Other General Government	Constitutional Officers - Fees	Total	Rural Debt Service
ASSETS						
Cash	\$ 0	\$ 0	\$ 0	\$ 494	\$ 494	\$ 0
Equity in Pooled Cash and Investments	349,912	99,336	800,245	0	1,249,493	714,716
Accounts Receivable	0	0	0	84	84	0
Due from Other Governments	36,466	0	0	0	36,466	0
Property Taxes Receivable	466,529	0	0	0	466,529	0
Allowance for Uncollectible Property Taxes	(5,044)	0	0	0	(5,044)	0
Total Assets	<u>\$ 847,863</u>	<u>\$ 99,336</u>	<u>\$ 800,245</u>	<u>\$ 578</u>	<u>\$ 1,748,022</u>	<u>\$ 714,716</u>
LIABILITIES						
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 578	\$ 578	\$ 0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 578</u>	<u>\$ 578</u>	<u>\$ 0</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 446,090	\$ 0	\$ 0	\$ 0	\$ 446,090	\$ 0
Deferred Delinquent Property Taxes	14,094	0	0	0	14,094	0
Other Deferred/Unavailable Revenue	18,000	0	0	0	18,000	0
Total Deferred Inflows of Resources	<u>\$ 478,184</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 478,184</u>	<u>\$ 0</u>

(Continued)

HENDERSON COUNTY, TENNESSEE**Combining Balance Sheet - Nonmajor Governmental Funds (Cont.)**

	Special Revenue Funds					Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Other General Government	Constitutional Officers - Fees	Total	Rural Debt Service
FUND BALANCES						
Restricted:						
Restricted for General Government - American Rescue Plan Act	\$ 0	\$ 0	\$ 658,733	\$ 0	\$ 658,733	\$ 0
Restricted for Public Safety	0	99,336	0	0	99,336	0
Restricted for Debt Service	0	0	0	0	0	92,304
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for General Government	0	0	141,512	0	141,512	0
Committed for Public Health and Welfare	369,679	0	0	0	369,679	0
Committed for Debt Service	0	0	0	0	0	622,412
Committed for Capital Projects	0	0	0	0	0	0
Total Fund Balances	\$ 369,679	\$ 99,336	\$ 800,245	\$ 0	\$ 1,269,260	\$ 714,716
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 847,863	\$ 99,336	\$ 800,245	\$ 578	\$ 1,748,022	\$ 714,716

(Continued)

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

	Capital Projects Fund	Total Nonmajor Governmental Funds
	General Capital Projects	Total Nonmajor Governmental Funds
ASSETS		
Cash	\$ 0	\$ 494
Equity in Pooled Cash and Investments	304,827	2,269,036
Accounts Receivable	0	84
Due from Other Governments	0	36,466
Property Taxes Receivable	335,533	802,062
Allowance for Uncollectible Property Taxes	(4,072)	(9,116)
Total Assets	<u>\$ 636,288</u>	<u>\$ 3,099,026</u>
LIABILITIES		
Due to Other Funds	\$ 0	\$ 578
Total Liabilities	<u>\$ 0</u>	<u>\$ 578</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	\$ 317,639	\$ 763,729
Deferred Delinquent Property Taxes	12,822	26,916
Other Deferred/Unavailable Revenue	0	18,000
Total Deferred Inflows of Resources	<u>\$ 330,461</u>	<u>\$ 808,645</u>

(Continued)

HENDERSON COUNTY, TENNESSEE**Combining Balance Sheet - Nonmajor Governmental Funds (Cont.)****FUND BALANCES**

	Capital Projects Fund	Total Nonmajor Governmental Funds
Restricted:		
Restricted for General Government - American Rescue Plan Act	\$ 0	\$ 658,733
Restricted for Public Safety	0	99,336
Restricted for Debt Service	0	92,304
Restricted for Capital Projects	293,583	293,583
Committed:		
Committed for General Government	0	141,512
Committed for Public Health and Welfare	0	369,679
Committed for Debt Service	0	622,412
Committed for Capital Projects	12,244	12,244
Total Fund Balances	<u>\$ 305,827</u>	<u>\$ 2,289,803</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 636,288</u></u>	<u><u>\$ 3,099,026</u></u>

HENDERSON COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds					Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Other General Government	Constitutional Officers - Fees	Total	Rural Debt Service
Revenues						
Local Taxes	\$ 701,635	\$ 0	\$ 0	\$ 0	\$ 701,635	\$ 0
Fines, Forfeitures, and Penalties	0	24,182	0	0	24,182	0
Charges for Current Services	21,821	0	0	31,740	53,561	0
Other Local Revenues	57,430	0	46,345	0	103,775	44,158
Other Governments and Citizens Groups	0	0	0	0	0	356,350
Total Revenues	\$ 780,886	\$ 24,182	\$ 46,345	\$ 31,740	\$ 883,153	\$ 400,508
Expenditures						
Current:						
General Government	\$ 0	\$ 0	\$ 24,777	\$ 0	\$ 24,777	\$ 0
Administration of Justice	0	0	0	31,740	31,740	0
Public Safety	0	27,558	21,709	0	49,267	0
Public Health and Welfare	913,239	0	0	0	913,239	0
Other Operations	0	0	452,500	0	452,500	0
Debt Service:						
Principal on Debt	0	0	0	0	0	305,000
Interest on Debt	0	0	0	0	0	51,350
Other Debt Service	0	0	0	0	0	2,192
Total Expenditures	\$ 913,239	\$ 27,558	\$ 498,986	\$ 31,740	\$ 1,471,523	\$ 358,542

(Continued)

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

	Special Revenue Funds					Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu - tional Officers - Fees	Total	Rural Debt Service
Excess (Deficiency) of Revenues Over Expenditures	\$ (132,353)	\$ (3,376)	\$ (452,641)	\$ 0	\$ (588,370)	\$ 41,966
Other Financing Sources (Uses)						
Insurance Recovery	\$ 1,991	\$ 0	\$ 0	\$ 0	\$ 1,991	\$ 0
Transfers In	76,028	0	0	0	76,028	0
Total Other Financing Sources (Uses)	\$ 78,019	\$ 0	\$ 0	\$ 0	\$ 78,019	\$ 0
Net Change in Fund Balances	\$ (54,334)	\$ (3,376)	\$ (452,641)	\$ 0	\$ (510,351)	\$ 41,966
Fund Balance, July 1, 2024	424,013	102,712	1,252,886	0	1,779,611	672,750
Fund Balance, June 30, 2025	\$ 369,679	\$ 99,336	\$ 800,245	\$ 0	\$ 1,269,260	\$ 714,716

(Continued)

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

	Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues		
Local Taxes	\$ 423,088	\$ 1,124,723
Fines, Forfeitures, and Penalties	0	24,182
Charges for Current Services	0	53,561
Other Local Revenues	0	147,933
Other Governments and Citizens Groups	0	356,350
Total Revenues	<u>\$ 423,088</u>	<u>\$ 1,706,749</u>
Expenditures		
Current:		
General Government	\$ 0	\$ 24,777
Administration of Justice	0	31,740
Public Safety	108,920	158,187
Public Health and Welfare	0	913,239
Other Operations	8,341	460,841
Debt Service:		
Principal on Debt	0	305,000
Interest on Debt	0	51,350
Other Debt Service	0	2,192
Total Expenditures	<u>\$ 117,261</u>	<u>\$ 1,947,326</u>

(Continued)

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

	Capital Projects Fund	Total Nonmajor Governmental Funds
	General Capital Projects	
Excess (Deficiency) of Revenues Over Expenditures	\$ 305,827	\$ (240,577)
Other Financing Sources (Uses)		
Insurance Recovery	\$ 0	\$ 1,991
Transfers In	0	76,028
Total Other Financing Sources (Uses)	\$ 0	\$ 78,019
Net Change in Fund Balances	\$ 305,827	\$ (162,558)
Fund Balance, July 1, 2024	0	2,452,361
Fund Balance, June 30, 2025	\$ 305,827	\$ 2,289,803

HENDERSON COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2025

					Variance with Final Budget - Positive (Negative)
	Actual	Budgeted Amounts			
		Original	Final		
Revenues					
Local Taxes	\$ 701,635	\$ 616,570	\$ 616,570	\$	85,065
Charges for Current Services	21,821	25,000	25,000		(3,179)
Other Local Revenues	57,430	80,000	80,000		(22,570)
State of Tennessee	0	0	129,107		(129,107)
Total Revenues	<u>\$ 780,886</u>	<u>\$ 721,570</u>	<u>\$ 850,677</u>	<u>\$</u>	<u>(69,791)</u>
Expenditures					
Public Health and Welfare					
Sanitation Education/Information	\$ 913,239	\$ 776,925	\$ 983,460	\$	70,221
Total Expenditures	<u>\$ 913,239</u>	<u>\$ 776,925</u>	<u>\$ 983,460</u>	<u>\$</u>	<u>70,221</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (132,353)</u>	<u>\$ (55,355)</u>	<u>\$ (132,783)</u>	<u>\$</u>	<u>430</u>
Other Financing Sources (Uses)					
Insurance Recovery	\$ 1,991	\$ 0	\$ 0	\$	1,991
Transfers In	76,028	0	76,028		0
Total Other Financing Sources	<u>\$ 78,019</u>	<u>\$ 0</u>	<u>\$ 76,028</u>	<u>\$</u>	<u>1,991</u>
Net Change in Fund Balance	\$ (54,334)	\$ (55,355)	\$ (56,755)	\$	2,421
Fund Balance, July 1, 2024	<u>424,013</u>	<u>430,000</u>	<u>430,000</u>		<u>(5,987)</u>
Fund Balance, June 30, 2025	<u>\$ 369,679</u>	<u>\$ 374,645</u>	<u>\$ 373,245</u>	<u>\$</u>	<u>(3,566)</u>

HENDERSON COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Fines, Forfeitures, and Penalties	\$ 24,182	\$ 22,000	\$ 22,000	\$ 2,182
Total Revenues	\$ 24,182	\$ 22,000	\$ 22,000	\$ 2,182
Expenditures				
Public Safety				
Drug Enforcement	\$ 27,558	\$ 26,360	\$ 48,743	\$ 21,185
Total Expenditures	\$ 27,558	\$ 26,360	\$ 48,743	\$ 21,185
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,376)	\$ (4,360)	\$ (26,743)	\$ 23,367
Net Change in Fund Balance	\$ (3,376)	\$ (4,360)	\$ (26,743)	\$ 23,367
Fund Balance, July 1, 2024	102,712	95,000	95,000	7,712
Fund Balance, June 30, 2025	\$ 99,336	\$ 90,640	\$ 68,257	\$ 31,079

HENDERSON COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other General Government Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Other Local Revenues	\$ 46,345	\$ 0	\$ 0	\$ 46,345
Total Revenues	<u>\$ 46,345</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 46,345</u>
Expenditures				
General Government				
County Buildings	\$ 24,777	\$ 0	\$ 24,800	\$ 23
Public Safety				
Sheriff's Department	348	0	348	0
Workhouse	21,361	0	21,361	0
Other Operations				
Contributions to Other Agencies	452,500	0	452,500	0
Total Expenditures	<u>\$ 498,986</u>	<u>\$ 0</u>	<u>\$ 499,009</u>	<u>\$ 23</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (452,641)</u>	<u>\$ 0</u>	<u>\$ (499,009)</u>	<u>\$ 46,368</u>
Other Financing Sources (Uses)				
Transfers Out	\$ 0	\$ 0	\$ (362,474)	\$ 362,474
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (362,474)</u>	<u>\$ 362,474</u>
Net Change in Fund Balance	\$ (452,641)	\$ 0	\$ (861,483)	\$ 408,842
Fund Balance, July 1, 2024	<u>1,252,886</u>	<u>0</u>	<u>861,483</u>	<u>391,403</u>
Fund Balance, June 30, 2025	<u><u>\$ 800,245</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 800,245</u></u>

HENDERSON COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural Debt Service Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Other Local Revenues	\$ 44,158	\$ 15,000	\$ 15,000	\$ 29,158
Other Governments and Citizens Groups	356,350	0	356,350	0
Total Revenues	<u>\$ 400,508</u>	<u>\$ 15,000</u>	<u>\$ 371,350</u>	<u>\$ 29,158</u>
Expenditures				
Principal on Debt				
Education	\$ 305,000	\$ 315,000	\$ 314,558	\$ 9,558
Interest on Debt				
Education	51,350	53,850	52,100	750
Other Debt Service				
Education	2,192	0	2,192	0
Total Expenditures	<u>\$ 358,542</u>	<u>\$ 368,850</u>	<u>\$ 368,850</u>	<u>\$ 10,308</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 41,966</u>	<u>\$ (353,850)</u>	<u>\$ 2,500</u>	<u>\$ 39,466</u>
Other Financing Sources (Uses)				
Transfers In	\$ 0	\$ 356,350	\$ 0	\$ 0
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 356,350</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 41,966	\$ 2,500	\$ 2,500	\$ 39,466
Fund Balance, July 1, 2024	672,750	640,000	640,000	32,750
Fund Balance, June 30, 2025	<u>\$ 714,716</u>	<u>\$ 642,500</u>	<u>\$ 642,500</u>	<u>\$ 72,216</u>

HENDERSON COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 General Capital Projects Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 423,088	\$ 0	\$ 123,920	\$ 299,168
Total Revenues	<u>\$ 423,088</u>	<u>\$ 0</u>	<u>\$ 123,920</u>	<u>\$ 299,168</u>
Expenditures				
Public Safety				
Sheriff's Department	\$ 108,920	\$ 0	\$ 108,920	\$ 0
Other Operations				
Miscellaneous	8,341	0	15,000	6,659
Total Expenditures	<u>\$ 117,261</u>	<u>\$ 0</u>	<u>\$ 123,920</u>	<u>\$ 6,659</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 305,827</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 305,827</u>
Net Change in Fund Balance	\$ 305,827	\$ 0	\$ 0	\$ 305,827
Fund Balance, July 1, 2024	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30, 2025	<u><u>\$ 305,827</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 305,827</u></u>

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.

HENDERSON COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 General Debt Service Fund
For the Year Ended June 30, 2025

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Local Taxes	\$ 1,683,300	\$ 1,581,344	\$ 1,581,344	\$ 101,956
Other Local Revenues	196,045	40,000	40,000	156,045
Other Governments and Citizens Groups	103,608	0	104,108	(500)
Total Revenues	<u>\$ 1,982,953</u>	<u>\$ 1,621,344</u>	<u>\$ 1,725,452</u>	<u>\$ 257,501</u>
Expenditures				
Principal on Debt				
General Government	\$ 1,185,750	\$ 1,470,000	\$ 1,205,807	\$ 20,057
Education	332,730	80,000	412,480	79,750
Interest on Debt				
General Government	182,330	203,753	182,331	1
Education	28,462	0	29,050	588
Other Debt Service				
General Government	27,548	0	27,548	0
Education	733	0	733	0
Total Expenditures	<u>\$ 1,757,553</u>	<u>\$ 1,753,753</u>	<u>\$ 1,857,949</u>	<u>\$ 100,396</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 225,400</u>	<u>\$ (132,409)</u>	<u>\$ (132,497)</u>	<u>\$ 357,897</u>
Other Financing Sources (Uses)				
Transfers In	\$ 95,000	\$ 100,000	\$ 100,000	\$ (5,000)
Total Other Financing Sources	<u>\$ 95,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ (5,000)</u>
Net Change in Fund Balance	\$ 320,400	\$ (32,409)	\$ (32,497)	\$ 352,897
Fund Balance, July 1, 2024	<u>1,570,648</u>	<u>1,350,000</u>	<u>1,350,000</u>	<u>220,648</u>
Fund Balance, June 30, 2025	<u><u>\$ 1,891,048</u></u>	<u><u>\$ 1,317,591</u></u>	<u><u>\$ 1,317,503</u></u>	<u><u>\$ 573,545</u></u>

CUSTODIAL FUNDS

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

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

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

Constitutional Officers - 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 to the state, cities, other county funds, litigants, heirs, and others.

HENDERSON COUNTY, TENNESSEE
Combining Statement of Net Position - Custodial Funds
June 30, 2025

	Custodial Funds			
	Cities - Sales Tax	City School ADA - Lexington	Constitu - tional Officers - Custodial	Total
ASSETS				
Cash	\$ 0	\$ 0	\$ 1,998,952	\$ 1,998,952
Equity in Pooled Cash and Investments	0	102,922	0	102,922
Accounts Receivable	0	23	37,629	37,652
Due from Other Governments	890,506	215,163	0	1,105,669
Property Taxes Receivable	0	91,656	0	91,656
Allowance for Uncollectible Property Taxes	0	(974)	0	(974)
Total Assets	\$ 890,506	\$ 408,790	\$ 2,036,581	\$ 3,335,877
LIABILITIES				
Due to Other Taxing Units	\$ 890,506	\$ 321,023	\$ 0	\$ 1,211,529
Total Liabilities	\$ 890,506	\$ 321,023	\$ 0	\$ 1,211,529
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 0	\$ 87,767	\$ 0	\$ 87,767
Total Deferred Inflows of Resources	\$ 0	\$ 87,767	\$ 0	\$ 87,767
NET POSITION				
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 2,036,581	\$ 2,036,581
Total Net Position	\$ 0	\$ 0	\$ 2,036,581	\$ 2,036,581

HENDERSON COUNTY, TENNESSEE**Combining Statement of Changes in Net Position - Custodial Funds****For the Year Ended June 30, 2025**

	Custodial Funds			
	Cities -	City	Constitu -	
	Sales	School	tional	
	Tax	ADA -	Officers -	
		Lexington	Custodial	Total
Additions				
Sales Tax Collections for Other Governments	\$ 4,991,459	\$ 0	\$ 0	\$ 4,991,459
ADA - Educational Funds Collected for Cities	0	1,316,075	0	1,316,075
Fines/Fees and Other Collections	0	0	9,655,107	9,655,107
Total Additions	\$ 4,991,459	\$ 1,316,075	\$ 9,655,107	\$ 15,962,641
Deductions				
Payment of Sales Tax Collections for Other Governments	\$ 4,991,459	\$ 0	\$ 0	\$ 4,991,459
Payments to City School Systems	0	1,316,075	0	1,316,075
Payments to State	0	0	3,706,187	3,706,187
Payments to Cities, Individuals, and Others	0	0	6,034,789	6,034,789
Total Deductions	\$ 4,991,459	\$ 1,316,075	\$ 9,740,976	\$ 16,048,510
Change in Net Position	\$ 0	\$ 0	\$ (85,869)	\$ (85,869)
Net Position July 1, 2024	0	0	2,122,450	2,122,450
Net Position June 30, 2025	\$ 0	\$ 0	\$ 2,036,581	\$ 2,036,581

HENDERSON COUNTY SCHOOL DEPARTMENT

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

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

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.

HENDERSON COUNTY, TENNESSEE**Statement of Activities**

Discretely Presented Henderson County School Department

For the Year Ended June 30, 2025

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
Business-type Activities:					
Governmental Activities:					
Instruction	\$ 27,244,941	\$ 6,742	\$ 7,437,095	\$ 0	\$ (19,801,104)
Support Services	16,352,291	210	593,354	381	(15,758,346)
Operation of Non-instructional Services	7,388,858	201,303	3,592,644	0	(3,594,911)
Total Governmental Activities	<u>\$ 50,986,090</u>	<u>\$ 208,255</u>	<u>\$ 11,623,093</u>	<u>\$ 381</u>	<u>\$ (39,154,361)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 1,875,872
Local Option Sales Taxes					5,672,309
Other Local Taxes					749
Grants and Contributions Not Restricted to Specific Programs					33,172,280
Unrestricted Investment Earnings					119,994
Miscellaneous					96,687
Total General Revenues					<u>\$ 40,937,891</u>
Change in Net Position					\$ 1,783,530
Net Position, July 1, 2024					41,207,197
Restatement - See Note I.D.10.					<u>(493,274)</u>
Net Position, June 30, 2025					<u>\$ 42,497,453</u>

HENDERSON COUNTY, TENNESSEE**Balance Sheet - Governmental Funds**

Discretely Presented Henderson County School Department

June 30, 2025

	Major Funds		Nonmajor Funds	
	General Purpose School	School Transportation	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 0	\$ 0	\$ 1,275,952	\$ 1,275,952
Equity in Pooled Cash and Investments	11,259,352	356,601	1,264,597	12,880,550
Inventories	0	0	2,378	2,378
Accounts Receivable	20,543	100	7,500	28,143
Due from Other Governments	1,959,106	0	196,744	2,155,850
Property Taxes Receivable	523,448	1,515,995	0	2,039,443
Allowance for Uncollectible Property Taxes	(5,558)	(15,557)	0	(21,115)
Restricted Assets	595,021	0	0	595,021
Total Assets	<u>\$ 14,351,912</u>	<u>\$ 1,857,139</u>	<u>\$ 2,747,171</u>	<u>\$ 18,956,222</u>
LIABILITIES				
Accounts Payable	\$ 0	\$ 0	\$ 13,020	\$ 13,020
Payroll Deductions Payable	554,500	0	4,291	558,791
Total Liabilities	<u>\$ 554,500</u>	<u>\$ 0</u>	<u>\$ 17,311</u>	<u>\$ 571,811</u>

(Continued)

HENDERSON COUNTY, TENNESSEE**Balance Sheet - Governmental Funds**

Discretely Presented Henderson County School Department (Cont.)

	Major Funds		Nonmajor Funds	
	General Purpose School	School Transportation	Other Governmental Funds	Total Governmental Funds
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 501,240	\$ 1,455,552	\$ 0	\$ 1,956,792
Deferred Delinquent Property Taxes	14,282	41,059	0	55,341
Other Deferred/Unavailable Revenue	495,050	0	0	495,050
Total Deferred Inflows of Resources	<u>\$ 1,010,572</u>	<u>\$ 1,496,611</u>	<u>\$ 0</u>	<u>\$ 2,507,183</u>
FUND BALANCES				
Restricted:				
Restricted for Education	\$ 105,371	\$ 57,994	\$ 1,271,305	\$ 1,434,670
Restricted for Operation of Non-instructional Services	0	0	458,555	458,555
Restricted for Hybrid Retirement Stabilization Funds	595,021	0	0	595,021
Committed:				
Committed for Education	3,169,186	302,534	0	3,471,720
Assigned:				
Assigned for Education	0	0	1,000,000	1,000,000
Unassigned	8,917,262	0	0	8,917,262
Total Fund Balances	<u>\$ 12,786,840</u>	<u>\$ 360,528</u>	<u>\$ 2,729,860</u>	<u>\$ 15,877,228</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,351,912</u>	<u>\$ 1,857,139</u>	<u>\$ 2,747,171</u>	<u>\$ 18,956,222</u>

HENDERSON COUNTY, TENNESSEE
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Discretely Presented Henderson County School Department
June 30, 2025

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)		\$ 15,877,228
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,151,661	
Add: construction in progress	229,000	
Add: buildings and improvements net of accumulated depreciation	19,011,264	
Add: infrastructure net of accumulated depreciation	34,449	
Add: other capital assets net of accumulated depreciation	<u>2,068,043</u>	22,494,417
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on primary government debt for the other loan	\$ (640,094)	
Less: compensated absences payable	(383,659)	
Less: net pension liability - agent plan	(551,738)	
Less: net OPEB liability	<u>(6,217,997)</u>	(7,793,488)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as a component of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 4,610,480	
Less: deferred inflows of resources related to pensions	(1,841,166)	
Add: deferred outflows of resources related to OPEB	2,221,375	
Less: deferred inflows of resources related to OPEB	<u>(992,183)</u>	3,998,506
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - teacher retirement plan	\$ 216,873	
Add: net pension asset - teacher legacy pension plan	<u>7,153,526</u>	7,370,399
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>550,391</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 42,497,453</u></u>

HENDERSON COUNTY, TENNESSEE**Statement of Revenues, Expenditures, and Changes****in Fund Balances - Governmental Funds**

Discretely Presented Henderson County School Department

For the Year Ended June 30, 2025

	Major Funds		Nonmajor Funds	
	General Purpose School	School Transpor - tation	Other Govern- mental Funds	Total Governmental Funds
Revenues				
Local Taxes	\$ 6,124,945	\$ 1,434,663	\$ 0	\$ 7,559,608
Licenses and Permits	1,784	0	0	1,784
Charges for Current Services	0	0	201,303	201,303
Other Local Revenues	246,709	100	2,999,287	3,246,096
State of Tennessee	35,039,532	0	0	35,039,532
Federal Government	703,129	0	5,484,964	6,188,093
Other Governments and Citizens Groups	333,323	0	0	333,323
Total Revenues	<u>\$ 42,449,422</u>	<u>\$ 1,434,763</u>	<u>\$ 8,685,554</u>	<u>\$ 52,569,739</u>
Expenditures				
Current:				
Instruction	\$ 24,470,561	\$ 0	\$ 1,795,717	\$ 26,266,278
Support Services	12,183,915	1,336,908	980,009	14,500,832
Operation of Non-Instructional Services	861,607	0	6,342,309	7,203,916
Capital Outlay	1,968,786	0	0	1,968,786
Debt Service:				
Other Debt Service	459,958	0	0	459,958
Total Expenditures	<u>\$ 39,944,827</u>	<u>\$ 1,336,908</u>	<u>\$ 9,118,035</u>	<u>\$ 50,399,770</u>

(Continued)

HENDERSON COUNTY, TENNESSEE**Statement of Revenues, Expenditures, and Changes****in Fund Balances - Governmental Funds**

Discretely Presented Henderson County School Department (Cont.)

	Major Funds		Nonmajor Funds	
	General Purpose School	School Transpor - tation	Other Govern- mental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,504,595	\$ 97,855	\$ (432,481)	\$ 2,169,969
Other Financing Sources (Uses)				
Insurance Recovery	\$ 95,738	\$ 0	\$ 0	\$ 95,738
Total Other Financing Sources (Uses)	\$ 95,738	\$ 0	\$ 0	\$ 95,738
Net Change in Fund Balances	\$ 2,600,333	\$ 97,855	\$ (432,481)	\$ 2,265,707
Fund Balance, July 1, 2024	10,186,507	262,673	3,162,341	13,611,521
Fund Balance, June 30, 2025	\$ 12,786,840	\$ 360,528	\$ 2,729,860	\$ 15,877,228

HENDERSON COUNTY, TENNESSEE**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities**

Discretely Presented Henderson County School Department

For the Year Ended June 30, 2025

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 2,265,707
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,125,438	
Less: current-year depreciation expense	<u>(1,818,212)</u>	307,226
(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, 2025	\$ 550,391	
Less: deferred delinquent property taxes and other deferred June 30, 2024	<u>(545,034)</u>	5,357
(3) The contributions of long-term debt (e.g., other loans) by the primary government provide current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on other loan to primary government		93,480
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ 109,615	
Change in net OPEB liability	(740,939)	
Change in deferred outflows related to OPEB	211,675	
Change in deferred inflows related to OPEB	179,183	
Change in net pension liability - agent plan	(110,659)	
Change in net pension asset - teacher retirement plan	93,260	
Change in net pension asset - teacher legacy pension plan	2,204,552	
Change in deferred outflows related to pensions	(1,613,984)	
Change in deferred inflows related to pensions	<u>(1,220,943)</u>	<u>(888,240)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,783,530</u>

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

Discretely Presented Henderson County School Department

June 30, 2025**ASSETS**

Cash
 Equity in Pooled Cash and Investments
 Inventories
 Accounts Receivable
 Due from Other Governments

Total Assets

LIABILITIES

Accounts Payable
 Payroll Deductions Payable
 Total Liabilities

FUND BALANCES

Restricted:
 Restricted for Education
 Restricted for Operation of Non-instructional Services
 Assigned:
 Assigned for Education
 Total Fund Balances

Total Liabilities and Fund Balances

Special Revenue Funds			Total Nonmajor Governmental Funds
School Federal Projects	Central Cafeteria	Internal School	
\$ 0	\$ 0	\$ 1,275,952	\$ 1,275,952
1,004,155	260,442	0	1,264,597
0	0	2,378	2,378
0	7,500	0	7,500
4,184	192,560	0	196,744
\$ 1,008,339	\$ 460,502	\$ 1,278,330	\$ 2,747,171
\$ 0	\$ 0	\$ 13,020	\$ 13,020
2,344	1,947	0	4,291
\$ 2,344	\$ 1,947	\$ 13,020	\$ 17,311
\$ 5,995	\$ 0	\$ 1,265,310	\$ 1,271,305
0	458,555	0	458,555
1,000,000	0	0	1,000,000
\$ 1,005,995	\$ 458,555	\$ 1,265,310	\$ 2,729,860
\$ 1,008,339	\$ 460,502	\$ 1,278,330	\$ 2,747,171

HENDERSON COUNTY, TENNESSEE**Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds**

Discretely Presented Henderson County School Department

For the Year Ended June 30, 2025

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Internal School	
Revenues				
Charges for Current Services	\$ 0	\$ 201,303	\$ 0	\$ 201,303
Other Local Revenues	0	81,383	2,917,904	2,999,287
Federal Government	2,776,219	2,708,745	0	5,484,964
Total Revenues	<u>\$ 2,776,219</u>	<u>\$ 2,991,431</u>	<u>\$ 2,917,904</u>	<u>\$ 8,685,554</u>
Expenditures				
Current:				
Instruction	\$ 1,795,717	\$ 0	\$ 0	\$ 1,795,717
Support Services	980,009	0	0	980,009
Operation of Non-Instructional Services	0	3,553,855	2,788,454	6,342,309
Total Expenditures	<u>\$ 2,775,726</u>	<u>\$ 3,553,855</u>	<u>\$ 2,788,454</u>	<u>\$ 9,118,035</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 493</u>	<u>\$ (562,424)</u>	<u>\$ 129,450</u>	<u>\$ (432,481)</u>
Net Change in Fund Balances	\$ 493	\$ (562,424)	\$ 129,450	\$ (432,481)
Fund Balance, July 1, 2024	<u>1,005,502</u>	<u>1,020,979</u>	<u>1,135,860</u>	<u>3,162,341</u>
Fund Balance, June 30, 2025	<u><u>\$ 1,005,995</u></u>	<u><u>\$ 458,555</u></u>	<u><u>\$ 1,265,310</u></u>	<u><u>\$ 2,729,860</u></u>

HENDERSON COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget**Discretely Presented Henderson County School Department
General Purpose School Fund**For the Year Ended June 30, 2025**

			Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual		Original	Final	
Revenues					
Local Taxes	\$ 6,124,945	\$	5,971,600	\$ 5,971,600	\$ 153,345
Licenses and Permits	1,784		2,000	2,000	(216)
Other Local Revenues	246,709		92,500	92,500	154,209
State of Tennessee	35,039,532		33,434,553	37,462,608	(2,423,076)
Federal Government	703,129		658,000	921,549	(218,420)
Other Governments and Citizens Groups	333,323		0	325,442	7,881
Total Revenues	<u>\$ 42,449,422</u>	<u>\$</u>	<u>40,158,653</u>	<u>\$ 44,775,699</u>	<u>\$ (2,326,277)</u>
Expenditures					
Instruction					
Regular Instruction Program	\$ 19,093,141	\$	20,480,825	\$ 20,591,846	\$ 1,498,705
Alternative Instruction Program	31,372		70,510	70,510	39,138
Special Education Program	3,470,299		3,471,965	3,637,753	167,454
Career and Technical Education Program	1,435,776		1,427,650	2,223,261	787,485
Adult Education Program	439,973		425,600	491,100	51,127
Support Services					
Attendance	223,710		228,965	233,565	9,855
Health Services	596,942		594,030	609,730	12,788
Other Student Support	2,667,274		2,179,470	2,784,488	117,214
Regular Instruction Program	965,958		1,188,600	1,175,175	209,217
Alternative Instruction Program	86,026		94,559	94,559	8,533
Special Education Program	267,114		327,465	327,465	60,351
Career and Technical Education Program	147,056		116,816	196,854	49,798
Technology	505,364		471,375	551,375	46,011
Adult Programs	160,512		162,350	218,150	57,638
Other Programs	90,859		0	90,859	0
Board of Education	519,159		637,350	637,350	118,191
Director of Schools	227,040		270,795	271,295	44,255
Office of the Principal	1,765,514		1,564,000	1,814,225	48,711
Fiscal Services	121,388		175,750	149,750	28,362
Operation of Plant	2,837,493		2,990,120	2,995,615	158,122
Maintenance of Plant	861,935		843,975	947,025	85,090
Transportation	140,571		205,250	292,538	151,967

(Continued)

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Expenditures (Cont.)				
Operation of Non-Instructional Services				
Food Service	\$ 115,620	\$ 150,330	\$ 159,555	\$ 43,935
Early Childhood Education	745,987	818,043	813,043	67,056
Capital Outlay				
Regular Capital Outlay	1,968,786	2,750,000	4,962,954	2,994,168
Principal on Debt				
Education	0	94,000	0	0
Interest on Debt				
Education	0	70,000	0	0
Other Debt Service				
Education	459,958	305,000	469,000	9,042
Total Expenditures	<u>\$ 39,944,827</u>	<u>\$ 42,114,793</u>	<u>\$ 46,809,040</u>	<u>\$ 6,864,213</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,504,595</u>	<u>\$ (1,956,140)</u>	<u>\$ (2,033,341)</u>	<u>\$ 4,537,936</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 95,738	0	0	\$ 95,738
Total Other Financing Sources	<u>\$ 95,738</u>	<u>0</u>	<u>0</u>	<u>\$ 95,738</u>
Net Change in Fund Balance	\$ 2,600,333	\$ (1,956,140)	\$ (2,033,341)	\$ 4,633,674
Fund Balance, July 1, 2024	<u>10,186,507</u>	<u>6,478,500</u>	<u>6,478,500</u>	<u>3,708,007</u>
Fund Balance, June 30, 2025	<u><u>\$ 12,786,840</u></u>	<u><u>\$ 4,522,360</u></u>	<u><u>\$ 4,445,159</u></u>	<u><u>\$ 8,341,681</u></u>

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

Discretely Presented Henderson County School Department

School Federal Projects Fund

For the Year Ended June 30, 2025

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Federal Government	\$ 2,776,219	\$ 3,257,149	\$ 3,273,490	\$ (497,271)
Total Revenues	<u>\$ 2,776,219</u>	<u>\$ 3,257,149</u>	<u>\$ 3,273,490</u>	<u>\$ (497,271)</u>
Expenditures				
Instruction				
Regular Instruction Program	\$ 893,358	\$ 971,951	\$ 970,427	\$ 77,069
Special Education Program	828,830	1,148,036	1,069,541	240,711
Career and Technical Education Program	73,529	75,529	73,529	0
Support Services				
Health Services	7,201	7,201	7,201	0
Other Student Support	207,517	209,665	215,301	7,784
Regular Instruction Program	445,681	470,174	471,897	26,216
Special Education Program	123,309	208,892	224,892	101,583
Transportation	196,301	165,700	240,700	44,399
Total Expenditures	<u>\$ 2,775,726</u>	<u>\$ 3,257,148</u>	<u>\$ 3,273,488</u>	<u>\$ 497,762</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 493</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 491</u>
Net Change in Fund Balance	\$ 493	\$ 1	\$ 2	\$ 491
Fund Balance, July 1, 2024	<u>1,005,502</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>5,502</u>
Fund Balance, June 30, 2025	<u><u>\$ 1,005,995</u></u>	<u><u>\$ 1,000,001</u></u>	<u><u>\$ 1,000,002</u></u>	<u><u>\$ 5,993</u></u>

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

Discretely Presented Henderson County School Department

Central Cafeteria Fund

For the Year Ended June 30, 2025

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Charges for Current Services	\$ 201,303	\$ 300,000	\$ 300,000	\$ (98,697)
Other Local Revenues	81,383	0	0	81,383
Federal Government	2,708,745	2,225,000	2,415,000	293,745
Total Revenues	<u>\$ 2,991,431</u>	<u>\$ 2,525,000</u>	<u>\$ 2,715,000</u>	<u>\$ 276,431</u>
Expenditures				
Operation of Non-Instructional Services				
Food Service	\$ 3,553,855	\$ 2,988,550	\$ 3,613,550	\$ 59,695
Total Expenditures	<u>\$ 3,553,855</u>	<u>\$ 2,988,550</u>	<u>\$ 3,613,550</u>	<u>\$ 59,695</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (562,424)</u>	<u>\$ (463,550)</u>	<u>\$ (898,550)</u>	<u>\$ 336,126</u>
Net Change in Fund Balance	\$ (562,424)	\$ (463,550)	\$ (898,550)	\$ 336,126
Fund Balance, July 1, 2024	<u>1,020,979</u>	<u>1,390,000</u>	<u>1,390,000</u>	<u>(369,021)</u>
Fund Balance, June 30, 2025	<u><u>\$ 458,555</u></u>	<u><u>\$ 926,450</u></u>	<u><u>\$ 491,450</u></u>	<u><u>\$ (32,895)</u></u>

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

Discretely Presented Henderson County School Department

School Transportation Fund

For the Year Ended June 30, 2025

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Local Taxes	\$ 1,434,663	\$ 1,372,000	\$ 1,372,000	\$ 62,663
Other Local Revenues	100	0	0	100
Total Revenues	<u>\$ 1,434,763</u>	<u>\$ 1,372,000</u>	<u>\$ 1,372,000</u>	<u>\$ 62,763</u>
Expenditures				
Support Services				
Board of Education	\$ 28,218	\$ 28,250	\$ 43,250	\$ 15,032
Transportation	1,308,690	1,311,425	1,311,425	2,735
Total Expenditures	<u>\$ 1,336,908</u>	<u>\$ 1,339,675</u>	<u>\$ 1,354,675</u>	<u>\$ 17,767</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 97,855</u>	<u>\$ 32,325</u>	<u>\$ 17,325</u>	<u>\$ 80,530</u>
Net Change in Fund Balance	\$ 97,855	\$ 32,325	\$ 17,325	\$ 80,530
Fund Balance, July 1, 2024	<u>262,673</u>	<u>250,000</u>	<u>250,000</u>	<u>12,673</u>
Fund Balance, June 30, 2025	<u><u>\$ 360,528</u></u>	<u><u>\$ 282,325</u></u>	<u><u>\$ 267,325</u></u>	<u><u>\$ 93,203</u></u>

MISCELLANEOUS SCHEDULES

HENDERSON COUNTY, TENNESSEE
Schedule of Changes in Long-term Other Loan and Bonds
For the Year Ended June 30, 2025

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-24	Paid and/or Matured During Period	Outstanding 6-30-25
OTHER LOAN PAYABLE								
Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund								
Clean Water State Revolving Fund	\$ 1,800,582	1.38	%	7-31-10	12-31-31	\$ 733,574	\$ 93,480	\$ 640,094
Total Other Loan Payable						\$ 733,574	\$ 93,480	\$ 640,094
BONDS PAYABLE								
Payable through General Debt Service Fund								
G.O. Bonds, Series 2018	2,310,000	2.5 to 3.05		8-15-18	4-1-33	\$ 1,670,000	\$ 170,000	\$ 1,500,000
G.O. Refunding Bonds, Series 2019	5,500,000	3 to 5		5-31-19	3-1-29	2,165,000	430,000	1,735,000
G.O. Refunding Bonds, Series 2021	7,575,000	1 to 2		4-30-21	5-1-29	3,900,000	825,000	3,075,000
Total Payable through General Debt Service Fund						\$ 7,735,000	\$ 1,425,000	\$ 6,310,000
Payable through Rural Debt Service Fund								
Rural School Refunding Bonds, Series 2020	2,785,000	2 to 5		6-30-20	3-1-29	\$ 1,630,000	\$ 305,000	\$ 1,325,000
Total Payable through Rural Debt Service Fund						\$ 1,630,000	\$ 305,000	\$ 1,325,000
Total Bonds Payable						\$ 9,365,000	\$ 1,730,000	\$ 7,635,000

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

Year Ending June 30	Other Loan			
	Principal	Interest	Other Fees	Total
2026	\$ 94,788	\$ 8,232	\$ 516	\$ 103,536
2027	96,096	6,924	432	103,452
2028	97,440	5,580	360	103,380
2029	98,784	4,236	276	103,296
2030	100,164	2,856	204	103,224
2031	101,556	1,464	120	103,140
2032	51,266	135	16	51,417
Total	\$ 640,094	\$ 29,427	\$ 1,924	\$ 671,445

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	\$ 1,750,000	\$ 195,103	\$ 1,945,103
2027	1,750,000	135,752	1,885,752
2028	1,700,000	90,203	1,790,203
2029	1,645,000	57,553	1,702,553
2030	190,000	23,802	213,802
2031	195,000	18,103	213,103
2032	200,000	12,252	212,252
2033	205,000	6,253	211,253
Total	\$ 7,635,000	\$ 539,021	\$ 8,174,021

HENDERSON COUNTY, TENNESSEE
Schedule of Transfers
For the Year Ended June 30, 2025

From Fund	To Fund	Purpose	Amount
General	General Debt Service	Debt retirement	\$ 95,000
"	Solid Waste/Sanitation	Capital outlay	<u>76,028</u>
Total Transfers			<u><u>\$ 171,028</u></u>

HENDERSON COUNTY, TENNESSEE**Schedule of Salaries and Official Bonds of Principal Officials**

Primary Government and Discretely Presented Henderson County School Department

For the Year Ended June 30, 2025

Official	Salary	Authorization	Bond	Surety
County Mayor		Section 8-24-102, <i>TCA</i>	\$ (1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 121,016</u>			
Road Supervisor		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 115,254</u>			
Director of Schools		State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 125,670			
Chief executive officer supplement	1,000			
Career ladder program additional pay	500			
Total compensation	<u>\$ 127,170</u>			
Trustee		Section 8-24-102, <i>TCA</i>	1,505,515	Auto-Owners Mutual Insurance Company
Base salary/Total compensation	<u>\$ 95,251</u>		(1)	
Assessor of Property		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 95,251</u>			
County Clerk		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 95,251</u>			
Circuit/General Sessions/Juvenile Courts Clerk		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 95,251			
Additional 10% for overseeing more than one court	9,525			
Certified public administrator supplement	1,500			
Total compensation	<u>\$ 106,276</u>			
Clerk and Master		Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	(1)	Tennessee Risk Management Trust
Base salary	\$ 95,251			
Additional 10% for overseeing more than one court	9,525			
Special commissioner fees	31,740			
Total compensation	<u>\$ 136,516</u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 95,251			
Certified public administrator supplement	1,500			
Total compensation	<u>\$ 96,751</u>			
Sheriff		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 115,254			
Law enforcement training supplement	1,600			
Total compensation	<u>\$ 116,854</u>			
Administrator of Elections		Section 2-12-208, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 85,726</u>			
Finance Director		County Commission	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 95,250</u>			
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Tennessee Risk Management Trust
Employee Fidelity - School Department			400,000	"

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

HENDERSON COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types****For the Year Ended June 30, 2025**

	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	\$ 6,323,502	\$ 455,830	\$ 0	\$ 0	\$ 0	\$ 255,256
Trustee's Collections - Prior Year	205,451	15,768	0	0	0	8,591
Circuit Clerk/Clerk and Master Collections - Prior Years	48,532	3,695	0	0	0	2,013
Interest and Penalty	40,686	3,081	0	0	0	1,690
Payments in-Lieu-of Taxes - Local Utilities	120,604	8,694	0	0	0	4,868
Payments in-Lieu-of Taxes - Other	13,917	744	0	0	0	416
County Local Option Taxes						
Local Option Sales Tax	217,277	209,623	0	0	0	0
Hotel/Motel Tax	342,729	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	171,961	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	66,254	0	0	0	0	0
Business Tax	372,423	0	0	0	0	0
Mixed Drink Tax	1,000	0	0	0	0	0
Other County Local Option Taxes	516,809	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	58,267	4,200	0	0	0	2,352
Wholesale Beer Tax	119,243	0	0	0	0	0
Total Local Taxes	\$ 8,618,655	\$ 701,635	\$ 0	\$ 0	\$ 0	\$ 275,186

(Continued)

HENDERSON 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
Licenses and Permits						
Permits						
Beer Permits	\$ 1,235	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 1,235	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	\$ 33,474	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	3,537	0	0	0	0	0
Drug Control Fines	14,906	0	13,168	0	0	0
DUI Treatment Fines	1,862	0	0	0	0	0
Data Entry Fee - Circuit Court	627	0	0	0	0	0
General Sessions Court						
Fines	108,124	0	0	0	0	0
Officers Costs	20,185	0	0	0	0	0
Game and Fish Fines	407	0	0	0	0	0
Drug Control Fines	238	0	0	0	0	0
Drug Court Fees	6,242	0	0	0	0	0
Jail Fees	65,692	0	0	0	0	0
DUI Treatment Fines	17,985	0	0	0	0	0
Data Entry Fee - General Sessions Court	26,556	0	0	0	0	0

(Continued)

HENDERSON 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.)						
Juvenile Court						
Fines	\$ 504	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - Juvenile Court	1,228	0	0	0	0	0
Chancery Court						
Officers Costs	1,037	0	0	0	0	0
Data Entry Fee - Chancery Court	2,242	0	0	0	0	0
Judicial District Drug Program						
Drug Task Force Forfeitures and Seizures	0	0	11,014	0	0	0
Courtroom Security Fee	328,323	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	<u>\$ 633,169</u>	<u>\$ 0</u>	<u>\$ 24,182</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Charges for Current Services						
General Service Charges						
Surcharge - Waste Tire Disposal	\$ 0	\$ 21,821	\$ 0	\$ 0	\$ 0	0
Fees						
Copy Fees	68	0	0	0	0	0
Telephone Commissions	84,000	0	0	0	0	0
Additional Fees - Titling and Registration	25,488	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	31,740	0

(Continued)

HENDERSON 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.)						
Data Processing Fee - Register	\$ 8,296	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - Sheriff	10,811	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,800	0	0	0	0	0
Data Processing Fee - County Clerk	2,847	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	6,675	0	0	0	0	0
Total Charges for Current Services	<u>\$ 141,985</u>	<u>\$ 21,821</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 31,740</u>	<u>\$ 0</u>
Other Local Revenues						
Recurring Items						
Investment Income	\$ 671,435	\$ 0	\$ 0	\$ 46,345	\$ 0	\$ 0
Lease/Rentals/PPP	16,800	0	0	0	0	0
Sale of Materials and Supplies	173,894	0	0	0	0	7,817
Commissary Sales	113,022	0	0	0	0	0
Sale of Recycled Materials	0	57,430	0	0	0	0
Miscellaneous Refunds	55,594	0	0	0	0	8,588
Nonrecurring Items						
Sale of Equipment	3,775	0	0	0	0	64,177
Damages Recovered from Individuals	1,215	0	0	0	0	0

(Continued)

HENDERSON 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 Local Revenues (Cont.)						
Other Local Revenues						
Other Local Revenues	\$ 1,360	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 1,037,095	\$ 57,430	\$ 0	\$ 46,345	\$ 0	\$ 80,582
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	\$ 338,018	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	95,491	0	0	0	0	0
General Sessions Court Clerk	464,736	0	0	0	0	0
Clerk and Master	72,899	0	0	0	0	0
Juvenile Court Clerk	24,472	0	0	0	0	0
Register	111,856	0	0	0	0	0
Sheriff	46,763	0	0	0	0	0
Trustee	467,142	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,621,377	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 13,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

HENDERSON 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.)						
Public Safety Grants						
School Resource Officer Grants	\$ 675,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Health and Welfare Grants						
Other Health and Welfare Grants	1,927,789	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	0	0	434,483
Litter Program	19,146	0	0	0	0	0
Other State Revenues						
Beer Tax	17,752	0	0	0	0	0
Vehicle Certificate of Title Fees	7,763	0	0	0	0	0
Alcoholic Beverage Tax	88,956	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	96,238	0	0	0	0	0
State Revenue Sharing - Telecommunications	30,880	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	40,687	0	0	0	0	0
Prisoner Transportation	34,166	0	0	0	0	0
Contracted Prisoner Boarding	974,816	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,651,810
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0	31,963
Petroleum Special Tax	0	0	0	0	0	18,448

(Continued)

HENDERSON 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.)						
Registrar's Salary Supplement	\$ 15,164	\$ 0	\$ 0	\$ 0	\$ 0	0
Other State Grants	1,641,674	0	0	0	0	0
Other State Revenues	61,818	0	0	0	0	0
Total State of Tennessee	<u>\$ 5,645,349</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>3,136,704</u>
Federal Government						
Federal Through State						
Other Federal through State	\$ 270,907	\$ 0	\$ 0	\$ 0	\$ 0	14,829
Direct Federal Revenue						
Other Direct Federal Revenue	5,753	0	0	0	0	0
Total Federal Government	<u>\$ 276,660</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>14,829</u>
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 59,954	\$ 0	\$ 0	\$ 0	\$ 0	0
Other						
Other	1,012,961	0	0	0	0	0
Opioid Settlement Funds - Past Remediation	17,785	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 1,090,700</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Total	<u>\$ 19,066,225</u>	<u>\$ 780,886</u>	<u>\$ 24,182</u>	<u>\$ 46,345</u>	<u>\$ 31,740</u>	<u>\$ 3,507,301</u>

(Continued)

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Rural Debt Service	General Capital Projects	Total
Local Taxes				
County Property Taxes				
Current Property Tax	\$ 578,726	\$ 0	\$ 410,224	\$ 8,023,538
Trustee's Collections - Prior Year	30,853	0	0	260,663
Circuit Clerk/Clerk and Master Collections - Prior Years	7,231	0	0	61,471
Interest and Penalty	5,473	0	620	51,550
Payments in-Lieu-of Taxes - Local Utilities	11,038	0	7,805	153,009
Payments in-Lieu-of Taxes - Other	944	0	668	16,689
County Local Option Taxes				
Local Option Sales Tax	0	0	0	426,900
Hotel/Motel Tax	0	0	0	342,729
Wheel Tax	1,043,702	0	0	1,043,702
Litigation Tax - General	0	0	0	171,961
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	66,254
Business Tax	0	0	0	372,423
Mixed Drink Tax	0	0	0	1,000
Other County Local Option Taxes	0	0	0	516,809
Statutory Local Taxes				
Bank Excise Tax	5,333	0	3,771	73,923
Wholesale Beer Tax	0	0	0	119,243
Total Local Taxes	\$ 1,683,300	\$ 0	\$ 423,088	\$ 11,701,864

(Continued)

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Rural Debt Service	General Capital Projects	Total
Licenses and Permits				
Permits				
Beer Permits	\$ 0	\$ 0	\$ 0	1,235
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	1,235
Fines, Forfeitures, and Penalties				
Circuit Court				
Fines	\$ 0	\$ 0	\$ 0	33,474
Officers Costs	0	0	0	3,537
Drug Control Fines	0	0	0	28,074
DUI Treatment Fines	0	0	0	1,862
Data Entry Fee - Circuit Court	0	0	0	627
General Sessions Court				
Fines	0	0	0	108,124
Officers Costs	0	0	0	20,185
Game and Fish Fines	0	0	0	407
Drug Control Fines	0	0	0	238
Drug Court Fees	0	0	0	6,242
Jail Fees	0	0	0	65,692
DUI Treatment Fines	0	0	0	17,985
Data Entry Fee - General Sessions Court	0	0	0	26,556

(Continued)

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Rural Debt Service	General Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)				
Juvenile Court				
Fines	\$ 0	\$ 0	\$ 0	504
Data Entry Fee - Juvenile Court	0	0	0	1,228
Chancery Court				
Officers Costs	0	0	0	1,037
Data Entry Fee - Chancery Court	0	0	0	2,242
Judicial District Drug Program				
Drug Task Force Forfeitures and Seizures	0	0	0	11,014
Courtroom Security Fee	0	0	0	328,323
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>657,351</u>
Charges for Current Services				
General Service Charges				
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 0	21,821
Fees				
Copy Fees	0	0	0	68
Telephone Commissions	0	0	0	84,000
Additional Fees - Titling and Registration	0	0	0	25,488
Constitutional Officers' Fees and Commissions	0	0	0	31,740

(Continued)

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Rural Debt Service	General Capital Projects	Total
Charges for Current Services (Cont.)				
Fees (Cont.)				
Data Processing Fee - Register	\$ 0	\$ 0	\$ 0	\$ 8,296
Data Processing Fee - Sheriff	0	0	0	10,811
Sexual Offender Registration Fee - Sheriff	0	0	0	3,800
Data Processing Fee - County Clerk	0	0	0	2,847
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	6,675
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 195,546</u>
Other Local Revenues				
Recurring Items				
Investment Income	\$ 196,045	\$ 44,158	\$ 0	\$ 957,983
Lease/Rentals/PPP	0	0	0	16,800
Sale of Materials and Supplies	0	0	0	181,711
Commissary Sales	0	0	0	113,022
Sale of Recycled Materials	0	0	0	57,430
Miscellaneous Refunds	0	0	0	64,182
Nonrecurring Items				
Sale of Equipment	0	0	0	67,952
Damages Recovered from Individuals	0	0	0	1,215

(Continued)

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Rural Debt Service	General Capital Projects	Total
Other Local Revenues (Cont.)				
Other Local Revenues				
Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 1,360
Total Other Local Revenues	\$ 196,045	\$ 44,158	\$ 0	\$ 1,461,655
Fees Received From County Officials				
Fees In-Lieu-of Salary				
County Clerk	\$ 0	\$ 0	\$ 0	\$ 338,018
Circuit Court Clerk	0	0	0	95,491
General Sessions Court Clerk	0	0	0	464,736
Clerk and Master	0	0	0	72,899
Juvenile Court Clerk	0	0	0	24,472
Register	0	0	0	111,856
Sheriff	0	0	0	46,763
Trustee	0	0	0	467,142
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 1,621,377
State of Tennessee				
General Government Grants				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 13,500

(Continued)

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Rural Debt Service	General Capital Projects	Total
State of Tennessee (Cont.)				
Public Safety Grants				
School Resource Officer Grants	\$ 0	\$ 0	\$ 0	\$ 675,000
Health and Welfare Grants				
Other Health and Welfare Grants	0	0	0	1,927,789
Public Works Grants				
State Aid Program	0	0	0	434,483
Litter Program	0	0	0	19,146
Other State Revenues				
Beer Tax	0	0	0	17,752
Vehicle Certificate of Title Fees	0	0	0	7,763
Alcoholic Beverage Tax	0	0	0	88,956
Opioid Settlement Funds - TN Abatement Council	0	0	0	96,238
State Revenue Sharing - Telecommunications	0	0	0	30,880
State Shared Sports Gaming Privilege Tax	0	0	0	40,687
Prisoner Transportation	0	0	0	34,166
Contracted Prisoner Boarding	0	0	0	974,816
Gasoline and Motor Fuel Tax	0	0	0	2,651,810
Hybrid/Electric Vehicle Registration Fee	0	0	0	31,963
Petroleum Special Tax	0	0	0	18,448

(Continued)

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Rural Debt Service	General Capital Projects	Total
State of Tennessee (Cont.)				
Other State Revenues (Cont.)				
Registrar's Salary Supplement	\$ 0	\$ 0	\$ 0	\$ 15,164
Other State Grants	0	0	0	1,641,674
Other State Revenues	0	0	0	61,818
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,782,053</u>
Federal Government				
Federal Through State				
Other Federal through State	\$ 0	\$ 0	\$ 0	\$ 285,736
Direct Federal Revenue				
Other Direct Federal Revenue	0	0	0	5,753
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 291,489</u>
Other Governments and Citizens Groups				
Other Governments				
Contributions	\$ 103,608	\$ 356,350	\$ 0	\$ 519,912
Other				
Other	0	0	0	1,012,961
Opioid Settlement Funds - Past Remediation	0	0	0	17,785
Total Other Governments and Citizens Groups	<u>\$ 103,608</u>	<u>\$ 356,350</u>	<u>\$ 0</u>	<u>\$ 1,550,658</u>
Total	<u>\$ 1,982,953</u>	<u>\$ 400,508</u>	<u>\$ 423,088</u>	<u>\$ 26,263,228</u>

HENDERSON COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Henderson County School Department

For the Year Ended June 30, 2025

		Special Revenue Funds					
		General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School	Total
Local Taxes							
County Property Taxes							
Current Property Tax	\$	406,641	\$ 0	\$ 0	\$ 1,328,953	\$ 0	\$ 1,735,594
Trustee's Collections - Prior Year		29,002	0	0	46,268	0	75,270
Circuit Clerk/Clerk and Master Collections - Prior Years		6,681	0	0	10,871	0	17,552
Interest and Penalty		5,334	0	0	8,810	0	14,144
Payments in-Lieu-of Taxes - Local Utilities		7,800	0	0	25,347	0	33,147
Payments in-Lieu-of Taxes - Other		665	0	0	2,168	0	2,833
County Local Option Taxes							
Local Option Sales Tax		5,664,209	0	0	0	0	5,664,209
Mixed Drink Tax		824	0	0	0	0	824
Statutory Local Taxes							
Bank Excise Tax		3,789	0	0	12,246	0	16,035
Total Local Taxes	\$	6,124,945	\$ 0	\$ 0	\$ 1,434,663	\$ 0	\$ 7,559,608
Licenses and Permits							
Licenses							
Marriage Licenses	\$	1,574	\$ 0	\$ 0	\$ 0	\$ 0	1,574

(Continued)

HENDERSON COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Henderson County School Department (Cont.)

		Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School		Total
Licenses and Permits (Cont.)							
Permits							
Other Permits	\$ 210	\$ 0	\$ 0	\$ 0	\$ 0	\$	210
Total Licenses and Permits	\$ 1,784	\$ 0	\$ 0	\$ 0	\$ 0	\$	1,784
Charges for Current Services							
Education Charges							
Receipts from Individual Schools	\$ 0	\$ 0	\$ 201,303	\$ 0	\$ 0	\$	201,303
Total Charges for Current Services	\$ 0	\$ 0	\$ 201,303	\$ 0	\$ 0	\$	201,303
Other Local Revenues							
Recurring Items							
Investment Income	\$ 39,843	\$ 0	\$ 80,151	\$ 0	\$ 0	\$	119,994
Lease/Rentals/PPP	6,742	0	0	0	0		6,742
Sale of Materials and Supplies	130	0	0	0	0		130
Miscellaneous Refunds	95,225	0	1,232	100	0		96,557
Nonrecurring Items							
Contributions and Gifts	103,344	0	0	0	0		103,344

(Continued)

HENDERSON COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Henderson County School Department (Cont.)

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School	
Other Local Revenues (Cont.)						
Other Local Revenues						
Other Local Revenues	\$ 1,425	\$ 0	\$ 0	\$ 0	\$ 2,917,904	\$ 2,919,329
Total Other Local Revenues	\$ 246,709	\$ 0	\$ 81,383	\$ 100	\$ 2,917,904	\$ 3,246,096
State of Tennessee						
General Government Grants						
On-behalf Contributions for OPEB	\$ 90,859	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,859
State Education Funds						
Tennessee Investment in Student Achievement	32,085,770	0	0	0	0	32,085,770
TISA - On-behalf Payments	92,623	0	0	0	0	92,623
Early Childhood Education	863,739	0	0	0	0	863,739
School Food Service	20,160	0	0	0	0	20,160
Driver Education	3,526	0	0	0	0	3,526
Other State Education Funds	226,100	0	0	0	0	226,100
Paid Parental Leave	168,542	0	0	0	0	168,542
Career Ladder Program	37,325	0	0	0	0	37,325
Other Vocational	474,610	0	0	0	0	474,610

(Continued)

HENDERSON COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Henderson County School Department (Cont.)

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School	
State of Tennessee (Cont.)						
Other State Revenues						
State Revenue Sharing - T.V.A.	\$ 976,278	\$ 0	\$ 0	\$ 0	\$ 0	\$ 976,278
Total State of Tennessee	\$ 35,039,532	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,039,532
Federal Government						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,767,329	\$ 0	\$ 0	\$ 1,767,329
USDA - Commodities	0	0	160,467	0	0	160,467
Breakfast	0	0	741,489	0	0	741,489
USDA - Other	0	0	39,460	0	0	39,460
Adult Education State Grant Program	573,587	0	0	0	0	573,587
Vocational Education - Basic Grants to States	0	92,528	0	0	0	92,528
Title I Grants to Local Education Agencies	0	827,272	0	0	0	827,272
Special Education - Grants to States	0	1,113,923	0	0	0	1,113,923
Special Education Preschool Grants	0	35,011	0	0	0	35,011
Eisenhower Professional Development State Grants	0	169,553	0	0	0	169,553
American Rescue Plan Act Grant #1	0	467,377	0	0	0	467,377
Other Federal through State	54,888	70,555	0	0	0	125,443

(Continued)

HENDERSON COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Henderson County School Department (Cont.)

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Internal School	
Federal Government (Cont.)						
Direct Federal Revenue						
ROTC Reimbursement	\$ 74,654	\$ 0	\$ 0	\$ 0	\$ 0	\$ 74,654
Total Federal Government	\$ 703,129	\$ 2,776,219	\$ 2,708,745	\$ 0	\$ 0	\$ 6,188,093
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 332,942	\$ 0	\$ 0	\$ 0	\$ 0	\$ 332,942
Other						
Other	381	0	0	0	0	381
Total Other Governments and Citizens Groups	\$ 333,323	\$ 0	\$ 0	\$ 0	\$ 0	\$ 333,323
Total	\$ 42,449,422	\$ 2,776,219	\$ 2,991,431	\$ 1,434,763	\$ 2,917,904	\$ 52,569,739

HENDERSON COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2025

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	84,000	
Social Security		4,709	
Medical Insurance		21,351	
Employer Medicare		1,101	
Audit Services		12,250	
Total County Commission			\$ 123,411

Board of Equalization

Board and Committee Members Fees	\$	2,150	
Social Security		133	
Unemployment Compensation		6	
Employer Medicare		31	
Total Board of Equalization			2,320

County Mayor/Executive

County Official/Administrative Officer	\$	121,016	
Secretary(ies)		37,012	
Social Security		9,266	
Pensions		13,276	
Medical Insurance		4,850	
Unemployment Compensation		28	
Employer Medicare		2,167	
Communication		525	
Dues and Memberships		2,057	
Legal Notices, Recording, and Court Costs		452	
Postal Charges		295	
Travel		739	
Office Supplies		508	
Other Charges		635	
Total County Mayor/Executive			192,826

County Attorney

Social Security	\$	312	
Unemployment Compensation		20	
Employer Medicare		73	
Legal Services		6,000	
Total County Attorney			6,405

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	85,726	
Clerical Personnel		43,165	
Part-time Personnel		342	
Election Commission		4,695	
Election Workers		34,288	
Social Security		9,277	
Pensions		10,735	
Medical Insurance		11,945	
Unemployment Compensation		192	
Employer Medicare		2,170	
Communication		6,917	
Data Processing Services		3,677	
Legal Notices, Recording, and Court Costs		2,070	
Maintenance Agreements		8,193	
Postal Charges		3,844	
Printing, Stationery, and Forms		210	
Travel		39	
Other Contracted Services		24,124	
Office Supplies		3,444	
Other Supplies and Materials		567	
Total Election Commission			\$ 255,620

Register of Deeds

County Official/Administrative Officer	\$	96,751	
Secretary(ies)		68,894	
Social Security		10,153	
Pensions		13,655	
Medical Insurance		5,972	
Unemployment Compensation		56	
Employer Medicare		2,375	
Dues and Memberships		872	
Maintenance Agreements		2,386	
Postal Charges		35	
Office Supplies		3,629	
Other Charges		379	
Office Equipment		11,833	
Total Register of Deeds			216,990

(Continued)

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

General Government (Cont.)

County Buildings

Supervisor/Director	\$	35,709	
Custodial Personnel		73,921	
Social Security		6,479	
Pensions		8,239	
Medical Insurance		38,607	
Unemployment Compensation		84	
Employer Medicare		1,515	
Communication		103,469	
Contributions		7,500	
Licenses		438	
Maintenance Agreements		29,329	
Maintenance and Repair Services - Buildings		94,355	
Maintenance and Repair Services - Equipment		2,451	
Maintenance and Repair Services - Vehicles		6,812	
Pest Control		3,420	
Postal Charges		6,445	
Rentals		34,200	
Travel		2	
Custodial Supplies		6,405	
Gasoline		5,701	
Utilities		440,728	
Other Charges		6,984	
Total County Buildings			\$ 912,793

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	95,250
Accountants/Bookkeepers		161,575
Social Security		16,612
Pensions		22,017
Medical Insurance		40,085
Unemployment Compensation		160
Employer Medicare		3,885
Communication		1,220
Data Processing Services		21,387
Dues and Memberships		110

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Postal Charges	\$	6,574	
Printing, Stationery, and Forms		2,372	
Travel		2,968	
Office Supplies		3,942	
Other Supplies and Materials		226	
Other Charges		9,331	
Total Accounting and Budgeting			\$ 387,714

Property Assessor's Office

County Official/Administrative Officer	\$	95,251	
Clerical Personnel		87,518	
Part-time Personnel		2,700	
Social Security		11,324	
Pensions		15,153	
Medical Insurance		305	
Unemployment Compensation		57	
Employer Medicare		2,648	
Contracts with Private Agencies		20,274	
Dues and Memberships		1,700	
Legal Notices, Recording, and Court Costs		162	
Maintenance Agreements		2,960	
Maintenance and Repair Services - Vehicles		1,176	
Travel		3,923	
Other Contracted Services		65,598	
Gasoline		280	
Office Supplies		2,941	
Other Charges		484	
Office Equipment		1,129	
Total Property Assessor's Office			315,583

County Trustee's Office

County Official/Administrative Officer	\$	95,251
Clerical Personnel		169,616
Social Security		15,726
Pensions		18,852
Medical Insurance		17,917

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Unemployment Compensation	\$	140	
Employer Medicare		3,678	
Data Processing Services		16,630	
Dues and Memberships		997	
Legal Notices, Recording, and Court Costs		132	
Maintenance Agreements		8,588	
Postal Charges		5,746	
Travel		72	
Other Contracted Services		4,490	
Office Supplies		3,307	
Furniture and Fixtures		208	
Office Equipment		12,327	
Total County Trustee's Office			\$ 373,677

County Clerk's Office

County Official/Administrative Officer	\$	95,251	
Clerical Personnel		190,278	
Social Security		16,857	
Pensions		21,719	
Medical Insurance		23,889	
Unemployment Compensation		141	
Employer Medicare		4,021	
Data Processing Services		26,563	
Dues and Memberships		772	
Maintenance Agreements		1,160	
Postal Charges		13,232	
Travel		2,754	
Office Supplies		5,863	
Other Charges		1,325	
Total County Clerk's Office			403,825

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	106,276	
Clerical Personnel		280,191	
Part-time Personnel		14,231	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Overtime Pay	\$	11,883	
Jury and Witness Expense		15,166	
Social Security		24,003	
Pensions		28,010	
Medical Insurance		41,071	
Unemployment Compensation		268	
Employer Medicare		5,614	
Communication		1,177	
Dues and Memberships		1,057	
Legal Notices, Recording, and Court Costs		355	
Office Supplies		8,246	
Other Charges		3,160	
Other Equipment		22,291	
Total Circuit Court			\$ 562,999

General Sessions Court

Judge(s)	\$	153,135	
Secretary(ies)		51,195	
Social Security		11,788	
Pensions		17,193	
Medical Insurance		5,972	
Unemployment Compensation		28	
Employer Medicare		2,757	
Contracts with Private Agencies		53,880	
Dues and Memberships		450	
Other Contracted Services		3,825	
Office Supplies		293	
Total General Sessions Court			300,516

Drug Court

Drugs and Medical Supplies	\$	5,329	
Total Drug Court			5,329

Chancery Court

County Official/Administrative Officer	\$	104,776	
Clerical Personnel		88,426	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Social Security	\$	11,319	
Pensions		15,849	
Medical Insurance		17,670	
Unemployment Compensation		84	
Employer Medicare		2,647	
Data Processing Services		12,376	
Dues and Memberships		957	
Legal Notices, Recording, and Court Costs		10,061	
Office Supplies		3,345	
Total Chancery Court			\$ 267,510

Juvenile Court

Guidance Personnel	\$	51,332	
In-service Training		600	
Social Security		3,074	
Pensions		3,927	
Medical Insurance		5,972	
Unemployment Compensation		28	
Employer Medicare		719	
Communication		775	
Travel		900	
Office Supplies		895	
Total Juvenile Court			68,222

Victim Assistance Programs

Supervisor/Director	\$	46,989	
Social Security		2,640	
Pensions		3,595	
Medical Insurance		5,972	
Unemployment Compensation		28	
Employer Medicare		617	
Communication		560	
Data Processing Services		4,000	
Travel		6,618	
Office Supplies		6,414	
Total Victim Assistance Programs			77,433

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	115,254	
Supervisor/Director		80,000	
Deputy(ies)		794,355	
Investigator(s)		274,780	
Captain(s)		122,530	
Lieutenant(s)		42,571	
Sergeant(s)		286,783	
Salary Supplements		59,400	
Clerical Personnel		130,809	
School Resource Officer		430,972	
Longevity Pay		37,100	
Overtime Pay		82,321	
Other Salaries and Wages		47,500	
In-service Training		1,599	
Social Security		148,803	
Pensions		186,645	
Medical Insurance		185,102	
Unemployment Compensation		1,395	
Employer Medicare		34,801	
Communication		44,028	
Dues and Memberships		2,900	
Evaluation and Testing		5,040	
Legal Notices, Recording, and Court Costs		38	
Maintenance Agreements		4,890	
Maintenance and Repair Services - Equipment		6,912	
Maintenance and Repair Services - Vehicles		82,433	
Postal Charges		5,756	
Travel		19,095	
Other Contracted Services		157,561	
Gasoline		98,385	
Office Supplies		14,636	
Tires and Tubes		9,966	
Uniforms		18,278	
In Service/Staff Development		2,475	
Other Charges		64,619	
Office Equipment		396	
Other Equipment		21,319	
Total Sheriff's Department			\$ 3,621,447

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Administration of the Sexual Offender Registry

In-service Training	\$	1,288	
Office Supplies		746	
Other Charges		3,570	
Office Equipment		88	
Total Administration of the Sexual Offender Registry			\$ 5,692

Workhouse

Supervisor/Director	\$	60,056	
Lieutenant(s)		47,737	
Guards		1,143,515	
Clerical Personnel		45,126	
Custodial Personnel		60,262	
Longevity Pay		19,500	
Overtime Pay		117,932	
Other Salaries and Wages		43,425	
Social Security		91,242	
Pensions		117,409	
Medical Insurance		141,630	
Unemployment Compensation		1,254	
Employer Medicare		21,339	
Evaluation and Testing		3,210	
Maintenance Agreements		380	
Maintenance and Repair Services - Buildings		12,244	
Maintenance and Repair Services - Equipment		10,956	
Medical and Dental Services		435,381	
Custodial Supplies		34,289	
Drugs and Medical Supplies		348	
Food Supplies		364,266	
Office Supplies		2,222	
Uniforms		3,775	
Other Charges		7,054	
Total Workhouse			2,784,552

Fire Prevention and Control

County Official/Administrative Officer	\$	54,929	
Assistant(s)		44,680	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Part-time Personnel	\$	52,681	
In-service Training		8,150	
Social Security		9,123	
Pensions		7,620	
Medical Insurance		10,691	
Unemployment Compensation		186	
Employer Medicare		2,134	
Communication		2,364	
Dues and Memberships		120	
Legal Notices, Recording, and Court Costs		172	
Maintenance and Repair Services - Buildings		355	
Maintenance and Repair Services - Equipment		18,666	
Maintenance and Repair Services - Vehicles		28,016	
Drugs and Medical Supplies		340	
Gasoline		19,074	
Office Supplies		489	
Uniforms		871	
Other Supplies and Materials		400	
Trustee's Commission		1,221	
Other Charges		30,898	
Motor Vehicles		89,658	
Other Equipment		10,850	
Total Fire Prevention and Control			\$ 393,688

Civil Defense

Other Salaries and Wages	\$	81,880
Social Security		4,869
Pensions		6,264
Medical Insurance		11,640
Unemployment Compensation		51
Employer Medicare		1,139
Communication		9,821
Contracts with Private Agencies		13,100
Maintenance Agreements		1,536
Maintenance and Repair Services - Vehicles		391
Other Contracted Services		180

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Gasoline	\$	3,168	
Office Supplies		456	
Other Charges		416	
Other Equipment		4,470	
Total Civil Defense			\$ 139,381

Rescue Squad

Contributions	\$	20,000	
Total Rescue Squad			20,000

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	118,842	
Other Contracted Services		12,000	
Total County Coroner/Medical Examiner			130,842

Public Safety Grants Program

Accountants/Bookkeepers	\$	23,006	
Other Salaries and Wages		93,402	
Social Security		6,832	
Pensions		8,807	
Medical Insurance		6,006	
Unemployment Compensation		54	
Employer Medicare		1,598	
Travel		997	
Other Contracted Services		77,713	
Office Supplies		23,646	
Total Public Safety Grants Program			242,061

Other Public Safety

County Official/Administrative Officer	\$	73,750	
Assistant(s)		61,383	
Supervisor/Director		47,608	
Dispatchers/Radio Operators		374,599	
Clerical Personnel		26,133	
Part-time Personnel		45,634	
Longevity Pay		15,350	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety (Cont.)

Overtime Pay	\$	9,326	
Other Salaries and Wages		48,028	
In-service Training		40	
Social Security		42,087	
Pensions		53,609	
Medical Insurance		115,288	
Unemployment Compensation		496	
Employer Medicare		9,843	
Maintenance and Repair Services - Equipment		5,370	
Total Other Public Safety			\$ 928,544

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	5,400	
Architects		37,836	
Communication		16,321	
Dues and Memberships		375	
Maintenance and Repair Services - Buildings		3,720	
Postal Charges		246	
Custodial Supplies		569	
Office Supplies		861	
Other Charges		4,861	
Site Development		2,302,692	
Total Local Health Center			2,372,881

Alcohol and Drug Programs

Other Contracted Services	\$	75,000	
Total Alcohol and Drug Programs			75,000

Other Local Health Services

Contributions	\$	8,000	
Other Contracted Services		143,126	
Total Other Local Health Services			151,126

Appropriation to State

Contracts with Government Agencies	\$	738	
Total Appropriation to State			738

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup

Supervisor/Director	\$	28,937	
Part-time Personnel		5,000	
Social Security		2,050	
Pensions		2,596	
Medical Insurance		1,756	
Unemployment Compensation		52	
Employer Medicare		479	
Maintenance and Repair Services - Vehicles		2,299	
Gasoline		4,554	
Other Supplies and Materials		1,558	
Other Charges		5,000	
Total Waste Pickup			\$ 54,281

Social, Cultural, and Recreational Services

Adult Activities

Contributions	\$	4,733	
Total Adult Activities			4,733

Senior Citizens Assistance

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

Libraries

Contributions	\$	56,500	
Total Libraries			56,500

Other Social, Cultural, and Recreational

Contributions	\$	17,190	
Total Other Social, Cultural, and Recreational			17,190

Agriculture and Natural Resources

Agricultural Extension Service

Assistant(s)	\$	53,082	
Supervisor/Director		17,179	
Other Salaries and Wages		242	
Social Security		2,369	

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Pensions	\$	4,538	
Medical Insurance		8,985	
Other Fringe Benefits		13,269	
Communication		3,607	
Postal Charges		250	
Custodial Supplies		448	
Office Supplies		1,974	
Workers' Compensation Insurance		77	
Total Agricultural Extension Service			\$ 106,020

Soil Conservation

Secretary(ies)	\$	21,273	
Social Security		1,307	
Pensions		1,627	
Unemployment Compensation		28	
Employer Medicare		306	
Total Soil Conservation			24,541

Flood Control

Other Contracted Services	\$	28,835	
Total Flood Control			28,835

Other Operations

Tourism

Contributions	\$	41,250	
Other Charges		3,492	
Total Tourism			44,742

Industrial Development

Contributions	\$	51,318	
Other Charges		492	
Total Industrial Development			51,810

Veterans' Services

Supervisor/Director	\$	37,754	
Secretary(ies)		27,882	

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Social Security	\$	3,958	
Pensions		5,021	
Medical Insurance		5,972	
Unemployment Compensation		56	
Employer Medicare		926	
Travel		1,384	
Office Supplies		785	
Office Equipment		500	
Total Veterans' Services			\$ 84,238

Other Charges

Building and Contents Insurance	\$	148,179	
Liability Insurance		201,390	
Vehicle and Equipment Insurance		145,161	
Workers' Compensation Insurance		128,518	
Total Other Charges			623,248

Miscellaneous

Architects	\$	21,400	
Dues and Memberships		3,299	
Legal Services		1,981	
Legal Notices, Recording, and Court Costs		1,452	
Other Contracted Services		6,000	
Asphalt - Liquid		66,500	
Office Supplies		502	
Trustee's Commission		181,468	
Other Charges		128,271	
Airport Improvement		137,138	
Site Development		1,885,940	
Total Miscellaneous			<u>2,433,951</u>

Total General Fund \$ 18,886,714

(Continued)

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Supervisor/Director	\$	88,273	
Part-time Personnel		211,025	
Overtime Pay		5,913	
Social Security		18,749	
Pensions		12,334	
Medical Insurance		7,976	
Unemployment Compensation		529	
Employer Medicare		4,385	
Communication		1,817	
Contracts with Private Agencies		234,323	
Legal Notices, Recording, and Court Costs		713	
Maintenance Agreements		1,974	
Maintenance and Repair Services - Buildings		6,088	
Maintenance and Repair Services - Equipment		18,289	
Maintenance and Repair Services - Vehicles		9,001	
Custodial Supplies		5,799	
Gasoline		21,423	
Office Supplies		62	
Tires and Tubes		15,913	
Utilities		18,095	
Other Supplies and Materials		154	
Trustee's Commission		11,972	
Landfill Closure/Postclosure Care Costs		14,874	
Other Charges		943	
Motor Vehicles		43,751	
Other Capital Outlay		158,864	
Total Sanitation Education/Information			<u>\$ 913,239</u>

Total Solid Waste/Sanitation Fund \$ 913,239

Drug Control Fund

Public Safety

Drug Enforcement

Trustee's Commission	\$	148	
Other Charges		5,027	
Motor Vehicles		22,383	
Total Drug Enforcement			<u>\$ 27,558</u>

Total Drug Control Fund 27,558

(Continued)

HENDERSON COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types (Cont.)****Other General Government Fund**

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$ 24,777	
Total County Buildings		\$ 24,777

Public Safety

Sheriff's Department

Other Equipment	\$ 348	
Total Sheriff's Department		348

Workhouse

Other Equipment	\$ 21,361	
Total Workhouse		21,361

Other Operations

Contributions to Other Agencies

Contributions	\$ 452,500	
Total Contributions to Other Agencies		<u>452,500</u>

Total Other General Government Fund \$ 498,986

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 31,740	
Total Chancery Court		<u>\$ 31,740</u>

Total Constitutional Officers - Fees Fund 31,740

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 115,254
Secretary(ies)	32,232
Social Security	10,755
Pensions	12,539
Medical Insurance	20,563
Unemployment Compensation	210

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Employer Medicare	\$	462	
Dues and Memberships		3,976	
Legal Notices, Recording, and Court Costs		1,344	
Maintenance and Repair Services - Office Equipment		1,229	
Office Supplies		1,039	
Other Charges		3,545	
Total Administration			\$ 203,148

Highway and Bridge Maintenance

Foremen	\$	36,190	
Equipment Operators		271,926	
Truck Drivers		368,937	
Laborers		205,721	
Overtime Pay		27,181	
Social Security		55,023	
Pensions		67,662	
Medical Insurance		169,785	
Unemployment Compensation		5,381	
Employer Medicare		12,868	
Evaluation and Testing		950	
Other Contracted Services		35,116	
Asphalt - Cold Mix		13,068	
Asphalt - Liquid		1,172,615	
Crushed Stone		230,691	
Pipe		91,491	
Road Signs		14,428	
Wood Products		14,973	
Other Supplies and Materials		22,415	
Total Highway and Bridge Maintenance			2,816,421

Operation and Maintenance of Equipment

Mechanic(s)	\$	42,335	
Overtime Pay		1,110	
Social Security		2,671	
Medical Insurance		7,719	
Unemployment Compensation		210	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Employer Medicare	\$	625	
Laundry Service		20,919	
Maintenance and Repair Services - Equipment		3,337	
Diesel Fuel		136,361	
Equipment and Machinery Parts		201,700	
Gasoline		27,315	
Lubricants		8,673	
Tires and Tubes		44,263	
Other Supplies and Materials		3,704	
Other Equipment		3,000	
Total Operation and Maintenance of Equipment			\$ 503,942

Other Charges

Communication	\$	6,813	
Maintenance and Repair Services - Buildings		2,211	
Custodial Supplies		773	
Utilities		8,034	
Liability Insurance		51,450	
Trustee's Commission		32,386	
Workers' Compensation Insurance		56,700	
Total Other Charges			158,367

Employee Benefits

Employee and Dependent Insurance	\$	3,714	
Total Employee Benefits			3,714

Capital Outlay

Highway Equipment	\$	94,310	
Motor Vehicles		41,180	
State Aid Projects		444,318	
Total Capital Outlay			579,808

Total Highway/Public Works Fund \$ 4,265,400

(Continued)

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 1,185,750	
Total General Government		\$ 1,185,750

Education

Principal on Bonds	\$ 239,250	
Principal on Other Loans	93,480	
Total Education		332,730

Interest on Debt

General Government

Interest on Bonds	\$ 182,330	
Total General Government		182,330

Education

Interest on Bonds	\$ 18,922	
Interest on Other Loans	9,540	
Total Education		28,462

Other Debt Service

General Government

Fiscal Agent Charges	\$ 2,605	
Trustee's Commission	24,943	
Total General Government		27,548

Education

Fiscal Agent Charges	\$ 733	
Total Education		733

Total General Debt Service Fund \$ 1,757,553

Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 305,000	
Total Education		\$ 305,000

(Continued)

HENDERSON COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types (Cont.)****Rural Debt Service Fund (Cont.)**

Interest on Debt

Education

Interest on Bonds

\$ 51,350

Total Education

\$ 51,350

Other Debt Service

Education

Fiscal Agent Charges

\$ 1,750

Trustee's Commission

442

Total Education

2,192

Total Rural Debt Service Fund

\$ 358,542

General Capital Projects Fund

Public Safety

Sheriff's Department

Motor Vehicles

\$ 108,920

Total Sheriff's Department

\$ 108,920

Other Operations

Miscellaneous

Trustee's Commission

\$ 8,341

Total Miscellaneous

8,341

Total General Capital Projects Fund

117,261

Total Governmental Funds - Primary Government

\$ 26,856,993

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

Discretely Presented Henderson County School Department

For the Year Ended June 30, 2025**General Purpose School Fund**

Instruction

Regular Instruction Program

Teachers	\$ 12,689,133	
Career Ladder Program	17,000	
Homebound Teachers	412	
Salary Supplements	181,700	
Clerical Personnel	574,348	
Educational Assistants	309,005	
Other Salaries and Wages	611,689	
Non-certified Substitute Teachers	322,480	
Social Security	840,901	
Pensions	1,003,151	
Medical Insurance	1,685,265	
Employer Medicare	198,657	
Tuition	55,179	
Other Contracted Services	61,767	
Instructional Supplies and Materials	232,018	
Textbooks - Electronic	8,424	
Textbooks - Bound	48,856	
Software	125	
Other Supplies and Materials	28,708	
TISA - On-behalf Payments	66,694	
Other Charges	157,629	
Total Regular Instruction Program		\$ 19,093,141

Alternative Instruction Program

Educational Assistants	\$ 23,982	
Social Security	1,487	
Pensions	1,835	
Employer Medicare	348	
Instructional Supplies and Materials	220	
Other Equipment	3,500	
Total Alternative Instruction Program		31,372

Special Education Program

Teachers	\$ 1,712,596
Career Ladder Program	5,000

(Continued)

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

Discretely Presented Henderson County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Homebound Teachers	\$	6,975	
Educational Assistants		566,953	
Speech Pathologist		233,766	
Other Salaries and Wages		73,117	
Non-certified Substitute Teachers		33,268	
Social Security		146,959	
Pensions		175,508	
Medical Insurance		293,072	
Employer Medicare		35,361	
Contracts with Private Agencies		79,658	
Instructional Supplies and Materials		2,113	
Other Supplies and Materials		174	
TISA - On-behalf Payments		25,930	
Other Charges		2,117	
Special Education Equipment		77,732	
Total Special Education Program			\$ 3,470,299

Career and Technical Education Program

Teachers	\$	923,076	
Guidance Personnel		9,762	
Other Salaries and Wages		43,045	
Non-certified Substitute Teachers		19,385	
Social Security		56,907	
Pensions		68,658	
Medical Insurance		130,078	
Employer Medicare		13,309	
Travel		88	
Instructional Supplies and Materials		45,415	
Software		15,608	
Other Supplies and Materials		29,089	
Vocational Instruction Equipment		81,356	
Total Career and Technical Education Program			1,435,776

Adult Education Program

Teachers	\$	183,638	
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(Continued)

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

Discretely Presented Henderson County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program (Cont.)

Other Salaries and Wages	\$	131,811	
Social Security		18,640	
Pensions		10,591	
Medical Insurance		11,494	
Employer Medicare		4,480	
Contracts with Private Agencies		12,376	
Travel		1,810	
Other Supplies and Materials		9,915	
In Service/Staff Development		2,278	
Other Charges		5,030	
Other Equipment		47,910	
Total Adult Education Program			\$ 439,973

Support Services

Attendance

Supervisor/Director	\$	171,891	
Social Security		9,443	
Pensions		10,932	
Medical Insurance		28,880	
Employer Medicare		2,208	
Other Supplies and Materials		356	
Total Attendance			223,710

Health Services

Supervisor/Director	\$	9,500	
Medical Personnel		445,276	
Social Security		26,066	
Pensions		34,430	
Medical Insurance		56,717	
Employer Medicare		6,096	
Travel		1,836	
Instructional Supplies and Materials		6,401	
Other Supplies and Materials		6,466	
In Service/Staff Development		2,762	
Other Charges		1,392	
Total Health Services			596,942

(Continued)

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

Discretely Presented Henderson County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		1,037,010	
Other Salaries and Wages		93,632	
Social Security		61,294	
Pensions		68,963	
Medical Insurance		121,772	
Employer Medicare		15,286	
Communication		36,642	
Contributions		59,954	
Data Processing Services		35,515	
Evaluation and Testing		10,000	
Internet Connectivity		326,042	
Travel		2,282	
Other Contracted Services		21,323	
Instructional Supplies and Materials		363,685	
In Service/Staff Development		4,208	
Other Charges		84,476	
Regular Instruction Equipment		269,183	
Other Equipment		54,007	
Total Other Student Support			\$ 2,667,274

Regular Instruction Program

Supervisor/Director	\$	117,174	
Career Ladder Program		2,000	
Librarians		559,675	
Other Salaries and Wages		13,102	
Social Security		38,581	
Pensions		40,534	
Medical Insurance		63,271	
Employer Medicare		9,446	
Travel		25,465	
Other Contracted Services		5,800	
Library Books/Media		47,100	
Other Supplies and Materials		116	
In Service/Staff Development		30,240	
Other Charges		13,454	
Total Regular Instruction Program			965,958

(Continued)

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

Discretely Presented Henderson County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program

Supervisor/Director	\$	70,511	
Social Security		4,129	
Pensions		4,485	
Medical Insurance		5,935	
Employer Medicare		966	
Total Alternative Instruction Program			\$ 86,026

Special Education Program

Supervisor/Director	\$	82,760	
Career Ladder Program		1,600	
Psychological Personnel		40,807	
Assessment Personnel		69,883	
Other Salaries and Wages		9,432	
Social Security		10,961	
Pensions		9,772	
Medical Insurance		5,797	
Employer Medicare		2,907	
Communication		5,938	
Postal Charges		200	
Travel		13,936	
Other Supplies and Materials		2,544	
In Service/Staff Development		10,241	
Other Equipment		336	
Total Special Education Program			267,114

Career and Technical Education Program

Supervisor/Director	\$	53,421	
Other Salaries and Wages		11,000	
Social Security		2,618	
Pensions		700	
Employer Medicare		934	
Travel		1,608	
Other Contracted Services		55,054	
Other Supplies and Materials		575	
In Service/Staff Development		1,010	
Other Charges		20,136	
Total Career and Technical Education Program			147,056

(Continued)

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

Discretely Presented Henderson County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology

Other Salaries and Wages	\$	255,557	
Social Security		14,725	
Pensions		20,080	
Medical Insurance		27,047	
Employer Medicare		3,444	
Internet Connectivity		184,511	
Total Technology			\$ 505,364

Adult Programs

Supervisor/Director	\$	89,198	
Other Salaries and Wages		36,500	
Social Security		7,414	
Pensions		8,465	
Medical Insurance		11,139	
Employer Medicare		1,734	
Travel		1,412	
Other Charges		4,650	
Total Adult Programs			160,512

Other Programs

On-behalf Payments to OPEB	\$	90,859	
Total Other Programs			90,859

Board of Education

Board and Committee Members Fees	\$	52,800	
Social Security		2,646	
Medical Insurance		23,957	
Employer Medicare		619	
Audit Services		20,750	
Dues and Memberships		3,550	
Legal Services		12,110	
Travel		209	
Office Supplies		417	
Trustee's Commission		114,782	
Workers' Compensation Insurance		284,893	

(Continued)

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

Discretely Presented Henderson County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

In Service/Staff Development	\$	708	
Other Charges		1,718	
Total Board of Education			\$ 519,159

Director of Schools

County Official/Administrative Officer	\$	125,670	
Career Ladder Program		500	
Other Salaries and Wages		49,000	
Social Security		10,816	
Pensions		8,056	
Employer Medicare		2,529	
Dues and Memberships		19,778	
Postal Charges		1,451	
Travel		2,643	
Office Supplies		4,948	
Other Charges		1,649	
Total Director of Schools			227,040

Office of the Principal

Principals	\$	800,450	
Career Ladder Program		4,000	
Assistant Principals		595,323	
Social Security		80,264	
Pensions		89,025	
Medical Insurance		175,631	
Employer Medicare		18,771	
Travel		1,729	
In Service/Staff Development		321	
Total Office of the Principal			1,765,514

Fiscal Services

Internal Audit Personnel	\$	6,000	
Clerical Personnel		89,049	
Social Security		5,648	
Pensions		7,194	

(Continued)

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

Discretely Presented Henderson County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Medical Insurance	\$	3,794	
Employer Medicare		1,321	
Maintenance and Repair Services - Equipment		8,382	
Total Fiscal Services			\$ 121,388

Operation of Plant

Supervisor/Director	\$	78,522	
Custodial Personnel		789,214	
Social Security		50,700	
Pensions		51,203	
Medical Insurance		56,166	
Employer Medicare		11,857	
Janitorial Services		108,959	
Disposal Fees		30,512	
Other Contracted Services		20,317	
Custodial Supplies		122,051	
Utilities		1,064,237	
Building and Contents Insurance		450,751	
Other Charges		3,004	
Total Operation of Plant			2,837,493

Maintenance of Plant

Supervisor/Director	\$	75,100	
Maintenance Personnel		250,717	
Social Security		19,148	
Pensions		24,890	
Medical Insurance		29,522	
Employer Medicare		4,478	
Maintenance and Repair Services - Buildings		228,881	
Maintenance and Repair Services - Equipment		106,885	
Maintenance and Repair Services - Vehicles		19,204	
Pest Control		30,300	
Travel		7,620	
Other Contracted Services		7,504	
Gasoline		29,046	

(Continued)

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

Discretely Presented Henderson County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Other Supplies and Materials	\$	4,315	
Other Charges		10,675	
Maintenance Equipment		13,650	
Total Maintenance of Plant			\$ 861,935

Transportation

Bus Drivers	\$	80,789	
Social Security		4,997	
Pensions		3,523	
Employer Medicare		1,169	
Contracts with Vehicle Owners		20,156	
Maintenance and Repair Services - Vehicles		553	
Other Contracted Services		5,682	
Diesel Fuel		4,589	
Gasoline		19,033	
Other Charges		80	
Total Transportation			140,571

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	43,354	
Clerical Personnel		32,000	
Cafeteria Personnel		7,466	
Other Salaries and Wages		10,000	
Social Security		3,565	
Pensions		4,467	
Medical Insurance		5,229	
Employer Medicare		834	
Travel		871	
Food Supplies		3,903	
Other Supplies and Materials		908	
Other Charges		330	
Food Service Equipment		2,693	
Total Food Service			115,620

(Continued)

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

Discretely Presented Henderson County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Supervisor/Director	\$	15,787	
Teachers		396,571	
Educational Assistants		151,280	
Other Salaries and Wages		900	
Social Security		32,060	
Pensions		39,638	
Medical Insurance		79,719	
Employer Medicare		7,498	
Communication		2,016	
Travel		2,401	
Food Supplies		2,369	
Other Supplies and Materials		9,654	
In Service/Staff Development		594	
Other Equipment		5,500	
Total Early Childhood Education			\$ 745,987

Capital Outlay

Regular Capital Outlay

Architects	\$	40,378	
Building Improvements		593,392	
Site Development		913,822	
Other Capital Outlay		421,194	
Total Regular Capital Outlay			1,968,786

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	459,958	
Total Education			459,958

Total General Purpose School Fund	\$	39,944,827
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School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	75,729	
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(Continued)

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

Discretely Presented Henderson County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Educational Assistants	\$	400,683	
Social Security		26,600	
Pensions		34,173	
Medical Insurance		86,695	
Employer Medicare		6,221	
Instructional Supplies and Materials		29,792	
Software		233,465	
Total Regular Instruction Program			\$ 893,358

Special Education Program

Teachers	\$	53,877	
Educational Assistants		544,309	
Non-certified Substitute Teachers		80	
Social Security		33,101	
Pensions		44,741	
Medical Insurance		105,454	
Employer Medicare		7,741	
Instructional Supplies and Materials		19,834	
Other Supplies and Materials		493	
Special Education Equipment		19,200	
Total Special Education Program			828,830

Career and Technical Education Program

Other Supplies and Materials	\$	15,828	
Vocational Instruction Equipment		57,701	
Total Career and Technical Education Program			73,529

Support Services

Health Services

Other Salaries and Wages	\$	6,227	
Social Security		386	
Pensions		498	
Employer Medicare		90	
Total Health Services			7,201

(Continued)

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

Discretely Presented Henderson County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support

Guidance Personnel	\$	84,721	
Other Salaries and Wages		60,262	
Social Security		8,258	
Pensions		11,079	
Medical Insurance		20,008	
Employer Medicare		1,931	
In Service/Staff Development		6,207	
Other Charges		15,051	
Total Other Student Support			\$ 207,517

Regular Instruction Program

Supervisor/Director	\$	89,805	
Instructional Coaches		172,984	
Other Salaries and Wages		54,210	
Social Security		17,365	
Pensions		17,329	
Medical Insurance		28,293	
Employer Medicare		4,360	
Travel		1,380	
Other Supplies and Materials		414	
In Service/Staff Development		59,541	
Total Regular Instruction Program			445,681

Special Education Program

Secretary(ies)	\$	31,939	
Clerical Personnel		25,946	
Social Security		3,589	
Pensions		4,428	
Employer Medicare		839	
Contracts with Other Public Agencies		38,098	
Evaluation and Testing		3,322	
In Service/Staff Development		15,148	
Total Special Education Program			123,309

(Continued)

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

Discretely Presented Henderson County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation

Bus Drivers	\$	120,337	
Social Security		7,461	
Pensions		1,469	
Employer Medicare		1,745	
Transportation Equipment		65,289	
Total Transportation			<u>\$ 196,301</u>

Total School Federal Projects Fund			\$ 2,775,726
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Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	1,182,225	
Social Security		68,905	
Pensions		79,894	
Medical Insurance		110,076	
Employer Medicare		16,115	
Travel		575	
Food Supplies		1,535,012	
Uniforms		4,513	
USDA - Commodities		160,467	
Other Supplies and Materials		235,310	
Food Service Equipment		160,763	
Total Food Service			<u>\$ 3,553,855</u>

Total Central Cafeteria Fund			3,553,855
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School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$	28,218	
Total Board of Education			\$ 28,218

Transportation

Bus Drivers	\$	238,510	
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(Continued)

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

Discretely Presented Henderson County School Department (Cont.)

School Transportation Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Social Security	\$	14,788	
Pensions		5,223	
Employer Medicare		3,458	
Communication		2,151	
Contracts with Vehicle Owners		741,095	
Maintenance and Repair Services - Vehicles		70,715	
Other Contracted Services		16,849	
Diesel Fuel		167,817	
Gasoline		105	
Other Charges		47,979	
Total Transportation			\$ 1,308,690

Total School Transportation Fund		\$ 1,336,908
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Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	2,788,454	
Total Community Services			\$ 2,788,454

Total Internal School Fund		2,788,454
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Total Governmental Funds - Henderson County School Department		\$ 50,399,770
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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*

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Henderson County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Henderson County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated August 22, 2025. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Henderson County School Department (a discretely presented component unit) as described in our report on Henderson 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 Henderson 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 Henderson County's internal control. Accordingly, we do not express an opinion on the effectiveness of Henderson County's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

August 22, 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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Henderson 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 Henderson County's major federal programs for the year ended June 30, 2025. Henderson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Henderson 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, 2025.

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 Henderson 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 Henderson 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 Henderson 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 Henderson 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 Henderson 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 Henderson 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 Henderson 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 Henderson 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 Henderson County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Henderson County's basic financial statements. We issued our report thereon dated August 22, 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

August 22, 2025

JEM/gc

HENDERSON COUNTY, TENNESSEE, AND THE HENDERSON COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7)
For the Year-Ended June 30, 2025

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:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	\$ 741,489
National School Lunch Program	10.555	N/A	1,806,789 (6)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	160,467 (6)
Total U.S. Department of Agriculture			<u>\$ 2,708,745</u>
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(5)	\$ 223,016
Total U.S. Department of Justice			<u>\$ 223,016</u>
U.S. Department of the Treasury:			
Passed-through State Department of Education:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds (ARP)	21.027	N/A	\$ 33,588
Total U.S. Department of the Treasury			<u>\$ 33,588</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	N/A	\$ 573,587
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	827,272
Special Education Cluster (IDEA): (4)			
Special Education Grants to States	84.027	N/A	1,113,923
Special Education Preschool Grants	84.173	N/A	34,517
Career and Technical Education - Basic Grants to States	84.048	N/A	92,528
Supporting Effective Instruction State Grants	84.367	N/A	169,553
Comprehensive Literacy Development	84.371	N/A	4,000
Student Support and Academic Enrichment Program	84.424	N/A	70,555
COVID 19 - Education Stabilization Fund Program - Elementary and		N/A	
Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	467,377
Total U.S. Department of Education			<u>\$ 3,353,312</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
HAVA Election Security Grants	90.404	30501-02524-39	\$ 4,314
Total U.S. Election Assistance Commission			<u>\$ 4,314</u>
U.S. Department of Homeland Security:			
Passed-through Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(5)	\$ 12,825
Emergency Management Performance Grants	97.042	34101-30225	30,187
Total U.S. Department of Homeland Security			<u>\$ 43,012</u>
Total Expenditures of Federal Grants			<u>\$ 6,365,987</u>

(Continued)

HENDERSON COUNTY, TENNESSEE, AND THE HENDERSON COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (Cont.)

State Grants		Contract Number	Expenditures
Juvenile Court State Supplement Funds - State Department of Children's Services	N/A	(5)	\$ 13,500
Courtroom Security Grant - State Administrative Office of the Courts	N/A	(5)	22,291
Recruitment and Retention Grant - State Department of Commerce and Insurance	N/A	33501-2425112	1,000
Early Childhood Education - State Department of Education	N/A	N/A	731,807
Innovation School Model - State Department of Education	N/A	N/A	474,610
Site Development Grant - State Department of Economic and Community Development	N/A	(5)	975,798
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - State Department of Military	N/A	34101-07125	2,004
State Special Education Preschool Grant - State Department of Education	N/A	N/A	131,932
COVID 19 - Summer Learning Camps - State Department of Education	N/A	N/A	146,315
COVID 19 - Summer Learning Transportation - State Department of Education	N/A	N/A	14,460
Litter Program - State Department of Transportation	N/A	40100-51196	19,146
Multimodal Access Grant - State Department of Transportation	N/A	(5)	4,912
Three Star Grant Program - State of Tennessee Department of Economic and Community Development	N/A	(5)	19,905
Local Parks and Recreation Fund - State Department of Environment and Conservation	N/A	(5)	239,045
Election Security Grant - Tennessee Secretary of State	N/A	(5)	863
Volunteer Firefighter Educational Incentive Pay - State Department of Commerce and Insurance	N/A	(5)	25,400
Volunteer Firefighter Equipment and Training Grant Program - State Department of Commerce and Insurance	N/A	33501-2525331	35,800
Local Health Department Capital Investment Project - State Department of Health	N/A	(5)	1,927,789
Statewide School Resource Officer (SRO) Grant Program - State Department of Safety and Homeland Security	N/A	34901-01536	675,000
Evidence-Based Programming Project - State Office of Criminal Justice Programs	N/A	(5)	242,060
2024 PPP Election - Tennessee Secretary of State	N/A	(5)	
Capital Maintenance and Improvement Grant - Tennessee State Museum	N/A	(5)	75,600
Total State Grants			<u>\$ 5,779,237</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) Henderson County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.

(3) No amounts (\$0) were passed-through to subrecipients.

(4) Child Nutrition Cluster total \$2,708,745; Special Education Cluster (IDEA) total \$1,148,440.

(5) Information not available.

(6) Total for ALN 10.555 is \$1,967,256.

(7) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	ALN	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 115,673
Supporting Effective Instruction State Grant	84.367	28,833
Student Support and Academic Enrichment Program	84.424	881
Total amounts consolidated for administration purposes		<u>\$ 145,387</u>

HENDERSON COUNTY, TENNESSEE
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2025

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Henderson County, Tennessee, for the year ended June 30, 2025.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
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OFFICE OF DIRECTOR OF FINANCE

2024	187	2024-001	Competitive bids were not solicited for the purchase of generators.	N/A	Corrected
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Prior-year Federal Awards Findings

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

HENDERSON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Numbers: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2025.

HENDERSON COUNTY, TENNESSEE
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2025

The audit of Henderson 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).