

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

NEW ISSUE

PRELIMINARY OFFICIAL STATEMENT

Ratings: S&P: "AA-"

Book-Entry

Dated: March 12, 2026

(See "Miscellaneous – Rating")

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Authority, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Under existing law and subject to certain exceptions, the Bonds and the income therefrom will be exempt from state, county and municipal taxation in the State of Tennessee. (See "Tax Matters" herein).

\$8,525,000*
HENRY COUNTY, TENNESSEE
GENERAL OBLIGATION BONDS, SERIES 2026

Dated: Date of Issuance (Projected to be April 9, 2026)

Due: May 1 (as shown on the inside cover)

The \$8,525,000* General Obligation Bonds, Series 2026 (the "Bonds") of Henry County, Tennessee (the "County") shall be issued as fully registered Bonds in denominations of \$5,000 and authorized integral multiples thereof. The Bonds will be issued in book-entry only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") except as otherwise described herein. DTC will act as securities depository of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as the nominee for DTC, principal and interest with respect to the Bonds shall be payable to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Bonds. Individual purchases of the Bonds will be made in book-entry only form, in denominations of \$5,000 or integral multiples thereof and will bear interest at the annual rates as shown on the inside front cover page hereof. Interest on the Bonds is payable semi-annually from the date thereof commencing on November 1, 2026 and thereafter on each May 1 and November 1 by check or draft mailed to the owners thereof as shown on the books and records of [_____], the registration and paying agent (the "Registration Agent"). In the event of discontinuation of the book-entry-only system, principal of and interest on the Bonds are payable at the designated corporate trust office of the Registration Agent.

The Bonds shall be payable from and secured by unlimited ad valorem taxes to be levied on all taxable property within the County.

The Bonds are subject to redemption prior to maturity as described herein.

MATURITIES, AMOUNTS, INTEREST RATES, PRICE OR YIELD AND CUSIP NUMBERS – SEE INSIDE COVER

The Bonds will be treated as "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.

This cover and inside cover pages contain certain information for quick reference only. They are not a summary of the issue. Investors must read the entire "Preliminary Official Statement" to obtain information essential to make an informed investment decision.

The Bonds are offered when, as and if issued, subject to the approval of the legality thereof by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel solely to the County, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the County by its counsel, Greer, Greer & Whitfield, Attorneys, PLLC, Paris, Tennessee. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company, New York, New York on or about April 9, 2026*.

RAYMOND JAMES®
Municipal Advisor

March __, 2026*

* Subject to adjustment and revision as outlined in the "Official Notice of Sale" which is an integral part hereof and incorporated by reference.

HENRY COUNTY, TENNESSEE

General Obligation Bonds, Series 2026

<u>Due</u> <u>(May 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP</u> <u>Number</u>	<u>Due</u> <u>(May 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP</u> <u>Number</u>
2027	\$250,000	4.000%			2037	\$420,000	5.000%		
2028	280,000	4.000			2038	440,000	5.000		
2029	295,000	4.000			2039	460,000	5.000		
2030	305,000	4.000			2040	485,000	5.000		
2031	315,000	4.000			2041	510,000	5.000		
2032	330,000	4.000			2042	535,000	5.000		
2033	345,000	5.000			2043	560,000	5.000		
2034	360,000	5.000			2044	590,000	5.000		
2035	380,000	5.000			2045	615,000	5.000		
2036	400,000	5.000			2046	650,000	5.000		

* Subject to adjustment and revision as outlined in the "Official Notice of Sale" which is an integral part hereof and incorporated by reference.

Any CUSIP data included in this Preliminary Official Statement is subject to Copyright, American Bankers Association (the "ABA"), and is provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed herein are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds, and the City makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

This “Preliminary Official Statement” speaks only as of its date, and the information contained herein is subject to change.

This “Preliminary Official Statement” may contain forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this “Preliminary Official Statement”, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this “Preliminary Official Statement”. The County disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the County’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This “Preliminary Official Statement” and the Appendices hereto contain brief descriptions of, among other matters, the County, the Bonds, the Resolution (as defined herein), the Disclosure Certificate, and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions and statutes, the Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Bonds are qualified in their entirety to the forms thereof included in the Resolution.

The Bonds have not been registered under the Securities Act of 1933 and the Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts. This “Preliminary Official Statement” does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the County or the Municipal Advisor to give any information or to make any representations other than those contained in this “Preliminary Official Statement”, and, if given or made, such other information or representations should not be relied upon as having been authorized by the County or the Municipal Advisor. Except where otherwise indicated, all information contained in this “Preliminary Official Statement” has been provided by the County. The information set forth herein has been obtained by the County from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Municipal Advisor. The information contained herein is subject to change without notice, and neither the delivery of this “Preliminary Official Statement” nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the County, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

HENRY COUNTY, TENNESSEE

COUNTY OFFICIALS

Randy Geiger, *County Mayor*

Donna Craig, *County Clerk*

Randi French, *County Trustee*

Scott Morrison, *Property Assessor*

Pamela Martin, *Register of Deeds*

Robert Whitfield III, *County Attorney*

Pat Hollingsworth, *Chief Financial Officer*

BOARD OF COUNTY COMMISSIONERS

David Flowers	Paul Neal	Kenneth Humphreys
Melissa McElroy	Missy Hamilton	David Hayes
Gatlin Primrose	Monte Starks	David Webb
Charles Elizondo	Marty Visser	Patrick Burns
Ralph Wiles	James Higgins	Jay Travis, Jr.

REGISTRATION AND PAYING AGENT

_____ , _____

BOND COUNSEL

Bass, Berry & Sims PLC
Nashville, Tennessee

MUNICIPAL ADVISOR

Raymond James & Associates, Inc.
Nashville, Tennessee

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SUMMARY STATEMENT

The information set forth below is provided for convenient reference and does not purport to be complete and is qualified in its entirety by the information and financial statements appearing elsewhere in this “Preliminary Official Statement”. This Summary Statement shall not be reproduced, distributed or otherwise used except in conjunction with the remainder of this “Preliminary Official Statement”.

- The Issuer Henry County, Tennessee (the “County”). See the section entitled “Supplemental Information Statement” (APPENDIX B) for more information.
- Securities Offered..... \$8,525,000* General Obligation Bonds, Series 2026 (the “Bonds”) of the County, dated the date of their delivery. The Bonds will mature each May 1 beginning May 1, 2027* through May 1, 2046*. See the section entitled “SECURITIES OFFERED – Authority and Purpose”.
- Security..... The Bonds shall be payable from and secured by unlimited ad valorem taxes to be levied on all taxable property within the County. For additional information, see the section entitled “SECURITIES OFFERED – Security”.
- Purpose..... The Bonds are being issued for the purpose of providing funds to finance the (i) construction, renovation, improvement and equipping of county administration facilities; (ii) acquisition of all property, real and personal, appurtenant to the foregoing; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing; (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (v) payment of costs incident to the issuance and sale of the Bonds. See the section entitled “SECURITIES OFFERED – Authority and Purpose” for additional information.
- Bank Qualification..... The Bonds have been designated as “qualified tax-exempt obligations” within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.
- Optional Redemption..... Bonds maturing on or before May 1, 2035 shall mature without option of prior redemption and Bonds maturing May 1, 2036 and thereafter, shall be subject to redemption prior to maturity at the option of the County on May 1, 2035 and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date. See the section entitled “SECURITIES OFFERED - Optional Redemption”.
- [Mandatory Redemption]..... [To Be Determined. See the “Official Notice of Sale” for Bidding Options].
- Rating..... S&P Global Ratings – “___”. See the section entitled “MISCELLANEOUS – Rating” for more information.
- Municipal Advisor Raymond James & Associates, Inc., Nashville, Tennessee (the “Municipal Advisor”). Also see the section entitled “MISCELLANEOUS – Financial Professionals”.

Underwriter _____, _____, _____ (the “Underwriter”).

Bond Counsel Bass, Berry & Sims PLC, Nashville, Tennessee (the “Bond Counsel”). Also see the section entitled “MISCELLANEOUS – Financial Professionals”.

Registration and Paying Agent _____, _____, _____ (the “Registration Agent”).

Book Entry Only The Bonds will be issued under the Book Entry System except as otherwise described herein. For additional information, see the section entitled “BASIC DOCUMENTATION – Book Entry System”.

Tax Matters In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Authority, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Under existing law and subject to certain exceptions, the Bonds and the income therefrom will be exempt from state, county and municipal taxation in the State of Tennessee. (See “Tax Matters” herein).

General The Bonds will be issued with CUSIP numbers through the facilities of The Depository Trust Company, New York, New York.

Disclosure In accordance with Rule 15c2-12 of the Securities and Exchange Commission as amended (the “Rule”), the County will provide the Municipal Securities Rulemaking Board (“MSRB”) through the operation of the Electronic Municipal Market Access system (“EMMA”) and the State information depository (“SID”), if any, annual financial statements and other pertinent credit or event information, including the Annual Financial Reports, see the section entitled “MISCELLANEOUS - Continuing Disclosure”

Other Information The information in the “Preliminary Official Statement” is deemed “final” within the meaning of Rule 15c2-12(b)(5) of the SEC (the “Rule”) as of the date which appears on the cover hereof except for the omission of certain information allowed to be excluded under the Rule. For more information concerning the County or the “Preliminary Official Statement”, contact Honorable Randy Geiger, County Mayor; 101 West Washington Street, Paris, Tennessee 38242. Telephone: 731-642-5212 or the County’s Municipal Advisor, Raymond James & Associates, Inc., One Burton Hills Blvd. - Suite 225, Nashville, Tennessee 37215, Telephone: 615-665-6920 or 800-764-1002

\$8,525,000*
HENRY COUNTY, TENNESSEE
General Obligation Bonds, Series 2026

SECURITIES OFFERED

AUTHORITY AND PURPOSE

This “Preliminary Official Statement” which includes the Summary Statement and appendices is furnished in connection with the offering by Henry County, Tennessee (the “County”) of its \$8,525,000* General Obligation Bonds, Series 2026 (the “Bonds”).

The Bonds are authorized to be issued pursuant to the provisions of Title 9, Chapter 21, Parts 1 and 2, Tennessee Code Annotated, as supplemented and amended, and other applicable provisions of law. The Bonds were authorized by the Board of County Commissioners of the County (the “Governing Body”) pursuant to a resolution duly adopted on January 20, 2026 (the “Resolution”).

The Bonds are being issued for the purpose of providing funds. The Bonds are being issued for the purpose of providing funds to finance the (i) construction, renovation, improvement and equipping of county administration facilities; (ii) acquisition of all property, real and personal, appurtenant to the foregoing; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing; (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs; and (v) payment of costs incident to the issuance and sale of the Bonds.

DESCRIPTION OF THE BONDS

The Bonds initially will be dated the date of their issuance estimated to be April 9, 2026*. Interest on the Bonds will be payable semiannually on May 1 and November 1, commencing November 1, 2026. Interest will be calculated on the basis of a 360-day year of twelve 30-day months. The Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds.

See the section entitled “BASIC DOCUMENTATION - The Book-Entry System” and the “Registration Agent” for additional information.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is

* Subject to adjustment and revision as outlined in the “Official Notice of Sale” which is an integral part hereof and incorporated by reference.

allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain “qualified tax-exempt obligations”, as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the County as to the Bonds, Bond Counsel has determined that the Bonds upon issuance will be “qualified tax-exempt obligations” within the meaning of the Code.

SECURITY

The Bonds shall be payable from and secured by unlimited ad valorem taxes to be levied on all taxable property within the County.

The County, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay principal of and interest on the Bonds when due, and for that purpose there is levied a direct annual tax in such amount as may be found necessary each year to pay principal of and interest coming due on the Bonds in said year. Principal and interest falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the County and reimbursement therefor shall be made out of the taxes provided to be levied when the same shall have been collected.

REDEMPTION

Optional Redemption. Bonds maturing on or before May 1, 2035 shall mature without option of prior redemption and Bonds maturing May 1, 2036 and thereafter, shall be subject to redemption prior to maturity at the option of the County on May 1, 2035 and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Governing Body of the County, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

- (i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or
- (ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Mandatory Redemption. Subject to the credit hereinafter provided, the County shall redeem the Bonds maturing _____ on the redemption dates set forth herein opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the Bonds or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds Redeemed</u>
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*Final Maturity

[At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such mandatory redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and cancelled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The County shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions

of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date].¹

Notice of Redemption. Notice of call for redemption[, whether optional or mandatory,] shall be given by the Registration Agent on behalf of the County not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date (“Conditional Redemption”). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository, if applicable, or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

BASIC DOCUMENTATION

REGISTRATION AGENT

The Registration Agent, its successor or the County will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the “Regular Record Date”) by check or draft mailed to such owner at its address shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds

¹ Subject to terms and conditions outlined in the “Official Notice of Sale”.

to the extent of the payments so made, except as described above. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. For additional information, see the following section.

BOOK ENTRY-ONLY SYSTEM

The Bonds, when issued, will be registered in the name of Cede & Co., DTC's partnership nominee, except as described above. When the Bonds are issued, ownership interests will be available to purchasers only through a book entry system maintained by DTC (the "Book-Entry-Only System"). One or more fully registered bond certificates will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC.

DTC and its Participants. DTC is a limited purpose trust company organized under the New York Bank Law, a "**banking organization**" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "**clearing corporation**" within the meaning of the New York Uniform Commercial Code, and a "**clearing agency**" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for securities that its participants (the "**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry-only changes in DTC Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC, in turn, is owned by a number of its Direct Participants and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (the "**NSCC**", "**GSCC**", "**MBSCC**", and "**EMCC**", also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc. (the "**NYSE**"), the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct DTC Participant, either directly or indirectly (the "**Indirect Participants**" and, together with the Direct Participants, the "**Participants**"). DTC has S&P's rating of "**AA+**." The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtc.com.

Purchase of Ownership Interests. Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "**beneficial owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through whom such beneficial owners entered into

the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the Bonds, except as specifically provided in the Bonds in the event that use of the book-entry-only system is discontinued.

Payments of Principal and Interest. Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Registration Agent on the payable date in accordance with their respective holdings shown on DTC's records, unless DTC has reason to believe it will not receive payment on such date. Payments by Direct and Indirect Participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with municipal securities held for the accounts of customers in bearer form or registered in "**street name**", and will be the responsibility of such Participant and not of DTC, the County or the Registration Agent subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, tender price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the beneficial owners shall be the responsibility of Direct and Indirect Participants.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. Beneficial owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to beneficial owners, or in the alternative, beneficial owners may wish to provide their names and addresses to the Registration Agent and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NONE OF THE COUNTY, THE MUNICIPAL ADVISOR, THE BOND COUNSEL OR THE REGISTRATION AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENT TO, OR THE PROVIDING OF NOTICE FOR, SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES.

Transfers of Bonds. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the beneficial owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

None of the County, the Bond Counsel, the Registration Agent or the Underwriter will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any Bond on the registration books of the Registration Agent.

Discontinuance of Book-Entry-Only System. In the event that (i) DTC determines not to continue to act as securities depository for the Bonds or (ii) to the extent permitted by the rules of DTC, the County determines to discontinue the Book-Entry System, the Book-Entry System shall be discontinued. Upon the occurrence of the event described above, the County will attempt to locate another qualified securities depository, and if no qualified securities depository is available, Bond certificates will be printed and delivered to beneficial owners.

No Assurance Regarding DTC Practices. The foregoing information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the County believes to be reliable, but the County, the Bond Counsel, the Registration Agent and the Underwriter do not take any responsibility for the accuracy thereof. So long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, references herein to the holders or registered owners of the Bonds will mean Cede & Co. and will not mean the beneficial owners of the Bonds. None of the County, the Bond Counsel, the Registration Agent or the Underwriter will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the beneficial owners or (iii) any other action taken by DTC or its partnership nominee as owner of the Bonds.

For more information on the duties of the Registration Agent, please refer to the Resolution. Also, please see the section entitled “SECURITIES OFFERED – Redemption.”

SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds relating to the proceeds from the Bonds:

Sources of Funds:	
Par Amount	\$ _____
Plus: [Net] Original Issue	_____
Premium/Discount	_____
TOTAL SOURCES:	\$ _____

Uses of Funds:

Deposit to the Project Fund	\$ _____
Underwriter's Discount	_____
Costs of Issuance	_____
TOTAL USES:	\$ _____

DISCHARGE AND SATISFACTION OF BONDS

If the County shall pay and discharge the indebtedness evidenced by any series of the Bonds in any one or more of the following ways, to wit:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Federal Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable hereunder by the County with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided, neither Federal Obligations nor moneys deposited with the Registration Agent nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest

payments on such Federal Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the County as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the County, as received by the Registration Agent. Federal Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

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BONDHOLDERS' RISKS

GENERAL

Set forth below are certain risks purchasers of the Bonds should consider when making an investment decision. All potential risks are not included and the discussion is not intended to be exhaustive.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions, which are often subject to discretion and delay. The enforceability of remedies or rights with respect to the Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Under existing constitutional and statutory law and judicial decisions, certain remedies specified by the Resolution may not be readily available or may be limited. The legal opinion to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

ADDITIONAL BONDS

The County may issue additional bonds in accordance with the provisions of the Act or other authorized statutory authority. The issuance of additional bonds would increase the debt service requirements and could adversely affect the sources of funds available to service the Bonds. Also see the section entitled "SECURITIES OFFERED – Security" for additional information.

CLIMATE CHANGE

In recent years, many scientific studies have been conducted addressing the possible impact of changing global weather patterns. The County's location in the southern United States and in central middle Tennessee increases its risks for extreme heat, drought conditions, flooding, wind, storms and other extreme weather events that could become more frequent and severe. As required by federal law, the Tennessee Emergency Management Agency ("TEMA"), has prepared and adopted the "State of Tennessee Standard Hazard Mitigation Plan 2018" which includes among other things a climate risk and vulnerability assessment for all counties and regions of the State, including The County's service area. It is not possible for the County to predict the intensity, duration or impact of any weather-related events, whether known or unknown, but the County has considered and addressed additional operational and safety measures and practices to offset and respond to climate-related issues similar to those which have occurred in the past. The County also believes it maintains adequate reserves to offset in part many financial risks associated with weather-related operational disruptions, if they occur. Insurance coverage is also available for buildings.

CYBERSECURITY

The County relies on its computer systems and related networking technology to administer and assist in many key operations. Such operations include the storage of critical and sensitive information. From time to time, The County may be subject to cyberattacks targeted at gaining access to sensitive information and perhaps disrupting key operations. Additionally, technical problems or unintentional breaches of security due to employee errors could also disrupt operations. Any of the foregoing risks and others that are not presently known may cause substantial time and money to cure and result in disruptions in services and operations and/or subject The County to legal action and possible monetary exposure. To protect The County's key and sensitive operations and data, various operational policies, practices and training are in place for all employees. Despite The County's best efforts, it is not possible to determine whether such efforts will always be successful or that breaches or disruptions in services could occur. The County also maintains insurance to protect itself against possible cybersecurity threats. Despite The County's efforts to safeguard its cyber infrastructure, there are no guarantees that any such measures will be successful.

On March 15, 2022, the Cyber Incident Reporting for Critical Infrastructure Act (the "Law") was signed into law. The Law creates new reporting obligations on owners and operators of "critical infrastructure" by "covered entities". The two new reporting obligations are:

- An obligation to report certain cyber incidents to the Cybersecurity and Infrastructure Security Agency (CISA) of the U.S. Department of Homeland Security (DHS) within 72 hours; and
- An obligation to report ransomware payments within 24 hours.

The Law provides hints of the entities potentially to be covered and refers to the Presidential Policy Directive 21 from 2013, which deems the following sectors as "critical infrastructure": chemical; commercial facilities; communications; critical manufacturing; dams; defense industrial base; emergency services; energy; financial services; food and agriculture; government facilities; healthcare and public health; information technology; nuclear reactors, materials and wastes; transportation systems; and water and wastewater systems. The new reporting obligations will not take effect until the Director of CIS promulgates implementing regulations, including clear description(s) of the types of entities that constitute "covered entities".

Under the Law, covered entities experiencing a "covered cyber incident" are required to report the incident to CISA no later than 72 hours after the entity "reasonably believes" that such an incident has occurred. The Law defines a "covered cyber incident" as one that is "substantial" and meets the "definition and criteria" to be set by the CISA Director in the forthcoming rulemaking process. In addition, covered entities are also required to report any ransom payments made as a result of a ransomware attack to CISA no later than 24 hours after making the payment. Entities are required to report ransom payments even if the underlying ransomware attack is not a "covered cyber incident." If a covered entity experiences a covered incident and remits a ransom before the 72-hour deadline, it may submit a single report to satisfy both reporting requirements. Covered entities that are required to report cyber incidents or ransom payments also will be required to preserve relevant 14 data. Although the Law specifies some of the content that reports should contain, the CISA Director will further prescribe report contents through the rulemaking process.

After reporting a covered incident, covered entities will be required to submit updates as “substantial new or different information becomes available” until the covered entity notifies CISA that the incident has been fully mitigated and resolved. Such supplemental reports will need to address whether a covered entity made a ransom payment after submitting the initial report.

The legislation provides for voluntary reporting of incidents and ransom payments by noncovered entities, as well as the voluntary provision of additional information beyond what is mandatory by covered entities. To enhance the situational awareness of cyber threats, required and voluntary reporting will receive the same protections.

The Law creates an exception whereby its reporting requirements will not apply to covered entities that, “by law, regulation, or contract,” are already required to report “substantially similar information to another Federal agency within a substantially similar timeframe.” Nevertheless, this exception will be available only if the relevant federal agency has an “agency agreement and sharing mechanism” in place with CISA.

Given the recent adoption of the Law and the lack of implementing rulemaking at this time, it is very difficult to predict what impact this legislation will have on The County. Nevertheless, it is possible that The County, as an operator/owner of government facilities, and water and wastewater systems, could become subject to significant new reporting requirements and be exposed to enforcement procedures under the framework of the new legislation if it fails to otherwise comply with the Law.

EARLY PAYMENT PRIOR TO MATURITY

The Bonds are subject to optional redemption prior to maturity. A prospective investor should consider these rights when making any investment decision. Following any redemption, owners of the Bonds may not be able to reinvest their funds at a comparable interest rate. See the section entitled “SECURITIES OFFERED – Redemption”.

LOSS OF TAX EXEMPTION

There is no provision for the redemption of the Bonds or for the payment of additional interest on the Bonds in the event that interest on the Bonds becomes includable in gross income for federal income tax purposes. In the event that interest on the Bonds becomes includable in gross income for federal income tax purposes, the value and marketability of the Bonds would likely be adversely affected. The County has covenanted not to do anything that would adversely affect the tax-exempt status of the Bonds. See “LEGAL MATTERS – Tax Matters”.

OTHER RISK FACTORS

In the future, the following additional factors, among others, may adversely affect the operations of the County to an extent that cannot be determined at this time:

(1) The ability of the County to insure or otherwise protect itself against property damage and general liability claims due to cost or other unknown factors.

(2) Proposals to eliminate the tax-exempt status of debt instruments issued by the County or to limit the use of such tax-exempt bonds, which have been made in the past, and which may be made again in the future. The adoption of such proposals would increase the cost to the County of financing future capital needs.

LEGAL MATTERS

LITIGATION

There are no suits threatened or pending challenging the legality or validity of the Bonds or the right of the County to sell or issue the Bonds or to collect its ad valorem to pay principal of and interest on the Bonds. See the section entitled “SECURITIES OFFERED – Security” for additional information.

At the time of delivery of and payment for the Bonds, the County will deliver, or cause to be delivered, a certificate of the County stating that there is no controversy or litigation of any nature then pending or threatened, restraining or enjoining the issuance, sale execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the County taken with respect to the authorization, issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the Bonds or the existence, boundaries or powers of the County, or the title of its officials to their respective offices. See the subsection in this section entitled “Closing Certificates” for additional information.

The County is the defendant in other matters in which financial exposure is considered to be insignificant or potential damages and costs are covered through insurance.

REMEDIES OF BONDHOLDERS

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

(1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the County, including, but not limited to, the right to require the County to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the County to carry out any other covenants and agreements, or

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder.

TAX MATTERS

Federal

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the County and assuming compliance by the County with certain covenants, is that interest on the Bonds:

- is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and
- is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Under existing law and subject to certain exceptions, the Bonds and the income therefrom will be exempt from state, county and municipal taxation in the State of Tennessee.

The Code imposes requirements on the Bonds that the County must continue to meet after the Bonds are issued. These requirements generally involve the way that the Bond proceeds must be invested and ultimately used. If the County does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The County has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder or who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit, or
- a borrower of money to purchase or carry the Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also “Changes in Federal and State Tax Law” below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is “bond premium” on that Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized a bondholder’s tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with bond premium, even though the Bond is sold for an amount less than or equal to the owner’s original cost. If a bondholder owns any Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.*Original Issue Discount.* A Bond will have “original issue discount” if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel’s opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder’s federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder’s tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.*Information Reporting and Backup Withholding.* Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

Qualified Tax-Exempt Obligations. Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the County as to the Bonds, Bond Counsel has determined that the Bonds upon issuance will be "qualified tax-exempt obligations" within the meaning of the Code.

State Taxes.

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

Changes In Federal And State Tax Law.

From time to time, there are Presidential proposals, proposals of various federal and Congressional committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to Bonds prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

The proposed legal opinion of Bond Counsel is attached as "APPENDIX A: Proposed Form of Bond Counsel Opinion". Copies of the opinion will be available at the time of the initial delivery of the Bonds.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the County will execute in a form satisfactory to Bond Counsel, certain closing certificates including the following: (i) A certificate as to the “Official Statement”, in final form (as defined herein), signed by the County Mayor and the County Clerk acting in their official capacities to the effect that to the best of their knowledge and belief, and after reasonable investigation, (a) neither the “Official Statement”, in final form, nor any amendment or supplement thereto, contains any untrue statements of material fact or omits to state any material fact necessary to make statements therein, in light of the circumstances in which they are made, not misleading, (b) since the date of the “Official Statement”, in final form, no event has occurred which should have been set forth in such a memo or supplement, and (c) there is no litigation of any nature pending or threatened seeking to restrain the issuance, sale, execution and delivery of the Bonds, or contesting the validity of the Bonds or any proceeding taken pursuant to which the Bonds were authorized; (ii) a non-arbitrage certificate which supports the conclusions that based upon facts, estimates and circumstances in effect, upon delivery of the Bonds, the proceeds of the Bonds will not be used in a manner which would cause the Bonds to be arbitrage bonds; (iii) certificates as to the delivery and payment, signed by the appropriate County official acting in their official capacity evidencing delivery of and payment for the Bonds; (iv) a certificate, signed by the County Mayor and County Clerk and/or other County officials acting in their official capacities certifying as to the due execution of the Bonds; and (v) a Continuing Disclosure Certificate regarding certain covenants of the County concerning the preparation and distribution of certain annual financial information and notification of certain material events, if any.

For additional information, see the section entitled “MISCELLANEOUS – Underwriting”, “MISCELLANEOUS - Additional Information” and MISCELLANEOUS - Continuing Disclosure”.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters relating to the authorization and the validity of the Bonds are subject to the approval of Bass Berry & Sims PLC, Nashville, Tennessee, bond counsel solely to the County (“Bond Counsel”). Bond Counsel did not prepare the “Preliminary Official Statement” or the “Official Statement”, in final form, or verified their accuracy, completeness or fairness. Accordingly, Bond Counsel expresses no opinion of any kind concerning the “Preliminary Official Statement” or “Official Statement”, in final form, except for the information under the section entitled “TAX MATTERS”. The opinion of Bond Counsel will be limited to matters relating to authorization and validity of the Bonds and to the tax-exemption of interest on the Bonds under present federal income tax laws, both as described above. The legal opinion will be delivered with the Bonds and the proposed form of the legal opinion is included in APPENDIX A.

Certain legal matters will be passed upon for the County by its counsel, Greer, Greer and Whitfield, Attorneys, PLLC, Paris, Tennessee.

MISCELLANEOUS

RATING

S&P Global Ratings (“S&P”) has assigned the Bonds the credit rating of “___” which appears on the cover of this “Preliminary Official Statement”.

The County furnished S&P certain information and materials and had “due diligence” meetings with the rating agency concerning the Bonds and the County. Generally, S&P bases its ratings on such information and materials and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that any rating will be maintained for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in its judgment, circumstances so warrant. The County undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the ratings or other actions by a rating agency may have an adverse effect on the market price of the Bonds.

Any explanation of the significance of the rating may be obtained only from S&P.

COMPETITIVE PUBLIC SALE

The Bonds were offered for sale at competitive public bidding on _____, 2026*. Details concerning the public sale were provided to potential bidders and others in the “Preliminary Official Statement” that was dated _____, 2026*. Through IPREO’s BiDCOMP®/Parity® system, ___ of the original ___ firms which indicated an interest in bidding for the Bonds submitted proposals ranging from the best bid of ___ % on a true interest cost basis (“TIC”) to ___ %.

The successful bidder for the Bonds was an account led by _____, _____ (the “Underwriter”) who contracted with the County, subject to the conditions set forth in the “Official Notice of Sale” (including permitted adjustments) to purchase the Bonds at an adjusted price of \$_____ (consisting of the par amount of the Bonds, plus a [net] premium of \$_____, less an underwriter’s discount of \$_____) or a bid price of _____ % of par.

FINANCIAL PROFESSIONALS

Municipal Advisor. Raymond James & Associates, Inc., (“Raymond James”) Nashville, Tennessee has served as financial advisor to the County in connection with the Bonds and will receive compensation for duties performed in that role conditioned upon the sale and issuance of the Bonds.

* Subject to revision or change

Bond Counsel. Bass, Berry & Sims PLC represents Raymond James on legal matters unrelated to the County.

DEBT LIMITATIONS

Under the legal authority under which the Bonds are sold and issued, there is no limit on the amount of debt obligations that may be issued by the County. See the sections entitled “DEBT STRUCTURE - Indebtedness and Debt Ratios” for more information.

ADDITIONAL DEBT OBLIGATIONS

The County may issue or undertake additional debt in accordance with the provisions of the Act. The issuance of additional debt would increase the debt service requirements and could adversely affect the sources of funds available to service the Bonds.

OFFICIAL STATEMENT

Certain information relative to the location, economy and finances of the County is found in the “Preliminary Official Statement” and the “Official Statement”. While not guaranteed as to completeness or accuracy, the “Preliminary Official Statement” and the “Official Statement” are believed to be correct as of their respective dates based on information supplied by the County and other reliable sources and by the certification by the County as to the “Official Statement”.

Raymond James has not been engaged by County to provide or validate any information in the “Preliminary Official Statement” or the “Official Statement” relating to County, including (without limitation) any of County’s financial and operating data, whether historical or projected. Raymond James is not a public accounting or auditing firm and has not been engaged by County to review or audit any information in the “Preliminary Official Statement” or in the “Official Statement”.

CONTINUING DISCLOSURE

At the time the Bonds are delivered, the County will execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information relating to the County by not later than twelve months after each of the County’s fiscal years, (the “Annual Report”), commencing with the fiscal year ending June 30, 2026 and to provide notice of the occurrence of certain enumerated events. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board (“MSRB”) through the operation of the Electronic Municipal Market Access system (“EMMA”) and with any State Information Depository established in the State of Tennessee (the “SID”). If the County is unable to provide the Annual Report to the MSRB and the SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The notices of events will be filed by the County with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report or the notices of events will be summarized in the County’s Official Statement to be prepared and distributed in connection with the sale of the Bonds. These covenants have been made in order to assist the Underwriters in

complying with SEC Rule 15c2-12(b) (the “Rule”). To the best of the County’s knowledge, it has not failed to comply, in any material respect, in the last five years with any previous undertakings with regard to said Rule to provide Annual Reports or notices of events.

See “APPENDIX C: Form of Continuing Disclosure Certificate” for additional information.

ADDITIONAL INFORMATION

References, excerpts and summaries contained herein of certain provisions of the laws of the State and any documents referred to herein do not purport to be complete statements of the provisions for such laws or documents, and reference should be made to the complete provisions thereof for a full and complete statement of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights of the holders thereof. The “Preliminary Official Statement” and the “Official Statement” in final forms, and any advertisement of the Bonds are not to be construed as a contract or agreement between the County and the purchasers of any of the Bonds. Any statements or information printed in the “Preliminary Official Statement” and the “Official Statement”, in final forms, involving matters of opinion or of estimates, whether or not expressly so identified, is intended merely as such and not representations of fact.

The County has deemed this “Preliminary Official Statement” as “final” as of its date within the meaning of Rule 15c2-12(b) (5) of the Securities and Exchange Commission (the “SEC”) (the “Rule”) except for certain information allowed to be omitted by the Rule.

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CERTIFICATION OF THE COUNTY

At the time of payment for and delivery of the Bonds, the County will furnish the purchaser a certificate, signed by the County Mayor and County Clerk, to the effect that (a) the descriptions and statements of or pertaining to the County contained in its “Official Statement” and any addendum thereto, for its Bonds, on the date of such “Official Statement”, on the date of sale of the Bonds and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the County and its affairs, including its financial affairs, are concerned, such “Official Statement” did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data of or pertaining to entities other than the County, and their activities contained in such “Official Statement” are concerned, such statements and data have been obtained from sources which the County believes to be reliable and that the County has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the County since June 30, 2025, the date of the last audited financial statements of the County which appear in APPENDIX D.

/s/ _____
County Mayor

ATTEST:

/s/ _____
County Clerk

APPENDIX A

PROPOSED FROM OF BOND COUNSEL OPINION

PROPOSED BOND COUNSEL OPINION

Bass, Berry & Sims PLC
21 Platform Way South, Suite 3500
Nashville, TN 37203

(Date of Closing)

Board of County Commissioners
of Henry County, Tennessee
Paris, Tennessee

[Purchaser]

_____, _____

Re: \$8,525,000* General Obligation Bonds, Series 2026 of Henry County, Tennessee

Ladies and Gentlemen:

We have acted as bond counsel to Henry County, Tennessee (the “Issuer”) in connection with the issuance of the Issuer's \$8,525,000* General Obligation Bonds, Series 2026, dated April __, 2026 (the “Bonds”). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute the valid and binding general obligations of the Issuer.
2. The resolution (the “Resolution”) of the Board of Commissioners of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.
3. The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer. The Bonds constitute a general obligation of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit.
4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on

individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. Failure to comply with certain of such requirements could cause interest on the Bonds to be so includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

6. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265 of the Code.

The rights of the owners of the Bonds and the enforceability of the Bonds and the resolutions authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equity principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds. Further, we express no opinion herein regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

APPENDIX B
SUPPLEMENTAL INFORMATION STATEMENT

APPENDIX B

SUPPLEMENTAL INFORMATION STATEMENT

<u>Census Population</u>	<u>City of Paris</u>	<u>% Increase</u>	<u>Henry County</u>	<u>% Increase</u>	<u>Tennessee</u>	<u>% Increase</u>
2024	10,517	1.95%	32,883	2.12%	7,227,750	4.59%
2020	10,316	1.58%	32,199	(0.56%)	6,910,840	8.90%
2010	10,156	4.03%	32,381	4.11%	6,346,105	11.5%
2000	9,763	4.62%	31,103	11.53%	5,689,283	16.7%
1990	9,332	(13.01%)	27,888	(2.68%)	4,877,185	6.2%
1980	10,728	8.45%	28,656	20.66%	4,591,120	16.9%
1970	9,892	6.08%	23,749	6.62%	3,926,018	10.1%

Source: U.S. Census Bureau

TRANSPORTATION

The City and County are served by two federal highways, U.S. 79 and 641, and State highways 22, 54, 69, 76, 77, 114, 218 and 356. The City is 32 miles north of Interstate 40 and connects to I-24 approximately 20 miles north by a four-lane highway. Local railways are served by KWT. General Aviation is provided by the Henry County Airport with a 5,000-foot asphalt runway and a 2,500-foot runway. The closet commercial air service is located 60 miles away in Jackson at the McKellar-Sipes Regional Airport.

The nearest navigable port is located in New Johnsonville, 16 miles east on Kentucky Lake. The channel depth is about 60 feet. The Kentucky Lake is part of the Tennessee River System. Channelization of the Tennessee River to a nine-foot minimum navigable depth from its junction with the Ohio River at Paducah, Kentucky to Knoxville, Tennessee gives the City and County the benefits of year round, low cost water transportation and a port on the nation's 10,000 mile-inland waterway system. This system formed largely by the Mississippi River and its tributaries, effectively links the City and the County with the Great Lakes to the north and the Gulf of Mexico to the south.

GOVERNMENTAL STRUCTURE

A 15 member Board of County Commissioners (“Governing Body”) governs the County. The Governing Body is elected to a four-year term of office with the most recent term beginning in September 2024. The County Mayor is the chief executive officer and ceremonial head of the County. The incumbent County Mayor has also been elected by the Board to serve as its presiding officer. The County Mayor is elected to a four-year term of office that runs concurrent with the terms of the Governing Body.

County services include judicial, public safety, roads and bridges, assessing and collecting property taxes and public education, exclusive of the Paris Special School District (K-8).

For additional information on the County, please visit the official County website: www.henrycountyttn.org.

EDUCATIONAL OPPORTUNITIES

Local School Districts. Public education is provided to residents by the Henry County School System and the Paris Special School District (“PSSD”).

The County currently operates three elementary schools, one 9th grade school and one high school (grades 10 through 12). Henry County High School serves all residents of Henry County including students who attended K-8 in the PSSD. There are three schools that make up the PSSD.

For the last several fiscal years, the Henry County School System’s full time equivalent average daily membership (“FTE”) for all students in the County School System was as follows:

Fiscal Years (Ending June 30th)	FTE Enrollment
2024	3,007
2023	3,014
2022	3,053
2021	3,016
2020	3,046
2019	3,057
2018	3,034
2017	3,071
2016	3,092
2015	3,233

Source: National Center for Education Statistics, a division of the US Department of Education.

Higher Education. City and County residents are conveniently located near three colleges, including Bethel University in McKenzie with a satellite campus in Paris, The University of Tennessee at Martin and Murray State University in Murray, Kentucky. Within an hour or so drive of the City and County are several other institutions of higher learning, including: Austin Peay State University in Clarksville and Jackson State Community College, Lane College, University of Memphis in Jackson (formerly Lambuth University) and Union University in Jackson.

Bethel University. Bethel is a private, four-year liberal arts institution founded by the Cumberland Presbyterian Church. Bethel was founded in 1842 and the 100-acre main campus is located in McKenzie. There are 47 courses of study across the colleges of Arts and Sciences, Professional Studies and Health Sciences at the University. Total enrollment in 2024 at the main campus in McKenzie and the University’s satellite campuses in Memphis, Nashville, Clarksville, Jackson, Paris and Chattanooga was approximately 3,000. Bethel's Master of Business Administration (MBA) is the second largest in Tennessee. Bethel's Physician Assistant Studies master's degree program is one of only three in Tennessee and is situated in a facility on the campus of the Henry County Medical Center in Paris.

Source: Bethel University website

The Tennessee College of Applied Technology at Paris. The Tennessee College of Applied Technology at Paris is part of a statewide system of 27 technical training schools operated by the Tennessee Board of Regents System. The Tennessee Colleges of Applied Technology meet a Tennessee mandate that no resident is more than 50 miles from a vocational-technical shop. The institution's primary purpose is to meet the occupational and technical training needs of the citizens including employees of existing and prospective businesses and industries in the region. The facility in Paris serves a portion of the northwest region of the state including Henry, Weakley and Stewart Counties.

Source: Tennessee College of Applied Technology at Paris

Jackson State Community College. In the spring of 2017 Jackson State Community College partnered with the City and the County to begin offering beginner level courses at the Central Services Community Center. This new offering now gives City and County residents and others in the area an additional post-secondary educational presence in their community. Plans are to expand class offerings as enrollment grows, and long range plans are to build a free-standing permanent facility.

Source: City of Paris

MEDICAL FACILITIES

West Tennessee Healthcare Henry County Hospital. Formally known as the Henry County Medical Center (the "HCH" or "Henry County Hospital"), is an integrated health care organization committed to serving the health care needs of the County and the adjoining region.

Comprised of a 142-bed hospital, the 136-bed Henry County Hospital (providing residential care and the Plumley Rehabilitation Unit), an Emergency Medical Service, an off-site Center for Wellness & Rehabilitation and a home health and hospice service, the medical center provides a variety of outpatient services as well as inpatient care and serves Henry and the surrounding counties. The Cancer Care Center of Henry County offers outpatient radiation and chemotherapy.

Located in Paris, Tennessee, the medical center provides affordable, high-quality, patient-centered care. HCH is part of the Vanderbilt Health affiliated network, and it is operated as non-profit institution.

Source: For more information on the Henry County Hospital, see the official website at <https://www.wth.org/>

McKenzie Regional Hospital. McKenzie Regional Hospital, a 45-bed acute care facility, is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO). The facility offers a full range of services including 24-hour emergency care, cardiopulmonary rehabilitation, childbirth preparatory classes, echocardiography, EEG and EKG, general surgery, halter monitoring, home care services, a family birth center, mammography, midwifery, nutritional counseling, physical therapy, radiology, respiratory therapy, ultrasound, a wellness center and more.

Source: McKenzie Regional Hospital website

MANUFACTURING AND COMMERCE

Industry is a major factor in the growth of Paris and in the County. Principal industrial products are: extruded molded rubber, school laboratory furniture, food products, molded plastics, power tools and brakes, steal door frames, clay and mineral products, small electric motors and compressors for refrigeration equipment.

There are 3 industrial parks in the County. Henry County Industrial Park, 5 miles east of Paris has about 15 acres available. The City owned Paris Industrial Site has about 50 acres. Finally, the City of Puryear has 40 acres in the Puryear Industrial Park.

MAJOR EMPLOYERS

The following tables list the major employers in the City and County:

<u>Organization</u>	<u>Service/Product</u>	<u>Estimated Employees</u>
Henry County Medical Center	Hospital and Related Health Care Facilities	750
Dana Corporation	Automotive Parts	500
Henry County Schools	Education	441
Wal-Mart	Retail	305
Paris Special School District	Education	260
Tosh Farms, LLC	Agriculture	251
Eurotranciatura (formerly Tecumseh)	Motors	214
City of Paris	Government	193
Henry County	Government	175
McCartney Produce	Wholesale Fresh Fruits and Vegetables	154

Source: Paris-Henry County Chamber of Commerce and Henry County – March 2026

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EMPLOYMENT INFORMATION

The chart below depicts the average annual employment and unemployment trends (on a seasonally adjusted basis) for the last 10 years:

Average Annual Employment Trends

<u>Location</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
United States	5.3%	4.9%	4.4%	3.9%	3.7%	8.1%	4.3%	3.6%	3.4%	3.6%
Tennessee	6.1%	5.2%	4.3%	3.5%	3.3%	7.5%	3.2%	3.4%	3.2%	3.4%
Henry County	6.5%	6.3%	4.9%	4.5%	4.4%	7.6%	4.6%	4.3%	4.0%	4.0%
✓ County Workforce	13,925	12,995	13,000	13,216	13,195	13,175	12,787	12,599	12,586	12,661
✓ County Employment	13,019	12,159	12,380	12,630	12,637	12,181	12,207	12,055	12,082	12,152
✓ County Unemployment	906	836	620	586	558	994	580	544	504	509

Source: TN Dept. of Labor & Workforce Development, "Labor Force and Estimates – United States and Tennessee".

ECONOMIC DATA

This chart depicts the annual average per capita personal income for both the County and State:

Average Annual Per Capita Income

<u>Location</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
National	59,160	64,657	66,255	69,956	73,207
Tennessee	51,945	57,008	59,099	62,039	64,908
Henry County	47,107	52,091	53,630	57,009	57,360
County vs National	79.6%	80.6%	80.9%	81.5%	78.4%
County vs State	90.7%	91.4%	90.7%	91.9%	88.4%

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts CA-1.

RECREATION AND TOURISM

The Eiffel Tower. Constructed by Christian Brothers University in the early 1990s, the Eiffel Tower is located in Memorial Park in Paris. The tower is a 70 foot scale model of the Eiffel Tower in Paris, France. In addition to the Eiffel Tower, Memorial Park provides tennis courts, a public Olympic-sized swimming pool, soccer fields, two walking trails, a children's playground with pavilions, and a newly constructed Frisbee golf course.

Kentucky Dam and Reservoir. The TVA's Kentucky Dam is located nearby close to Paducah, Kentucky. Kentucky Dam is 22 miles upstream from the confluence of the Tennessee River with the Ohio. The dam is the longest in the TVA system and the reservoir, which stretches for 184 miles across the states of Kentucky and Tennessee, is the largest in the eastern U.S.

Kentucky Reservoir enters Tennessee at the state line on Stewart County, and then continues into the state through Henry, Benton, Houston, Humphreys, Decatur and Perry Counties. It features nearly 2,064 miles of cove-studded shoreline and about 160,300 acres of water surface.

The Reservoir drains a watershed of 40,200 square miles, and has a flood storage capacity of over 4,008,000 acre-feet, more than 2.5 times the capacity of the next-largest reservoir in the TVA system. The reservoir is the second largest man-made lake in the world and the largest in the United States.

Source: Tennessee Valley Authority.

Land Between The Lakes National Recreation Area. Located in both Kentucky and Tennessee, the LBL is near I-24, about 90 miles northwest of Nashville. It is located between Kentucky Lake formed from the Tennessee River and Lake Barkley formed from the Cumberland River. It extends into Tennessee through Stewart County. As a designated national recreation area under the management of the USDA Forest Service, LBL is maintained for the public's enjoyment and safety.

When the Cumberland and Tennessee Rivers were impounded to create Kentucky Lake and Lake Barkley, an inland peninsula was formed. In 1963, President John F. Kennedy designated the peninsula LBL in an effort to demonstrate how an area with limited timber, agricultural and industrial resources could be converted into a recreation asset that would stimulate economic growth in the region. Today, LBL remains the country's only such demonstration site and is the cornerstone of the region's tourism industry.

Source: Land Between The Lakes National Recreation Area

Paris Landing State Park. Paris Landing State Park is named for a steamboat and freight landing on the Tennessee River dating back to the mid-1800s. The 841-acre Paris Landing Park is situated on the western shore of what is now Kentucky Lake. The park is located 16 miles northeast of Paris, on U.S. Highway 79.

World's Biggest Fish Fry. Paris is home of the "World's Biggest Fish Fry". The festival is held every year and culminates on a weekend, on the last full week in April, with a parade, an art and craft fair, a rodeo and a fun fair. There is a sign which features a roughly 20' long catfish that can be seen when entering the County from the south on U.S. Highway 79.

RECENT DEVELOPMENTS

Paris Crossings Retail Center — A significant new retail development project described as the largest in Henry County's history is underway. The project encompasses *over 41 acres* (plus an additional parcel) and is expected to create substantial local economic activity, attract new businesses, and expand the county's commercial tax base. Local leaders have called it a "*game changer*" for the community and surrounding counties.

Source: https://www.radiowtn.com/2025/02/27/paris-crossings-retail-center-largest-development-henry-county-has-ever-seen/?utm_source=chatgpt.com

HENRY COUNTY, TENNESSEE
SUMMARY OF INDEBTEDNESS
AS OF JUNE 30, 2025, PLUS THE DEBT

The following section outlines various important factors related to the outstanding debt of the County.

<u>Amount Issued</u> ⁽¹⁾	<u>Purpose</u>	<u>Due Date</u>	<u>Interest Type</u>	<u>Debt Outstanding</u>
8,850,000	General Obligation High School Bonds, Series 2017	May 1, 2029	Fixed	4,655,000
2,045,000	General Obligation School Refunding Bonds, Series 2020	May 1, 2026	Fixed	545,000
<hr/>				
\$ 10,895,000	Total Existing Debt			<hr/> \$ 5,200,000 <hr/>
General Obligation Debt - Supported by Hospital Revenues				
\$ 16,500,000	TMBF Loan (Hospital), 2002	May 25, 2027	Variable	\$ 2,223,000
7,000,000	TMBF Loan (Hospital), 2012	May 25, 2027	Variable	1,072,000
5,000,000	TMBF Loan (Hospital), 2015	May 25, 2040	Variable	3,197,000
9,200,000	TMBF Loan (Hospital), 2018	Feb. 1, 2043	Fixed	7,178,967
4,500,000	TMBF Loan (Hospital), 2022	Oct. 1, 2046	Fixed	4,347,000
<hr/>				
\$ 42,200,000	Total Existing Hospital Revenue Supported Debt			<hr/> \$ 18,017,967 <hr/>
\$ 53,095,000	Total Direct Debt and Hospital Revenue Supported Debt			\$ 23,217,967
(42,200,000)	Less: Hospital Revenue Supported Debt			<hr/> (18,017,967) <hr/>
\$ 10,895,000	Existing Direct County - Wide and Rural Debt			\$ 5,200,000
\$ 8,525,000	Plus: General Obligation Public Improvement Bonds, Series 2026	May 1, 2046	Fixed	<hr/> \$ 8,525,000 <hr/>
<u>\$ 19,420,000</u>	Net Direct County - Wide Debt			<hr/> <u>\$ 13,725,000</u> <hr/>

(1) Does not include capitalized leases or compensated absences, if any. See the Comprehensive Annual Financial Reports and the Notes to the Financial Statements.

HENRY COUNTY, TENNESSEE

INDEBTEDNESS AND DEBT RATIOS

INFORMATION

The information set forth in the following table is based upon information derived in part from the "Annual Financial Reports" including those for the most current audited fiscal year which are attached herein. This schedule should be read in conjunction with those statements. The table does not include future funding plans, if any.

INDEBTEDNESS	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025 Post Issuance
TAX SUPPORTED ⁽¹⁾											
G.O. Bonds and Notes - County-Wide	\$ 7,336,581	\$ 6,769,581	\$ 12,834,538	\$ 11,891,179	\$ 10,912,114	\$ 9,791,250	\$ 8,770,000	\$ 7,915,000	\$ 7,130,000	\$ 5,200,000	\$ 13,725,000
G.O. Bonds and Notes - Rural	6,145,000	6,095,000	6,095,000	6,055,000	6,055,000	4,965,000	3,500,000	2,005,000	465,000	-	-
TOTAL TAX SUPPORTED	\$ 13,481,581	\$ 12,864,581	\$ 18,929,538	\$ 17,946,179	\$ 16,967,114	\$ 14,756,250	\$ 12,270,000	\$ 9,920,000	\$ 7,595,000	\$ 5,200,000	\$ 13,725,000
REVENUE SUPPORTED											
Hospital Revenue Supported Debt	\$ 24,376,117	\$ 22,251,682	\$ 23,709,051	\$ 23,745,420	\$ 25,345,250	\$ 22,621,782	\$ 20,395,747	\$ 20,339,244	\$ 18,356,244	\$ 18,017,967	\$ 18,017,967
TOTAL REVENUE SUPPORTED	\$ 24,376,117	\$ 22,251,682	\$ 23,709,051	\$ 23,745,420	\$ 25,345,250	\$ 22,621,782	\$ 20,395,747	\$ 20,339,244	\$ 18,356,244	\$ 18,017,967	\$ 18,017,967
TOTAL DEBT											
Less: Revenue Supported Debt	(24,376,117)	(22,251,682)	(23,709,051)	(23,745,420)	(25,345,250)	(22,621,782)	(20,395,747)	(20,339,244)	(18,356,244)	-	(18,017,967)
Less: Debt Service Fund Balance	(1,923,747)	(1,923,747)	(1,877,863)	(2,221,670)	(2,471,731)	(2,883,716)	(2,863,660)	(24,343,590)	(24,008,735)	(24,008,735)	(24,008,735)
TOTAL NET DEBT	\$ 11,557,834	\$ 10,940,834	\$ 17,051,675	\$ 15,724,509	\$ 14,495,383	\$ 11,872,534	\$ 9,406,340	\$ (14,423,590)	\$ (16,413,735)	\$ (790,768)	\$ (10,283,735)
COUNTY-WIDE TOTAL DEBT											
Less: General Debt Service Fund Balance	(1,923,747)	(1,923,747)	(1,877,863)	(2,221,670)	(2,471,731)	(2,883,716)	(2,863,660)	(24,343,590)	(24,008,735)	(25,109,190)	(25,109,190)
NET DIRECT DEBT - County Wide	\$ 5,412,834	\$ 4,845,834	\$ 10,956,675	\$ 9,669,509	\$ 8,440,383	\$ 6,907,534	\$ 5,906,340	\$ (16,428,590)	\$ (16,878,735)	\$ (1,891,223)	\$ 6,633,777
RURAL TOTAL DEBT											
Less: Rural Debt Service Fund Balance	-	-	-	-	-	-	-	-	-	-	-
NET DIRECT DEBT - Rural	\$ 6,145,000	\$ 6,095,000	\$ 6,095,000	\$ 6,055,000	\$ 6,055,000	\$ 4,965,000	\$ 3,500,000	\$ 2,005,000	\$ 465,000	\$ -	\$ -
PROPERTY TAX BASE											
County-Wide ⁽²⁾											
Estimated Actual Value	\$ 2,215,074,042	\$ 2,234,731,143	\$ 2,347,140,370	\$ 2,380,870,248	\$ 2,562,213,678	\$ 2,628,928,987	\$ 2,669,439,645	\$ 3,430,648,132	\$ 3,478,777,638	\$ 4,517,296,389	\$ 4,517,296,389
Appraised Value	2,215,074,042	2,234,731,143	2,251,142,329	2,283,492,655	2,298,305,669	2,628,928,987	2,669,439,645	2,639,883,738	2,676,919,392	2,687,791,351	2,687,791,351
Assessed Value	613,452,114	619,378,562	624,155,295	633,893,158	639,180,831	727,774,275	739,703,502	733,851,440	744,798,982	750,712,381	750,712,381
Source: Tennessee Tax Aggregate Reports and Henry County											

*Does not include new debt authorized, if any. For additional information, see the section entitled "MISCELLANEOUS - Additional Debt Obligations".

⁽¹⁾ Even though secured by the County's G.O. pledge, debt of Henry County Medical Center is self-supporting debt.

⁽²⁾ Includes all property in the County.

⁽³⁾ Includes all property located outside the territorial limits of the Paris Special School District.

HENRY COUNTY, TENNESSEE

INDEBTEDNESS AND DEBT RATIOS CONTINUED

<u>DEBT RATIOS - COUNTY-WIDE</u>	<u>2016</u>	<u>2017</u>	<u>2018⁽¹⁾</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2025 Post Issuance</u>
TOTAL COUNTY-WIDE DEBT to Estimated Actual Value	0.33%	0.30%	0.55%	0.50%	0.43%	0.37%	0.33%	0.23%	0.20%	0.51%	0.70%
TOTAL COUNTY-WIDE DEBT to Appraised Value	0.33%	0.30%	0.57%	0.52%	0.47%	0.37%	0.33%	0.30%	0.27%	0.86%	1.18%
TOTAL COUNTY-WIDE DEBT to Assessed Value	1.20%	1.09%	2.06%	1.88%	1.71%	1.35%	1.19%	1.08%	0.96%	3.09%	4.23%
NET DIRECT DEBT to Estimated Actual Value	0.24%	0.22%	0.47%	0.41%	0.33%	0.26%	0.22%	-0.48%	-0.49%	-0.04%	0.15%
NET DIRECT DEBT to Appraised Value	0.24%	0.22%	0.49%	0.42%	0.37%	0.26%	0.22%	-0.62%	-0.63%	-0.07%	0.25%
NET DIRECT DEBT to Assessed Value	0.88%	0.78%	1.76%	1.53%	1.32%	0.95%	0.80%	-2.24%	-2.27%	-0.25%	0.88%
<u>PER CAPITA DEBT RATIOS - COUNTY-WIDE</u>											
POPULATION ⁽¹⁾	32,147	32,147	32,358	32,345	32,345	32,239	32,239	32,379	32,554	32,554	32,554
PER CAPITA PERSONAL INCOME ⁽²⁾	\$ 37,891	\$ 37,891	\$ 40,839	\$ 42,407	\$ 42,407	\$ 41,037	\$ 49,852	\$ 52,325	\$ 55,959	\$ 55,959	\$ 55,959
Estimated Actual Value to POPULATION	68,905	69,516	72,537	73,609	79,215	81,545	82,802	105,953	106,862	138,763	138,763
Appraised Value to POPULATION	68,905	69,516	69,570	70,598	71,056	81,545	82,802	81,531	82,230	82,564	82,564
Assessed Value to POPULATION	19,083	19,267	19,289	19,598	19,761	22,574	22,944	22,664	22,879	23,061	23,061
Total Debt to POPULATION	228	211	397	368	337	304	272	244	219	713	975
Net Direct Debt to POPULATION	168	151	339	299	261	214	183	(507)	(518)	(58)	204
Total Debt Per Capita as a percent of PER CAPITAL PERSONAL INCOME	0.60%	0.56%	0.97%	0.87%	0.80%	0.74%	0.55%	0.47%	0.39%	1.27%	1.74%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	0.44%	0.40%	0.83%	0.70%	0.62%	0.52%	0.37%	-0.97%	-0.93%	-0.10%	0.36%

* Does not include authorized new debt for Henry County Medical Center.

⁽¹⁾ Population data according to the 2000 U.S. Census and the 2010 U.S. Census.

⁽²⁾ PER CAPITA PERSONAL INCOME is based upon data available from the Bureau of Economic Analysis.

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HENRY COUNTY, TENNESSEE
DEBT SERVICE REQUIREMENTS - Tax Supported and Paid County-wide

Year Ending	PRINCIPAL REQUIREMENTS			Percent Total Debt	ESTIMATED INTEREST REQUIREMENTS			
	Outstanding	Plus: Series 2026	Total		Outstanding	Plus: Series 2026	Total Interest	Total Debt Service
2026	\$ 1,610,000	\$ -	\$ 1,610,000		\$ 107,383	\$ -	\$ 540,847	\$ 2,150,847
2027	1,670,000	250,000	1,920,000		76,600	433,464	475,100	2,395,100
2028	1,705,000	280,000	1,985,000		43,200	398,500	430,500	2,415,500
2029	215,000	295,000	510,000		4,837	387,300	380,337	890,337
2030	-	305,000	305,000		-	375,500	363,300	668,300
2031	-	315,000	315,000	48.42%	-	363,300	350,700	665,700
2032	-	330,000	330,000		-	350,700	337,500	667,500
2033	-	345,000	345,000		-	337,500	320,250	665,250
2034	-	360,000	360,000		-	320,250	302,250	662,250
2035	-	380,000	380,000		-	302,250	283,250	663,250
2036	-	400,000	400,000	61.64%	-	283,250	263,250	663,250
2037	-	420,000	420,000		-	263,250	242,250	662,250
2038	-	440,000	440,000		-	242,250	220,250	660,250
2039	-	460,000	460,000		-	220,250	197,250	657,250
2040	-	485,000	485,000		-	197,250	173,000	658,000
2041	-	510,000	510,000	78.51%	-	173,000	147,500	657,500
2042	-	535,000	535,000		-	147,500	120,750	655,750
2043	-	560,000	560,000		-	120,750	92,750	652,750
2044	-	590,000	590,000		-	92,750	63,250	653,250
2045	-	615,000	615,000		-	63,250	32,500	647,500
2046	-	650,000	650,000	100.00%	-	32,500	-	650,000
	<u>\$ 5,200,000</u>	<u>\$ 8,525,000</u>	<u>\$ 13,725,000</u>		<u>\$ 232,020</u>	<u>\$ 5,104,764</u>	<u>\$ 5,336,784</u>	<u>\$ 19,061,784</u>

⁽¹⁾ Does not include Capitalized Leases or Compensated Absences, if any or additional debt authorized, if any.

Source: Henry County

HENRY COUNTY, TENNESSEE
DEBT SERVICE REQUIREMENTS - All School Debt ⁽¹⁾

Year	PRINCIPAL REQUIREMENTS ⁽¹⁾			Percent	ESTIMATED INTEREST REQUIREMENTS			
	<u>Ending</u>	<u>Outstanding</u>	<u>Total</u>		<u>Total Debt</u>	<u>Outstanding</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
2026	\$	1,610,000	\$ 1,610,000		\$	107,383	\$ 107,383	\$ 1,717,383
2027		1,670,000	1,670,000			76,600	76,600	1,746,600
2028		1,705,000	1,705,000			43,200	43,200	1,748,200
2029		215,000	215,000	100.00%		4,838	4,838	219,838
	\$	<u>5,200,000</u>	<u>5,200,000</u>		\$	<u>232,021</u>	<u>232,021</u>	<u>5,432,021</u>

(1) Includes all County School Debt

Source: Henry County

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HENRY COUNTY, TENNESSEE
DEBT SERVICE REQUIREMENTS – Hospital Revenue Support

Year Ending	<u>PRINCIPAL REQUIREMENTS</u>		Percent Total Debt	<u>ESTIMATED INTEREST REQUIREMENTS</u>		
	<u>Outstanding</u>	<u>Total</u>		<u>Outstanding</u>	<u>Total</u>	<u>Total Debt Service</u>
2026	\$ 2,283,000	\$ 2,283,000		\$ 453,000	\$ 453,000	\$ 2,736,000
2027	2,363,000	2,363,000		382,000	382,000	2,745,000
2028	6,894,967	6,894,967		257,000	257,000	7,151,967
2029	368,000	368,000	66.09%	163,000	163,000	531,000
2030	374,000	374,000		153,000	153,000	527,000
2031	381,000	381,000		142,000	142,000	523,000
2032	388,000	388,000		131,000	131,000	519,000
2033	395,000	395,000		121,000	121,000	516,000
2034	401,000	401,000	76.86%	109,000	109,000	510,000
2035	409,000	409,000		99,000	99,000	508,000
2036	415,000	415,000		88,000	88,000	503,000
2037	422,000	422,000		77,000	77,000	499,000
2038	429,000	429,000		65,000	65,000	494,000
2039	438,000	438,000	88.58%	53,000	53,000	491,000
2040	445,000	445,000		41,000	41,000	486,000
2041	216,000	216,000		33,000	33,000	249,000
2042	220,000	220,000		28,000	28,000	248,000
2043	225,000	225,000		23,000	23,000	248,000
2044	230,000	230,000		18,000	18,000	248,000
2045	235,000	235,000	97.30%	13,000	13,000	248,000
2046	240,000	240,000		8,000	8,000	248,000
2047	246,000	246,000	100.00%	3,000	3,000	249,000
	<u>\$ 18,017,967</u>	<u>\$ 18,017,967</u>		<u>\$ 2,460,000</u>	<u>\$ 2,460,000</u>	<u>\$ 20,477,967</u>

Source: Annual Financial Reports of Henry County Medical Center

HENRY COUNTY, TENNESSEE

Ten Year Summary of Revenues, Expenditures, and Changes In Fund Balances – General Fund

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:										
Local Taxes	\$ 5,322,584	\$ 5,391,744	\$ 5,644,931	\$ 5,704,291	\$ 5,770,629	\$ 6,438,998	\$ 6,788,610	\$ 7,101,359	\$ 7,348,463	\$ 7,709,240
Licenses and Permits	187,913	164,911	229,977	198,514	198,122	203,201	193,877	183,525	165,803	150,220
Fines, Forfeitures and Penalties	184,112	192,204	196,194	214,096	184,976	195,486	175,964	195,948	203,635	192,783
Charges for Current Services	152,893	144,243	158,985	199,511	203,165	220,682	310,884	297,649	399,538	306,881
Other Local Revenues	478,218	536,559	606,602	690,194	572,094	641,871	867,033	921,147	767,002	763,028
Fees - County Officials	1,630,364	1,565,371	1,547,609	1,548,179	1,530,023	1,627,980	1,700,636	1,827,989	1,845,094	1,797,139
State of Tennessee	2,444,603	2,245,288	2,229,195	2,647,741	2,939,518	2,964,349	2,922,519	3,194,003	4,039,697	3,255,870
Federal Government	6,600	397,794	145,764	1,222,573	431,305	855,560	1,620,514	272,928	1,033,331	950,919
Other Governments & Citizen Groups	452,275	381,907	252,398	643,831	238,217	498,603	247,088	459,460	556,489	1,544,273
Total Revenues	\$ 10,859,562	\$ 11,020,021	\$ 11,011,655	\$ 13,068,930	\$ 12,068,049	\$ 13,646,730	\$ 14,827,125	\$ 14,454,008	\$ 16,359,052	\$ 16,670,353
Expenditures:										
General Government	\$ 1,056,343	\$ 1,075,309	\$ 1,033,359	\$ 1,155,180	\$ 1,183,309	\$ 1,285,223	\$ 1,231,926	\$ 1,304,341	\$ 1,403,737	\$ 1,484,078
Finance	835,041	876,549	888,273	900,477	918,586	959,302	989,896	1,049,934	1,154,989	1,203,052
Administration of justice	898,828	939,757	950,122	966,307	1,051,718	1,044,384	1,096,352	1,122,499	1,354,237	1,289,828
Public Safety	3,712,432	3,841,198	3,983,684	4,235,995	4,974,646	4,237,757	4,843,882	4,636,693	6,057,143	5,893,427
Public Health & Welfare	179,051	162,403	233,658	195,608	196,785	205,445	262,928	193,571	158,511	515,835
Social, Cultural, & Recreational Services	307,851	311,761	313,615	317,458	329,814	330,122	347,376	341,750	372,420	391,694
Agricultural & Natural Resources	179,716	175,672	180,687	172,033	187,097	194,972	203,576	216,208	227,037	208,333
Other Operations	3,149,783	3,485,710	3,217,978	4,224,093	3,453,142	3,412,555	4,824,430	3,569,405	4,319,355	4,911,055
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 10,319,045	\$ 10,868,359	\$ 10,801,376	\$ 12,167,151	\$ 12,295,097	\$ 11,669,760	\$ 13,800,366	\$ 12,434,401	\$ 15,047,429	\$ 15,897,302
Excess of Revenues Over (Under) Expenditures	\$ 540,517	\$ 151,662	\$ 210,279	\$ 901,779	\$ (227,048)	\$ 1,976,970	\$ 1,026,759	\$ 2,019,607	\$ 1,311,623	\$ 773,051
Other Financing Sources & (Uses):										
Insurance Recovery	\$ -	\$ 5,750	\$ -	\$ -	\$ 21,076	\$ -	\$ -	\$ 31,429	\$ 26,969	\$ 63,188
Transfers In	-	-	-	-	-	-	176,063	-	-	-
Transfers Out	(602,977)	(521,950)	(462,940)	(464,044)	(457,878)	(476,935)	(471,327)	(653,068)	(475,975)	(479,149)
Bond and Note Proceeds	-	-	-	-	425,000	-	-	-	-	-
Total	\$ (602,977)	\$ (516,200)	\$ (462,940)	\$ (464,044)	\$ (11,802)	\$ (476,935)	\$ (295,264)	\$ (621,639)	\$ (449,006)	\$ (415,961)
Excess of Revenues Over (Under) Expenditures & Other Uses	\$ (62,460)	\$ (364,538)	\$ (252,661)	\$ 437,735	\$ (238,850)	\$ 1,500,035	\$ 731,495	\$ 1,397,968	\$ 862,617	\$ 357,090
Fund Balance July 1	2,608,167	2,545,707	2,181,169	1,928,508	3,381,568	3,142,718	4,642,753	5,374,248	6,772,216	7,634,833
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-
Fund Balance June 30	\$ 2,545,707	\$ 2,181,169	\$ 1,928,508	\$ 2,366,243	\$ 3,142,718	\$ 4,642,753	\$ 5,374,248	\$ 6,772,216	\$ 7,634,833	\$ 7,991,923

Source: Annual Financial Reports of Henry County, Tennessee.

FINANCIAL INFORMATION

INVESTMENT AND CASH MANAGEMENT PRACTICES

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

Deposits. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this addition 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 required that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments. 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 and in repurchase agreements. 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.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Taxation of Property. Under the Tennessee Constitution (the "Constitution") and laws of the State, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the "General Assembly") exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as provided under Tennessee law.

Under the Constitution and laws of the State, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required by the Constitution to be classified into four sub-classifications and assessed at the rates as follows:

- (a) Public Utility Property - includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies, to be assessed at 55% of its value;
- (b) Industrial and Commercial Property - includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose, to be assessed at 40% of its value;
- (c) Residential Property - includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit, to be assessed at 25% of its value; and
- (d) Farm Property - includes all real property used or held for use in agriculture, to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three sub classifications and assessed at the rates as follows:

- (a) Public Utility Property - assessed at 55% of its value;
- (b) Industrial and Commercial Property - assessed at 30% of its value; and
- (c) All other Tangible Personal Property - assessed at 5% of its value, subject to an exemption of \$7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of

debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution empowers the General Assembly to classify Intangible Personal Property into sub classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State for purposes of taxation.

The Constitution requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

Taxation of Property. The Constitution empowers the General Assembly to authorize the several counties and incorporated municipalities in the State to impose taxes for county and municipal purposes in the manner prescribed by law. Under Tennessee Code Annotated, the General Assembly has authorized the counties and incorporated municipalities to levy an ad valorem tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the legislative body of each jurisdiction based upon tax rates to be established on the first Monday of July of each year or as soon thereafter as practicable.

Assessment of Property. All assessments of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessment records are open to public inspection at the assessor's office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local boards of equalization begin their annual sessions.

The boards of equalization are required (among other things) to carefully examine, compare and equalize the county assessments; assure that all taxable properties are included on the assessments lists and that exempt properties are eliminated from the assessment lists; hear and act upon taxpayer complaints; and correct errors and assure conformity to State law and regulations.

State Assessments of Public Utility Property. The State Comptroller of the Treasury (the "Comptroller") is authorized and directed under State law to assess for taxation, for State, county and municipal purposes, all public utility properties of every description, tangible and intangible, within the State. Such assessment is required to be made annually as of the same day as other properties are assessed by law (as described above) and takes into account such factors as are

prescribed by law.

On or before the first Monday in August of each year, the assessments are required to be completed and the Comptroller is required to send a notice of assessment to each company assessable. Within ten days after the first Monday in August of each year, any owner or user of property so assessed may file an exception to such assessment together with supporting evidence to the Comptroller, who may change or affirm the valuation. On or before the first Monday in September of each year, the Comptroller is required to file with the State Board of Equalization ("State Board") assessments so made. The State Board is required to examine such assessments and is authorized to increase or diminish the valuation placed upon any property valued by the Comptroller.

The State Board has jurisdiction over the valuation, classification and assessment of all properties in the State. The State Board is authorized to create an assessment appeals commission to hear and act upon taxpayer complaints. The action of the State Board is final and conclusive as to all matters passed upon by the State Board, subject to judicial review consisting of a new hearing in chancery court.

Periodic Reappraisal and Equalization. Tennessee law requires reappraisal in each county by a continuous six-year cycle comprised of an on-site review of each parcel of real property over a five-year period, or, upon approval of the State Board, by a continuous four-year cycle comprised of an on-site review of each parcel of real property over a three-year period, followed by revaluation of all such property in the year following completion of the review period. Alternatively, if approved by the assessor and adopted by a majority vote of the county legislative body, the reappraisal program may be completed by a continuous five-year cycle comprised of an on-site review of each parcel of real property over a four-year period followed by revaluation of all such property in the year following completion of the review period.

After a reappraisal program has been completed and approved by the Director of Property Assessments, the value so determined must be used as the basis of assessments and taxation for property that has been reappraised. The State Board is responsible to determine whether or not property within each county of the State has been valued and assessed in accordance with the Constitution and laws of the State.

Certified Tax Rate. Upon a general reappraisal of property as determined by the State Board, the county assessor of property is required to (1) certify to the governing bodies of the county and each municipality within the county the total assessed value of taxable property within the jurisdiction of each governing body and (2) furnish to each governing body an estimate of the total assessed value of all new construction and improvements not included on the previous assessment roll and the assessed value of deletions from the previous assessment roll. Exclusive of such new construction, improvements and deletions, each governing body is required to determine and certify a tax rate ("Certified Tax Rate") which will provide the same ad valorem revenue for that jurisdiction as was levied during the previous year. The governing body of a county or municipality may adjust the Certified Tax Rate to reflect extraordinary assessment changes or to recapture excessive adjustments.

No tax rate in excess of the Certified Tax Rate may be levied by the governing body of any county or of any municipality until a resolution or ordinance has been adopted by the governing body after publication of a notice of the governing body's intent to exceed the Certified Tax Rate in a newspaper of general circulation and the holding of a public hearing.

Tax Freeze for the Elderly Homeowner. The Constitution was amended in November, 2006 to authorize the General Assembly to enact legislation providing property tax relief for homeowners age 65 and older. The General Assembly subsequently adopted the Property Tax Freeze Act permitting local governments to implement a program for "freezing" the property taxes of eligible taxpayers at an amount equal to the taxes for the year the taxpayer becomes eligible.

Tax Collection and Tax Lien. County Property taxes are payable the first Monday in October of each year although cities and Counties may follow different calendars based on their Charter requirements. Unless a city or County collects its own taxes as it is permitted to do, the county trustee of each county acts as the collector of all county property taxes.

The taxes assessed by the State, a county, a municipality, a taxing district or other local governmental entity, upon any property of whatever kind, and all penalties, interest and costs accruing thereon become and remain a first lien on such property from January 1 of the year for which such taxes are assessed. In addition, property taxes are a personal debt of the property owner as of January and, when delinquent, may be collected by suit as any other personal debt. Tennessee law prescribes the procedures to be followed to foreclose tax liens and to pursue legal proceedings against property owners whose property taxes are delinquent.

Appraisal Ratio. According to the State of Tennessee Real Estate Appraisal Report for 2025, property in the County reflected an adjusted ratio of appraised value to true market value of 1.000. The most recent County - wide reappraisal occurred in 2025 (fiscal year 2026). The County is on a five-year appraisal cycle. The next County - wide appraisal is scheduled for 2030.

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County-Wide Property Tax Data. The following chart depicts certain assessment, estimated actual value data and other tax base data over the course of the last 10 tax years for all Henry property:

Real Property							Total Assessed Value⁽³⁾	Appraisal Ratio	Estimated Actual Value⁽³⁾	Direct Tax Rates⁽⁴⁾
FY	Tax Year	Industrial/ Commercial⁽¹⁾	Residential	Farm/ Other Property⁽²⁾	Tangible/ Intangible Personal Property	Public Utility Property⁽³⁾				
2025	2024	\$146,130,400	\$372,780,945	\$172,135,425	\$39,231,725	\$21,433,886	\$750,712,381	0.5950	\$4,517,296,389	\$1.9333
2024	2023	142,437,560	366,443,750	168,986,875	41,488,855	25,366,702	744,723,742	0.7695	3,478,777,638	1.8933
2023	2022	138,733,240	361,072,250	168,317,025	40,481,124	25,247,801	733,851,440	0.7695	3,430,648,132	1.8933
2022	2021	137,116,400	355,651,375	168,070,950	49,041,289	29,823,488	739,703,502	1.0000	2,669,439,645	1.8933
2021	2020*	135,169,760	350,346,600	165,301,545	49,868,949	27,087,421	727,774,275	1.0000	2,628,928,987	1.8933
2020	2019	128,697,480	310,019,600	140,356,685	41,659,430	18,375,586	639,108,781	1.0000	2,562,213,678	2.0921
2019	2018	125,467,040	307,327,050	138,880,585	42,985,123	19,233,360	633,893,158	Not Available	2,380,870,248	2.0921
2018	2017	123,390,080	303,478,175	138,818,250	40,420,565	18,048,225	624,155,295	Not Available	2,347,140,370	2.0921
2017	2016	122,278,880	300,506,225	137,421,325	40,197,962	18,974,170	619,378,562	Not Available	2,234,731,143	2.0621
2016	2015*	122,825,520	298,109,475	137,286,125	38,310,894	16,828,910	613,452,114	Not Available	2,215,074,042	2.0621
	Rate	40%	25%	25%	30%	55%				

* Reappraisal occurred in tax year 2015 and 2020. The effect of the State reappraisal and reassessment statutes is to adjust the property tax rate downward to prevent a taxing unit from collecting additional property tax revenues as a result of reappraisal. See the discussion in the preceding section entitled "FINANCIAL INFORMATION – Real Property Assessment, Tax Levy and Collection Procedures – Certified Tax Rate".

(1) Includes mineral assessments, if any.

(2) Includes Farm/Other Property.

(3) Does not include local utility assessments as follows: 2015 - \$91,190; 2016 - \$91,190; 2017- \$91,190; 2018- \$72,050; 2019- \$72,050; 2020 - \$72,050; 2021 - \$75,240

(4) County residents of the City also pay City taxes adjusted for a separate tax rate levied mostly in the City by the Paris Special School District.

Source: Tax Aggregate Reports of Tennessee published by the State Board of Equalization

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Property Tax Rates and Collections. The table shows the property tax rates and collections of the City for the 10 most recent fiscal years as well as the aggregate uncollected balances for each fiscal year ending June 30.

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Tax Rates⁽¹⁾</u>			<u>Adjusted Levy Fiscal Year Collections</u>				
		<u>City Tax Rates</u>	<u>PSSD Tax Rates</u>	<u>Co. Tax Rates</u>	<u>Adjusted Taxes Levied</u>	<u>Adjusted Fiscal Year Collections</u>	<u>Percent of Adjusted Levy</u>	<u>Uncollected Delinquent Taxes</u>	<u>Percent of Adjusted Levy</u>
2024	2023	\$0.9000	\$0.5065	1.8933	\$15,227,985	\$14,726,962	96.70%	\$87,646	0.58%
2023	2022	0.8000	0.5065	1.8933	16,328,929	16,256,093	99.55%	55,301	0.34%
2022	2021	0.8000	0.5065	1.8933	14,583,043	14,492,727	99.38%	88,249	0.61%
2021	2020*	0.7200	0.5065	1.8933	14,546,053	13,945,841	95.59%	126,388	0.87%
2020	2019	0.7700	0.5560	2.0921	14,147,235	14,045,626	99.28%	101,172	0.72%
2019	2018	0.7300	0.5560	2.0921	13,902,062	13,382,786	96.26%	561,014	4.04%
2018	2017	0.7300	0.5560	2.0921	13,714,911	13,235,959	96.51%	517,953	3.78%
2017	2016	0.6314	0.5560	2.0621	13,415,243	12,883,574	96.04%	542,814	4.05%
2016	2015*	0.6314	0.5560	2.0621	13,329,301	12,770,238	95.81%	559,063	4.19%
2015	2014	0.7342	0.5615	2.1970	13,095,521	12,506,781	95.50%	588,740	4.50%

* Reappraisal occurred in tax year 2015 and 2020. The effect of the State reappraisal and reassessment statutes is to adjust the property tax rate downward to prevent a taxing unit from collecting additional property tax revenues as a result of reappraisal. See the discussion in the preceding section entitled “FINANCIAL INFORMATION – Real Property Assessment, Tax Levy and Collection Procedures – Certified Tax Rate”.

(1) City residents also pay County taxes adjusted for a separate tax rate levied mostly in the City by the Paris Special School District (“PSSD”).

Source: Aggregate Tax Reports of the State of Tennessee, the Annual Financial Reports and the County.

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Largest Taxpayers. The largest taxpayers (including utilities) in the County during fiscal year 2024 were as follows:

**HENRY COUNTY, TENNESSEE
PRINCIPAL PROPERTY TAXPAYERS
For the Fiscal Year 2024**

<u>Taxpayer</u>	<u>Rank</u>	<u>Taxable Assessed Value</u>	<u>% of Total Taxable Assessed Value</u>	<u>Taxes Paid/Due</u>
ANR Pipeline	1	\$9,627,134	1.31%	\$186,121
Wal-Mart Real Estate	2	3,611,800	0.49%	92,446
Paris Propco	3	2,731,880	0.37%	53,002
Snh/Lta Properties Trust	4	2,379,320	0.32%	79,464
Vrl Hotels 2 Llc	5	2,346,320	0.32%	78,362
Hashing, Llc	6	3,151,241	0.43%	76,884
Lowe's Home Center Inc	7	2,155,880	0.29%	30,713
B&C Realty Holdings Llc	8	1,796,280	0.24%	59,992
Lewis Betty R Rlt	9	1,725,280	0.24%	57,622
Dana Sealing Products Llc	10	2,749,976	0.37%	53,165
Totals		\$32,275,111	4.40%	\$767,771
Total Taxable Assessed value: FYE 2024 (Tax Year 2023)		\$733,851,440		

Source: Henry County and the Tax Aggregate Reports of Tennessee published by the State Board of Equalization

LOCAL OPTION SALES AND USE TAX

Pursuant to applicable provisions of Title 67, Chapter 6, Part 7 of Tennessee Code Annotated as amended, (the "Local Tax Act"), the County levies a county - wide local option sales tax. Under the Local Tax Act, counties and incorporated cities may levy a sales tax on the same privileges on which the State levies its sales tax. The rate of any sales tax levied by a county or city is limited to 2.75%.

Pursuant to the Local Tax Act, the levy of a sales tax by a county precludes any city from within the county from levying a sales tax. A city may levy a sales tax in addition to the county's sales tax at a rate not exceeding the difference between the county sales tax rate and the maximum local option sales tax rate of 2.75%. If a city is located in more than one county, each portion of the city that is located in a separate county is treated as a separate city for purposes of determining the maximum sales tax rate.

The revenues from the county-wide sales taxes are distributed pursuant to the provisions of the Local Tax Act and other provisions of the Tennessee Code Annotated. Normally, 50.0% of the revenues raised through the county-wide sales taxes are directed to educational purposes and are distributed to all organized school systems in the county in which the taxes are collected based upon the average daily attendance of each school system. The balance of the sales tax collections are divided between the general fund of the county in which the taxes are collected and all incorporated cities or Counties in such county based upon the situs of collection. The County's share of the county-wide sales tax of 2.75%¹ is depicted below:

Fiscal Year	General Fund Collections	County Schools	Total*	% Change
2025	\$1,897,568	\$5,869,641	\$7,767,209	1.80%
2024	1,775,392	5,854,385	7,629,777	5.33%
2023	1,616,996	5,626,648	7,243,644	6.46%
2022	1,508,910	5,295,030	6,803,940	9.59%
2021	1,382,121	4,826,341	6,208,462	20.37%
2020	1,018,889	4,139,002	5,157,891	5.31%
2019	927,352	3,970,506	4,897,858	1.59%
2018	911,997	3,909,374	4,821,371	5.19%
2017	865,079	3,718,563	4,583,642	5.03%
2016	832,774	3,531,399	4,364,173	19.29%

Source: Annual Financial Reports of Henry County, Tennessee

The County is authorized to pledge proceeds raised through the Local Sales Tax to the punctual payment of principal of and interest on bonds, notes or other evidence of indebtedness issued for purposes for which such proceeds were intended to be spent.

Pursuant to Section 67-6-712(a)(1), Tennessee Code Annotated, one - half of the Local Sales Tax must be expended and distributed in the same manner as the County property tax for school purposes (the "School Board Sales Tax Revenues") and may be pledged to the payment of principal of and interest on bonds for school purposes if approved first by a resolution of the County Board of Education. The Board of Education has approved the pledge of the School Board Sales Tax Revenues to be received by the Board, in an amount not to exceed \$722,000 per fiscal year, to the payment of debt service on the Bonds subject to prior liens and to the extent outstanding on the County's outstanding High School Bonds, Series, 2001(B), dated March 19, 2001; General Obligation School Bonds, Series 2010, dated January 22, 2010; Rural School Refunding Bonds, Series 2013, dated January 25, 2013 and High School Refunding Bonds, Series 2015, dated May 8, 2015 and to any bonds issued to refund or refinance such bonds, until such bonds mature or are redeemed. See the section entitled "SECURITIES OFFERED – Security" for additional information.

¹ Effective July 1, 2015, the local option sales tax rate increased to 2.75% in all areas of the County. The tax change came as a result of voter approval of a referendum on March 17, 2015 increasing the rate from 2.25% to 2.75%. The new rate applies to all taxable sales of tangible personal property made on or after July 1, 2015

PREMIER RESORT DISTRICT

The State does not normally share its sales and use tax with the County. Through the Tennessee River Resort District Act of 2006 (“TRRA”) however, the County was designated as a “Premier Resort District”. TRRA requires the State to share 4.5925% of its sales and use taxes collected in the County. TRRA requires that 50% of these funds be dedicated to tourism-related activities and 50% to the County’s General Fund. All unused proceeds of the State’s local sales and use tax dedicated to tourism must be reserved as an un-appropriated, but dedicated fund balance of the General Fund to be used solely for tourism activities in subsequent years. Along with current year’s estimated revenue, the full reserve is appropriated annually. The County began collecting the tax in February 2006.

The County's share of the Premier Resort Tax is depicted below:

Fiscal Year	TRRA Receipts	% Change
2025	\$1,493,201	3.16%
2024	1,447,410	0.34%
2023	1,442,454	8.16%
2022	1,333,638	5.26%
2021	1,267,024	13.98%
2020	1,111,602	3.58%
2019	1,073,201	0.49%
2018	1,068,005	1.46%
2017	1,052,672	3.19%
2016	1,020,178	3.76%

Source: Annual Financial Reports of Henry County, Tennessee

PENSION PLANS

For information on the County’s retirement programs including, but not limited to, funding status, trend information and actuarial status of the County’s retirement programs, please refer to the appropriate Notes to Financial Statements located in APPENDIX D.

OTHER POST-EMPLOYMENT BENEFITS

The Henry County Highway Department and the Henry County Schools participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For additional information on post-employment benefits provided by the Henry County Highway Department and the Henry County Schools including, but not limited to, funding status, trend information and actuarial status, please refer to the appropriate Notes to Financial Statements located APPENDIX D.

APPENDIX C
FORM OF CONTINUING DISCLOSURE
AGREEMENT

HENRY COUNTY, TENNESSEE

\$8,525,000 GENERAL OBLIGATION BONDS, SERIES 2026

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered this ___ day of April 2026, by Henry County, Tennessee (the “Issuer”) in connection with the issuance of its \$8,525,000 General Obligation Bonds, Series 2026 (the “Bonds”). The Bonds are being issued pursuant to a resolution adopted by the Board of County Commissioners of the Issuer on January 20, 2026 (the “Resolution”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to the Rule and this Disclosure Certificate.

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” means the Issuer or any successor designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the Issuer as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the following calendar year.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any successor thereto.

“Official Statement” shall mean the “Official Statement” dated _____, 2026 relating to the Bonds.

“Participating Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Tennessee.

“State Depository” shall mean any public or private depository or entity designated by the State as a state depository to which continuing disclosure information shall be sent pursuant to State law. As of the date of this Disclosure Certificate, there is no State Depository.

SECTION 3. Continuing Disclosure. The Issuer hereby agrees to provide or cause to be provided the information set forth below:

(a) *Annual Financial Information*. For Fiscal Years ending on or after June 30, 2026, the Issuer shall provide annual financial information and operating data within 12 months after the end of the Fiscal Year. The annual financial information and operating data shall include:

(i) The Issuer’s audited financial statements, prepared in accordance with generally accepted accounting principles, or, if the Issuer’s audited financial statements are not available, then the Issuer’s unaudited financial statements; and

(ii) Operating data of the type included under the following headings of the Official Statement, which data may be presented in a manner other than as set in the Official Statement:

1. “Summary of Outstanding Debt”;
2. “Debt Statement”;
3. “Debt Record”;
4. “Per Capita Debt Ratios”;
5. “Debt Ratios”;
6. “Debt Trend”;
7. “Debt Service Requirements”;
8. “Property Valuation and Property Tax”;
9. “Top Property Taxpayers”;
10. “Fund Balances”; and
11. “Local Sales Tax”

(b) *Audited Financial Statements.* For Fiscal Years ending on or after June 30, 2026, the Issuer shall provide audited financial statements, prepared in accordance with generally accepted accounting principles, if and when available, if such audited financial statements are not included with the annual financial information described in subsection (a) above.

(c) *Event Notices.* The Issuer will provide notice of the following events relating to the Bonds in a timely manner, not in excess of ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances (including disclosure as to whether the Bonds have been defeased to their maturity or to a preceding call date);
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation* of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

* As used in subsections (xv) and (xvi), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(d) *Notice of Failure to File Annual Financial Information.* The Issuer will provide timely notice of its failure to provide the annual financial information described in subsection (a) above within the time frame prescribed by subsection (a).

(e) *Notice of Amendment of Disclosure Agreement.* The Issuer will provide timely notice of an amendment to this Disclosure Agreement pursuant to the terms of Section 5(a) below.

SECTION 4. Methods of Providing Information.

(a) All disclosures required by Section 3 shall be transmitted to the MSRB using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated dissemination agent.

(c) All transmissions to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Any required disclosure may be incorporated by reference to other documents filed with the MSRB in the manner required by subsection (a) above. The Issuer shall clearly identify each such other document so incorporated by reference.

(e) All disclosures transmitted to the MSRB hereunder shall be simultaneously transmitted to any State Repository.

SECTION 5. Amendment.

(a) This Disclosure Agreement may be amended or modified so long as: (i) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body; (ii) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (iii) this Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iv) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

(b) In the event of any amendment or modification to the financial information or operating data required to be filed pursuant to Section 3(a) above, the Issuer shall describe such amendment in the next filing pursuant to Section 3(a), and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, the next filing pursuant to Section 3(a) or 3(b), as applicable, shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any disclosure required hereunder, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure.

SECTION 8. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Registered Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Registered Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Resolution, and the sole remedy

under this Disclosure Agreement in the event of any failure of any party to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 10. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 11. Severability. In case any one or more of the provisions of this Disclosure Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

HENRY COUNTY, TENNESSEE

By: _____

Mayor

APPENDIX D
HENRY COUNTY, TENNESSEE
FINANCIAL REPORT

June 30, 2025

49265564.4



ANNUAL FINANCIAL REPORT

Henry County, Tennessee

For the Year Ended June 30, 2025

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
HENRY 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.

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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The office had accounting deficiencies.
- ◆ Accounting records for accrued leave were not closed and available for audit by August 31, 2025.
- ◆ Competitive bids were not solicited for renovations at the recycling center and for the purchase of a skid steer.



INTRODUCTORY SECTION

HENRY COUNTY OFFICIALS

June 30, 2025

Officials

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

Board of County Commissioners

Randy Geiger, County Mayor, Chairman
Patrick Burns
Dell Carter
Charles Elizondo
David Flowers
Missy Hamilton
David Hayes
Kenneth Humphreys

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

Board of Education

Russ Orr, Chairman
Jordan Beddies
Jill Coker
Jim McCampbell
Rusty Wiles

Highway Commission

Cody Craig, Chairman
Roy Henry
Kyle Norwood
Michael Parker
Griffin Paschall
Mike Shinault

Audit Committee

Steve Greer, Chairman
Jill Coker
Andy Collins
Melanie Dodd
Kenneth Humphreys
Cody Craig

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Henry County, Tennessee, as of and for the year ended June 30, 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 Henry 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 Henry County Medical Center. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Henry County Medical Center, is based solely on the report of the other auditors. We were unable to determine Henry County Medical Center's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Henry County Emergency Communications District and the Henry County Tourism Development Authority, component units requiring discrete presentation, were not included in the county's financial statements. Also, we did not audit the financial statements of the Internal School Fund of the Henry County School Department (a discretely presented component unit), which represent 1.3 percent, 1.4 percent, and 2.5 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 Henry County School Department's Internal School Fund, is based solely on the report of the other auditors.

Basis for Opinions

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

Changes in Accounting Principle

As described in Note V.B., Henry 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.9. to the financial statements, which describes restatements to the beginning Governmental Activities net position totaling (\$63,287) for the primary government and (\$119,917) for the discretely presented Henry 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 Henry County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Henry County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Henry County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Henry County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Henry County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026, on our consideration of Henry County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Henry County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Henry County's internal control over financial reporting and compliance.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 28, 2026

JEM/gc



BASIC FINANCIAL STATEMENTS SECTION

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

	Primary Governmental Activities	Component Units	
		Henry County School Department	Henry County Hospital District
ASSETS			
Cash	\$ 3,271	\$ 900,852	\$ 191,978
Equity in Pooled Cash and Investments	26,217,180	24,705,086	0
Inventories	0	1,752	0
Accounts Receivable	141,655	86,831	0
Due from Other Governments	3,122,599	2,708,486	0
Property Taxes Receivable	4,205,462	3,609,277	0
Allowance for Uncollectible Property Taxes	(59,833)	(51,357)	0
Other Current Assets	0	0	14,017
Notes Receivable	18,017,967	0	0
Leases Receivable	198,223	0	18,037,587
Net Pension Asset - Agent Plan	10,733,267	1,494,196	0
Net Pension Asset - Teacher Retirement Plan	0	154,023	0
Net Pension Asset - Teacher Legacy Pension Plan	0	5,599,201	0
Restricted Assets - Amounts Accumulated for Pension Benefits	0	513,053	0
Capital Assets:			
Assets Not Depreciated:			
Land	6,233,965	610,066	794,549
Construction in Progress	274,119	0	0
Assets Net of Accumulated Depreciation/Amortization:			
Buildings and Improvements	2,865,896	25,778,135	22,367,370
Infrastructure	12,092,646	0	0
Other Capital Assets	2,592,076	2,902,959	233,221
Total Assets	\$ 86,638,493	\$ 69,012,560	\$ 41,638,722
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	\$ 1,800	\$ 0	\$ 0
Pension Changes in Experience	683,496	1,601,032	0
Pension Changes in Assumptions	0	61,206	0
Pension Changes in Proportion	0	99,586	0
Pension Contributions after Measurement Date	843,854	1,146,706	0
OPEB Changes in Experience	0	122,005	0
OPEB Changes in Proportion	0	38,163	0
OPEB Changes in Assumptions	0	609,240	0
OPEB Contributions after Measurement Date	0	82,142	0
Total Deferred Outflows of Resources	\$ 1,529,150	\$ 3,760,080	\$ 0

(Continued)

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

	Primary Government Governmental Activities	Component Units	
		Henry County School Department	Henry County Hospital District
LIABILITIES			
Accounts Payable	\$ 485,379	\$ 114,799	\$ 65,092
Accrued Interest Payable	17,652	0	0
Payroll Deductions Payable	61,181	626,789	0
Contracts Payable	68,058	0	0
Due to Other Governments	29,496	0	0
Due to State of Tennessee	658	0	0
Noncurrent Liabilities:			
Due Within One Year - Debt	3,893,000	0	2,283,000
Due Within One Year - Other	33,911	216,303	0
Due in More Than One Year - Debt	19,356,415	0	15,734,967
Due in More Than One Year- Other	478,254	3,238,270	0
Total Liabilities	<u>\$ 24,424,004</u>	<u>\$ 4,196,161</u>	<u>\$ 18,083,059</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	\$ 3,948,362	\$ 3,388,584	\$ 0
Deferred Lease Receivable	198,223	0	19,616,967
Pension Changes in Experience	638,808	136,250	0
Pension Changes in Investment Earnings	1,590,926	1,337,954	0
Pension Changes in Proportion	0	34,579	0
OPEB Changes in Experience	0	137,972	0
OPEB Changes in Proportion	0	185,826	0
OPEB Changes in Assumptions	0	251,610	0
Total Deferred Inflows of Resources	<u>\$ 6,376,319</u>	<u>\$ 5,472,775</u>	<u>\$ 19,616,967</u>
NET POSITION			
Net Investment in Capital Assets	\$ 24,058,702	\$ 29,291,160	\$ 5,377,173
Restricted for:			
General Government	3,860,737	0	0
Finance	51,866	0	0
Administration of Justice	32,430	0	0
Public Safety	844,374	0	0
Public Health and Welfare	650,953	0	0
Highway/Public Works	4,819,632	0	0
Debt Service	0	0	0
Education	0	1,808,200	0
Operation of Non-instructional Services	0	1,472,386	0
Hybrid Retirement Stabilization Funds	0	513,053	0
Pensions	10,733,267	7,247,420	0
Unrestricted	<u>12,315,359</u>	<u>22,771,485</u>	<u>(1,438,477)</u>
Total Net Position	<u>\$ 57,367,320</u>	<u>\$ 63,103,704</u>	<u>\$ 3,938,696</u>

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

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units	
						Henry County School Department	Henry County Hospital District
Primary Government:							
Governmental Activities:							
General Government	\$ 1,060,950	\$ 929,953	\$ 1,719,282	\$ 0	\$ 1,588,285	\$ 0	\$ 0
Finance	1,033,537	1,261,590	0	0	228,053	0	0
Administration of Justice	1,166,788	641,510	93,547	0	(431,731)	0	0
Public Safety	5,748,877	1,856,734	534,035	11,200	(3,346,908)	0	0
Public Health and Welfare	634,805	511,700	447,650	0	324,545	0	0
Social, Cultural, and Recreational Services	404,229	0	30,030	0	(374,199)	0	0
Agriculture and Natural Resources	82,615	0	27,195	0	(55,420)	0	0
Highways	6,975,417	0	2,959,402	1,201,601	(2,814,414)	0	0
Education	0	0	2,460,422	0	2,460,422	0	0
Interest on Long-term Debt	167,765	0	0	0	(167,765)	0	0
Total Primary Government	\$ 17,274,983	\$ 5,201,487	\$ 8,271,563	\$ 1,212,801	\$ (2,589,132)	\$ 0	\$ 0
Component Units:							
Henry County School Department	\$ 43,548,295	\$ 357,594	\$ 8,848,502	\$ 723,908	\$ 0	\$ (33,618,291)	\$ 0
Henry County Hospital District	25,042,764	22,218,208	0	0	0	0	(2,824,556)
Total Component Units	\$ 68,591,059	\$ 22,575,802	\$ 8,848,502	\$ 723,908	\$ 0	\$ (33,618,291)	\$ 0

(Continued)

HENRY COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units	
						Henry County School Department	Henry County Hospital District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 6,434,214	\$ 5,371,828	\$ 0
Property Taxes Levied for Debt Service					138,771	0	0
Local Option Sales Taxes					1,934,866	5,905,067	0
Hotel/Motel Tax					515,578	0	0
Wheel Tax					486,161	0	0
Litigation Tax					174,720	0	0
Business Tax					262,341	223,994	0
Wholesale Beer Tax					193,820	0	0
Other Local Taxes					38,557	895,211	0
Grants and Contributions Not Restricted to Specific Programs					1,977,939	25,292,152	0
Unrestricted Investment Income					2,211,284	97,554	577,128
Miscellaneous					757,161	429,861	23,057
Total General Revenues					<u>\$ 15,125,412</u>	<u>\$ 38,215,667</u>	<u>\$ 600,185</u>
Extraordinary Items					\$ 0	\$ 0	\$ (34,966,739)
Change in Net Position					\$ 12,536,280	\$ 4,597,376	\$ (37,191,110)
Net Position, July 1, 2024					44,894,327	58,626,245	41,129,806
Restatement - See Note I.D.9.					(63,287)	(119,917)	0
Net Position, June 30, 2025					<u>\$ 57,367,320</u>	<u>\$ 63,103,704</u>	<u>\$ 3,938,696</u>

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

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds	
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 3,271	\$ 3,271
Equity in Pooled Cash and Investments	8,220,720	5,546,943	7,090,640	5,358,877	26,217,180
Accounts Receivable	90,059	23,802	1,950	25,844	141,655
Due from Other Governments	1,371,694	1,723,986	0	26,919	3,122,599
Due from Other Funds	3,271	479,149	0	109,791	592,211
Property Taxes Receivable	2,710,080	1,089,139	89,051	317,192	4,205,462
Allowance for Uncollectible Property Taxes	(38,555)	(15,497)	(1,269)	(4,512)	(59,833)
Notes Receivable - Long-term	0	0	18,017,967	0	18,017,967
Leases Receivable - Long-term	0	0	198,223	0	198,223
Total Assets	\$ 12,357,269	\$ 8,847,522	\$ 25,396,562	\$ 5,837,382	\$ 52,438,735
LIABILITIES					
Accounts Payable	\$ 386,511	\$ 0	\$ 1,750	\$ 97,118	\$ 485,379
Payroll Deductions Payable	34,684	20,477	0	2,344	57,505
Contracts Payable	0	0	0	68,058	68,058
Due to Other Funds	479,149	0	0	113,062	592,211
Due to State of Tennessee	0	658	0	0	658
Due to Cities	0	0	0	29,496	29,496
Other Current Liabilities	3,676	0	0	0	3,676
Total Liabilities	\$ 904,020	\$ 21,135	\$ 1,750	\$ 310,078	\$ 1,236,983

(Continued)

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds	
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 2,544,417	\$ 1,022,544	\$ 83,595	\$ 297,806	\$ 3,948,362
Deferred Delinquent Property Taxes	115,457	46,416	3,804	13,511	179,188
Deferred Leases Receivable	0	0	198,223	0	198,223
Other Deferred/Unavailable Revenue	801,452	235,813	0	0	1,037,265
Total Deferred Inflows of Resources	\$ 3,461,326	\$ 1,304,773	\$ 285,622	\$ 311,317	\$ 5,363,038
FUND BALANCES					
Restricted:					
Restricted for General Government	\$ 144,574	\$ 0	\$ 0	\$ 3,436,466	\$ 3,581,040
Restricted for Finance	51,866	0	0	0	51,866
Restricted for Administration of Justice	32,430	0	0	0	32,430
Restricted for Public Safety	685,366	0	0	159,008	844,374
Restricted for Public Health and Welfare	30,370	0	0	607,072	637,442
Restricted for Other Operations	210,562	0	0	0	210,562
Restricted for Highways/Public Works	0	4,551,915	0	0	4,551,915
Restricted for Debt Service	0	0	18,017,967	0	18,017,967
Committed:					
Committed for General Government	1,341,868	0	0	0	1,341,868
Committed for Public Health and Welfare	70,712	0	0	915,051	985,763
Committed for Highways/Public Works	0	2,969,699	0	0	2,969,699
Committed for Capital Outlay	0	0	0	98,390	98,390
Committed for Debt Service	0	0	7,091,223	0	7,091,223
Unassigned	5,424,175	0	0	0	5,424,175
Total Fund Balances	\$ 7,991,923	\$ 7,521,614	\$ 25,109,190	\$ 5,215,987	\$ 45,838,714
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,357,269	\$ 8,847,522	\$ 25,396,562	\$ 5,837,382	\$ 52,438,735

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

HENRY COUNTY, TENNESSEE
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 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)		\$	45,838,714
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	6,233,965	
Add: construction in progress		274,119	
Add: buildings and improvements net of accumulated depreciation		2,865,896	
Add: infrastructure net of accumulated depreciation		12,092,646	
Add: other capital assets net of accumulated depreciation		<u>2,592,076</u>	24,058,702
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other loans payable	\$	(18,017,967)	
Less: bonds payable		(5,200,000)	
Add: deferred amount on refunding		1,800	
Less: unamortized premium on debt		(31,448)	
Less: accrued interest payable		(17,652)	
Less: compensated absences payable		<u>(512,165)</u>	(23,777,432)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	\$	1,527,350	
Less: deferred inflows of resources related to pensions		<u>(2,229,734)</u>	(702,384)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			10,733,267
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>1,216,453</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>57,367,320</u></u>

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

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds	
Revenues					
Local Taxes	\$ 7,709,240	\$ 1,809,194	\$ 177,218	\$ 524,600	\$ 10,220,252
Licenses and Permits	150,220	0	0	0	150,220
Fines, Forfeitures, and Penalties	192,783	0	0	66,558	259,341
Charges for Current Services	306,881	0	0	48,246	355,127
Other Local Revenues	763,028	80,164	2,123,909	370,085	3,337,186
Fees Received From County Officials	1,797,139	0	0	0	1,797,139
State of Tennessee	3,255,870	4,062,774	0	779,042	8,097,686
Federal Government	950,919	104,709	0	133,311	1,188,939
Other Governments and Citizens Groups	1,544,273	0	2,460,422	0	4,004,695
Total Revenues	\$ 16,670,353	\$ 6,056,841	\$ 4,761,549	\$ 1,921,842	\$ 29,410,585
Expenditures					
Current:					
General Government	\$ 1,484,078	\$ 0	\$ 0	\$ 0	\$ 1,484,078
Finance	1,203,052	0	0	0	1,203,052
Administration of Justice	1,289,828	0	0	18,874	1,308,702
Public Safety	5,893,427	0	0	63,772	5,957,199
Public Health and Welfare	515,835	0	0	1,321,941	1,837,776
Social, Cultural, and Recreational Services	391,694	0	0	0	391,694
Agriculture and Natural Resources	208,333	0	0	0	208,333
Other Operations	4,911,055	0	24,970	442,911	5,378,936
Highways	0	6,403,117	0	0	6,403,117

(Continued)

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Expenditures (Cont.)					
Debt Service:					
Principal on Debt	\$ 0	\$ 0	\$ 5,303,668	\$ 0	\$ 5,303,668
Interest on Debt	0	0	170,212	0	170,212
Other Debt Service	0	0	32,000	0	32,000
Capital Projects	0	0	0	965,796	965,796
Total Expenditures	<u>\$ 15,897,302</u>	<u>\$ 6,403,117</u>	<u>\$ 5,530,850</u>	<u>\$ 2,813,294</u>	<u>\$ 30,644,563</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 773,051	\$ (346,276)	\$ (769,301)	\$ (891,452)	\$ (1,233,978)
Other Financing Sources (Uses)					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 700,635	\$ 700,635
Other Loans Issued	0	0	1,869,756	0	1,869,756
Insurance Recovery	63,188	69,400	0	822,768	955,356
Transfers In	0	479,149	0	775,000	1,254,149
Transfers Out	(479,149)	0	0	(775,000)	(1,254,149)
Total Other Financing Sources (Uses)	<u>\$ (415,961)</u>	<u>\$ 548,549</u>	<u>\$ 1,869,756</u>	<u>\$ 1,523,403</u>	<u>\$ 3,525,747</u>
Net Change in Fund Balances	\$ 357,090	\$ 202,273	\$ 1,100,455	\$ 631,951	\$ 2,291,769
Fund Balance, July 1, 2024	<u>7,634,833</u>	<u>7,319,341</u>	<u>24,008,735</u>	<u>4,584,036</u>	<u>43,546,945</u>
Fund Balance, June 30, 2025	<u>\$ 7,991,923</u>	<u>\$ 7,521,614</u>	<u>\$ 25,109,190</u>	<u>\$ 5,215,987</u>	<u>\$ 45,838,714</u>

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

HENRY COUNTY, TENNESSEE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 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)		\$ 2,291,769
(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	\$ 1,806,393	
Less: current-year depreciation expense	<u>(2,405,528)</u>	(599,135)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 11,200	
Less: book value of capital assets disposed	<u>(4,561)</u>	6,639
(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	\$ 1,216,453	
Less: deferred delinquent property taxes and other deferred June 30, 2024	<u>(858,982)</u>	357,471
(4) The issuance of long-term debt (e.g., notes, other loans, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: change in deferred amount on refunding	\$ (6,579)	
Less: note proceeds	(700,635)	
Less: other loan proceeds	(1,869,756)	
Add: change in premium on debt issuances	32,007	
Add: principal payments on notes	785,635	
Add: principal payments on other loans	2,208,033	
Add: principal payments on bonds	<u>2,310,000</u>	2,758,705
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest on notes and bonds	\$ 9,026	
Change in compensated absences payable	43,669	
Change in net pension asset	9,258,391	
Change in deferred outflows related to pensions	426,100	
Change in deferred inflows related to pensions	<u>(2,016,355)</u>	7,720,831
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 12,536,280</u></u>

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

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 7,709,240	\$ 7,234,673	\$ 7,234,673	\$ 474,567
Licenses and Permits	150,220	211,000	211,000	(60,780)
Fines, Forfeitures, and Penalties	192,783	195,327	195,327	(2,544)
Charges for Current Services	306,881	356,350	356,350	(49,469)
Other Local Revenues	763,028	752,998	797,889	(34,861)
Fees Received From County Officials	1,797,139	1,755,000	1,755,000	42,139
State of Tennessee	3,255,870	3,964,284	5,165,680	(1,909,810)
Federal Government	950,919	25,119	101,064	849,855
Other Governments and Citizens Groups	1,544,273	44,568	1,525,969	18,304
Total Revenues	\$ 16,670,353	\$ 14,539,319	\$ 17,342,952	\$ (672,599)
Expenditures				
General Government				
County Commission	\$ 69,266	\$ 71,850	\$ 71,850	\$ 2,584
Board of Equalization	1,240	1,000	1,560	320
Other Boards and Committees	1,925	2,600	2,600	675
County Mayor/Executive	304,352	331,062	333,339	28,987
County Attorney	34,717	34,717	34,717	0
Election Commission	232,672	269,308	271,395	38,723
Register of Deeds	187,000	194,591	194,591	7,591
Building	113,846	115,979	115,979	2,133
County Buildings	151,022	153,000	153,000	1,978
Other General Administration	366,985	366,635	374,835	7,850
Preservation of Records	21,053	23,171	23,171	2,118
Finance				
Accounting and Budgeting	190,487	191,682	192,787	2,300
Property Assessor's Office	228,679	266,380	241,120	12,441
Reappraisal Program	160,340	167,566	202,826	42,486
County Trustee's Office	273,593	282,157	282,157	8,564
County Clerk's Office	349,953	361,479	363,976	14,023
Administration of Justice				
Circuit Court	269,426	291,002	291,002	21,576
General Sessions Court	140,672	144,426	144,426	3,754
General Sessions Judge	203,418	207,766	207,766	4,348

(Continued)

HENRY 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.)				
Administration of Justice (Cont.)				
Chancery Court	\$ 223,358	\$ 231,274	\$ 231,274	\$ 7,916
Juvenile Court	333,846	361,785	366,328	32,482
Probate Court	91,825	95,237	95,237	3,412
Other Administration of Justice	27,283	26,000	41,000	13,717
Public Safety				
Sheriff's Department	3,120,992	3,096,713	3,254,253	133,261
Special Patrols	101,483	108,807	108,807	7,324
Drug Enforcement	236,476	230,718	276,800	40,324
Administration of the Sexual Offender Registry	6,674	6,000	7,598	924
Jail	1,940,658	1,906,358	2,122,583	181,925
Fire Prevention and Control	33,200	33,200	33,200	0
Rescue Squad	6,000	6,000	6,000	0
Other Emergency Management	338,823	152,235	410,164	71,341
County Coroner/Medical Examiner	109,121	83,000	119,953	10,832
Public Health and Welfare				
Local Health Center	111,201	123,634	127,869	16,668
Rabies and Animal Control	25,702	9,956	25,702	0
Ambulance/Emergency Medical Services	317,611	0	781,683	464,072
Maternal and Child Health Services	1,350	1,350	1,350	0
Alcohol and Drug Programs	3,363	7,000	7,000	3,637
Crippled Children Services	0	2,660	2,660	2,660
Other Local Health Services	14,600	17,800	17,800	3,200
General Welfare Assistance	42,008	45,537	151,026	109,018
Social, Cultural, and Recreational Services				
Adult Activities	151,582	173,987	173,987	22,405
Libraries	207,862	207,862	207,862	0
Parks and Fair Boards	5,250	5,250	5,250	0
Other Social, Cultural, and Recreational	27,000	27,500	27,500	500
Agriculture and Natural Resources				
Agricultural Extension Service	150,231	191,615	197,377	47,146
Soil Conservation	35,204	41,203	41,203	5,999
Flood Control	22,898	22,898	22,898	0

(Continued)

HENRY 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.)				
Other Operations				
Tourism	\$ 710,468	\$ 694,000	\$ 710,468	\$ 0
Industrial Development	75,000	75,000	75,000	0
Other Economic and Community Development	757,618	0	977,804	220,186
Airport	618,881	650,651	855,170	236,289
Veterans' Services	65,504	79,424	79,424	13,920
Other Charges	212,996	616,788	874,243	661,247
Contributions to Other Agencies	121,363	139,136	139,136	17,773
Employee Benefits	2,300,381	2,167,834	2,539,018	238,637
Miscellaneous	48,844	580,750	102,601	53,757
Total Expenditures	<u>\$ 15,897,302</u>	<u>\$ 15,695,533</u>	<u>\$ 18,720,325</u>	<u>\$ 2,823,023</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 773,051	\$ (1,156,214)	\$ (1,377,373)	\$ 2,150,424
Other Financing Sources (Uses)				
Insurance Recovery	\$ 63,188	\$ 1,000	\$ 1,000	\$ 62,188
Transfers In	0	382,182	610,550	(610,550)
City General Fund Transfer	0	27,299	27,299	(27,299)
Transfers Out	(479,149)	0	(479,149)	0
Total Other Financing Sources	<u>\$ (415,961)</u>	<u>\$ 410,481</u>	<u>\$ 159,700</u>	<u>\$ (575,661)</u>
Net Change in Fund Balance	\$ 357,090	\$ (745,733)	\$ (1,217,673)	\$ 1,574,763
Fund Balance, July 1, 2024	<u>7,634,833</u>	<u>5,827,076</u>	<u>7,634,833</u>	<u>0</u>
Fund Balance, June 30, 2025	<u>\$ 7,991,923</u>	<u>\$ 5,081,343</u>	<u>\$ 6,417,160</u>	<u>\$ 1,574,763</u>

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

HENRY COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual 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	\$ 1,809,194	\$ 2,184,274	\$ 2,184,274	\$ (375,080)
Other Local Revenues	80,164	3,000	76,365	3,799
State of Tennessee	4,062,774	3,845,826	3,845,826	216,948
Federal Government	104,709	0	104,709	0
Total Revenues	<u>\$ 6,056,841</u>	<u>\$ 6,033,100</u>	<u>\$ 6,211,174</u>	<u>\$ (154,333)</u>
Expenditures				
Highways				
Administration	\$ 278,705	\$ 284,280	\$ 286,254	\$ 7,549
Highway and Bridge Maintenance	3,044,971	3,947,778	4,037,978	993,007
Operation and Maintenance of Equipment	602,197	736,998	736,998	134,801
Litter and Trash Collection	49,499	51,400	51,400	1,901
Other Charges	259,725	300,753	306,750	47,025
Employee Benefits	514,479	622,560	645,860	131,381
Capital Outlay	1,653,541	1,643,898	1,643,898	(9,643)
Total Expenditures	<u>\$ 6,403,117</u>	<u>\$ 7,587,667</u>	<u>\$ 7,709,138</u>	<u>\$ 1,306,021</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (346,276)</u>	<u>\$ (1,554,567)</u>	<u>\$ (1,497,964)</u>	<u>\$ 1,151,688</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 69,400	\$ 0	\$ 69,400	\$ 0
Transfers In	479,149	0	0	479,149
Total Other Financing Sources	<u>\$ 548,549</u>	<u>\$ 0</u>	<u>\$ 69,400</u>	<u>\$ 479,149</u>
Net Change in Fund Balance	\$ 202,273	\$ (1,554,567)	\$ (1,428,564)	\$ 1,630,837
Fund Balance, July 1, 2024	<u>7,319,341</u>	<u>6,017,322</u>	<u>7,319,341</u>	<u>0</u>
Fund Balance, June 30, 2025	<u><u>\$ 7,521,614</u></u>	<u><u>\$ 4,462,755</u></u>	<u><u>\$ 5,890,777</u></u>	<u><u>\$ 1,630,837</u></u>

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

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

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 3,235,519
Equity in Pooled Cash and Investments	2,009,311
Accounts Receivable	29,952
Due from Other Governments	1,740,060
Property Taxes Receivable	5,093,746
Allowance for Uncollectible Property Taxes	<u>(61,057)</u>
Total Assets	<u>\$ 12,047,531</u>
LIABILITIES	
Due to Other Taxing Units	<u>\$ 2,305,533</u>
Total Liabilities	<u>\$ 2,305,533</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Current Property Taxes	<u>\$ 4,768,314</u>
Total Deferred Inflows of Resources	<u>\$ 4,768,314</u>
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 4,973,684</u>
Total Net Position	<u><u>\$ 4,973,684</u></u>

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

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

	<u>Custodial Funds</u>
ADDITIONS	
Sales Tax Collections for Other Governments	\$ 6,783,730
Property Tax Collections for Other Governments	2,085,769
ADA - Educational Funds Collected for Cities	6,746,933
Fines/Fees and Other Collections	14,442,180
Drug Task Force Collections	708,327
Total Additions	<u>\$ 30,766,939</u>
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	\$ 6,783,730
Payment of Property Tax Collections for Other Governments	2,085,769
Payments to City School Systems	6,746,933
Payments to State	5,695,543
Payments to Cities, Individuals, and Others	8,110,390
Payment of Drug Task Force Expenses	1,087,047
Total Deductions	<u>\$ 30,509,412</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 257,527
Net Position, July 1, 2024	<u>4,716,157</u>
Net Position, June 30, 2025	<u><u>\$ 4,973,684</u></u>

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

HENRY COUNTY, TENNESSEE

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. *Reporting Entity*

Henry County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Henry County (the primary government) and its component units. The financial statements of the Henry County Emergency Communications District and the Henry County Tourism Development Authority, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Henry County Hospital District provides healthcare to the citizens of Henry County, and the Henry County Commission appoints its governing body. Before the issuance of any debt instruments, the hospital must obtain the approval of the county commission.

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

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

The Henry County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Henry County Hospital

District, the Henry County Emergency Communications District, and the Henry County Tourism Development Authority can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Henry County Hospital District
P.O. Box 1030
Paris, TN 38242

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

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

B. Government-wide and Fund Financial Statements

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

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

Henry County issues all debt for the discretely presented Henry County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 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 Henry County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/find net position, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Henry County has no proprietary funds to report.

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

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

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

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

Henry County reports the following major governmental funds:

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

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

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

Additionally, Henry County reports the following fund types:

Capital Projects Funds – These funds account for capital expenditures, including construction and renovations, of the county.

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

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

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.

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

Special Revenue Funds – These funds 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.

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. To be consistent with the prior year's reporting, the FY 24 balances for the Internal School Fund are presented in this report. Using the prior year balances will not affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found 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 Henry County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Henry County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

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

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

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 0.58 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied,

which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

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

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

Lease receivables are recognized in the governmental funds and government-wide financial statements. At the commencement of a lease, a lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. Interest received from the lessee is recognized as revenue when received. Any accumulated interest on June 30 will result in accrued interest receivable in the governmental funds and government-wide financial statements.

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

3. Restricted Assets

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

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items) are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of \$5,000 or more and an estimated useful life exceeding one year. Such

assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

It is the county's policy (except for the highway department) to permit employees to accumulate earned but unused vacation pay benefits up to 280 hours for the sheriff's department and up to 20 days for all other employees. The highway department's policy does not permit employees to accumulate earned but unused vacation pay benefits beyond employee anniversary dates. It is the discretely presented Henry County School

Department's policy to permit support personnel to accumulate earned but unused vacation pay benefits up to 30 days. Additionally, sheriff department employees accumulate earned but unused compensatory time.

It is the county and school department's policies to permit employees to accumulate earned but unused sick pay benefits up to 120 days for county employees, 200 hours for highway department employees, and an unlimited amount for school department employees.

All vacation pay and compensatory time are 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 Henry 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, compensatory time, 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 applicable 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 and lease obligations, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

The government-wide Statement of Net Position reports \$20,993,259 of restricted net position for the primary government, of which \$278,954 is restricted by enabling legislation.

On June 30, 2025, Henry County had \$5,200,000 in outstanding debt for capital purposes for the discretely presented Henry County School Department. The debt is a liability of Henry County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Henry County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

9. Restatements

With the implementation of GASB Statement 101, *Compensated Absences*, Henry County must recognize restatements to the beginning net position in the Government-wide financial statements for the primary government and the discretely presented Henry County School Department to record compensated absences liabilities. A restatement of (\$63,287) has been presented to reflect the beginning balance of the primary government and (\$119,917) for the discretely presented Henry County School Department.

	Government Wide - Governmental Activities	
	Primary Government	Discretely Presented Henry County School Department
Net Position, as previously reported	\$ 44,894,327	\$ 58,626,245
Adjustments for GASB 101 Implementation:		
Compensated Absences Liability	(63,287)	(119,917)
Net Change in Beginning Net Position	<u>\$ (63,287)</u>	<u>\$ (119,917)</u>
Net Position, June 30, 2024, Restated	<u>\$ 44,831,040</u>	<u>\$ 58,506,328</u>

10. Changes To or Within the Financial Reporting Entity

Changes in Major Fund Classification (Column A)

Fund classifications are evaluated annually in accordance with the criteria established in GASB Statement No. 34. During fiscal year 2025, the following funds experienced changes in major fund status:

In the discretely presented Henry County School Department, the School Federal Projects Fund no longer met the quantitative thresholds and is presented as a nonmajor governmental fund. Prior-year amounts have been restated to reflect the fund within the Nonmajor Governmental Funds column.

These presentation changes are reported retrospectively in accordance with GASB Statement No. 100 and do not affect the previously reported total governmental fund balances or changes in fund balances.

	7-1-24 As Previously Reported	Change To or Within the Financial Reporting Entity (A)	7-1-24 As Restated
Discretely Presented Henry County School Department			
Major Funds:			
School Federal Projects	\$ 162,692	\$ (162,692)	\$ 0
Nonmajor Funds	2,242,909	162,692	2,405,601
Total Governmental Funds			
Discretely Presented Henry County School Department	<u>\$ 2,405,601</u>	<u>\$ 0</u>	<u>\$ 2,405,601</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 Henry County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Henry County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Pension Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Pension Plan of TCRS. Investments are reported at fair value.

Discretely Presented Henry County School Department

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

F. Other Postemployment Benefit (OPEB) Plan

Discretely Presented Henry County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Henry County School Department

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

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

Primary Government

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

Discretely Presented Henry County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

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

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

IV. DETAILED NOTES ON ALL FUNDS

A. *Deposits and Investments*

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

Deposits

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

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its

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

The county had no pooled or nonpooled investments as of June 30, 2025.

TCRS Stabilization Trust

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

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

On June 30, 2025, the Henry County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 159,046
Developed Market International Equity	N/A	N/A	71,827
Emerging Market International Equity	N/A	N/A	20,522
U.S. Fixed Income	N/A	N/A	102,611
Real Estate	N/A	N/A	51,305
Short-term Securities	N/A	N/A	5,131
NAV - Private Equity and Strategic Lending	N/A	N/A	102,611
Total			<u>\$ 513,053</u>

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

B. Note Receivable

The note receivable in the General Debt Service Fund totaling \$18,017,967 represents the balance of loan agreements the county entered into on behalf of the Henry County Hospital District and is included in the restricted fund balance account. The hospital district has agreed to contribute funds to the county to satisfy the debt requirements.

C. Lease Receivable

On September 1, 2019, Henry County entered into a lease agreement for the use of an existing hangar at the Henry County Airport. As of June 30, 2025, the remaining term is four years and two months, and the county will be receiving monthly payments ranging from \$4,057 to \$4,567. During the year, Henry County recognized \$41,384 in lease revenue and \$7,187 in interest revenue during the current fiscal year related to this lease. The lease has an annual interest rate of three percent. As of June 30, 2025, the lease receivable balance was \$198,223.

The future receipts of the lease receivable include:

Year Ending June 30	Airport Hangar Lease		
	Principal	Interest	Total
2026	\$ 44,081	\$ 5,947	\$ 50,028
2027	46,905	4,624	51,529
2028	49,858	3,217	53,075
2029	52,946	1,721	54,667
2030	4,433	133	4,566
Total	<u>\$ 198,223</u>	<u>\$ 15,642</u>	<u>\$ 213,865</u>

D. 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	\$ 6,233,965	\$ 0	\$ 0	\$ 6,233,965
Construction in Progress	0	274,119	0	274,119
Total Capital Assets Not Depreciated	\$ 6,233,965	\$ 274,119	\$ 0	\$ 6,508,084
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,300,759	\$ 494,973	\$ 0	\$ 11,795,732
Infrastructure	55,106,964	0	0	55,106,964
Other Capital Assets	9,554,874	1,048,501	(446,602)	10,156,773
Total Capital Assets Depreciated	\$ 75,962,597	\$ 1,543,474	\$ (446,602)	\$ 77,059,469
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 8,628,250	\$ 301,586	\$ 0	\$ 8,929,836
Infrastructure	41,736,490	1,277,828	0	43,014,318
Other Capital Assets	7,180,624	826,114	(442,041)	7,564,697
Total Accumulated Depreciation	\$ 57,545,364	\$ 2,405,528	\$ (442,041)	\$ 59,508,851
Total Capital Assets Depreciated, Net	\$ 18,417,233	\$ (862,054)	\$ (4,561)	\$ 17,550,618
Total Capital Assets Governmental Activities, Net	\$ 24,651,198	\$ (587,935)	\$ (4,561)	\$ 24,058,702

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

Governmental Activities:

General Government	\$ 402,959
Finance	1,160
Administration of Justice	1,400
Public Safety	533,097
Public Health and Welfare	79,378
Social, Cultural, and Recreational Services	7,718
Highways/Public Works	1,379,816
Total Depreciation Expense - Governmental Activities	\$ 2,405,528

Discretely Presented Henry County School Department

Governmental Activities:

	Balance 7-1-24	Increases	Decreases	Balance 6-30-25
Capital Assets Not Depreciated:				
Land	\$ 610,066	\$ 0	\$ 0	\$ 610,066
Construction in Progress	4,396,476	0	(4,396,476)	0
Total Capital Assets Not Depreciated	\$ 5,006,542	\$ 0	\$ (4,396,476)	\$ 610,066
Capital Assets Depreciated:				
Buildings and Improvements	\$ 66,600,194	\$ 5,738,440	\$ 0	\$ 72,338,634
Other Capital Assets	9,752,260	790,678	(499,034)	10,043,904
Total Capital Assets Depreciated	\$ 76,352,454	\$ 6,529,118	\$ (499,034)	\$ 82,382,538
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 45,144,377	\$ 1,436,116	\$ (19,994)	\$ 46,560,499
Other Capital Assets	6,999,713	580,517	(439,285)	7,140,945
Total Accumulated Depreciation	\$ 52,144,090	\$ 2,016,633	\$ (459,279)	\$ 53,701,444
Total Capital Assets Depreciated, Net	\$ 24,208,364	\$ 4,512,485	\$ (39,755)	\$ 28,681,094
Governmental Activities Capital Assets, Net	\$ 29,214,906	\$ 4,512,485	\$ (4,436,231)	\$ 29,291,160

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

Governmental Activities:

Instruction	\$ 658,856
Support Services	1,141,044
Operation of Non-instructional Services	216,733
Total Depreciation Expense - Governmental Activities	\$ 2,016,633

E. Construction Commitments

On June 30, 2025, the county had uncompleted construction contracts of approximately \$3,854,265 for the construction of a new health department building. Funding is expected to be received from federal grants.

F. 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
Primary Government:		
General	Nonmajor governmental	\$ 3,271
Highway/Public Works	General	479,149
Nonmajor governmental	Nonmajor governmental	109,791
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	19,464

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.

Interfund Transfers:

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

Primary Government

Transfer Out	Transfers In		Purpose
	Highway/ Public Works Fund	Nonmajor governmental funds	
General Fund	\$ 479,149	\$ 0	Net wheel tax revenue
Nonmajor governmental funds	0	775,000	Capital outlay
Total	\$ 479,149	\$ 775,000	

Discretely Presented Henry County School Department

Transfers Out	Transfers In		Purpose
	General Purpose School Fund		
Nonmajor governmental funds	\$ 93,482		Indirect costs
"	500		Title IV expenses
"	3,537		CTE expenses
"	963,509		ESSER expenses
"	18,200		HQIM Literacy expenses
"	178,779		To close fund
Total	\$ 1,258,007		

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

G. Long-term Debt

Primary Government

General Obligation Bonds and Notes

General Obligation Bonds - Henry County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 12 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2025, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Henry County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government, the discretely presented school department, and the discretely presented Henry County Hospital District. Capital outlay notes are issued to fund capital facilities. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. The other loans outstanding were issued for original terms of up to 25 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The other loans included in long-term debt as of June 30, 2025, will be retired from contributions by the Henry County Hospital District to the General Debt Service Fund.

General obligation bonds and other loans 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 to 2.25%	5-1-29	\$ 8,850,000	\$ 4,655,000
General Obligation Bonds - Refunding	1.74	5-1-26	2,045,000	545,000
Other Loans - fixed rate	2.18 to 2.57	10-1-47	13,700,000	11,525,967
Other Loans	Variable	5-25-40	28,500,000	6,492,000

In a prior year, Henry County entered into a loan agreement with the Montgomery County Public Building Authority on behalf of the Henry County Hospital District. This loan agreement provided for the authority to make \$16,500,000 available for loan to Henry County on an as-needed basis for various renovation and construction projects. Henry County has borrowed the entire amount of the loan. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily. On June 30, 2025, the variable interest rate was 3.42 percent.

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

Series	Amount Available for Loan	Amount Drawn	Interest Rate	Balance 6-30-25
2012	\$ 7,000,000	\$ 7,000,000	Variable %	\$ 1,072,000
2015	5,000,000	5,000,000	Variable	3,197,000
2018	9,200,000	9,200,000	2.57	7,178,967
2022	4,500,000	2,630,244	2.18	4,347,000

The variable interest rates on the \$7,000,000 and \$5,000,000 loans are adjusted weekly as determined by the remarketing agents and were 2.98 percent and 3.2 percent, respectively, on June 30, 2025.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	\$ 1,610,000	\$ 107,383	\$ 1,717,383
2027	1,670,000	76,600	1,746,600
2028	1,705,000	43,200	1,748,200
2029	215,000	4,838	219,838
Total	\$ 5,200,000	\$ 232,021	\$ 5,432,021

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2026	\$ 2,283,000	\$ 453,000	\$ 2,736,000
2027	2,363,000	382,000	2,745,000
2028	6,894,967	257,000	7,151,967
2029	368,000	163,000	531,000
2030	374,000	153,000	527,000
2031-2035	1,974,000	602,000	2,576,000
2036-2040	2,149,000	324,000	2,473,000
2041-2045	1,126,000	115,000	1,241,000
2046-2047	486,000	11,000	497,000
Total	\$ 18,017,967	\$ 2,460,000	\$ 20,477,967

There is \$25,109,190 available in the General Debt Service Fund to service long-term debt. However, \$18,017,967 of this amount represents a Note Receivable due from the Henry County Hospital District and is not available for appropriation. Bonded debt per capita totaled \$162, based on the 2020 federal census. Total debt per capita, including bonds and other loans, and unamortized debt premiums totaled \$722, based on the 2020 federal census.

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

Discretely Presented Henry County School Department

Description of Debt	Outstanding 6-30-25
Bonds Payable	
Contributions from the General Purpose School Fund	
General Obligation High School Bonds, Series 2017	\$ 4,655,000
General Obligation Refunding Bonds, Series 2020	545,000
Total	\$ 5,200,000

Discretely Presented Henry County Hospital District

Description of Debt	Outstanding 6-30-25
Other Loans - Direct Placement	
Contributions from the Henry County Hospital District	
PBA of Montgomery County, Series 2002	\$ 2,223,000
PBA of City of Clarksville, Series 2012	1,072,000
PBA of City of Clarksville, Series 2015	3,197,000
PBA of City of Clarksville, Series 2018	7,178,967
PBA of City of Clarksville, Series 2022	4,347,000
Total	\$ 18,017,967

Changes in Long-term Debt

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

Governmental Activities:

	Bonds	Notes - Direct Placement	Other Loans Direct Placement
Balance, July 1, 2024	\$ 7,510,000	\$ 85,000	\$ 18,356,244
Additions	0	700,635	1,869,756
Reductions	(2,310,000)	(785,635)	(2,208,033)
Balance, June 30, 2025	\$ 5,200,000	\$ 0	\$ 18,017,967
Balance Due Within One Year	\$ 1,610,000	\$ 0	\$ 2,283,000

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2025	\$ 23,217,967
Less: Balance Due Within One Year - Debt	(3,893,000)
Add: Unamortized Premium on Debt	<u>31,448</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 19,356,415</u>

H. 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:

	<u>Compensated Absences*</u>
Balance, July 1, 2024	\$ 555,834
Reductions	<u>(43,669)</u>
Balance, June 30, 2025	<u>\$ 512,165</u>
Balance Due Within One Year	<u>\$ 33,911</u>

*Restated beginning balance – See Note. I.D.9. The change in compensated absences is presented as a net change.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2025	\$ 512,165
Less: Balance Due Within One Year - Other	<u>(33,911)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 478,254</u>

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

Discretely Presented Henry County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Compensated Absences*	Other Postemployment Benefits
Balance, July 1, 2024	\$ 195,163	\$ 2,965,382
Additions	38,756	349,149
Reductions	0	(93,877)
Balance, June 30, 2025	<u>\$ 233,919</u>	<u>\$ 3,220,654</u>
Balance Due Within One Year	<u>\$ 134,161</u>	<u>\$ 82,142</u>

*Restated beginning balance – See Note. I.D.9. 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	\$ 3,454,573
Less: Balance Due Within One Year - Other	<u>(216,303)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 3,238,270</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Henry County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2025, were \$56,119. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION***A. Risk Management***

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

Henry County (except for school department employees) purchases commercial insurance for the risk associated with employee health coverage. Pre-65 age retirees are offered COBRA at their own expense for a maximum of 18 months. Currently, Henry County has no retirees that have chosen to remain on the insurance. Management advised that historically participation among retirees is very low and any liability resulting from this option would not be material to the financial statements. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

B. Accounting Changes

GASB Statement No. 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.

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

D. Changes in Administration

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

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

E. Joint Ventures

The Twenty-fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fourth Judicial District; Benton, Carroll, Decatur, Hardin, and Henry counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial

district. Henry County made no contributions to the DTF for the year ended June 30, 2025, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

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

The W.G. Rhea Paris – Henry County Library is a regional library owned by Henry County and the city of Paris and operated by the W.G. Rhea Paris – Henry County Library Board. The board includes seven members, four appointed by the Henry County Commission and three appointed by the city of Paris. Henry County has control over budgeting and financing the joint venture only to the extent of representation by the four board members appointed and is responsible for funding 50 percent of any deficits from operations. Henry County contributed \$207,862 to the operations of the board during the year ended June 30, 2025. Complete financial statements for the W.G. Rhea Paris – Henry County Library can be obtained from the County Clerk’s Office or the library board’s administrative office at the following address:

Administrative Office:

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

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

The Paris-Henry County Industrial Development Committee is a joint venture formed by an interlocal agreement between the city of Paris, Henry County, and the Paris-Henry County Chamber of Commerce. The purpose of the Industrial Development Committee is to provide for the planning, direction, and oversight of economic development for the city of Paris and Henry County. The committee is comprised of the director of economic development, the chief executive of the county or other designee, the mayor of Paris or other designee, one city commissioner, two county commissioners, the city manager of the city of Paris, and the current president of the chamber of commerce. Henry County contributed \$75,000 to the Industrial Development Committee for the year ended June 30, 2025, and does not have an equity interest in this joint venture. Complete financial statements for the Industrial Development Committee can be obtained from its administrative office at the following address:

Administrative Office:

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

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information about the Pension Plan

Plan Description. Employees of Henry County and non-certified employees of the discretely presented Henry 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 87.78 percent and the non-certified employees of the discretely presented school department comprised 12.22 percent 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 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:

Inactive Employees or Beneficiaries Currently Receiving Benefits	617
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,375
Active Employees	795
Total	<u><u>2,787</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Henry County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2025, the

employer contribution for Henry County was \$1,123,680 based on a rate of 5.56 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Henry County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Henry County's net pension liability (asset) was measured as of June 30, 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 (asset) 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 more closely reflect actual and expected future experience.

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2023	\$ 152,158,512	\$ 160,100,758	\$ (7,942,246)
Changes for the Year:			
Service Cost	\$ 3,932,277	\$ 0	\$ 3,932,277
Interest	10,291,010	0	10,291,010
Differences Between Expected and Actual Experience	1,128,090	0	1,128,090
Contributions-Employer	0	2,235,404	(2,235,404)
Contributions-Employees	0	2,028,432	(2,028,432)
Net Investment Income	0	15,478,079	(15,478,079)
Benefit Payments, Including Refunds of Employee Contributions	(7,262,777)	(7,262,777)	0
Administrative Expense	0	(105,321)	105,321
Net Changes	<u>\$ 8,088,600</u>	<u>\$ 12,373,817</u>	<u>\$ (4,285,217)</u>
Balance, June 30, 2024	<u>\$ 160,247,112</u>	<u>\$ 172,474,575</u>	<u>\$ (12,227,463)</u>

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

		Increase (Decrease)		
		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	87.78%	\$ 140,664,915	\$ 151,398,182	\$ (10,733,267)
School Department	12.22%	19,582,197	21,076,393	(1,494,196)
Total		<u>\$ 160,247,112</u>	<u>\$ 172,474,575</u>	<u>\$ (12,227,463)</u>

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

	Current		
	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Henry County			
Net Pension Liability (Asset)	\$ 8,511,004	\$ (12,227,463)	\$ (29,265,865)

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, Henry County recognized (negative pension expense) of \$2,208,337.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 778,647	\$ 727,738
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,812,402
Changes in Assumptions	0	0
Contributions Subsequent to the Measurement Date of June 30, 2024 (1)	1,123,680	N/A
Total	<u>\$ 1,902,327</u>	<u>\$ 2,540,140</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	87.78%	\$ 1,527,350	\$ 2,229,734
School Department	12.22%	374,977	310,406
Total		<u>\$ 1,902,327</u>	<u>\$ 2,540,140</u>

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

Year Ending June 30	Amount
2026	\$ (2,312,608)
2027	2,453,019
2028	(946,696)
2029	(955,209)
2030	0
Thereafter	0

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

Discretely Presented Henry County School Department - Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Henry County and non-certified employees of the discretely presented Henry 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 and non-certified employees of the discretely presented Henry County School Department comprised 87.78 percent and 12.22 percent, respectively, of the plan based on contribution data.

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

General Information About the Pension Plan

Plan Description. Teachers of the Henry County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained 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 \$169,979, which is three percent of covered payroll. In addition, employer contributions of \$51,920, 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 (\$154,023) 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 0.216140 percent. The proportion as of June 30, 2023, was 0.215444 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized pension expense of \$132,576.

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	\$ 12,723	\$ 47,320
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	25,981
Changes in Assumptions	61,206	0
Changes in Proportion of Net Pension Liability (Asset)	35,798	5,499
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	169,979	N/A
Total	<u>\$ 279,706</u>	<u>\$ 78,800</u>

The school department's employer contributions of \$169,979, 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	\$ (11,171)
2027	24,775
2028	(5,701)
2029	(5,559)
2030	7,212
Thereafter	21,371

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 more closely reflect actual and expected future experience.

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 406,208	\$ (154,023)	\$ (570,952)

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

Discretely Presented Henry County School Department - Certified Employees - Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Henry County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained 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 Henry County School Department for the year ended June 30, 2025, to the Teacher Legacy Pension Plan were \$696,901, 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 \$4,645 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 (\$5,599,201) 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 0.324994 percent. The proportion measured on June 30, 2023, was 0.325334 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized (negative pension expense) of \$1,203,546.

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
	<u> </u>	<u> </u>
Difference Between Expected and Actual Experience	\$ 1,493,158	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,090,497
Changes in Proportion of Net Pension Liability (Asset)	63,788	29,080
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	<u>696,901</u>	N/A
Total	<u>\$ 2,253,847</u>	<u>\$ 1,119,577</u>

The school department’s employer contributions of \$696,901 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) in net pension liability (asset) in the year ending June 30, 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	\$ (623,460)
2027	2,203,928
2028	(568,945)
2029	(574,154)
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 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 more closely reflect actual and expected future experience.

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	4.88 %	31 %
International Equity Emerging Market	5.37	14
International Equity	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)	\$ 7,112,925	\$ (5,599,201)	\$ (16,142,175)

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 \$283,136 and teachers contributed \$171,772 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pool

Discretely Presented Henry County School Department

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

The school department’s total OPEB liability for the plan was measured as of June 30, 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 the plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.93%
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 below

The discount rate was 3.93 percent, based on the daily rate of Bond Buyer’s 20-year Municipal GO AA index closest to but not later than the measurement date.

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

Changes in Assumptions. The discount rate changed from 3.65 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 increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2024 plan year was revised from 10.31 percent to 10.68 percent.

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

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

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

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

Inactive Employees Currently Receiving Benefits	14
Inactive Employees Entitled To But Not Yet Receiving Benefits	1
Active Employees Eligible for Benefits	233
Total	248

A state insurance committee, created in accordance with Section 8-27-301, TCA, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$82,142 to the LEP for OPEB benefits as they came due.

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

	Share of Collective Liability		Total OPEB Liability
	Henry County School Department 60.802%	State of TN 39.198%	
Balance July 1, 2023	\$ 2,965,382	\$ 1,947,013	\$ 4,912,395
Changes for the Year:			
Service Cost	\$ 146,317	\$ 94,329	\$ 240,646
Interest	112,785	72,712	185,497
Difference between Expected and Actual Experience	(6,847)	(4,414)	(11,261)
Changes in Proportion	21,438	(21,438)	0
Changes in Assumption	68,609	44,231	112,840
Benefit Payments	(87,030)	(56,108)	(143,138)
Net Changes	\$ 255,272	\$ 129,312	\$ 384,584
Balance June 30, 2024	\$ 3,220,654	\$ 2,076,325	\$ 5,296,979

The Henry County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Henry County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$229,813 in revenue for subsidies provided by non-employer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Henry County School Department's proportionate share of the collective OPEB liability was 60.802 percent and the State of Tennessee's share was 39.198 percent.

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 \$514,356, 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	\$ 122,005	\$ 137,972
Changes in Proportion	38,163	185,826
Changes of Assumptions	609,240	251,610
Benefits Paid After the Measurement Date of June 30, 2024	82,142	0
Total	<u>\$ 851,550</u>	<u>\$ 575,408</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	\$ 25,441
2027	25,441
2028	34,676
2029	51,788
2030	32,256
Thereafter	24,398

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

Proportionate Share of the Collective Total OPEB Liability	\$ 3,468,415	\$ 3,220,654	\$ 2,985,086
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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 Trend Rates 10.68 to 4.5%	1% Increase 11.68 to 5.5%
Proportionate Share of the Collective Total OPEB Liability	\$ 2,879,088	\$ 3,220,654	\$ 3,615,919

H. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor’s Office are governed by Chapter 10, Private Acts of 1995, and provisions of the County Purchasing Law of 1983, Section 5-14-201, Tennessee Code Annotated (TCA), which provides for purchases exceeding \$25,000 to be made after public advertisement and solicitation of competitive bids.

Office of County Road Supervisor

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

Office of Director of Schools

Purchasing procedures for the discretely presented Henry County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, TCA, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires that competitive bids be solicited through newspaper advertisement on all purchases exceeding \$10,000.

I. Subsequent Event

On October 31, 2025, Henry County issued a capital outlay note totaling \$470,939 for various capital projects.

VI. OTHER NOTES – DISCRETELY PRESENTED HENRY COUNTY HOSPITAL DISTRICT

A. Nature of Operations

1. Organization

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

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

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

2. **Disposition**

In July 2024, the Board of Trustees approved a resolution to enter into an operations transfer agreement and an associated lease agreement with West Tennessee Healthcare (WTH). The operations transfer agreement and lease agreement became effective on October 1, 2024. Under the terms of the operations transfer agreement, the hospital district transferred all of its right, title and interest in any and all assets it owned or used solely with respect to operations, other than the excluded assets as defined in the agreement which generally excluded all rights under the Tennessee Consolidated Retirement System (TCRS) pension plan and owned real property. The new operator also assumed substantially all liabilities of the hospital district, which generally excluded the TCRS pension plan balances and long-term debt. As part of the operations transfer agreement, the new operator agreed to provide healthcare services in the service area for 40 years from the effective date of the transaction. Additionally, for a period of 10 years after the effective date, the new operator will maintain and provide certain services within the service area, provided that such services are financially viable, supported by the community and necessary physician coverage is available. The new operator also agreed to make capital commitments of at least \$10,000,000 with respect to the hospital district and other healthcare infrastructure within the service area during the five-year period immediately following the effective date.

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

This transaction was accounted for in accordance with Governmental Accounting Standards Board (GASB) Statement No. 6, *Government Combinations and Disposals of Government Operations*. As a result of this transaction, the hospital district recognized an extraordinary item of (\$25,663,344) in the Statement of Revenue, Expenses and Changes in Net Position for the year ended June 30, 2025, and derecognized the related assets and liabilities from the Statement of Net Position.

Simultaneously with the closing of the operations transfer agreement and lease agreement with WTH, all rights and obligations associated with the hospital district's participation in the Public Employee Pension Plan of TCRS were transferred to and assumed by the county. As a result of this arrangement, the hospital recognized an extraordinary item of (\$9,303,395) in the Statement of Revenue, Expenses and Changes in Net Position for the year ended June 30, 2025.

Revenue and expenses associated with the transferred operations, which are included in the accompanying Statement of Revenue, Expenses and Changes in Net Position for the year ended June 30, 2025, are as follows:

Total operating revenue	\$ 21,310,163
Total operating expenses	<u>(22,781,690)</u>
Operating loss	\$ (1,471,527)
Total nonoperating expense	<u>(216,309)</u>
Excess of expenses over revenue before special and extraordinary income	<u>\$ (1,687,836)</u>

B. Summary of Significant Accounting Policies

1. New and Upcoming Accounting Pronouncements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires compensated absences to be recognized as a liability when the benefits are earned by employees and are attributable to services already rendered. The liability should be measured based on the pay or salary rates in effect at the financial statement date. The guidance is effective for fiscal years beginning after December 15, 2023. The hospital district adopted GASB Statement No. 101 as of July 1, 2024. The adoption of this guidance did not have a material impact on the financial statements.

In June 2022, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. It requires disclosure of information in the notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The guidance is effective for fiscal years beginning after June 15, 2024. The hospital district adopted GASB Statement No. 102 as of July 1, 2024. The adoption of this guidance did not have a material impact on the financial statements.

In April 2024, the GASB released Statement 103, *Financial Reporting Model Improvements*, which addresses the presentation of the Statement of Revenues, Expenses, and Changes in Net Position. It will require separate sections and subtotals to be included in the statements for major component units and unusual or infrequent items. The guidance is effective for fiscal years beginning after June 15, 2025. Management is currently evaluating the impact of adoption.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement requires governments to disclose specific information about certain types of capital assets and additional disclosures for capital assets held for sale. The guidance is effective for fiscal years beginning after June 15, 2025. Management is currently evaluating the impact of adoption.

2. **Basis of Presentation**

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

3. **Cash and Cash Equivalents**

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

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

Custodial credit risk is the risk that, in the event of a bank failure, the hospital district's deposits may not be returned to it. State statutes require the hospital district's deposits to be secured and collateralized by the financial institutions. Substantially all of the hospital district's cash and cash equivalents and certificates of deposit are insured or collateralized by securities held by the financial institutions' trust department in the hospital district's name or through participation in the Tennessee Bank Collateral Pool. On June 30, 2025, the total carrying value of the hospital district's cash, cash equivalents and investments was \$191,978, and the bank balance was \$177,899.

4. **Property and Equipment**

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

5. Leases

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

All leases where the hospital district was the lessee transferred to WTH on October 1, 2024. Certain of the hospital district's leases included one or more options to renew. The exercise of lease renewal options was at the hospital district's sole discretion. In general, the hospital district considered renewal options to be reasonably certain to be exercised and therefore, renewal options were generally recognized as part of the determination of the lease terms. The lease agreements did not contain any material residual value guarantees, restrictions, or covenants.

The hospital district determines whether they are the lessor if a contract conveys control of the right to use another entity's nonfinancial asset (the underlying asset) for a period of time in an exchange or exchange-like transaction. At the commencement of the lease term, the hospital district recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable plus any lease payments received at or before the commencement of the lease term that relate to future periods. Lease revenue is recognized over the lease term on a systematic and rational basis. The revenue is recognized as the deferred inflow of resources is reduced over the lease term. Interest revenue is recognized on the lease receivable using the effective interest method over the lease term.

6. Patient Service Revenue

The hospital district has agreements with third-party payors that provide for payments to the hospital district at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per-diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Patient service revenue is net of contractual adjustments and policy discounts of approximately \$56 million for the year ended June 30, 2025. For the year ended June 30, 2025, approximately 59 percent of net patient service revenue was from Medicare and approximately 13 percent was from Medicaid/TennCare.

The hospital district provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the hospital district does not pursue collection of amounts determined to qualify as charity care, they are

not reported as revenue. These costs are estimated based on the ratio of total costs to gross charges and totaled approximately \$436,000 for the year ended June 30, 2025.

7. Operating Activities

The hospital district defines operating activities as reported on the Statement of Revenue, Expenses, and Changes in Net Position as those that generally result from exchange transactions, such as payments for providing services and payments for goods and services received. Non-exchange transactions, including investment income, interest expense, and grants received for purposes other than capital asset acquisition are considered nonoperating revenue and expenses.

8. Pension Plan

Prior to the transfer of operations to WTH, hospital district employees were covered under the Tennessee Consolidated Retirement System (TCRS), a defined benefit plan. See Note VI.H. for further information related to the pension plan.

9. Risk Management

The hospital district is exposed to various risks of loss from medical malpractice; torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; and natural disasters. Commercial insurance is purchased for claims arising from such matters.

10. Net Position

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

11. Income Taxes

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

12. Performance Indicator

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

13. Long-lived Assets

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

14. Use of Estimates

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

15. Emergency Medical Service Agreement

In exchange for the assignment of the EMS's rights to provide the emergency medical services (see Note VI.A.), the third party is to compensate the hospital district on a monthly basis in an amount equal to approximately \$15,000 per month plus reimbursement for certain salaries and benefits, subject to adjustment as provided in the agreement. The initial term of the agreement is 3 years and was effective as of July 1, 2020. In May 2025, this agreement was renewed for an additional two-year period effective June 30, 2025. For the year ended June 30, 2025, the hospital district recognized approximately \$501,000 in revenue under the agreement, which is presented within other revenue in the accompanying Statement of Revenue, Expenses and Changes in Net Position. Under the terms of the agreement, either party may terminate the agreement without cause upon 90 days written notice. As such, the agreement is accounted for as a short-term lease under GASB Statement No. 87, *Leases*.

C. *Third-party Reimbursement Programs*

The hospital district receives revenue under various third-party reimbursement programs, which include Medicare, TennCare, and other third-party payors. Contractual adjustments under third-party reimbursement programs represent the difference between the hospital district's billings at its established rates and the amounts reimbursed by third-party payors. They also include any differences between estimated third-party reimbursement settlements for prior years and subsequent tentative or final settlements. The adjustments resulting from tentative or final settlements to estimated reimbursement amounts resulted in an increase to revenue of approximately \$236,000 for the year ended June 30, 2025.

1. Medicare

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

2. Medicaid

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

3. TennCare

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

4. Commercial Payors

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

D. Investments

The hospital district's investments and assets limited as to use were reported at estimated fair value based on quoted market prices or cost. The hospital district invested in money market funds, certificates of deposit, mutual funds, and exchange traded funds that were in accordance with the hospital district's investment policy. The following schedule summarizes the investment income in the statements of revenues, expenses, and changes in net position for the year ended June 30, 2025:

	<u>6-30-25</u>
Interest income and realized gain on investments	\$ 166,127
Interest income on rental agreements	<u>411,001</u>
Excess of expenses over revenue before	
Total	<u><u>\$ 577,128</u></u>

E. Property and Equipment

The major classifications and changes in property and equipment as of and for the year ended June 30, 2025, are as follows:

	Balance 7-1-24	Additions/ Transfers	Placed in Service/ Retirements	Balance 6-30-25
Land	\$ 794,549	\$ 0	\$ 0	\$ 794,549
Land Improvements	1,806,165	0	(99,583)	1,706,582
Building and Improvements	66,501,418	320,086	(1,839,941)	64,981,563
Machinery and Equipment	46,462,061	1,223,262	(46,587,776)	1,097,547
Right-to-use Leased Assets	13,925,346	0	(13,925,346)	0
Right-to-use Subscription- Based IT Assets	4,481,292	0	(4,481,292)	0
Total	\$ 133,970,831	\$ 1,543,348	\$ (66,933,938)	\$ 68,580,241
Less Allowance for Depreciation and Amortization:				
Land Improvements	\$ (1,516,854)	\$ (36,482)	\$ 78,823	\$ (1,474,513)
Building and Improvements	(42,695,469)	(1,664,534)	1,745,810	(42,614,193)
Machinery and Equipment	(43,226,185)	(361,894)	42,491,684	(1,096,395)
Right-to-use Leased Assets	(3,802,422)	(384,840)	4,187,262	0
Right-to-use Subscription- Based IT Assets	(2,037,213)	(315,239)	2,352,452	0
Total	\$ (93,278,143)	\$ (2,762,989)	\$ 50,856,031	\$ (45,185,101)
Subtotal	\$ 40,692,688	\$ (1,219,641)	\$ (16,077,907)	\$ 23,395,140
Construction in Progress	1,991,220	0	(1,991,220)	0
Total Capital Assets, Net	\$ 42,683,908	\$ (1,219,641)	\$ (18,069,127)	\$ 23,395,140

F. Long-term Debt

A schedule of changes in the hospital district's long-term debt as of and for the year ended June 30, 2025, is as follows:

	Balance 7-1-24	Additions	Reductions	Balance 6-30-25	Amounts Due Within One Year
Public Building Authority of the County of Montgomery, Tennessee - Series 2002	\$ 3,256,000	\$ 0	\$ (1,033,000)	\$ 2,223,000	\$ 1,084,000
Public Building Authority of the City of Clarksville, TN: Series 2012	1,590,000	0	(518,000)	1,072,000	530,000
Series 2015	3,388,000	0	(191,000)	3,197,000	194,000
Series 2018	7,492,000	0	(313,033)	7,178,967	319,000
Series 2022	2,630,244	1,869,756	(153,000)	4,347,000	156,000
Equipment*	274,699	0	(274,699)	0	0
Total	\$ 18,630,943	\$ 1,869,756	\$ (2,482,732)	\$ 18,017,967	\$ 2,283,000

*Total reductions include payments of \$76,271 and balances transferred to WITH of \$198,428.

During June 2002, the hospital district entered into a loan agreement with the Public Building Authority of the County of Montgomery, Tennessee, whereby the authority agreed to loan the hospital district up to \$16,500,000 for the construction, acquisition, and enlargement of its buildings, structures, and facilities. As of June 30, 2025, the hospital district had outstanding borrowings of \$2,223,000 under this agreement. The loan agreement bears interest at an adjustable rate (3.42 percent as of June 30, 2025) and is due in annual installments varying between \$1,084,000 and \$1,139,000 through May 25, 2027. The adjustable interest rate is adjusted daily as determined by the remarketing agent.

During January 2012, the hospital district entered into a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee, whereby the authority agreed to loan the hospital district up to \$7,000,000 to provide funding to finance certain public works projects, including the acquisition of the Kentucky Lake Surgery Center, LLC. As of June 30, 2025, the hospital district had outstanding borrowings of \$1,072,000 under this obligation. The note bears interest at an adjustable rate (2.98 percent as of June 30, 2025) and is due in annual installments varying between \$530,000 and \$542,000 through May 25, 2027. The adjustable interest rate is adjusted weekly as determined by the remarketing agent.

During June 2015, the hospital district entered into a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee, whereby the authority agreed to loan the hospital district up to \$5,000,000 for the acquisition of the existing building and the construction, equipping, extension, and improvement of the hospital district's facilities, including the construction and equipping, extension and improvement of the hospital district's facilities, including the construction and equipping of a new operating room. As of June 30, 2025, the hospital district had outstanding borrowings of \$3,197,000 under this obligation. The note bears interest at an adjustable rate (3.2 percent as of June 30, 2025) and is due in annual installments varying between \$194,000 and

\$234,000 through May 25, 2040. The adjustable interest rate is adjusted weekly as determined by the remarketing agent.

During February 2018, the hospital district entered into a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee, whereby, the authority agreed to loan the hospital district up to \$9,200,000 for the purpose of financing all or a portion of the costs of the acquisition, construction, renovation, equipping, extension, and improvement of the hospital district's facilities. As of June 30, 2025, the hospital district had outstanding borrowings of \$7,178,967 under this obligation. The note bears interest at a fixed rate of 2.57 percent per annum and is due in annual installments varying between \$319,000 and \$491,000 through February 1, 2043. The loan agreement does contain a provision providing the lender the right to require the principal amount outstanding under the loan be repaid immediately at each five-year anniversary of the loan agreement. As of June 30, 2025, absent an election to extend, all balances would become due and payable on February 1, 2028. The maturity schedules that follow have been prepared accordingly.

During February 2022, the hospital district entered into a loan agreement with the Clarksville Building Authority, whereby the authority agreed to loan the hospital district up to \$4,500,000 for the purpose of financing the acquisition, construction, renovation, equipping, extension, and improvement of the hospital district's facilities. As of June 30, 2025, the hospital district had outstanding borrowings of \$4,347,000 under this obligation. The hospital district drew funds totaling \$1,869,756 during the year ended June 30, 2025. The note bears interest at a fixed rate of 2.18 percent per annum and is due in annual installments varying between \$156,000 and \$246,000 through October 1, 2046. The first payment is due on October 1, 2024.

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

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

A summary of future maturities and interest of long-term debt, as of June 30, 2025, is as follows:

Year	Principal	Estimated Interest	Total Payments
2026	\$ 2,283,000	\$ 453,000	\$ 2,736,000
2027	2,363,000	382,000	2,745,000
2028	6,894,967	257,000	7,151,967
2029	368,000	163,000	531,000
2030	374,000	153,000	527,000
2031-2035	1,974,000	602,000	2,576,000
2036-2040	2,149,000	324,000	2,473,000
2041-2045	1,126,000	115,000	1,241,000
2046-2047	486,000	11,000	497,000
Total	\$ 18,017,967	\$ 2,460,000	\$ 20,477,967

G. Pension Plan

General Information About the Pension Plan

Plan Description. Employees of the hospital district, a component unit of Henry County, Tennessee, were provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS was created by state statute under Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administrative of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained on the [Tennessee Department of Treasury website](#).

As a result of the transfer of operations to WTH, accounts with TCRS for all employees of the hospital district were frozen and the TCRS pension plan obligation and all related balances were assumed by and transferred to the county effective October 1, 2024.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. The component units of Henry County make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Prior to the transfer of operations to WTH, for the year ended June 30, 2025, employer contributions for the hospital district to the Public Employee Retirement Plan were \$371,184, which was 5.04 percent of covered payroll. By law, employer contributions for the Public Employee Retirement Plan are required to be paid. The TCRS may intercept Henry County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

H. Leases

The hospital district generates rental income primarily from the lease with WTH, which was effective on October 1, 2024. The arrangement conveys the right to use the real estate owned by the hospital district in exchange for rental payments in amounts which align with the hospital district’s debt service. The lease term extends to September 2049. Rental revenue was \$607,000 for the year ended June 30, 2025, and is included in lease revenue.

At the commencement, the lease receivable and deferred inflow of resources were measured at the present value of future payments. The present value on October 1, 2024, was approximately \$20,224,000. The implied discount rate used in the effective interest method was 2.85 percent.

Future lease payments as of June 30, 2025, are as follows:

Year	Principal	Interest	Total
2026	\$ 2,283,000	\$ 551,000	\$ 2,834,000
2027	2,363,000	465,000	2,828,000
2028	697,000	381,000	1,078,000
2029	712,000	360,000	1,072,000
2030	727,000	338,000	1,065,000
2031-2035	3,880,000	1,352,000	5,232,000
2036-2040	4,311,000	743,000	5,054,000
2041-2045	2,579,000	172,000	2,751,000
2046-2049	485,587	11,000	496,587
Total	<u>\$ 18,037,587</u>	<u>\$ 4,373,000</u>	<u>\$ 22,410,587</u>

In prior years, the hospital district leased equipment and office space under financing lease agreements. As a result of the operations transfer agreement with WTH, all finance lease agreements transferred on October 1, 2024, to WTH. A schedule of changes in the hospital district's finance lease liabilities as of and for the years ended June 30, 2025, is as follows:

	Balance, 7-1-24	Reductions*	Balance, 6-30-25
Equipment	\$ 1,465,746	\$ (1,465,746)	\$ 0
Office Space	8,946,527	(8,946,527)	0
Total	<u>\$ 10,412,273</u>	<u>\$ (10,412,273)</u>	<u>\$ 0</u>

*Total reductions above include payments of \$384,840 and balances transferred to WTH of \$10,027,433.

I. Subscription-Based Information Technology Arrangements

The hospital district adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of July 1, 2022. As of October 1, 2024, all SBITAs and related obligations transferred to WTH. Amortization expense totaling \$315,239 for the year ended June 30, 2025, is included in depreciation and amortization in the accompanying Statement of Revenue, Expenses and Changes in Net Position.

	SBTAs*
Balance, July 1, 2024	\$ 2,541,310
Reductions	(2,541,310)
Balance, June 30, 2025	\$ 0

*Total reduction above includes payments of \$315,239 and balances transferred to WTH of \$2,226,071.

J. Commitments and Contingencies

1. Litigation

In March 2024, the hospital district received a Civil Investigative Demand letter from the Department of Justice. The investigation primarily relates to air ambulance transports beginning January 2018 through the date of service of the Civil Investigative Demand. The hospital district has engaged legal counsel, is providing documentation requested and is fully cooperating with the investigation. Based on currently known facts, management is unable to estimate potential outcomes. As such, the hospital district has not recorded a liability related to this matter as of June 30, 2025. It is possible this estimate could change as the hospital district proceeds with this matter.

2. Insurance

The hospital district maintained commercial insurance on a claims-made basis for medical malpractice liabilities. Insurance coverages were \$1,000,000 individually and \$3,000,000 in the aggregate annually, which was within the current litigation settlement limitations established by the State of Tennessee for governmental entities. When the operations of the hospital district transferred to WTH, a medical malpractice tail policy was retained to apply to all claims arising from incidents occurring prior to September 30, 2024, at substantially the same terms as the coverage previously held. The hospital district is involved in litigation arising in the ordinary course of business; however, management is of the opinion that insurance coverages are adequate to cover any potential losses on asserted claims. Management is unaware of any incidents which would ultimately result in a loss in excess of the hospital district's insurance coverages.

3. Healthcare Industry

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

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare fraud and abuse. Recently,

government activity has increased with respect to investigations and/or allegations concerning possible violations of fraud and abuse statutes and/or regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as repayments for patient services previously billed. Management believes that the hospital district is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

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

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

4. Health Care Reform

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

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

5. Functional Expenses

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

Healthcare Services	\$ 18,655,974
General and Administrative	<u>5,753,422</u>
Total	<u>\$ 24,409,396</u>

6. Subsequent Event

In December 2025, the loan agreement with the Clarksville Building Authority (Series 2012), totaling \$1,072,000 as of June 30, 2025, was repaid in full. The repayment was funded by WTH under the terms of the lease agreement.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

HENRY COUNTY, TENNESSEE
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
 Primary Government
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	\$ 2,735,788	\$ 2,932,504	\$ 3,655,460	\$ 3,728,833	\$ 3,468,084	\$ 3,605,112	\$ 3,563,960	\$ 4,053,486	\$ 4,002,466	\$ 3,932,277
Interest	6,550,762	7,021,449	7,426,112	7,754,432	8,211,664	8,658,390	8,988,491	9,458,364	9,925,106	10,291,010
Differences Between Actual and Expected Experience	661,325	(1,253,037)	(1,098,550)	58,047	(90,400)	(1,802,419)	(229,782)	106,348	(1,455,476)	1,128,090
Changes in Assumptions	0	0	2,298,195	0	0	0	9,632,087	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(3,945,664)	(3,791,860)	(4,264,858)	(4,558,616)	(5,389,212)	(5,740,065)	(5,993,560)	(6,605,549)	(6,699,438)	(7,262,777)
Net Change in Total Pension Liability	\$ 6,002,211	\$ 4,909,056	\$ 8,016,359	\$ 6,982,696	\$ 6,200,136	\$ 4,721,018	\$ 15,961,196	\$ 7,012,649	\$ 5,772,658	\$ 8,088,600
Total Pension Liability, Beginning	86,580,533	92,582,744	97,491,800	105,508,159	112,490,855	118,690,991	123,412,009	139,373,205	146,385,854	152,158,512
Total Pension Liability, Ending (a)	\$ 92,582,744	\$ 97,491,800	\$ 105,508,159	\$ 112,490,855	\$ 118,690,991	\$ 123,412,009	\$ 139,373,205	\$ 146,385,854	\$ 152,158,512	\$ 160,247,112
Plan Fiduciary Net Position										
Contributions - Employer	\$ 2,134,430	\$ 2,277,366	\$ 1,776,175	\$ 1,853,451	\$ 1,890,621	\$ 1,973,468	\$ 1,985,886	\$ 1,984,559	\$ 2,118,007	\$ 2,235,404
Contributions - Employee	1,644,936	1,764,066	1,780,358	1,885,082	1,915,557	1,980,609	2,033,389	1,998,127	1,910,292	2,028,432
Net Investment Income	2,909,038	2,586,869	11,309,530	9,137,097	8,781,030	6,197,384	33,327,478	(6,127,061)	10,170,754	15,478,079
Benefit Payments, Including Refunds of Employee Contributions	(3,945,664)	(3,791,860)	(4,264,858)	(4,558,616)	(5,389,212)	(5,740,065)	(5,993,560)	(6,605,549)	(6,699,438)	(7,262,777)
Administrative Expense	(42,315)	(67,983)	(76,116)	(86,369)	(80,003)	(83,128)	(57,593)	(66,595)	(85,728)	(105,321)
Other	0	383,761	(399,241)	0	0	(48)	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 2,700,425	\$ 3,152,219	\$ 10,125,848	\$ 8,230,645	\$ 7,117,993	\$ 4,328,220	\$ 31,295,600	\$ (8,816,519)	\$ 7,413,887	\$ 12,373,817
Plan Fiduciary Net Position, Beginning	94,552,440	97,252,865	100,405,084	110,530,932	118,761,577	125,879,570	130,207,790	161,503,390	152,686,871	160,100,758
Plan Fiduciary Net Position, Ending (b)	\$ 97,252,865	\$ 100,405,084	\$ 110,530,932	\$ 118,761,577	\$ 125,879,570	\$ 130,207,790	\$ 161,503,390	\$ 152,686,871	\$ 160,100,758	\$ 172,474,575
Net Pension Liability (Asset), Ending (a - b)	\$ (4,670,121)	\$ (2,913,284)	\$ (5,022,773)	\$ (6,270,722)	\$ (7,188,579)	\$ (6,795,781)	\$ (22,130,185)	\$ (6,301,017)	\$ (7,942,246)	\$ (12,227,463)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.04%	102.99%	104.76%	105.57%	106.06%	105.51%	115.88%	104.30%	105.22%	107.63%
Covered Payroll	\$ 32,321,287	\$ 34,552,634	\$ 35,525,263	\$ 37,068,951	\$ 37,811,386	\$ 39,508,365	\$ 39,763,625	\$ 39,690,030	\$ 38,093,643	\$ 40,205,084
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(14.45)%	(8.43)%	(14.14)%	(16.92)%	(19.01)%	(17.20)%	(55.65)%	(15.88)%	(20.85)%	(30.41)%

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 2,277,366	\$ 1,538,244	\$ 1,590,258	\$ 1,622,153	\$ 1,847,166	\$ 1,858,789	\$ 1,857,547	\$ 2,118,007	\$ 2,235,404	\$ 1,123,680
Less: Contributions in Relation to the Actuarially Determined Contribution	(2,277,366)	(1,776,175)	(1,853,451)	(1,890,621)	(1,973,468)	(1,985,886)	(1,984,559)	(2,118,007)	(2,235,404)	(1,123,680)
Contribution Deficiency (Excess)	\$ 0	\$ (237,931)	\$ (263,193)	\$ (268,468)	\$ (126,302)	\$ (127,097)	\$ (127,012)	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 34,552,634	\$ 35,525,263	\$ 37,068,951	\$ 37,811,386	\$ 39,508,365	\$ 39,763,625	\$ 39,690,030	\$ 38,093,643	\$ 40,205,084	\$ 20,210,087
Contributions as a Percentage of Covered Payroll	6.59%	5.00%	5.00%	5.00%	5.00%	4.99%	5.00%	5.56%	5.56%	5.56%

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 54,244	\$ 87,959	\$ 42,769	\$ 53,663	\$ 60,355	\$ 71,417	\$ 75,585	\$ 122,988	\$ 149,785	\$ 169,979
Less: Contributions in Relation to the Contractually Required Contribution	(54,244)	(87,959)	(104,906)	(53,663)	(60,355)	(71,417)	(75,585)	(122,988)	(149,785)	(169,979)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ (62,137)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 1,356,099	\$ 2,198,988	\$ 2,622,661	\$ 2,766,137	\$ 2,973,170	\$ 3,535,508	\$ 3,760,453	\$ 4,285,258	\$ 5,077,482	\$ 5,665,978
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%
- 2022: Pension - 2.01%, SRT - 1.99%
- 2023: Pension - 2.87%, SRT - 1.13%
- 2024: Pension - 2.95%, SRT - 1.05%
- 2025: Pension - 3.00%, SRT - 1.00%

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 1,014,657	\$ 981,433	\$ 975,234	\$ 1,086,921	\$ 1,125,696	\$ 1,093,182	\$ 1,122,763	\$ 917,424	\$ 730,837	\$ 696,901
Less: Contributions in Relation to the Contractually Required Contribution	(1,014,657)	(981,433)	(975,234)	(1,086,921)	(1,125,696)	(1,093,182)	(1,122,763)	(917,424)	(730,837)	(696,901)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 11,224,085	\$ 10,856,577	\$ 10,740,457	\$ 10,391,217	\$ 10,589,809	\$ 10,644,417	\$ 10,900,618	\$ 10,557,240	\$ 10,731,813	\$ 10,957,563
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%

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

Discretely Presented Henry County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.250102%	0.308201%	0.335037%	0.300117%	0.261397%	0.235606%	0.244974%	0.220206%	0.215444%	0.216140%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (10,274)	\$ (32,085)	\$ (88,393)	\$ (136,111)	\$ (147,555)	\$ (133,975)	\$ (265,358)	\$ (66,706)	\$ (91,356)	\$ (154,023)
Covered Payroll	\$ 530,587	\$ 1,356,099	\$ 2,198,988	\$ 2,622,661	\$ 2,766,137	\$ 2,973,170	\$ 3,535,508	\$ 3,760,453	\$ 4,285,258	\$ 5,077,482
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%

HENRY COUNTY, TENNESSEE

**Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS**

Discretely Presented Henry County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.320488%	0.310934%	0.307121%	0.306724%	0.309895%	0.318179%	0.324310%	0.331231%	0.325334%	0.324994%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ 131,283	\$ 1,943,164	\$ (100,486)	\$ (1,079,334)	\$ (3,186,275)	\$ (2,426,346)	\$ (13,988,281)	\$ (4,062,237)	\$ (3,835,602)	\$ (5,599,201)
Covered Payroll	\$ 11,997,463	\$ 11,224,085	\$ 10,856,577	\$ 10,740,457	\$ 10,391,217	\$ 10,589,809	\$ 10,644,417	\$ 10,900,618	\$ 10,557,240	\$ 10,731,813
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	1.094254%	17.31%	(0.93)%	(10.05)%	(30.66)%	(22.91)%	(131.41)%	(37.27)%	(36.33)%	(52.17)%
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%

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

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 177,720	\$ 164,705	\$ 157,448	\$ 152,792	\$ 202,293	\$ 273,334	\$ 211,824	\$ 240,646
Interest	108,797	127,057	114,984	111,369	79,871	101,305	155,079	185,497
Changes in Benefit Terms	0	68,900	0	0	0	0	0	0
Differences Between Actual and Expected Experience	0	(573,762)	217,045	(56,179)	103,500	(8,244)	88,258	(11,261)
Changes in Assumptions or Other Inputs	(151,923)	98,118	(250,292)	383,662	781,672	(457,941)	374,021	112,840
Benefit Payments	(271,757)	(285,232)	(257,909)	(217,646)	(181,449)	(143,146)	(169,978)	(143,138)
Net Change in Total OPEB Liability	\$ (137,163)	\$ (400,214)	\$ (18,724)	\$ 373,998	\$ 985,887	\$ (234,692)	\$ 659,204	\$ 384,584
Total OPEB Liability, Beginning	3,684,099	3,546,936	3,146,722	3,127,998	3,501,996	4,487,883	4,253,191	4,912,395
Total OPEB Liability, Ending	\$ 3,546,936	\$ 3,146,722	\$ 3,127,998	\$ 3,501,996	\$ 4,487,883	\$ 4,253,191	\$ 4,912,395	\$ 5,296,979
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,130,185	\$ 1,019,500	\$ 1,081,008	\$ 1,163,822	\$ 1,600,488	\$ 1,510,559	\$ 1,947,013	\$ 2,076,325
Employer Proportionate Share of the Total OPEB Liability	2,416,751	2,127,222	2,046,990	2,338,174	2,887,395	2,742,632	2,965,382	3,220,654
Covered Employee Payroll	\$ 13,839,020	\$ 13,692,123	\$ 13,805,342	\$ 13,994,712	\$ 14,403,881	\$ 14,589,330	\$ 15,679,381	\$ 15,990,412
Net OPEB Liability as a Percentage of Covered Employee Payroll	17.46%	15.54%	14.83%	16.71%	20.05%	18.80%	18.91%	20.14%

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:

2019 plan year	- from 5.4% to 6.75%
2020 plan year	- from 6.75% to 6.03%
2021 plan year	- from 6.03% to 9.02%
2022 plan year	- from 9.02% to 7.36%
2023 plan year	- from 7.36% to 8.37%
2024 plan year	- from 8.37% to 10.31%
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.

HENRY 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 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 Henry County’s garbage collection operations.

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

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

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

CAPITAL PROJECTS FUNDS

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

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

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for the construction of the health department.

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

	Special Revenue Funds				Total	Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees		General Capital Projects
ASSETS						
Cash	\$ 0	\$ 0	\$ 0	\$ 3,271	\$ 3,271	\$ 0
Equity in Pooled Cash and Investments	797,748	158,882	3,617,982	0	4,574,612	149,391
Accounts Receivable	25,718	126	0	0	25,844	0
Due from Other Governments	26,919	0	0	0	26,919	0
Due from Other Funds	109,791	0	0	0	109,791	0
Property Taxes Receivable	317,192	0	0	0	317,192	0
Allowance for Uncollectible Property Taxes	(4,512)	0	0	0	(4,512)	0
Total Assets	\$ 1,272,856	\$ 159,008	\$ 3,617,982	\$ 3,271	\$ 5,053,117	\$ 149,391
LIABILITIES						
Accounts Payable	\$ 14,648	\$ 0	\$ 71,725	\$ 0	\$ 86,373	\$ 10,745
Payroll Deductions Payable	2,344	0	0	0	2,344	0
Contracts Payable	0	0	0	0	0	0
Due to Other Funds	0	0	109,791	3,271	113,062	0
Due to Cities	29,496	0	0	0	29,496	0
Total Liabilities	\$ 46,488	\$ 0	\$ 181,516	\$ 3,271	\$ 231,275	\$ 10,745

(Continued)

HENRY COUNTY, TENNESSEE

Combining Balance Sheet - Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds					Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Total	General Capital Projects
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 297,806	\$ 0	\$ 0	\$ 0	\$ 297,806	\$ 0
Deferred Delinquent Property Taxes	13,511	0	0	0	13,511	0
Total Deferred Inflows of Resources	<u>\$ 311,317</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 311,317</u>	<u>\$ 0</u>
FUND BALANCES						
Restricted:						
Restricted for General Government	\$ 0	\$ 0	\$ 3,436,466	\$ 0	\$ 3,436,466	\$ 0
Restricted for Public Safety	0	159,008	0	0	159,008	0
Restricted for Public Health and Welfare	0	0	0	0	0	40,256
Committed:						
Committed for Public Health and Welfare	915,051	0	0	0	915,051	0
Committed for Capital Outlay	0	0	0	0	0	98,390
Total Fund Balances	<u>\$ 915,051</u>	<u>\$ 159,008</u>	<u>\$ 3,436,466</u>	<u>\$ 0</u>	<u>\$ 4,510,525</u>	<u>\$ 138,646</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,272,856</u>	<u>\$ 159,008</u>	<u>\$ 3,617,982</u>	<u>\$ 3,271</u>	<u>\$ 5,053,117</u>	<u>\$ 149,391</u>

(Continued)

HENRY COUNTY, TENNESSEE

Combining Balance Sheet - Nonmajor Governmental Funds (Cont.)

	Capital Projects Funds (Cont.)		
	<u>Other Capital Projects</u>	<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash	\$ 0	\$ 0	\$ 3,271
Equity in Pooled Cash and Investments	634,874	784,265	5,358,877
Accounts Receivable	0	0	25,844
Due from Other Governments	0	0	26,919
Due from Other Funds	0	0	109,791
Property Taxes Receivable	0	0	317,192
Allowance for Uncollectible Property Taxes	0	0	(4,512)
	<hr/>		
Total Assets	<u>\$ 634,874</u>	<u>\$ 784,265</u>	<u>\$ 5,837,382</u>
	<hr/>		
LIABILITIES			
Accounts Payable	\$ 0	\$ 10,745	\$ 97,118
Payroll Deductions Payable	0	0	2,344
Contracts Payable	68,058	68,058	68,058
Due to Other Funds	0	0	113,062
Due to Cities	0	0	29,496
Total Liabilities	<u>\$ 68,058</u>	<u>\$ 78,803</u>	<u>\$ 310,078</u>

(Continued)

HENRY COUNTY, TENNESSEE

Combining Balance Sheet - Nonmajor Governmental Funds (Cont.)

	Capital Projects Funds (Cont.)		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 297,806
Deferred Delinquent Property Taxes	0	0	13,511
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 311,317</u>
FUND BALANCES			
Restricted:			
Restricted for General Government	\$ 0	\$ 0	\$ 3,436,466
Restricted for Public Safety	0	0	159,008
Restricted for Public Health and Welfare	566,816	607,072	607,072
Committed:			
Committed for Public Health and Welfare	0	0	915,051
Committed for Capital Outlay	0	98,390	98,390
Total Fund Balances	<u>\$ 566,816</u>	<u>\$ 705,462</u>	<u>\$ 5,215,987</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 634,874</u>	<u>\$ 784,265</u>	<u>\$ 5,837,382</u>

HENRY 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					Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total	General Capital Projects
Revenues						
Local Taxes	\$ 519,600	\$ 0	\$ 5,000	\$ 0	\$ 524,600	\$ 0
Fines, Forfeitures, and Penalties	0	66,558	0	0	66,558	0
Charges for Current Services	29,372	0	0	18,874	48,246	0
Other Local Revenues	181,345	0	180,740	0	362,085	8,000
State of Tennessee	26,919	0	752,123	0	779,042	0
Federal Government	0	0	50,000	0	50,000	16,634
Total Revenues	\$ 757,236	\$ 66,558	\$ 987,863	\$ 18,874	\$ 1,830,531	\$ 24,634
Expenditures						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 18,874	\$ 18,874	\$ 0
Public Safety	0	63,772	0	0	63,772	0
Public Health and Welfare	1,321,941	0	0	0	1,321,941	0
Other Operations	11,994	0	430,917	0	442,911	0
Capital Projects	0	0	0	0	0	690,935
Total Expenditures	\$ 1,333,935	\$ 63,772	\$ 430,917	\$ 18,874	\$ 1,847,498	\$ 690,935

(Continued)

HENRY COUNTY, TENNESSEE

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

	Special Revenue Funds				Total	Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees		General Capital Projects
Excess (Deficiency) of Revenues Over Expenditures	\$ (576,699)	\$ 2,786	\$ 556,946	\$ 0	\$ (16,967)	\$ (666,301)
Other Financing Sources (Uses)						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	700,635
Insurance Recovery	822,768	0	0	0	822,768	0
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	(775,000)	0	(775,000)	0
Total Other Financing Sources (Uses)	\$ 822,768	\$ 0	\$ (775,000)	\$ 0	\$ 47,768	\$ 700,635
Net Change in Fund Balances	\$ 246,069	\$ 2,786	\$ (218,054)	\$ 0	\$ 30,801	\$ 34,334
Fund Balance, July 1, 2024	668,982	156,222	3,654,520	0	4,479,724	104,312
Fund Balance, June 30, 2025	\$ 915,051	\$ 159,008	\$ 3,436,466	\$ 0	\$ 4,510,525	\$ 138,646

(Continued)

HENRY COUNTY, TENNESSEE

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

	Capital Projects Funds (Cont.)		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
Revenues			
Local Taxes	\$ 0	\$ 0	\$ 524,600
Fines, Forfeitures, and Penalties	0	0	66,558
Charges for Current Services	0	0	48,246
Other Local Revenues	0	8,000	370,085
State of Tennessee	0	0	779,042
Federal Government	66,677	83,311	133,311
Total Revenues	<u>\$ 66,677</u>	<u>\$ 91,311</u>	<u>\$ 1,921,842</u>
Expenditures			
Current:			
Administration of Justice	\$ 0	\$ 0	\$ 18,874
Public Safety	0	0	63,772
Public Health and Welfare	0	0	1,321,941
Other Operations	0	0	442,911
Capital Projects	274,861	965,796	965,796
Total Expenditures	<u>\$ 274,861</u>	<u>\$ 965,796</u>	<u>\$ 2,813,294</u>

(Continued)

HENRY COUNTY, TENNESSEE

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

	Capital Projects Funds (Cont.)		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
Excess (Deficiency) of Revenues Over Expenditures	\$ (208,184)	\$ (874,485)	\$ (891,452)
Other Financing Sources (Uses)			
Notes Issued	\$ 0	\$ 700,635	\$ 700,635
Insurance Recovery	0	0	822,768
Transfers In	775,000	775,000	775,000
Transfers Out	0	0	(775,000)
Total Other Financing Sources (Uses)	\$ 775,000	\$ 1,475,635	\$ 1,523,403
Net Change in Fund Balances	\$ 566,816	\$ 601,150	\$ 631,951
Fund Balance, July 1, 2024	0	104,312	4,584,036
Fund Balance, June 30, 2025	\$ 566,816	\$ 705,462	\$ 5,215,987

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 519,600	\$ 501,161	\$ 501,161	\$ 18,439
Charges for Current Services	29,372	25,000	25,000	4,372
Other Local Revenues	181,345	200,100	200,100	(18,755)
State of Tennessee	26,919	0	30,500	(3,581)
Total Revenues	<u>\$ 757,236</u>	<u>\$ 726,261</u>	<u>\$ 756,761</u>	<u>\$ 475</u>
Expenditures				
Public Health and Welfare				
Sanitation Management	\$ 684,537	\$ 59,647	\$ 882,415	\$ 197,878
Recycling Center	573,722	613,358	643,858	70,136
Landfill Operation and Maintenance	63,284	75,000	75,000	11,716
Other Waste Disposal	398	2,500	2,500	2,102
Other Operations				
Other Charges	11,994	13,000	13,000	1,006
Total Expenditures	<u>\$ 1,333,935</u>	<u>\$ 763,505</u>	<u>\$ 1,616,773</u>	<u>\$ 282,838</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (576,699)</u>	<u>\$ (37,244)</u>	<u>\$ (860,012)</u>	<u>\$ 283,313</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 822,768	\$ 0	\$ 822,768	\$ 0
Total Other Financing Sources	<u>\$ 822,768</u>	<u>\$ 0</u>	<u>\$ 822,768</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 246,069	\$ (37,244)	\$ (37,244)	\$ 283,313
Fund Balance, July 1, 2024	<u>668,982</u>	<u>638,198</u>	<u>668,982</u>	<u>0</u>
Fund Balance, June 30, 2025	<u><u>\$ 915,051</u></u>	<u><u>\$ 600,954</u></u>	<u><u>\$ 631,738</u></u>	<u><u>\$ 283,313</u></u>

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Fines, Forfeitures, and Penalties	\$ 66,558	\$ 37,000	\$ 37,000	\$ 29,558
Total Revenues	\$ 66,558	\$ 37,000	\$ 37,000	\$ 29,558
Expenditures				
Public Safety				
Drug Enforcement	\$ 63,772	\$ 76,500	\$ 76,500	\$ 12,728
Total Expenditures	\$ 63,772	\$ 76,500	\$ 76,500	\$ 12,728
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,786	\$ (39,500)	\$ (39,500)	\$ 42,286
Net Change in Fund Balance	\$ 2,786	\$ (39,500)	\$ (39,500)	\$ 42,286
Fund Balance, July 1, 2024	156,222	39,500	156,222	0
Fund Balance, June 30, 2025	\$ 159,008	\$ 0	\$ 116,722	\$ 42,286

HENRY COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 5,000	\$ 0	\$ 0	\$ 5,000
Other Local Revenues	180,740	75,000	119,601	61,139
State of Tennessee	752,123	0	757,123	(5,000)
Federal Government	50,000	0	0	50,000
Total Revenues	<u>\$ 987,863</u>	<u>\$ 75,000</u>	<u>\$ 876,724</u>	<u>\$ 111,139</u>
Expenditures				
Other Operations				
American Rescue Plan Act Grant #6	\$ 430,917	\$ 1,888,156	\$ 1,762,777	\$ 1,331,860
Total Expenditures	<u>\$ 430,917</u>	<u>\$ 1,888,156</u>	<u>\$ 1,762,777</u>	<u>\$ 1,331,860</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 556,946</u>	<u>\$ (1,813,156)</u>	<u>\$ (886,053)</u>	<u>\$ 1,442,999</u>
Other Financing Sources (Uses)				
Transfers Out	\$ (775,000)	\$ 0	\$ (775,000)	\$ 0
Total Other Financing Sources	<u>\$ (775,000)</u>	<u>\$ 0</u>	<u>\$ (775,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (218,054)	\$ (1,813,156)	\$ (1,661,053)	\$ 1,442,999
Fund Balance, July 1, 2024	<u>3,654,520</u>	<u>1,813,156</u>	<u>1,813,156</u>	<u>1,841,364</u>
Fund Balance, June 30, 2025	<u>\$ 3,436,466</u>	<u>\$ 0</u>	<u>\$ 152,103</u>	<u>\$ 3,284,363</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.

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 177,218	\$ 178,742	\$ 178,742	\$ (1,524)
Other Local Revenues	2,123,909	1,043,260	1,939,451	184,458
Other Governments and Citizens Groups	2,460,422	0	2,462,438	(2,016)
Total Revenues	<u>\$ 4,761,549</u>	<u>\$ 1,222,002</u>	<u>\$ 4,580,631</u>	<u>\$ 180,918</u>
Expenditures				
Other Operations				
Other Charges	\$ 24,970	\$ 20,000	\$ 26,000	\$ 1,030
Principal on Debt				
General Government	2,993,668	730,536	3,025,783	32,115
Education	2,310,000	2,310,000	2,310,000	0
Interest on Debt				
General Government	19,790	20,000	20,000	210
Education	150,422	150,438	150,438	16
Other Debt Service				
General Government	29,900	2,000	1,000,250	970,350
Education	2,100	2,000	3,750	1,650
Total Expenditures	<u>\$ 5,530,850</u>	<u>\$ 3,234,974</u>	<u>\$ 6,536,221</u>	<u>\$ 1,005,371</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (769,301)</u>	<u>\$ (2,012,972)</u>	<u>\$ (1,955,590)</u>	<u>\$ 1,186,289</u>
Other Financing Sources (Uses)				
Other Loans Issued	\$ 1,869,756	\$ 0	\$ 1,869,756	\$ 0
Transfers In	0	2,312,000	0	0
Total Other Financing Sources	<u>\$ 1,869,756</u>	<u>\$ 2,312,000</u>	<u>\$ 1,869,756</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 1,100,455	\$ 299,028	\$ (85,834)	\$ 1,186,289
Fund Balance, July 1, 2024	<u>24,008,735</u>	<u>5,381,850</u>	<u>5,046,995</u>	<u>18,961,740</u>
Fund Balance, June 30, 2025	<u>\$ 25,109,190</u>	<u>\$ 5,680,878</u>	<u>\$ 4,961,161</u>	<u>\$ 20,148,029</u>

CUSTODIAL FUNDS

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

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

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

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

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

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

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

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

	Custodial Funds						
	Cities - Sales Tax	Cities - Property Tax	Watershed District	Special School District	Constitu- tional Officers - Custodial	Judicial District Drug	Total
ASSETS							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	3,228,334	\$ 7,185	\$ 3,235,519
Equity in Pooled Cash and Investments	0	16,893	1,606	287,149	0	1,703,663	2,009,311
Accounts Receivable	0	0	0	0	29,952	0	29,952
Due from Other Governments	1,212,615	0	0	524,501	0	2,944	1,740,060
Property Taxes Receivable	0	2,220,167	0	2,873,579	0	0	5,093,746
Allowance for Uncollectible Property Taxes	0	(23,840)	0	(37,217)	0	0	(61,057)
Total Assets	\$ 1,212,615	\$ 2,213,220	\$ 1,606	\$ 3,648,012	\$ 3,258,286	\$ 1,713,792	\$ 12,047,531
LIABILITIES							
Due to Other Taxing Units	\$ 1,212,615	\$ 158,595	\$ 0	\$ 934,323	\$ 0	\$ 0	\$ 2,305,533
Total Liabilities	\$ 1,212,615	\$ 158,595	\$ 0	\$ 934,323	\$ 0	\$ 0	\$ 2,305,533
DEFERRED INFLOWS OF RESOURCES							
Deferred Current Property Taxes	\$ 0	\$ 2,054,625	\$ 0	\$ 2,713,689	\$ 0	\$ 0	\$ 4,768,314
Total Deferred Inflows of Resources	\$ 0	\$ 2,054,625	\$ 0	\$ 2,713,689	\$ 0	\$ 0	\$ 4,768,314
NET POSITION							
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 1,606	\$ 0	\$ 3,258,286	\$ 1,713,792	\$ 4,973,684
Total Net Position	\$ 0	\$ 0	\$ 1,606	\$ 0	\$ 3,258,286	\$ 1,713,792	\$ 4,973,684

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

	Custodial Funds							
	Cities - Sales Tax	Cities - Property Tax	Watershed District	Special School District	Constitu- tional Officers - Custodial	Judicial District Drug		Total
Additions								
Sales Tax Collections for Other Governments	\$ 6,783,730	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,783,730
Property Tax Collections for Other Governments	0	2,085,769	0	0	0	0	0	2,085,769
ADA - Educational Funds Collected for Cities	0	0	0	6,746,933	0	0	0	6,746,933
Fines/Fees and Other Collections	0	0	0	0	14,442,180	0	0	14,442,180
Drug Task Force Collections	0	0	0	0	0	708,327	0	708,327
Total Additions	\$ 6,783,730	\$ 2,085,769	\$ 0	\$ 6,746,933	\$ 14,442,180	\$ 708,327	\$ 0	\$ 30,766,939
Deductions								
Payment of Sales Tax Collections for Other Governments	\$ 6,783,730	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,783,730
Payment of Property Tax Collections for Other Governments	0	2,085,769	0	0	0	0	0	2,085,769
Payments to City School Systems	0	0	0	6,746,933	0	0	0	6,746,933
Payments to State	0	0	0	0	5,695,543	0	0	5,695,543
Payments to Cities, Individuals, and Others	0	0	0	0	8,110,390	0	0	8,110,390
Payment of Drug Task Force Expenses	0	0	0	0	0	1,087,047	0	1,087,047
Total Deductions	\$ 6,783,730	\$ 2,085,769	\$ 0	\$ 6,746,933	\$ 13,805,933	\$ 1,087,047	\$ 0	\$ 30,509,412
Change in Net Position	\$ 0	\$ 0	\$ 0	\$ 0	\$ 636,247	\$ (378,720)	\$ 0	\$ 257,527
Net Position July 1, 2024	0	0	1,606	0	2,622,039	2,092,512	0	4,716,157
Net Position June 30, 2025	\$ 0	\$ 0	\$ 1,606	\$ 0	\$ 3,258,286	\$ 1,713,792	\$ 0	\$ 4,973,684

HENRY COUNTY SCHOOL DEPARTMENT

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

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

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

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

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

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

HENRY COUNTY, TENNESSEE

Statement of Activities

Discretely Presented Henry County School Department

For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 25,324,495	\$ 0	\$ 3,498,112	\$ 0	\$ (21,826,383)
Support Services	13,494,609	55,860	1,084,609	723,908	(11,630,232)
Operation of Non-instructional Services	4,729,191	301,734	4,265,781	0	(161,676)
Total Governmental Activities	<u>\$ 43,548,295</u>	<u>\$ 357,594</u>	<u>\$ 8,848,502</u>	<u>\$ 723,908</u>	<u>\$ (33,618,291)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 5,371,828
Local Option Sales Taxes					5,905,067
Business Tax					223,994
Other Local Taxes					895,211
Grants and Contributions Not Restricted to Specific Programs					25,292,152
Unrestricted Investment Earnings					97,554
Miscellaneous					429,861
Total General Revenues					<u>\$ 38,215,667</u>
Change in Net Position					\$ 4,597,376
Net Position, July 1, 2024					58,626,245
Restatement - See Note I.D.9.					(119,917)
Net Position, June 30, 2025					<u>\$ 63,103,704</u>

HENRY COUNTY, TENNESSEE
Balance Sheet - Governmental Funds
 Discretely Presented Henry County School Department
June 30, 2025

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
ASSETS			
Cash	\$ 0	\$ 900,852	\$ 900,852
Equity in Pooled Cash and Investments	23,462,162	1,242,924	24,705,086
Inventories	0	1,752	1,752
Accounts Receivable	79,104	7,727	86,831
Due from Other Governments	2,259,696	448,790	2,708,486
Due from Other Funds	0	19,464	19,464
Property Taxes Receivable	3,609,277	0	3,609,277
Allowance for Uncollectible Property Taxes	(51,357)	0	(51,357)
Restricted Assets	513,053	0	513,053
Total Assets	<u>\$ 29,871,935</u>	<u>\$ 2,621,509</u>	<u>\$ 32,493,444</u>
LIABILITIES			
Accounts Payable	\$ 101,437	\$ 13,362	\$ 114,799
Payroll Deductions Payable	558,818	67,971	626,789
Due to Other Funds	19,464	0	19,464
Total Liabilities	<u>\$ 679,719</u>	<u>\$ 81,333</u>	<u>\$ 761,052</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	\$ 3,388,584	\$ 0	\$ 3,388,584
Deferred Delinquent Property Taxes	153,822	0	153,822
Other Deferred/Unavailable Revenue	553,795	0	553,795
Total Deferred Inflows of Resources	<u>\$ 4,096,201</u>	<u>\$ 0</u>	<u>\$ 4,096,201</u>
FUND BALANCES			
Restricted:			
Restricted for Education	\$ 855,024	\$ 953,176	\$ 1,808,200
Restricted for Operation of Non-instructional Services	0	1,472,386	1,472,386
Restricted for Hybrid Retirement Stabilization Funds	513,053	0	513,053
Committed:			
Committed for Education	7,893	0	7,893
Committed for Capital Projects	410,435	0	410,435
Assigned:			
Assigned for Public Safety	704,081	0	704,081
Assigned for Education	0	114,614	114,614
Assigned for Capital Projects	801,755	0	801,755
Unassigned	21,803,774	0	21,803,774
Total Fund Balances	<u>\$ 25,096,015</u>	<u>\$ 2,540,176</u>	<u>\$ 27,636,191</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 29,871,935</u>	<u>\$ 2,621,509</u>	<u>\$ 32,493,444</u>

HENRY COUNTY, TENNESSEE**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**

Discretely Presented Henry County School Department

June 30, 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)		\$ 27,636,191
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 610,066	
Add: buildings and improvements net of accumulated depreciation	25,778,135	
Add: other capital assets net of accumulated depreciation	<u>2,902,959</u>	29,291,160
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (233,919)	
Less: net OPEB liability	<u>(3,220,654)</u>	(3,454,573)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as a component of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 2,908,530	
Less: deferred inflows of resources related to pensions	(1,508,783)	
Add: deferred outflows of resources related to OPEB	851,550	
Less: deferred inflows of resources related to OPEB	<u>(575,408)</u>	1,675,889
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 1,494,196	
Add: net pension asset - teacher retirement plan	154,023	
Add: net pension asset - teacher legacy pension plan	<u>5,599,201</u>	7,247,420
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>707,617</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 63,103,704</u></u>

HENRY COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
 Discretely Presented Henry County School Department
For the Year Ended June 30, 2025

	<u>Major Funds</u>		<u>Nonmajor</u>	Total Governmental Funds
	General Purpose School	<i>Formerly Major School Federal Projects</i>	<u>Funds</u> Other Govern- mental Funds	
Revenues				
Local Taxes	\$ 12,678,999	\$ 0	\$ 0	\$ 12,678,999
Licenses and Permits	1,351	0	0	1,351
Charges for Current Services	103,709	0	253,609	357,318
Other Local Revenues	559,105	0	1,264,067	1,823,172
State of Tennessee	26,071,530	0	16,822	26,088,352
Federal Government	82,912	0	6,729,708	6,812,620
Other Governments and Citizens Groups	144,000	0	0	144,000
Total Revenues	<u>\$ 39,641,606</u>	<u>\$ 0</u>	<u>\$ 8,264,206</u>	<u>\$ 47,905,812</u>
Expenditures				
Current:				
Instruction	\$ 19,264,385	\$ 0	\$ 2,186,325	\$ 21,450,710
Support Services	11,877,909	0	814,041	12,691,950
Operation of Non-Instructional Services	937,813	0	3,866,747	4,804,560
Capital Outlay	1,594,513	0	4,511	1,599,024
Debt Service:				
Other Debt Service	2,460,422	0	0	2,460,422
Total Expenditures	<u>\$ 36,135,042</u>	<u>\$ 0</u>	<u>\$ 6,871,624</u>	<u>\$ 43,006,666</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,506,564</u>	<u>\$ 0</u>	<u>\$ 1,392,582</u>	<u>\$ 4,899,146</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 88,435	\$ 0	\$ 0	\$ 88,435
Transfers In	1,258,007	0	0	1,258,007
Transfers Out	0	0	(1,258,007)	(1,258,007)
Total Other Financing Sources (Uses)	<u>\$ 1,346,442</u>	<u>\$ 0</u>	<u>\$ (1,258,007)</u>	<u>\$ 88,435</u>
Net Change in Fund Balances	\$ 4,853,006	\$ 0	\$ 134,575	\$ 4,987,581
Change to or Within the Reporting Entity	0	(162,692)	162,692	0
Fund Balance, July 1, 2024	<u>20,243,009</u>	<u>162,692</u>	<u>2,242,909</u>	<u>22,648,610</u>
Fund Balance, June 30, 2025	<u>\$ 25,096,015</u>	<u>\$ 0</u>	<u>\$ 2,540,176</u>	<u>\$ 27,636,191</u>

HENRY COUNTY, TENNESSEE

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities**
Discretely Presented Henry County School Department
For the Year Ended June 30, 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)		\$ 4,987,581
(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	\$ 2,132,642	
Less: current-year depreciation expense	<u>(2,016,633)</u>	116,009
(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		(39,755)
(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	\$ 707,617	
Less: deferred delinquent property taxes and other deferred June 30, 2024	<u>(641,452)</u>	66,165
(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	\$ (38,756)	
Change in net OPEB liability	(255,272)	
Change in deferred outflows related to OPEB	(70,714)	
Change in deferred inflows related to OPEB	123,585	
Change in net pension asset - agent plan	651,524	
Change in net pension asset - teacher retirement plan	62,667	
Change in net pension asset - teacher legacy pension plan	1,763,599	
Change in deferred outflows related to pensions	(1,687,926)	
Change in deferred inflows related to pensions	<u>(1,081,331)</u>	<u>(532,624)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,597,376</u>

HENRY COUNTY, TENNESSEE
Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Henry County School Department
June 30, 2025

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Internal School	
ASSETS				
Cash	\$ 0	\$ 0	\$ 900,852	\$ 900,852
Equity in Pooled Cash and Investments	107,902	1,135,022	0	1,242,924
Inventories	0	0	1,752	1,752
Accounts Receivable	0	7,727	0	7,727
Due from Other Governments	98,585	350,205	0	448,790
Due from Other Funds	19,464	0	0	19,464
Total Assets	<u>\$ 225,951</u>	<u>\$ 1,492,954</u>	<u>\$ 902,604</u>	<u>\$ 2,621,509</u>
LIABILITIES				
Accounts Payable	\$ 3,353	\$ 10,009	\$ 0	\$ 13,362
Payroll Deductions Payable	57,412	10,559	0	67,971
Total Liabilities	<u>\$ 60,765</u>	<u>\$ 20,568</u>	<u>\$ 0</u>	<u>\$ 81,333</u>
FUND BALANCES				
Restricted:				
Restricted for Education	\$ 50,572	\$ 0	\$ 902,604	\$ 953,176
Restricted for Operation of Non-instructional Services	0	1,472,386	0	1,472,386
Assigned:				
Assigned for Education	114,614	0	0	114,614
Total Fund Balances	<u>\$ 165,186</u>	<u>\$ 1,472,386</u>	<u>\$ 902,604</u>	<u>\$ 2,540,176</u>
Total Liabilities and Fund Balances	<u>\$ 225,951</u>	<u>\$ 1,492,954</u>	<u>\$ 902,604</u>	<u>\$ 2,621,509</u>

HENRY COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds
 Discretely Presented Henry County School Department
For the Year Ended June 30, 2025

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	<i>Formerly Major School Federal Projects</i>	Central Cafeteria	Internal School	Total	Education Capital Projects	
Revenues						
Charges for Current Services	\$ 0	\$ 253,609	\$ 0	\$ 253,609	\$ 0	\$ 253,609
Other Local Revenues	0	65,157	1,196,660	1,261,817	2,250	1,264,067
State of Tennessee	0	16,822	0	16,822	0	16,822
Federal Government	4,086,599	2,643,109	0	6,729,708	0	6,729,708
Total Revenues	\$ 4,086,599	\$ 2,978,697	\$ 1,196,660	\$ 8,261,956	\$ 2,250	\$ 8,264,206
Expenditures						
Current:						
Instruction	\$ 2,186,325	\$ 0	\$ 0	\$ 2,186,325	\$ 0	\$ 2,186,325
Support Services	814,041	0	0	814,041	0	814,041
Operation of Non-Instructional Services	0	2,746,660	1,120,087	3,866,747	0	3,866,747
Capital Outlay	4,511	0	0	4,511	0	4,511
Total Expenditures	\$ 3,004,877	\$ 2,746,660	\$ 1,120,087	\$ 6,871,624	\$ 0	\$ 6,871,624
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,081,722	\$ 232,037	\$ 76,573	\$ 1,390,332	\$ 2,250	\$ 1,392,582
Other Financing Sources (Uses)						
Transfers Out	\$ (1,079,228)	\$ 0	\$ 0	\$ (1,079,228)	\$ (178,779)	\$ (1,258,007)
Total Other Financing Sources (Uses)	\$ (1,079,228)	\$ 0	\$ 0	\$ (1,079,228)	\$ (178,779)	\$ (1,258,007)
Net Change in Fund Balances	\$ 2,494	\$ 232,037	\$ 76,573	\$ 311,104	\$ (176,529)	\$ 134,575
Change to or Within the Reporting Entity	162,692	0	0	162,692	0	162,692
Fund Balance, July 1, 2024	0	1,240,349	826,031	2,066,380	176,529	2,242,909
Fund Balance, June 30, 2025	\$ 165,186	\$ 1,472,386	\$ 902,604	\$ 2,540,176	\$ 0	\$ 2,540,176

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 12,678,999	\$ 9,896,362	\$ 9,969,079	\$ 2,709,920
Licenses and Permits	1,351	1,500	1,500	(149)
Charges for Current Services	103,709	200,875	200,875	(97,166)
Other Local Revenues	559,105	261,750	712,805	(153,700)
State of Tennessee	26,071,530	24,523,668	27,951,963	(1,880,433)
Federal Government	82,912	0	43,925	38,987
Other Governments and Citizens Groups	144,000	0	114,000	30,000
Total Revenues	<u>\$ 39,641,606</u>	<u>\$ 34,884,155</u>	<u>\$ 38,994,147</u>	<u>\$ 647,459</u>
Expenditures				
Instruction				
Regular Instruction Program	\$ 14,846,339	\$ 14,739,241	\$ 15,246,151	\$ 399,812
Alternative Instruction Program	277,386	299,248	288,723	11,337
Special Education Program	2,511,496	2,909,905	2,687,338	175,842
Career and Technical Education Program	1,629,164	1,281,907	3,125,569	1,496,405
Support Services				
Attendance	226,752	242,718	243,068	16,316
Health Services	383,942	408,058	411,233	27,291
Other Student Support	1,047,475	998,505	1,102,588	55,113
Regular Instruction Program	1,027,297	1,051,742	1,053,417	26,120
Alternative Instruction Program	11,368	13,442	13,442	2,074
Special Education Program	135,990	140,603	140,629	4,639
Career and Technical Education Program	109,244	8,000	629,000	519,756
Technology	402,611	404,974	563,541	160,930
Other Programs	56,119	0	56,119	0
Board of Education	474,278	516,108	516,109	41,831
Director of Schools	282,383	306,273	307,414	25,031
Office of the Principal	1,921,431	2,018,810	2,032,730	111,299
Fiscal Services	294,952	295,240	295,843	891
Operation of Plant	2,062,406	2,178,381	2,238,381	175,975
Maintenance of Plant	1,003,514	973,199	1,168,610	165,096
Transportation	2,438,147	2,778,752	2,874,679	436,532

(Continued)

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Expenditures (Cont.)				
Operation of Non-Instructional Services				
Food Service	\$ 173,233	\$ 0	\$ 173,233	\$ 0
Community Services	409,772	288,690	579,090	169,318
Early Childhood Education	354,808	351,661	365,686	10,878
Capital Outlay				
Regular Capital Outlay	1,594,513	211,298	2,252,487	657,974
Principal on Debt				
Education	0	2,247,650	0	0
Interest on Debt				
Education	0	273,240	0	0
Other Debt Service				
Education	2,460,422	0	2,520,890	60,468
Total Expenditures	<u>\$ 36,135,042</u>	<u>\$ 34,937,645</u>	<u>\$ 40,885,970</u>	<u>\$ 4,750,928</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,506,564</u>	<u>\$ (53,490)</u>	<u>\$ (1,891,823)</u>	<u>\$ 5,398,387</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 88,435	\$ 0	\$ 80,000	\$ 8,435
Transfers In	1,258,007	53,490	1,093,826	164,181
Total Other Financing Sources	<u>\$ 1,346,442</u>	<u>\$ 53,490</u>	<u>\$ 1,173,826</u>	<u>\$ 172,616</u>
Net Change in Fund Balance	\$ 4,853,006	\$ 0	\$ (717,997)	\$ 5,571,003
Fund Balance, July 1, 2024	<u>20,243,009</u>	<u>9,771,409</u>	<u>9,771,409</u>	<u>10,471,600</u>
Fund Balance, June 30, 2025	<u>\$ 25,096,015</u>	<u>\$ 9,771,409</u>	<u>\$ 9,053,412</u>	<u>\$ 16,042,603</u>

HENRY COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Discretely Presented Henry County School Department
 School Federal Projects Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
State of Tennessee	\$ 0	\$ 0	\$ 151,905	\$ (151,905)
Federal Government	4,086,599	121,280	4,186,119	(99,520)
Total Revenues	\$ 4,086,599	\$ 121,280	\$ 4,338,024	\$ (251,425)
Expenditures				
Instruction				
Regular Instruction Program	\$ 1,182,621	\$ 0	\$ 1,337,508	\$ 154,887
Special Education Program	932,386	0	992,113	59,727
Career and Technical Education Program	71,318	70,280	71,318	0
Support Services				
Attendance	30,582	0	30,582	0
Health Services	0	0	5,000	5,000
Other Student Support	167,061	31,000	214,383	47,322
Regular Instruction Program	499,370	0	595,340	95,970
Special Education Program	103,028	15,000	103,655	627
Career and Technical Education Program	5,000	5,000	5,000	0
Technology	9,000	0	11,500	2,500
Transportation	0	0	7,991	7,991
Capital Outlay				
Regular Capital Outlay	4,511	0	4,511	0
Total Expenditures	\$ 3,004,877	\$ 121,280	\$ 3,378,901	\$ 374,024
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,081,722	\$ 0	\$ 959,123	\$ 122,599
Other Financing Sources (Uses)				
Transfers In	\$ 0	\$ 0	\$ 120,195	\$ (120,195)
Transfers Out	(1,079,228)	0	(1,082,358)	3,130
Total Other Financing Sources	\$ (1,079,228)	\$ 0	\$ (962,163)	\$ (117,065)
Net Change in Fund Balance	\$ 2,494	\$ 0	\$ (3,040)	\$ 5,534
Changes to or Within the Financial Reporting Entity	162,692	0	0	162,692
Fund Balance, July 1, 2024	0	162,692	162,692	(162,692)
Fund Balance, June 30, 2025	\$ 165,186	\$ 162,692	\$ 159,652	\$ 5,534

HENRY COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget**Discretely Presented Henry County School Department
Central Cafeteria Fund**For the Year Ended June 30, 2025**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Charges for Current Services	\$ 253,609	\$ 285,025	\$ 285,025	\$ (31,416)
Other Local Revenues	65,157	30,001	30,001	35,156
State of Tennessee	16,822	15,000	15,000	1,822
Federal Government	2,643,109	2,278,510	2,278,510	364,599
Total Revenues	<u>\$ 2,978,697</u>	<u>\$ 2,608,536</u>	<u>\$ 2,608,536</u>	<u>\$ 370,161</u>
Expenditures				
Operation of Non-Instructional Services				
Food Service	\$ 2,746,660	\$ 2,958,535	\$ 2,958,535	\$ 211,875
Total Expenditures	<u>\$ 2,746,660</u>	<u>\$ 2,958,535</u>	<u>\$ 2,958,535</u>	<u>\$ 211,875</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 232,037</u>	<u>\$ (349,999)</u>	<u>\$ (349,999)</u>	<u>\$ 582,036</u>
Net Change in Fund Balance	\$ 232,037	\$ (349,999)	\$ (349,999)	\$ 582,036
Fund Balance, July 1, 2024	1,240,349	350,000	350,000	890,349
Fund Balance, June 30, 2025	<u>\$ 1,472,386</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1,472,385</u>

MISCELLANEOUS SCHEDULES

HENRY COUNTY, TENNESSEE
Schedule of Changes in Long-term Notes, Other Loans, 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	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-25
NOTES PAYABLE								
Payable through General Debt Service Fund								
2019 Capital Outlay Note, Series 2019b	\$ 425,000	2.55 %	8-7-19	8-7-24	\$ 85,000	\$ 0	\$ 85,000	\$ 0
2025 Capital Outlay Notes, Series 2025a	700,635	3.74	10-25-24	6-30-25	0	700,635	700,635	0
Total Notes Payable					<u>\$ 85,000</u>	<u>\$ 700,635</u>	<u>\$ 785,635</u>	<u>\$ 0</u>
OTHER LOANS PAYABLE								
Contributions Due by the Henry County Medical Center to the General Debt Service Fund								
Public Building Authority of the Montgomery County, TN - Series 2002	16,500,000	Variable	8-19-02	5-25-27	\$ 3,256,000	\$ 0	\$ 1,033,000	\$ 2,223,000
Public Building Authority of the City of Clarksville, TN - Series 2012	7,000,000	Variable	1-3-12	5-25-27	1,590,000	0	518,000	1,072,000
Public Building Authority of the City of Clarksville, TN - Series 2015	5,000,000	Variable	6-29-15	5-25-40	3,388,000	0	191,000	3,197,000
Public Building Authority of the City of Clarksville, TN - Series 2018	9,200,000	2.57	2-5-18	2-1-40	7,492,000	0	313,033	7,178,967
Public Building Authority of the City of Clarksville, TN - Series 2022	4,500,000	2.18	2-28-22	10-1-47	2,630,244	1,869,756	153,000	4,347,000
Total Other Loans Payable					<u>\$ 18,356,244</u>	<u>\$ 1,869,756</u>	<u>\$ 2,208,033</u>	<u>\$ 18,017,967</u>
BONDS PAYABLE								
Payable through General Debt Service Fund								
Rural School Refunding Bonds, Series 2013	6,145,000	2 to 4	1-2-13	5-1-25	\$ 465,000	\$ 0	\$ 465,000	\$ 0
General Obligation High School Bonds, Series 2017	8,850,000	2 to 2.25	11-3-17	5-1-29	5,290,000	0	635,000	4,655,000
General Obligation School Refunding Bonds, Series 2020	2,045,000	1.74	2-12-20	5-1-26	1,755,000	0	1,210,000	545,000
Total Bonds Payable					<u>\$ 7,510,000</u>	<u>\$ 0</u>	<u>\$ 2,310,000</u>	<u>\$ 5,200,000</u>

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

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2026	\$ 2,283,000	\$ 453,000	\$ 2,736,000
2027	2,363,000	382,000	2,745,000
2028	6,894,967	257,000	7,151,967
2029	368,000	163,000	531,000
2030	374,000	153,000	527,000
2031	381,000	142,000	523,000
2032	388,000	131,000	519,000
2033	395,000	121,000	516,000
2034	401,000	109,000	510,000
2035	409,000	99,000	508,000
2036	415,000	88,000	503,000
2037	422,000	77,000	499,000
2038	429,000	65,000	494,000
2039	438,000	53,000	491,000
2040	445,000	41,000	486,000
2041	216,000	33,000	249,000
2042	220,000	28,000	248,000
2043	225,000	23,000	248,000
2044	230,000	18,000	248,000
2045	235,000	13,000	248,000
2046	240,000	8,000	248,000
2047	246,000	3,000	249,000
Total	\$ 18,017,967	\$ 2,460,000	\$ 20,477,967

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	\$ 1,610,000	\$ 107,383	\$ 1,717,383
2027	1,670,000	76,600	1,746,600
2028	1,705,000	43,200	1,748,200
2029	215,000	4,838	219,838
Total	\$ 5,200,000	\$ 232,021	\$ 5,432,021

HENRY COUNTY, TENNESSEE
Schedule of Notes Receivable
June 30, 2025

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-25
PRIMARY GOVERNMENT						
General Debt Service Fund Hospital Debt	Henry County Hospital District	\$ 42,200,000	8-19-02	10-1-46	Variable	<u>\$ 18,017,967</u>
Total Notes Receivable						<u><u>\$ 18,017,967</u></u>

HENRY COUNTY, TENNESSEE
Schedule of Leases Receivable
June 30, 2025

Description	Debtor	Original Amount of Lease	Date of Issue	Date of Maturity	Interest Rate	Balance 7-1-24	Deductions	Balance 6-30-25
PRIMARY GOVERNMENT								
General Debt Service Fund								
Airport Hangar Rental	Air Evac EMS, Inc.	\$ 470,983	9-1-19	9-1-29	3 %	\$ 239,607	\$ 41,384	\$ 198,223
Total Leases Receivable						\$ 239,607	\$ 41,384	\$ 198,223

HENRY COUNTY, TENNESSEE

Schedule of Transfers

Primary Government and Discretely Presented Henry County School Department

For the Year Ended June 30, 2025

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Highway/Public Works	Net wheel tax revenue	\$ 479,149
Other Special Revenue	Other Capital Projects	Capital outlay	<u>775,000</u>
Total Transfers Primary Government			<u><u>\$ 1,254,149</u></u>
DISCRETELY PRESENTED HENRY COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	\$ 93,482
"	"	Title IV expenses	500
"	"	CTE expenses	3,537
"	"	ESSER expenses	963,509
"	"	HQIM Literacy expenses	18,200
Education Capital Projects	"	To close fund	<u>178,779</u>
Total Transfers Discretely Presented Henry County School Department			<u><u>\$ 1,258,007</u></u>

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

Primary Government and Discretely Presented Henry County School Department

For the Year Ended June 30, 2025

Official	Salary	Authorization	Bond	Surety
County Mayor - Randy Geiger (9-1-24 to 6-30-25)		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 105,890</u>			
County Road Supervisor		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 104,776			
Certified public administrator supplement	1,323			
Total compensation	<u>\$ 106,099</u>			
Director of Schools		State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 179,639			
Chief executive officer training supplement	1,000			
Bonus	400			
Total compensation	<u>\$ 181,039</u>			
Trustee		Section 8-24-102, <i>TCA</i>	\$ 1,682,833	RLI Insurance Company
Base salary	\$ 95,251			
Certified public administrator supplement	1,323			
Total compensation	<u>\$ 96,574</u>			
Assessor of Property - Ginger Cox (7-1-24 to 8-18-24)		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 11,905</u>			
Assessor of Property - Scott Morrison (8-19-24 to 6-30-25)		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 83,346</u>			
Total Assessor of Property compensation	<u>\$ 95,251</u>			
County Clerk		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 95,251			
Certified public administrator supplement	1,323			
Total compensation	<u>\$ 96,574</u>			
Circuit, General Sessions and Juvenile Courts Clerk		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 95,251			
Certified public administrator supplement	1,323			
Total compensation	<u>\$ 96,574</u>			
Clerk and Master		Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	(1)	Tennessee Risk Management Trust
Base salary	\$ 95,251			
Special commissioner fees	15,173			
Total compensation	<u>\$ 110,424</u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 95,251			
Certified public administrator supplement	1,323			
Total compensation	<u>\$ 96,574</u>			
Sheriff		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 104,776			
Superintendent of workhouse	10,478			
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>			
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Tennessee Risk Management Trust
Employee Fidelity - School Department			400,000	"

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

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
Local Taxes					
County Property Taxes					
Current Property Tax	\$ 3,858,073	\$ 451,455	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	96,585	11,372	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	29,702	3,532	0	0	0
Interest and Penalty	20,081	2,354	0	0	0
Pickup Taxes	4,204	492	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	5,000	0
Payments in-Lieu-of Taxes - Local Utilities	59,272	6,936	0	0	0
Payments in-Lieu-of Taxes - Other	122,828	14,373	0	0	0
County Local Option Taxes					
Local Option Sales Tax	1,897,568	0	0	0	0
Hotel/Motel Tax	514,036	0	0	0	0
Wheel Tax	486,161	0	0	0	0
Litigation Tax - General	143,524	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	168,155	19,999	0	0	0
Mixed Drink Tax	39,039	0	0	0	0
Statutory Local Taxes					
Bank Excise Tax	77,661	9,087	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
Local Taxes (Cont.)					
Statutory Local Taxes (Cont.)					
Wholesale Beer Tax	\$ 192,351	\$ 0	\$ 0	\$ 0	0
Total Local Taxes	<u>\$ 7,709,240</u>	<u>\$ 519,600</u>	<u>\$ 0</u>	<u>\$ 5,000</u>	<u>0</u>
Licenses and Permits					
Licenses					
Animal Registration	\$ 16,192	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	134,028	0	0	0	0
Total Licenses and Permits	<u>\$ 150,220</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	\$ 6,140	\$ 0	\$ 0	\$ 0	0
Officers Costs	12,405	0	0	0	0
Drug Control Fines	7,269	0	1,805	0	0
DUI Treatment Fines	712	0	0	0	0
Data Entry Fee - Circuit Court	1,178	0	0	0	0
Courtroom Security Fee	694	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
Fines, Forfeitures, and Penalties (Cont.)					
General Sessions Court					
Fines	\$ 19,912	\$ 0	\$ 0	\$ 0	0
Officers Costs	76,458	0	0	0	0
Game and Fish Fines	2,846	0	0	0	0
Drug Control Fines	7,857	0	6,309	0	0
Drug Court Fees	5,444	0	0	0	0
Jail Fees	815	0	0	0	0
DUI Treatment Fines	9,196	0	0	0	0
Data Entry Fee - General Sessions Court	11,413	0	0	0	0
Courtroom Security Fee	382	0	0	0	0
Victims Assistance Assessments	21,250	0	0	0	0
Juvenile Court					
Fines	255	0	0	0	0
Officers Costs	2,190	0	0	0	0
Data Entry Fee - Juvenile Court	1,167	0	0	0	0
Courtroom Security Fee	52	0	0	0	0
Chancery Court					
Officers Costs	2,040	0	0	0	0
Data Entry Fee - Chancery Court	3,108	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
Fines, Forfeitures, and Penalties (Cont.)					
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 58,444	\$ 0	\$ 0
Total Fines, Forfeitures, and Penalties	<u>\$ 192,783</u>	<u>\$ 0</u>	<u>\$ 66,558</u>	<u>\$ 0</u>	<u>\$ 0</u>
Charges for Current Services					
General Service Charges					
Sale of Electricity	\$ 27,755	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Waste Tire Disposal	0	29,372	0	0	0
Work Release Charges for Board	103,938	0	0	0	0
Other General Service Charges	59	0	0	0	0
Fees					
Airport Fees	46,781	0	0	0	0
Copy Fees	94	0	0	0	0
Greenbelt Late Application Fee	350	0	0	0	0
Telephone Commissions	53,903	0	0	0	0
Additional Fees - Titling and Registration	35,769	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	18,874
Data Processing Fee - Register	11,888	0	0	0	0
Data Processing Fee - Sheriff	4,375	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
Charges for Current Services (Cont.)					
Fees (Cont.)					
Sexual Offender Registration Fee - Sheriff	\$ 7,150	\$ 0	\$ 0	\$ 0	0
Data Processing Fee - County Clerk	4,124	0	0	0	0
Subscription and Electronic Filing Fee - Chancery	7,300	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	3,395	0	0	0	0
Total Charges for Current Services	\$ 306,881	\$ 29,372	\$ 0	\$ 0	18,874
Other Local Revenues					
Recurring Items					
Investment Income	\$ 0	\$ 0	\$ 0	136,139	\$ 0
Lease/Rentals/PPP	162,014	0	0	0	0
Lease/PPP Interest	0	0	0	0	0
Commissary Sales	61,871	0	0	0	0
Sale of Gasoline	340,663	0	0	0	0
Sale of Recycled Materials	0	181,345	0	0	0
Miscellaneous Refunds	44,189	0	0	0	0
Nonrecurring Items					
Gain on Disposal of Property	4,475	0	0	0	0
Sale of Equipment	44,891	0	0	44,601	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
Other Local Revenues (Cont.)					
Nonrecurring Items (Cont.)					
Contributions and Gifts	\$ 8,200	\$ 0	\$ 0	\$ 0	0
Performance Bond Forfeitures	18,025	0	0	0	0
Other Local Revenues					
Other Local Revenues	78,700	0	0	0	0
Total Other Local Revenues	\$ 763,028	\$ 181,345	\$ 0	\$ 180,740	\$ 0
Fees Received From County Officials					
Fees In-Lieu-of Salary					
County Clerk	\$ 527,291	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	61,925	0	0	0	0
General Sessions Court Clerk	169,379	0	0	0	0
Clerk and Master	101,796	0	0	0	0
Juvenile Court Clerk	70,614	0	0	0	0
Register	166,184	0	0	0	0
Sheriff	16,589	0	0	0	0
Trustee	683,361	0	0	0	0
Total Fees Received From County Officials	\$ 1,797,139	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
State of Tennessee					
General Government Grants					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	0
Airport Maintenance Program	15,000	0	0	0	0
Aging Programs	4,913	0	0	0	0
Public Safety Grants					
Law Enforcement Training Programs	57,316	0	0	0	0
Health and Welfare Grants					
Other Health and Welfare Grants	66,079	0	0	0	0
Public Works Grants					
State Aid Program	0	0	0	0	0
Litter Program	0	0	0	0	0
Other State Revenues					
Resort District Sales Tax	1,493,201	0	0	0	0
Beer Tax	17,752	0	0	0	0
Vehicle Certificate of Title Fees	9,025	0	0	0	0
Alcoholic Beverage Tax	99,437	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	117,343	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	752,123	0
State Revenue Sharing - Telecommunications	56,935	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
State of Tennessee (Cont.)					
Other State Revenues (Cont.)					
State Shared Sports Gaming Privilege Tax	\$ 45,002	\$ 0	\$ 0	\$ 0	0
Contracted Prisoner Boarding	689,087	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	550,136	26,919	0	0	0
Other State Revenues	10,480	0	0	0	0
Total State of Tennessee	\$ 3,255,870	\$ 26,919	\$ 0	\$ 752,123	\$ 0
Federal Government					
Federal Through State					
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	13,625	0	0	0	0
American Rescue Plan Act Grant #1	741,394	0	0	50,000	0
American Rescue Plan Act Grant #2	16,225	0	0	0	0
American Rescue Plan Act Grant #3	47,031	0	0	0	0
Other Federal through State	126,044	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
Federal Government (Cont.)					
Direct Federal Revenue					
Other Direct Federal Revenue	\$ 6,600	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	<u>\$ 950,919</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,000</u>	<u>\$ 0</u>
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 848,871	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	19,068	0	0	0	0
Citizens Groups					
Donations	125,016	0	0	0	0
Other					
Other	404,162	0	0	0	0
Opioid Settlement Funds - Past Remediation	147,156	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 1,544,273</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 16,670,353</u>	<u>\$ 757,236</u>	<u>\$ 66,558</u>	<u>\$ 987,863</u>	<u>\$ 18,874</u>

(Continued)

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

	Special	Debt	Capital Projects Funds		Total
	Revenue Fund	Service Fund	General Capital Projects	Other Capital Projects -	
	Highway / Public Works	General Debt Service			
Local Taxes					
County Property Taxes					
Current Property Tax	\$ 1,550,950	\$ 126,717	\$ 0	\$ 0	\$ 5,987,195
Trustee's Collections - Prior Year	38,699	3,528	0	0	150,184
Circuit Clerk/Clerk and Master Collections - Prior Years	11,940	922	0	0	46,096
Interest and Penalty	8,066	664	0	0	31,165
Pickup Taxes	1,690	138	0	0	6,524
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	5,000
Payments in-Lieu-of Taxes - Local Utilities	48,562	1,952	0	0	116,722
Payments in-Lieu-of Taxes - Other	49,377	4,046	0	0	190,624
County Local Option Taxes					
Local Option Sales Tax	0	0	0	0	1,897,568
Hotel/Motel Tax	0	0	0	0	514,036
Wheel Tax	0	0	0	0	486,161
Litigation Tax - General	0	0	0	0	143,524
Litigation Tax - Jail, Workhouse, or Courthouse	0	31,196	0	0	31,196
Business Tax	68,690	5,497	0	0	262,341
Mixed Drink Tax	0	0	0	0	39,039
Statutory Local Taxes					
Bank Excise Tax	31,220	2,558	0	0	120,526

(Continued)

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

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>		
	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects -	Total
Local Taxes (Cont.)					
Statutory Local Taxes (Cont.)					
Wholesale Beer Tax	\$ 0	\$ 0	\$ 0	\$ 0	192,351
Total Local Taxes	<u>\$ 1,809,194</u>	<u>\$ 177,218</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>10,220,252</u>
Licenses and Permits					
Licenses					
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	16,192
Cable TV Franchise	0	0	0	0	134,028
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>150,220</u>
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	6,140
Officers Costs	0	0	0	0	12,405
Drug Control Fines	0	0	0	0	9,074
DUI Treatment Fines	0	0	0	0	712
Data Entry Fee - Circuit Court	0	0	0	0	1,178
Courtroom Security Fee	0	0	0	0	694

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects -	Total
Fines, Forfeitures, and Penalties (Cont.)					
General Sessions Court					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	19,912
Officers Costs	0	0	0	0	76,458
Game and Fish Fines	0	0	0	0	2,846
Drug Control Fines	0	0	0	0	14,166
Drug Court Fees	0	0	0	0	5,444
Jail Fees	0	0	0	0	815
DUI Treatment Fines	0	0	0	0	9,196
Data Entry Fee - General Sessions Court	0	0	0	0	11,413
Courtroom Security Fee	0	0	0	0	382
Victims Assistance Assessments	0	0	0	0	21,250
Juvenile Court					
Fines	0	0	0	0	255
Officers Costs	0	0	0	0	2,190
Data Entry Fee - Juvenile Court	0	0	0	0	1,167
Courtroom Security Fee	0	0	0	0	52
Chancery Court					
Officers Costs	0	0	0	0	2,040
Data Entry Fee - Chancery Court	0	0	0	0	3,108

(Continued)

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

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>		
	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects -	Total
Fines, Forfeitures, and Penalties (Cont.)					
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 0	58,444
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	259,341
Charges for Current Services					
General Service Charges					
Sale of Electricity	\$ 0	\$ 0	\$ 0	\$ 0	27,755
Surcharge - Waste Tire Disposal	0	0	0	0	29,372
Work Release Charges for Board	0	0	0	0	103,938
Other General Service Charges	0	0	0	0	59
Fees					
Airport Fees	0	0	0	0	46,781
Copy Fees	0	0	0	0	94
Greenbelt Late Application Fee	0	0	0	0	350
Telephone Commissions	0	0	0	0	53,903
Additional Fees - Titling and Registration	0	0	0	0	35,769
Special Commissioner Fees/Special Master Fees	0	0	0	0	18,874
Data Processing Fee - Register	0	0	0	0	11,888
Data Processing Fee - Sheriff	0	0	0	0	4,375

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects -	Total
Charges for Current Services (Cont.)					
Fees (Cont.)					
Sexual Offender Registration Fee - Sheriff	\$ 0	\$ 0	\$ 0	\$ 0	7,150
Data Processing Fee - County Clerk	0	0	0	0	4,124
Subscription and Electronic Filing Fee - Chancery	0	0	0	0	7,300
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	3,395
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	355,127
Other Local Revenues					
Recurring Items					
Investment Income	\$ 0	2,075,145	\$ 0	\$ 0	2,211,284
Lease/Rentals/PPP	0	41,384	0	0	203,398
Lease/PPP Interest	0	7,187	0	0	7,187
Commissary Sales	0	0	0	0	61,871
Sale of Gasoline	0	0	0	0	340,663
Sale of Recycled Materials	9,010	0	0	0	190,355
Miscellaneous Refunds	6,799	193	0	0	51,181
Nonrecurring Items					
Gain on Disposal of Property	0	0	0	0	4,475
Sale of Equipment	64,355	0	8,000	0	161,847

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects -	Total
Other Local Revenues (Cont.)					
Nonrecurring Items (Cont.)					
Contributions and Gifts	\$ 0	\$ 0	\$ 0	\$ 0	8,200
Performance Bond Forfeitures	0	0	0	0	18,025
Other Local Revenues					
Other Local Revenues	0	0	0	0	78,700
Total Other Local Revenues	\$ 80,164	\$ 2,123,909	\$ 8,000	\$ 0	\$ 3,337,186
Fees Received From County Officials					
Fees In-Lieu-of Salary					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	527,291
Circuit Court Clerk	0	0	0	0	61,925
General Sessions Court Clerk	0	0	0	0	169,379
Clerk and Master	0	0	0	0	101,796
Juvenile Court Clerk	0	0	0	0	70,614
Register	0	0	0	0	166,184
Sheriff	0	0	0	0	16,589
Trustee	0	0	0	0	683,361
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,797,139

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects -	
State of Tennessee					
General Government Grants					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	9,000
Airport Maintenance Program	0	0	0	0	15,000
Aging Programs	0	0	0	0	4,913
Public Safety Grants					
Law Enforcement Training Programs	0	0	0	0	57,316
Health and Welfare Grants					
Other Health and Welfare Grants	0	0	0	0	66,079
Public Works Grants					
State Aid Program	1,201,601	0	0	0	1,201,601
Litter Program	36,258	0	0	0	36,258
Other State Revenues					
Resort District Sales Tax	0	0	0	0	1,493,201
Beer Tax	0	0	0	0	17,752
Vehicle Certificate of Title Fees	0	0	0	0	9,025
Alcoholic Beverage Tax	0	0	0	0	99,437
Opioid Settlement Funds - TN Abatement Council	0	0	0	0	117,343
State Revenue Sharing - T.V.A.	0	0	0	0	752,123
State Revenue Sharing - Telecommunications	0	0	0	0	56,935

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects -	Total
State of Tennessee (Cont.)					
Other State Revenues (Cont.)					
State Shared Sports Gaming Privilege Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,002
Contracted Prisoner Boarding	0	0	0	0	689,087
Gasoline and Motor Fuel Tax	2,767,838	0	0	0	2,767,838
Hybrid/Electric Vehicle Registration Fee	35,743	0	0	0	35,743
Petroleum Special Tax	21,334	0	0	0	21,334
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	577,055
Other State Revenues	0	0	0	0	10,480
Total State of Tennessee	\$ 4,062,774	\$ 0	\$ 0	\$ 0	\$ 8,097,686
Federal Government					
Federal Through State					
Disaster Relief	\$ 104,709	\$ 0	\$ 0	\$ 0	\$ 104,709
Homeland Security Grants	0	0	0	0	13,625
American Rescue Plan Act Grant #1	0	0	16,634	0	808,028
American Rescue Plan Act Grant #2	0	0	0	0	16,225
American Rescue Plan Act Grant #3	0	0	0	0	47,031
Other Federal through State	0	0	0	66,677	192,721

(Continued)

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

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>		
	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects -	Total
Federal Government (Cont.)					
Direct Federal Revenue					
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,600
Total Federal Government	<u>\$ 104,709</u>	<u>\$ 0</u>	<u>\$ 16,634</u>	<u>\$ 66,677</u>	<u>\$ 1,188,939</u>
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 0	\$ 2,460,422	\$ 0	\$ 0	\$ 3,309,293
Contracted Services	0	0	0	0	19,068
Citizens Groups					
Donations	0	0	0	0	125,016
Other					
Other	0	0	0	0	404,162
Opioid Settlement Funds - Past Remediation	0	0	0	0	147,156
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 2,460,422</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,004,695</u>
Total	<u>\$ 6,056,841</u>	<u>\$ 4,761,549</u>	<u>\$ 24,634</u>	<u>\$ 66,677</u>	<u>\$ 29,410,585</u>

HENRY COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Henry County School Department

For the Year Ended June 30, 2025

	Special Revenue Funds				Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 5,139,381	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,139,381
Trustee's Collections - Prior Year	128,223	0	0	0	0	128,223
Circuit Clerk/Clerk and Master Collections - Prior Years	39,563	0	0	0	0	39,563
Interest and Penalty	26,733	0	0	0	0	26,733
Pickup Taxes	5,601	0	0	0	0	5,601
Payments in-Lieu-of Taxes - T.V.A.	3,165	0	0	0	0	3,165
Payments in-Lieu-of Taxes - Local Utilities	78,826	0	0	0	0	78,826
Payments in-Lieu-of Taxes - Other	163,620	0	0	0	0	163,620
County Local Option Taxes						
Local Option Sales Tax	5,869,641	0	0	0	0	5,869,641
Wheel Tax	852,231	0	0	0	0	852,231
Business Tax	223,994	0	0	0	0	223,994
Mixed Drink Tax	44,568	0	0	0	0	44,568
Statutory Local Taxes						
Bank Excise Tax	103,453	0	0	0	0	103,453
Total Local Taxes	\$ 12,678,999	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,678,999

(Continued)

HENRY COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Henry County School Department (Cont.)

	Special Revenue Funds				Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 1,351	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,351
Total Licenses and Permits	\$ 1,351	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,351
Charges for Current Services						
Education Charges						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 30,404	\$ 0	\$ 0	\$ 30,404
A la Carte Sales	0	0	223,205	0	0	223,205
Receipts from Individual Schools	7,209	0	0	0	0	7,209
Community Service Fees - Adults	48,125	0	0	0	0	48,125
Other Charges for Services	48,375	0	0	0	0	48,375
Total Charges for Current Services	\$ 103,709	\$ 0	\$ 253,609	\$ 0	\$ 0	\$ 357,318
Other Local Revenues						
Recurring Items						
Investment Income	\$ 44,967	\$ 0	\$ 50,337	\$ 0	\$ 2,250	\$ 97,554
Lease/Rentals/PPP	7,250	0	0	0	0	7,250
Sale of Materials and Supplies	579	0	0	0	0	579
Miscellaneous Refunds	406,040	0	14,820	0	0	420,860

(Continued)

HENRY COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Henry County School Department (Cont.)

	Special Revenue Funds				Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	
Other Local Revenues (Cont.)						
Nonrecurring Items						
Damages Recovered from Individuals	\$ 1,172	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,172
Contributions and Gifts	98,821	0	0	0	0	98,821
Other Local Revenues						
Other Local Revenues	276	0	0	1,196,660	0	1,196,936
Total Other Local Revenues	\$ 559,105	\$ 0	\$ 65,157	\$ 1,196,660	\$ 2,250	\$ 1,823,172
State of Tennessee						
General Government Grants						
On-behalf Contributions for OPEB	\$ 56,119	\$ 0	\$ 0	\$ 0	\$ 0	\$ 56,119
State Education Funds						
Tennessee Investment in Student Achievement	22,722,394	0	0	0	0	22,722,394
TISA - On-behalf Payments	65,666	0	0	0	0	65,666
Early Childhood Education	341,039	0	0	0	0	341,039
School Food Service	0	0	16,822	0	0	16,822
Energy Efficient School Initiative	12,302	0	0	0	0	12,302
Driver Education	16,838	0	0	0	0	16,838
Other State Education Funds	1,140	0	0	0	0	1,140

(Continued)

HENRY COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Henry County School Department (Cont.)

	Special Revenue Funds				Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	
State of Tennessee (Cont.)						
State Education Funds (Cont.)						
Paid Parental Leave	\$ 125,522	\$ 0	\$ 0	\$ 0	\$ 0	\$ 125,522
Career Ladder Program	20,477	0	0	0	0	20,477
Other Vocational	445,127	0	0	0	0	445,127
Other State Revenues						
State Revenue Sharing - T.V.A.	1,976,522	0	0	0	0	1,976,522
Other State Grants	288,384	0	0	0	0	288,384
Total State of Tennessee	\$ 26,071,530	\$ 0	\$ 16,822	\$ 0	\$ 0	\$ 26,088,352
Federal Government						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,662,070	\$ 0	\$ 0	\$ 1,662,070
USDA - Commodities	0	0	157,569	0	0	157,569
Breakfast	0	0	700,228	0	0	700,228
USDA - Other	0	0	43,242	0	0	43,242
USDA Food Service Equipment Grant	0	0	80,000	0	0	80,000
Vocational Education - Basic Grants to States	0	109,396	0	0	0	109,396
Title I Grants to Local Education Agencies	0	1,090,268	0	0	0	1,090,268

(Continued)

HENRY COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Henry County School Department (Cont.)

	<u>Special Revenue Funds</u>				<u>Capital Projects Fund</u>	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	
Federal Government (Cont.)						
Federal Through State (Cont.)						
Special Education - Grants to States	\$ 43,925	\$ 843,667	\$ 0	\$ 0	\$ 0	\$ 887,592
Special Education Preschool Grants	0	47,558	0	0	0	47,558
Rural Education	0	95,547	0	0	0	95,547
Eisenhower Professional Development State Grants	0	317,936	0	0	0	317,936
COVID-19 Grant #3	0	1,292,692	0	0	0	1,292,692
Other Federal through State	38,987	289,535	0	0	0	328,522
Total Federal Government	\$ 82,912	\$ 4,086,599	\$ 2,643,109	\$ 0	\$ 0	\$ 6,812,620
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 144,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 144,000
Total Other Governments and Citizens Groups	\$ 144,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 144,000
Total	\$ 39,641,606	\$ 4,086,599	\$ 2,978,697	\$ 1,196,660	\$ 2,250	\$ 47,905,812

HENRY 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	\$	44,500	
Dues and Memberships		1,850	
Travel		22,916	
Total County Commission			\$ 69,266

Board of Equalization

Other Per Diem and Fees	\$	1,240	
Total Board of Equalization			1,240

Other Boards and Committees

Board and Committee Members Fees	\$	1,925	
Total Other Boards and Committees			1,925

County Mayor/Executive

County Official/Administrative Officer	\$	105,890	
Secretary(ies)		42,408	
Custodial Personnel		52,710	
Maintenance Personnel		86,415	
Other Salaries and Wages		6,000	
Dues and Memberships		2,239	
Lease/SBITA Payments		1,172	
Maintenance and Repair Services - Office Equipment		200	
Postal Charges		399	
Travel		4,437	
Other Contracted Services		780	
Office Supplies		1,202	
In Service/Staff Development		500	
Total County Mayor/Executive			304,352

County Attorney

Other Per Diem and Fees	\$	34,717	
Total County Attorney			34,717

Election Commission

County Official/Administrative Officer	\$	85,726	
Deputy(ies)		42,219	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Election Commission	\$	2,640	
Election Workers		39,361	
Communication		717	
Data Processing Services		17,187	
Lease/SBITA Payments		2,290	
Legal Notices, Recording, and Court Costs		4,583	
Postal Charges		12,077	
Printing, Stationery, and Forms		1,789	
Rentals		100	
Travel		871	
Other Contracted Services		9,409	
Data Processing Supplies		2,693	
Natural Gas		128	
Office Supplies		8,579	
Other Charges		2,303	
Total Election Commission			\$ 232,672

Register of Deeds

County Official/Administrative Officer	\$	95,251	
Deputy(ies)		71,551	
Data Processing Services		12,882	
Dues and Memberships		1,007	
Lease/SBITA Payments		2,200	
Maintenance and Repair Services - Office Equipment		807	
Postal Charges		993	
Travel		1,257	
Office Supplies		861	
Other Charges		191	
Total Register of Deeds			187,000

Building

Maintenance Personnel	\$	40,132	
Part-time Personnel		15,045	
Communication		25	
Maintenance and Repair Services - Buildings		14,307	
Other Contracted Services		2,320	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Building (Cont.)

Custodial Supplies	\$	5,647	
Utilities		36,370	
Total Building			\$ 113,846

County Buildings

Communication	\$	62,142	
Natural Gas		20,974	
Utilities		67,906	
Total County Buildings			151,022

Other General Administration

Maintenance and Repair Services - Buildings	\$	88,840	
Maintenance and Repair Services - Equipment		780	
Maintenance and Repair Services - Vehicles		4,869	
Rentals		1,497	
Other Contracted Services		11,570	
Custodial Supplies		4,884	
Small Tools		601	
Building and Contents Insurance		247,885	
Other Charges		6,059	
Total Other General Administration			366,985

Preservation of Records

Part-time Personnel	\$	18,574	
Other Supplies and Materials		1,000	
Other Charges		1,479	
Total Preservation of Records			21,053

Finance

Accounting and Budgeting

Supervisor/Director	\$	83,776	
Deputy(ies)		75,368	
Bonus Payments		1,000	
Data Processing Services		21,392	
Lease/SBITA Payments		1,397	
Maintenance and Repair Services - Office Equipment		250	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Postal Charges	\$	1,842	
Data Processing Supplies		3,529	
Office Supplies		1,933	
Total Accounting and Budgeting			\$ 190,487

Property Assessor's Office

County Official/Administrative Officer	\$	95,251	
Deputy(ies)		112,154	
Data Processing Services		3,500	
Dues and Memberships		1,850	
Lease/SBITA Payments		3,152	
Maintenance and Repair Services - Office Equipment		87	
Postal Charges		2,482	
Travel		790	
Office Supplies		2,606	
Other Supplies and Materials		1,954	
Other Charges		384	
Data Processing Equipment		4,469	
Total Property Assessor's Office			228,679

Reappraisal Program

Deputy(ies)	\$	63,314	
Part-time Personnel		10,555	
Contracts with Private Agencies		50,870	
Data Processing Services		28,411	
Maintenance and Repair Services - Vehicles		1,152	
Postal Charges		210	
Gasoline		4,002	
Other Charges		1,826	
Total Reappraisal Program			160,340

County Trustee's Office

County Official/Administrative Officer	\$	95,251	
Deputy(ies)		109,982	
Part-time Personnel		1,837	
Data Processing Services		25,854	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Dues and Memberships	\$	1,900	
Legal Notices, Recording, and Court Costs		468	
Postal Charges		2,611	
Printing, Stationery, and Forms		1,500	
Travel		4,000	
Other Contracted Services		4,901	
Office Supplies		3,000	
In Service/Staff Development		1,000	
Other Charges		21,289	
Total County Trustee's Office			\$ 273,593

County Clerk's Office

County Official/Administrative Officer	\$	95,251	
Deputy(ies)		181,379	
Part-time Personnel		13,804	
Communication		1,280	
Data Processing Services		22,546	
Dues and Memberships		1,277	
Lease/SBITA Payments		1,377	
Maintenance and Repair Services - Office Equipment		732	
Postal Charges		17,944	
Travel		3,500	
Data Processing Supplies		6,509	
Office Supplies		2,908	
Other Charges		560	
Data Processing Equipment		886	
Total County Clerk's Office			349,953

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	95,251	
Deputy(ies)		109,855	
Part-time Personnel		6,924	
Jury and Witness Expense		5,107	
Communication		1,430	
Data Processing Services		21,724	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Dues and Memberships	\$	1,242	
Maintenance Agreements		2,498	
Maintenance and Repair Services - Office Equipment		2,400	
Postal Charges		3,199	
Travel		2,048	
Other Contracted Services		375	
Office Supplies		15,774	
Other Charges		599	
Data Processing Equipment		1,000	
Total Circuit Court			\$ 269,426

General Sessions Court

Deputy(ies)	\$	140,672	
Total General Sessions Court			140,672

General Sessions Judge

Judge(s)	\$	189,714	
Assistant(s)		8,752	
Dues and Memberships		1,773	
Travel		2,918	
Periodicals		261	
Total General Sessions Judge			203,418

Chancery Court

County Official/Administrative Officer	\$	95,251	
Deputy(ies)		107,048	
Data Processing Services		7,004	
Dues and Memberships		754	
Lease/SBITA Payments		1,807	
Legal Notices, Recording, and Court Costs		719	
Maintenance and Repair Services - Office Equipment		101	
Postal Charges		1,914	
Travel		686	
Data Processing Supplies		1,631	
Office Supplies		3,972	
In Service/Staff Development		150	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Other Charges	\$	671	
Data Processing Equipment		450	
Furniture and Fixtures		1,200	
Total Chancery Court			\$ 223,358

Juvenile Court

Deputy(ies)	\$	41,607	
Probation Officer(s)		69,163	
Youth Service Officer(s)		44,872	
Social Workers		51,112	
Part-time Personnel		23,074	
Communication		2,870	
Contracts with Other Public Agencies		4,989	
Data Processing Services		2,111	
Lease/SBITA Payments		1,113	
Maintenance and Repair Services - Office Equipment		739	
Maintenance and Repair Services - Vehicles		182	
Postal Charges		300	
Travel		149	
Other Contracted Services		76,034	
Gasoline		219	
Office Supplies		14,903	
Other Supplies and Materials		281	
Other Charges		128	
Total Juvenile Court			333,846

Probate Court

Deputy(ies)	\$	75,632	
Data Processing Services		7,004	
Dues and Memberships		543	
Lease/SBITA Payments		2,319	
Maintenance and Repair Services - Office Equipment		20	
Postal Charges		800	
Data Processing Supplies		1,620	
Office Supplies		2,043	
In Service/Staff Development		249	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probate Court (Cont.)

Other Charges	\$	316	
Office Equipment		1,279	
Total Probate Court			\$ 91,825

Other Administration of Justice

Legal Services	\$	11,652	
Other Contracted Services		15,631	
Total Other Administration of Justice			27,283

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	115,254	
Assistant(s)		66,043	
Supervisor/Director		43,311	
Deputy(ies)		548,826	
Investigator(s)		328,993	
Lieutenant(s)		57,094	
Sergeant(s)		364,357	
Secretary to Board		4,025	
Salary Supplements		62,200	
Dispatchers/Radio Operators		176,553	
Clerical Personnel		41,823	
Attendants		39,318	
Part-time Personnel		49,490	
School Resource Officer		473,581	
Longevity Pay		27,300	
Overtime Pay		52,436	
Bonus Payments		1,800	
Other Salaries and Wages		66,745	
Communication		6,191	
Data Processing Services		56,041	
Dues and Memberships		2,300	
Lease/SBITA Payments		2,197	
Maintenance and Repair Services - Buildings		8,797	
Maintenance and Repair Services - Equipment		5,796	
Maintenance and Repair Services - Vehicles		76,398	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Postal Charges	\$	784	
Towing Services		3,535	
Travel		15,420	
Other Contracted Services		26,642	
Custodial Supplies		41	
Gasoline		133,796	
Law Enforcement Supplies		7,153	
Office Supplies		13,284	
Tires and Tubes		8,797	
Uniforms		12,810	
Utilities		114,316	
Other Supplies and Materials		3,952	
Refunds		7,698	
In Service/Staff Development		8,470	
Other Charges		14,195	
Furniture and Fixtures		3,210	
Law Enforcement Equipment		49,415	
Motor Vehicles		20,605	
Total Sheriff's Department			\$ 3,120,992

Special Patrols

Nightwatchmen	\$	101,483	
Total Special Patrols			101,483

Drug Enforcement

Deputy(ies)	\$	165,666	
Clerical Personnel		47,300	
Overtime Pay		12,523	
Bonus Payments		10,500	
Medical Insurance		107	
Dental Insurance		380	
Total Drug Enforcement			236,476

Administration of the Sexual Offender Registry

Other Charges	\$	6,674	
Total Administration of the Sexual Offender Registry			6,674

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

Lieutenant(s)	\$	109,635	
Medical Personnel		37,582	
Guards		714,217	
Clerical Personnel		81,974	
Cafeteria Personnel		40,987	
Maintenance Personnel		52,270	
Temporary Personnel		128,693	
Part-time Personnel		32,402	
Longevity Pay		6,550	
Overtime Pay		40,539	
Other Salaries and Wages		39,151	
Data Processing Services		8,439	
Lease/SBITA Payments		4,638	
Maintenance and Repair Services - Buildings		26,933	
Maintenance and Repair Services - Equipment		4,890	
Maintenance and Repair Services - Vehicles		3,058	
Medical and Dental Services		147,797	
Transportation - Other than Students		37,471	
Custodial Supplies		43,667	
Drugs and Medical Supplies		31,957	
Food Preparation Supplies		4,918	
Food Supplies		267,613	
Law Enforcement Supplies		1,226	
Prisoners Clothing		10,635	
Uniforms		6,783	
Other Supplies and Materials		3,808	
Other Charges		52,326	
Furniture and Fixtures		499	
Total Jail			\$ 1,940,658

Fire Prevention and Control

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

Rescue Squad

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

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Supervisor/Director	\$	29,090	
Part-time Personnel		17,800	
Social Security		2,908	
Pensions		1,483	
Employer Medicare		680	
Communication		2,302	
Maintenance and Repair Services - Equipment		286	
Maintenance and Repair Services - Vehicles		1,885	
Rentals		1,200	
Travel		1,580	
Utilities		5,049	
Other Supplies and Materials		2,900	
Other Charges		9,185	
Communication Equipment		13,001	
Other Equipment		249,474	
Total Other Emergency Management			\$ 338,823

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	47,128	
Pauper Burials		500	
Other Contracted Services		60,168	
Other Supplies and Materials		1,325	
Total County Coroner/Medical Examiner			109,121

Public Health and Welfare

Local Health Center

Medical Personnel	\$	52,096	
Bonus Payments		1,243	
Social Security		3,237	
Pensions		2,722	
Medical Insurance		7,694	
Unemployment Compensation		210	
Employer Medicare		756	
Communication		1,942	
Contracts with Government Agencies		22,120	
Dues and Memberships		423	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Maintenance and Repair Services - Buildings	\$	3,299	
Maintenance and Repair Services - Office Equipment		611	
Other Contracted Services		9,600	
Custodial Supplies		2,248	
Drugs and Medical Supplies		151	
Office Supplies		1,352	
Other Supplies and Materials		741	
Other Charges		756	
Total Local Health Center			\$ 111,201

Rabies and Animal Control

Contracts with Other Public Agencies	\$	8,000	
Other Charges		17,702	
Total Rabies and Animal Control			25,702

Ambulance/Emergency Medical Services

Medical Personnel	\$	256,953	
Bonus Payments		150	
Social Security		15,223	
Pensions		13,319	
Medical Insurance		8,393	
Employer Medicare		3,560	
Workers' Compensation Insurance		20,013	
Total Ambulance/Emergency Medical Services			317,611

Maternal and Child Health Services

Contributions	\$	1,350	
Total Maternal and Child Health Services			1,350

Alcohol and Drug Programs

Contributions	\$	1,000	
Drug Treatment		2,363	
Total Alcohol and Drug Programs			3,363

Other Local Health Services

Contributions	\$	14,600	
Total Other Local Health Services			14,600

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

General Welfare Assistance

Other Charges	\$ 42,008	
Total General Welfare Assistance	<u>42,008</u>	\$ 42,008

Social, Cultural, and Recreational Services

Adult Activities

Supervisor/Director	\$ 40,425	
Social Workers	32,186	
Bus Drivers	9,048	
Part-time Personnel	20,996	
Other Salaries and Wages	13,502	
Social Security	6,623	
Handling Charges and Administrative Costs	847	
Pensions	3,704	
Unemployment Compensation	1,239	
Employer Medicare	1,656	
Communication	1,099	
Lease/SBITA Payments	879	
Maintenance and Repair Services - Office Equipment	97	
Maintenance and Repair Services - Vehicles	435	
Postal Charges	489	
Travel	2,701	
Other Contracted Services	5,032	
Gasoline	1,609	
Office Supplies	1,980	
Other Supplies and Materials	553	
Other Charges	6,482	
Total Adult Activities	<u>151,582</u>	151,582

Libraries

Contributions	\$ 207,862	
Total Libraries	<u>207,862</u>	207,862

Parks and Fair Boards

Contributions	\$ 5,250	
Total Parks and Fair Boards	<u>5,250</u>	5,250

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational

Contributions	\$ 27,000	
Total Other Social, Cultural, and Recreational		\$ 27,000

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$ 52,800	
Secretary(ies)	5,836	
Part-time Personnel	15,151	
Social Security	2,893	
Pensions	9,679	
Employer Medicare	677	
Other Fringe Benefits	12,320	
Communication	5,018	
Dues and Memberships	345	
Lease/SBITA Payments	3,298	
Rentals	10,000	
Travel	6,500	
Other Contracted Services	1,075	
Custodial Supplies	5,741	
Office Supplies	675	
Utilities	16,024	
Workers' Compensation Insurance	18	
Other Charges	781	
Data Processing Equipment	1,400	
Total Agricultural Extension Service		150,231

Soil Conservation

Secretary(ies)	\$ 31,048	
Social Security	1,901	
Pensions	1,600	
Unemployment Compensation	210	
Employer Medicare	445	
Total Soil Conservation		35,204

Flood Control

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

(Continued)

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

General Fund (Cont.)

Other Operations

Tourism

Contributions	\$ 710,468	
Total Tourism		\$ 710,468

Industrial Development

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

Other Economic and Community Development

Other Contracted Services	\$ 757,618	
Total Other Economic and Community Development		757,618

Airport

Supervisor/Director	\$ 49,594	
Part-time Personnel	2,173	
Other Salaries and Wages	96,485	
Social Security	8,976	
Pensions	7,644	
Employer Medicare	2,100	
Communication	2,890	
Maintenance and Repair Services - Buildings	3,232	
Maintenance and Repair Services - Equipment	6,891	
Maintenance and Repair Services - Vehicles	229	
Travel	1,055	
Remittance of Revenue Collected	13,593	
Other Contracted Services	5,293	
Diesel Fuel	4,367	
Gasoline	202,988	
Office Supplies	819	
Utilities	13,117	
Liability Insurance	4,743	
Other Charges	1,124	
Airport Improvement	191,318	
Office Equipment	250	
Total Airport		618,881

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

County Official/Administrative Officer	\$	34,396	
Part-time Personnel		23,668	
Other Salaries and Wages		3,329	
Maintenance and Repair Services - Vehicles		898	
Transportation - Other than Students		140	
Travel		423	
Gasoline		1,047	
Office Supplies		1,100	
Data Processing Equipment		503	
Total Veterans' Services			\$ 65,504

Other Charges

Advertising	\$	1,391	
Audit Services		14,168	
Dues and Memberships		14,855	
Pest Control		8,400	
Other Supplies and Materials		2,327	
Trustee's Commission		130,518	
Other Charges		41,337	
Total Other Charges			212,996

Contributions to Other Agencies

Contributions	\$	18,636	
Matching Share		75,000	
Remittance of Revenue Collected		27,727	
Total Contributions to Other Agencies			121,363

Employee Benefits

Longevity Pay	\$	15,500	
Bonus Payments		5,294	
Social Security		424,247	
Pensions		683,200	
Medical Insurance		909,090	
Unemployment Compensation		39,075	
Employer Medicare		94,942	
Workers' Compensation Insurance		129,033	
Total Employee Benefits			2,300,381

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Contracts with Government Agencies	\$	48,250	
Other Contracted Services		594	
		<u> </u>	
Total Miscellaneous			\$ 48,844

Total General Fund

\$ 15,897,302

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	42,687	
Social Security		2,606	
Pensions		2,212	
Medical Insurance		7,694	
Unemployment Compensation		210	
Employer Medicare		609	
Advertising		236	
Dues and Memberships		175	
Postal Charges		38	
Travel		175	
Office Supplies		145	
Other Capital Outlay		627,750	
		<u> </u>	
Total Sanitation Management			\$ 684,537

Recycling Center

Foremen	\$	41,578	
Truck Drivers		245,468	
Longevity Pay		3,800	
Overtime Pay		797	
Bonus Payments		1,500	
Social Security		17,597	
Pensions		13,838	
Medical Insurance		70,673	
Unemployment Compensation		2,274	
Employer Medicare		4,115	
Communication		1,750	
Freight Expenses		18,000	

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center (Cont.)

Maintenance and Repair Services - Buildings	\$	3,340	
Maintenance and Repair Services - Equipment		19,075	
Maintenance and Repair Services - Office Equipment		109	
Maintenance and Repair Services - Vehicles		19,945	
Pest Control		216	
Towing Services		100	
Custodial Supplies		1,038	
Drugs and Medical Supplies		150	
Food Supplies		3,390	
Gasoline		45,898	
Natural Gas		430	
Office Supplies		69	
Road Signs		245	
Small Tools		599	
Tires and Tubes		5,524	
Utilities		10,925	
Wire		7,450	
Other Supplies and Materials		1,614	
Other Charges		5,296	
Other Equipment		26,919	
Total Recycling Center			\$ 573,722

Landfill Operation and Maintenance

Contracts with Government Agencies	\$	63,284	
Total Landfill Operation and Maintenance			63,284

Other Waste Disposal

Disposal Fees	\$	398	
Total Other Waste Disposal			398

Other Operations

Other Charges

Trustee's Commission	\$	11,994	
Total Other Charges			11,994

Total Solid Waste/Sanitation Fund \$ 1,333,935

(Continued)

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

Drug Control Fund

Public Safety

Drug Enforcement

Dues and Memberships	\$	455	
Maintenance and Repair Services - Vehicles		18	
Towing Services		600	
Animal Food and Supplies		999	
Trustee's Commission		760	
Law Enforcement Equipment		9,409	
Motor Vehicles		51,531	
Total Drug Enforcement			\$ 63,772

Total Drug Control Fund \$ 63,772

Other Special Revenue Fund

Other Operations

American Rescue Plan Act Grant #6

Trustee's Commission	\$	7,571	
Building Improvements		145,075	
Building Purchases		121,630	
Other Capital Outlay		156,641	
Total American Rescue Plan Act Grant #6			430,917

Total Other Special Revenue Fund 430,917

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	18,874	
Total Chancery Court			\$ 18,874

Total Constitutional Officers - Fees Fund 18,874

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	104,776	
Assistant(s)		47,720	
Salary Supplements		2,323	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Secretary(ies)	\$	43,914	
Clerical Personnel		44,087	
Custodial Personnel		7,276	
Longevity Pay		12,900	
Board and Committee Members Fees		7,811	
Maintenance and Repair Services - Buildings		3,550	
Postal Charges		648	
Printing, Stationery, and Forms		500	
Travel		1,437	
Custodial Supplies		305	
Drugs and Medical Supplies		766	
Office Supplies		632	
Other Charges		60	
Total Administration			\$ 278,705

Highway and Bridge Maintenance

Salary Supplements	\$	170	
Equipment Operators		416,014	
Truck Drivers		438,256	
Laborers		231,968	
Overtime Pay		20,234	
Other Contracted Services		100,107	
Asphalt - Hot Mix		748,792	
Asphalt - Liquid		454,548	
Concrete		7,047	
Crushed Stone		440,477	
General Construction Materials		563	
Other Road Materials		20	
Pipe		170,204	
Road Signs		6,330	
Small Tools		5,585	
Other Charges		4,656	
Total Highway and Bridge Maintenance			3,044,971

Operation and Maintenance of Equipment

Mechanic(s)	\$	189,156	
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(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Overtime Pay	\$	5,062	
Maintenance and Repair Services - Equipment		7,459	
Diesel Fuel		151,924	
Equipment and Machinery Parts		143,865	
Garage Supplies		4,414	
Gasoline		41,408	
Ice		118	
Lubricants		14,706	
Propane Gas		787	
Small Tools		1,380	
Tires and Tubes		34,272	
Other Supplies and Materials		6,943	
Other Charges		703	
Total Operation and Maintenance of Equipment			\$ 602,197

Litter and Trash Collection

Educational Assistants	\$	6,458	
Other Salaries and Wages		28,280	
Advertising		7,441	
Instructional Supplies and Materials		5,393	
Other Charges		1,927	
Total Litter and Trash Collection			49,499

Other Charges

Communication	\$	7,235	
Data Processing Services		23,257	
Dues and Memberships		3,729	
Evaluation and Testing		1,809	
Legal Notices, Recording, and Court Costs		648	
Utilities		10,575	
Water and Sewer		1,325	
Premiums on Corporate Surety Bonds		50	
Trustee's Commission		67,305	
Vehicle and Equipment Insurance		47,512	
Workers' Compensation Insurance		94,592	
In Service/Staff Development		1,438	
Other Charges		250	
Total Other Charges			259,725

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Social Security	\$	96,453	
Pensions		82,816	
Medical Insurance		302,528	
Unemployment Compensation		10,124	
Employer Medicare		22,558	
Total Employee Benefits			\$ 514,479

Capital Outlay

Engineering Services	\$	175	
Lease/SBITA Payments		2,134	
Highway Equipment		241,729	
Motor Vehicles		167,868	
Plant Operation Equipment		14,985	
State Aid Projects		1,226,650	
Total Capital Outlay			1,653,541

Total Highway/Public Works Fund \$ 6,403,117

General Debt Service Fund

Other Operations

Other Charges

Trustee's Commission	\$	24,970	
Total Other Charges			\$ 24,970

Principal on Debt

General Government

Principal on Notes	\$	785,635	
Principal on Other Loans		2,208,033	
Total General Government			2,993,668

Education

Principal on Bonds	\$	2,310,000	
Total Education			2,310,000

(Continued)

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Notes	\$ 19,790	
Total General Government		\$ 19,790

Education

Interest on Bonds	\$ 150,422	
Total Education		150,422

Other Debt Service

General Government

Contributions	\$ 29,900	
Total General Government		29,900

Education

Bank Charges	\$ 2,100	
Total Education		<u>2,100</u>

Total General Debt Service Fund		\$ 5,530,850
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General Capital Projects Fund

Capital Projects

General Administration Projects

Airport Improvement	\$ 45,575	
Building Improvements	344,710	
Data Processing Equipment	8,454	
Motor Vehicles	208,992	
Transportation Equipment	67,113	
Other Equipment	6,293	
Other Capital Outlay	9,798	
Total General Administration Projects		<u>\$ 690,935</u>

Total General Capital Projects Fund		690,935
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Other Capital Projects #1 Fund

Capital Projects

General Administration Projects

Engineering Services	\$ 236,189	
Building Construction	38,672	
Total General Administration Projects		<u>\$ 274,861</u>

Total Other Capital Projects #1 Fund		<u>274,861</u>
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Total Governmental Funds - Primary Government		<u><u>\$ 30,644,563</u></u>
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HENRY COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Henry County School Department

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

Instruction

Regular Instruction Program

Teachers	\$	9,224,851	
Career Ladder Program		12,995	
Homebound Teachers		3,628	
Salary Supplements		393,137	
Educational Assistants		418,600	
Bonus Payments		182,320	
Other Salaries and Wages		62,499	
Certified Substitute Teachers		73,095	
Non-certified Substitute Teachers		190,737	
Social Security		603,781	
Pensions		697,702	
Medical Insurance		1,347,509	
Employer Medicare		142,001	
Other Fringe Benefits		6,345	
Maintenance and Repair Services - Equipment		9,539	
Other Contracted Services		178,834	
Instructional Supplies and Materials		421,888	
Textbooks - Electronic		47,073	
Textbooks - Bound		218,574	
Other Supplies and Materials		24,983	
TISA - On-behalf Payments		65,666	
Other Charges		284,773	
Regular Instruction Equipment		235,809	
Total Regular Instruction Program			\$ 14,846,339

Alternative Instruction Program

Teachers	\$	220,386	
Social Security		13,016	
Pensions		14,016	
Medical Insurance		25,454	
Employer Medicare		3,044	
Other Fringe Benefits		73	
Instructional Supplies and Materials		1,397	
Total Alternative Instruction Program			277,386

(Continued)

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

Discretely Presented Henry County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	1,165,299	
Career Ladder Program		500	
Homebound Teachers		32,583	
Educational Assistants		464,151	
Speech Pathologist		129,715	
Certified Substitute Teachers		16,880	
Non-certified Substitute Teachers		25,158	
Social Security		103,949	
Pensions		119,436	
Medical Insurance		305,390	
Employer Medicare		24,683	
Other Contracted Services		96,419	
Instructional Supplies and Materials		8,609	
Other Supplies and Materials		6,338	
Special Education Equipment		12,386	
Total Special Education Program			\$ 2,511,496

Career and Technical Education Program

Teachers	\$	1,074,689	
Certified Substitute Teachers		2,331	
Non-certified Substitute Teachers		8,148	
Social Security		61,227	
Pensions		69,108	
Medical Insurance		151,730	
Employer Medicare		14,718	
Other Fringe Benefits		486	
Instructional Supplies and Materials		145,390	
Vocational Instruction Equipment		101,337	
Total Career and Technical Education Program			1,629,164

Support Services

Attendance

Supervisor/Director	\$	86,947	
Other Salaries and Wages		39,148	
Social Security		5,982	

(Continued)

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

Discretely Presented Henry County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Pensions	\$	6,570	
Medical Insurance		23,987	
Employer Medicare		1,399	
Other Fringe Benefits		233	
Other Contracted Services		62,219	
Other Supplies and Materials		267	
Total Attendance			\$ 226,752

Health Services

Supervisor/Director	\$	49,950	
Medical Personnel		191,730	
Other Salaries and Wages		30,748	
Social Security		15,527	
Pensions		14,996	
Medical Insurance		53,127	
Employer Medicare		3,631	
Other Fringe Benefits		292	
Travel		1,177	
Other Contracted Services		500	
Drugs and Medical Supplies		6,474	
Other Supplies and Materials		11,528	
In Service/Staff Development		4,262	
Total Health Services			383,942

Other Student Support

Guidance Personnel	\$	518,911	
Secretary(ies)		57,383	
Other Salaries and Wages		68,848	
Social Security		32,993	
Pensions		43,707	
Medical Insurance		92,800	
Employer Medicare		8,775	
Other Fringe Benefits		1,959	
Evaluation and Testing		19,796	
Internet Connectivity		114,000	

(Continued)

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

Discretely Presented Henry County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Travel	\$	1,046	
Other Supplies and Materials		3,145	
In Service/Staff Development		2,500	
Other Charges		11,801	
Other Equipment		69,811	
Total Other Student Support			\$ 1,047,475

Regular Instruction Program

Supervisor/Director	\$	420,922	
Career Ladder Program		2,000	
Librarians		262,444	
Clerical Personnel		36,289	
Educational Assistants		21,993	
Social Security		44,464	
Pensions		47,416	
Medical Insurance		92,153	
Employer Medicare		10,583	
Other Fringe Benefits		122	
Travel		30,648	
Library Books/Media		30,805	
In Service/Staff Development		27,326	
Other Charges		132	
Total Regular Instruction Program			1,027,297

Alternative Instruction Program

Supervisor/Director	\$	10,000	
Social Security		566	
Pensions		636	
Employer Medicare		132	
Travel		34	
Total Alternative Instruction Program			11,368

Special Education Program

Supervisor/Director	\$	86,133	
Secretary(ies)		20,238	

(Continued)

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

Discretely Presented Henry County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Social Security	\$	6,299	
Pensions		6,603	
Medical Insurance		15,244	
Employer Medicare		1,473	
Total Special Education Program			\$ 135,990

Career and Technical Education Program

Travel	\$	5,868	
In Service/Staff Development		13,917	
Other Equipment		89,459	
Total Career and Technical Education Program			109,244

Technology

Supervisor/Director	\$	95,297	
Data Processing Personnel		117,190	
Social Security		11,734	
Pensions		12,577	
Medical Insurance		43,023	
Employer Medicare		2,744	
Maintenance and Repair Services - Equipment		3,500	
Internet Connectivity		38,481	
Travel		3,282	
Software		74,783	
Total Technology			402,611

Other Programs

On-behalf Payments to OPEB	\$	56,119	
Total Other Programs			56,119

Board of Education

Secretary to Board	\$	5,619	
Board and Committee Members Fees		7,350	
Social Security		668	
Pensions		312	
Life Insurance		9,993	

(Continued)

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

Discretely Presented Henry County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Medical Insurance	\$	1,808	
Unemployment Compensation		5,155	
Employer Medicare		178	
Audit Services		15,000	
Dues and Memberships		9,735	
Legal Services		10,422	
Travel		933	
Other Contracted Services		3,796	
Liability Insurance		41,250	
Trustee's Commission		242,532	
Workers' Compensation Insurance		93,500	
In Service/Staff Development		8,587	
Refund to Applicant for Criminal Investigation		6,237	
Other Charges		11,203	
Total Board of Education			\$ 474,278

Director of Schools

County Official/Administrative Officer	\$	179,639	
Clerical Personnel		19,795	
Other Salaries and Wages		1,000	
Social Security		11,303	
Pensions		12,246	
Medical Insurance		21,376	
Employer Medicare		2,643	
Other Fringe Benefits		146	
Communication		3,111	
Dues and Memberships		680	
Postal Charges		4,331	
Other Contracted Services		7,784	
Office Supplies		7,249	
In Service/Staff Development		5,997	
Other Charges		2,539	
Administration Equipment		2,544	
Total Director of Schools			282,383

(Continued)

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

Discretely Presented Henry County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	583,634	
Career Ladder Program		1,000	
Accountants/Bookkeepers		153,737	
Assistant Principals		540,564	
Secretary(ies)		188,009	
Social Security		85,234	
Pensions		91,286	
Medical Insurance		220,431	
Employer Medicare		19,934	
Other Fringe Benefits		292	
Communication		14,307	
Dues and Memberships		1,475	
Travel		1,306	
Office Supplies		10,480	
Other Charges		9,742	
Total Office of the Principal			\$ 1,921,431

Fiscal Services

Accountants/Bookkeepers	\$	123,706	
Other Salaries and Wages		59,679	
Social Security		10,828	
Pensions		10,196	
Medical Insurance		26,384	
Employer Medicare		2,591	
Other Fringe Benefits		97	
Dues and Memberships		50	
Travel		723	
Other Contracted Services		55,562	
Office Supplies		779	
In Service/Staff Development		4,357	
Total Fiscal Services			294,952

Operation of Plant

Custodial Personnel	\$	644,286	
Social Security		38,920	

(Continued)

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

Discretely Presented Henry County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Pensions	\$	19,236	
Medical Insurance		62,173	
Employer Medicare		9,102	
Laundry Service		1,880	
Travel		2,439	
Other Contracted Services		102,408	
Custodial Supplies		125,633	
Electricity		646,390	
Natural Gas		123,411	
Water and Sewer		79,079	
Other Supplies and Materials		4,868	
Boiler Insurance		10,450	
Building and Contents Insurance		177,680	
Plant Operation Equipment		14,451	
Total Operation of Plant			\$ 2,062,406

Maintenance of Plant

Supervisor/Director	\$	70,852	
Maintenance Personnel		328,999	
Social Security		23,481	
Pensions		20,540	
Medical Insurance		61,799	
Employer Medicare		5,492	
Other Fringe Benefits		263	
Communication		1,400	
Laundry Service		4,237	
Other Contracted Services		112,632	
Other Supplies and Materials		317,014	
In Service/Staff Development		475	
Maintenance Equipment		8,836	
Other Equipment		47,494	
Total Maintenance of Plant			1,003,514

Transportation

Supervisor/Director	\$	72,526	
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(Continued)

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

Discretely Presented Henry County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Mechanic(s)	\$	128,558	
Bus Drivers		780,301	
Clerical Personnel		37,099	
Other Salaries and Wages		23,399	
In-service Training		4,900	
Social Security		55,161	
Pensions		45,266	
Medical Insurance		198,098	
Employer Medicare		14,289	
Other Fringe Benefits		972	
Communication		924	
Contracts with Parents		31,309	
Laundry Service		4,273	
Maintenance and Repair Services - Vehicles		36,358	
Medical and Dental Services		7,320	
Other Contracted Services		13,811	
Diesel Fuel		250,695	
Garage Supplies		1,385	
Gasoline		17,363	
Lubricants		31,570	
Tires and Tubes		49,022	
Vehicle Parts		142,143	
Other Supplies and Materials		3,813	
Vehicle and Equipment Insurance		38,500	
In Service/Staff Development		3,109	
Other Charges		6,410	
Transportation Equipment		439,573	
Total Transportation			\$ 2,438,147

Operation of Non-Instructional Services

Food Service

Food Service Equipment	\$	173,233	
Total Food Service			173,233

(Continued)

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

Discretely Presented Henry County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services

Supervisor/Director	\$	32,709	
Teachers		135,776	
Educational Assistants		41,322	
Other Salaries and Wages		72,820	
Social Security		16,377	
Pensions		17,235	
Medical Insurance		18,200	
Employer Medicare		3,874	
Communication		3,762	
Travel		1,910	
Other Contracted Services		2,956	
Food Supplies		3,617	
Instructional Supplies and Materials		4,461	
Other Supplies and Materials		3,099	
Other Charges		51,654	
Total Community Services	\$		409,772

Early Childhood Education

Teachers	\$	190,523	
Educational Assistants		72,342	
Certified Substitute Teachers		476	
Non-certified Substitute Teachers		420	
Social Security		15,236	
Pensions		17,075	
Medical Insurance		45,122	
Employer Medicare		3,563	
Food Supplies		8,911	
Instructional Supplies and Materials		1,140	
Total Early Childhood Education			354,808

Capital Outlay**Regular Capital Outlay**

Architects	\$	34,885	
Other Contracted Services		9,800	
Building Improvements		1,513,413	
Other Capital Outlay		36,415	
Total Regular Capital Outlay			1,594,513

(Continued)

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

Discretely Presented Henry County School Department (Cont.)

General Purpose School Fund (Cont.)

Other Debt Service

Education

Contributions

\$ 2,460,422

Total Education

\$ 2,460,422

Total General Purpose School Fund

\$ 36,135,042

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers

\$ 591,584

Educational Assistants

142,336

Other Salaries and Wages

41,416

Certified Substitute Teachers

504

Non-certified Substitute Teachers

5,992

Social Security

43,214

Pensions

48,608

Medical Insurance

131,549

Employer Medicare

10,358

Instructional Supplies and Materials

107,225

Software

56,459

Regular Instruction Equipment

3,376

Total Regular Instruction Program

\$ 1,182,621

Special Education Program

Teachers

\$ 339,293

Educational Assistants

299,014

Speech Pathologist

70,134

Social Security

41,318

Pensions

43,896

Medical Insurance

95,551

Employer Medicare

9,680

Instructional Supplies and Materials

13,767

Other Supplies and Materials

3,927

Special Education Equipment

15,806

Total Special Education Program

932,386

(Continued)

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

Discretely Presented Henry County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Instructional Supplies and Materials	\$	24,038	
Vocational Instruction Equipment		47,280	
Total Career and Technical Education Program			\$ 71,318

Support Services

Attendance

Supervisor/Director	\$	23,027	
Social Security		1,318	
Pensions		1,465	
Medical Insurance		4,292	
Employer Medicare		308	
Other Supplies and Materials		172	
Total Attendance			30,582

Other Student Support

Social Workers	\$	56,989	
Other Salaries and Wages		46,557	
Social Security		5,747	
Pensions		7,173	
Medical Insurance		16,504	
Employer Medicare		1,347	
Other Supplies and Materials		1,608	
In Service/Staff Development		12,261	
Other Charges		18,875	
Total Other Student Support			167,061

Regular Instruction Program

Supervisor/Director	\$	77,969	
Instructional Coaches		80,072	
Other Salaries and Wages		36,630	
Social Security		13,238	
Pensions		14,805	
Medical Insurance		6,778	
Employer Medicare		3,096	
Other Contracted Services		54,600	

(Continued)

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

Discretely Presented Henry County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Supplies and Materials	\$	2,038	
In Service/Staff Development		208,894	
Other Charges		1,250	
Total Regular Instruction Program			\$ 499,370

Special Education Program

Psychological Personnel	\$	64,709	
Social Security		3,506	
Pensions		5,177	
Medical Insurance		13,816	
Employer Medicare		820	
Other Supplies and Materials		15,000	
Total Special Education Program			103,028

Career and Technical Education Program

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

Technology

Other Equipment	\$	9,000	
Total Technology			9,000

Capital Outlay

Regular Capital Outlay

Building Construction	\$	3,741	
Building Improvements		770	
Total Regular Capital Outlay			4,511

Total School Federal Projects Fund			\$ 3,004,877
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Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	65,200	
Accountants/Bookkeepers		20,238	

(Continued)

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

Discretely Presented Henry County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Cafeteria Personnel	\$	757,210	
Social Security		48,945	
Pensions		42,400	
Medical Insurance		149,359	
Employer Medicare		11,412	
Maintenance and Repair Services - Equipment		4,065	
Travel		2,288	
Other Contracted Services		53,195	
Food Supplies		1,141,171	
Uniforms		817	
USDA - Commodities		157,569	
Other Supplies and Materials		60,317	
In Service/Staff Development		12,530	
Other Charges		198	
Food Service Equipment		219,746	
Total Food Service			<u>\$ 2,746,660</u>

Total Central Cafeteria Fund			\$ 2,746,660
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Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	1,120,087	
Total Community Services			<u>\$ 1,120,087</u>

Total Internal School Fund			<u>1,120,087</u>
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Total Governmental Funds - Henry County School Department			<u><u>\$ 43,006,666</u></u>
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SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Henry County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Henry County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated January 28, 2026. Our report includes references to other auditors who audited the financial statements of the discretely presented Henry County Medical Center and the Internal School Fund of the Henry County School Department (a discretely presented component unit), as described in our report on Henry County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify the following deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2025-001(A,C).

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Henry County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2025-001(B), 2025-002, and 2025-003.

Henry County's Responses to Findings

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

Purpose of this Report

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

Very truly yours,


Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 28, 2026

JEM/gc



JASON E. MUMPOWER
Comptroller

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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Henry County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Henry County's major federal programs for the year ended June 30, 2025. Henry County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Henry County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Henry County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Henry County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Henry County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Henry County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Henry County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Henry County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Henry County's basic financial statements. We issued our report thereon dated January 28, 2026, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 28, 2026

JEM/gc



HENRY COUNTY, TENNESSEE, AND THE HENRY COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (8)
For the Year-Ended June 30, 2025

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Agriculture:				
Passed-through State Department of Education:				
Child Nutrition Cluster: (3)				
School Breakfast Program	10.553	N/A	\$ 0	\$ 700,228
National School Lunch Program	10.555	N/A	0	1,705,312 (6)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	0	80,000
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (3)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	0	157,569 (6)
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	34360-17525	0	9,371
Total U.S. Department of Agriculture				<u>\$ 2,652,480</u>
U.S. Department of Defense:				
Passed-through State Department of General Services:				
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	0	\$ 16,581
Total U.S. Department of Defense				<u>\$ 16,581</u>
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Airport Improvement Program	20.106	40100-51008	0	\$ 54,192
Passed-through State Department of Safety and Homeland Security:				
Alcohol Open Container Requirements	20.607	(4)	0	9,742
Total U.S. Department of Transportation				<u>\$ 63,934</u>
U.S. Department of the Treasury:				
Passed-through State Department of Environment and Conservation:				
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds(ARP)	21.027	32701-05151	(7) 757,619	\$ 757,619 (6)
Passed-through State Department of Education:				
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds(ARP)	21.027	N/A	0	38,987 (6)
Passed-through State Department of Health:				
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds(ARP)	21.027	(5)	0	66,677 (6)
Direct Program:				
COVID 19 - Local Assistance and Tribal Consistency Fund (ARP)	21.032	N/A	0	66,634
Total U.S. Department of the Treasury				<u>\$ 929,917</u>
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	0	\$ 1,086,617
Special Education Cluster (IDEA): (3)				
Special Education - Grants to States	84.027	N/A	0	888,951
Special Education - Preschool Grants	84.173	N/A	0	47,558
Career and Technical Education - Basic Grants to States	84.048	N/A	0	110,896
Rural Education	84.358	N/A	0	95,547
Supporting Effective Instruction State Grants	84.367	N/A	0	305,936
Comprehensive Literacy Development	84.371	N/A	0	88,562
Student Support and Academic Enrichment Program	84.424	N/A	0	89,770
COVID 19 - Education Stabilization Fund Program – Elementary and				
Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	0	1,292,692
Passed-through State Department of Human Services:				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	0	121,500
Total U.S. Department of Education				<u>\$ 4,128,029</u>
U.S. Department of Health and Human Services:				
Passed-through Northwest Tennessee Development District:				
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	NW41017	0	\$ 92
Aging Cluster: (3)				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	NW41017	0	25,025
Passed-through State Department of Health:				
Maternal and Child Health Services Block Grant to the States	93.994	34360-17525	0	7,497
Total U.S. Department of Health and Human Services				<u>\$ 32,614</u>

(Continued)

HENRY COUNTY, TENNESSEE, AND THE HENRY COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (8) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	34101-04525	\$ 0	\$ 104,709 (6)
COVID 19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	34101-38224	0	47,031 (6)
Emergency Management Performance Grants	97.042	34101-23124	0	20,125
Homeland Security Grant Program	97.067	(5)	0	13,625
Total U.S. Department of Homeland Security				<u>\$ 185,490</u>
Total Expenditures of Federal Grants				<u>\$ 8,009,045</u>

State Grants		Contract Number		
Safe Baby Grant - State Department of Mental Health and Substance Abuse Services	N/A	(5)	\$	84,547
State Senior Center - Northwest Tennessee Development District	N/A	NW41017		4,913
Juvenile Court State Supplement Funds - State Commission on Children and Youth	N/A	35910-10389		9,000
Truancy Prevention Program - State Department of Children's Services	N/A	(5)		49,638
Early Childhood Education - State Department of Education	N/A	N/A		341,039
Innovative School Models - State Department of Education	N/A	N/A		445,127
COVID 19 - Learning Camp Transportation - State Department of Education	N/A	N/A		40,031
Public School Security Grant - State Department of Education	N/A	N/A		15,681
Safe Schools Act - State Department of Education	N/A	N/A		
State School Improvement Grant (SSIG) - State Department of Education	N/A	N/A		
COVID 19 - Summer Learning Camps - State Department of Education	N/A	N/A		183,034
Used Oil Grant - State Department of Environment and Conservation	N/A	N/A		26,919
Mental Health Transport Grant - State Department of Finance and Administration	N/A	(5)		16,402
Preventive Health and Human Services - State Department of Health	N/A	34360-17525		66,079
Statewide School Resource Officer Grant - State Department of Safety and Homeland Security	N/A	34901-01536		375,000
Litter Grant - State Department of Transportation	N/A	40100-51196		36,258
T-Hangar and Apron Pavement Rehabilitation - Design - State Department of Transportation	N/A	40100-40400		16,373
Airport Maintenance Program - State Department of Transportation	N/A	40100-51199		15,000
Grounds Maintenance Equipment Grant - State Department of Transportation	N/A	40100-51199		15,700
Pond Mitigation Study - State Department of Transportation	N/A	40100-49630		27,195
Training Equipment Grant - Tennessee Corrections Institute	N/A	31609-0103		14,919
Total State Grants				<u>\$ 1,782,855</u>

ALN = Assistance Listing Number
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Henry County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Child Nutrition Cluster total \$2,563,109; Special Education Cluster (IDEA) total \$936,509; Aging Cluster total \$25,025.
- (4) Z-24-THS-130: \$2,493; Z-25-THS-136: \$7,249
- (5) Information not available.
- (6) Total for ALN 10.555 is \$1,862,881; Total for ALN 21.027 is \$863,283; Total for ALN 97.036 is \$151,740.
- (7) SUBRECIPIENT AMOUNTS

Subrecipient	ALN	Amounts Provided to Subrecipients
Paris-Henry County Industrial Development Board	21.027	\$ 757,619
Total amounts provided to subrecipients		<u>\$ 757,619</u>

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

Program Title	ALN	Amounts Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 68,873
Supporting Effective Instruction State Grants	84.367	3,938
Total amounts consolidated for administration purposes		<u>\$ 72,811</u>

HENRY 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 Henry 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
OFFICE OF COUNTY MAYOR					
2024	207	2024-001	The General Fund required material audit adjustments for proper financial statement presentation.	N/A	Corrected
2024	207	2024-002	Purchase orders were not issued properly.	N/A	Corrected
OFFICE OF SHERIFF					
2024	208	2024-003	Deficiencies were noted with a bank account that had not been recorded on the cash journal.	N/A	Corrected
2024	209	2024-004	The office had deficiencies in filing its annual financial report.	N/A	Corrected

Prior-year Federal Awards Findings

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

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

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Henry County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Numbers: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds (ARP)
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 2025-001

THE OFFICE HAD ACCOUNTING DEFICIENCIES

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

The following deficiencies were noted during our examination of the office's accounting records. These deficiencies exist due to a lack of management oversight and a lack of understanding of internal controls.

- A. During the year, the office did not accurately reconcile its check clearing bank account or accurately prepare lists of outstanding checks. On January 7, 2026, a list of outstanding checks as of June 30, 2025, was prepared; however, the account did not reconcile with the general ledger by \$10,903 since all errors had not been corrected or identified. The monthly reconciliation of bank statements and the accurate preparation of lists of outstanding checks are necessary procedures to ensure all transactions are recorded properly in the accounting records. The trustee's office maintains this bank clearing account for checks written by the county mayor's office; however, the mayor's office is responsible for reconciling this account with the trustee's general ledger balance.
- B. The office did not reconcile the General Fund's general ledger cash account with county trustee's reports on a monthly basis. On December 9, 2025, auditors requested the cash reconciliations for the fiscal year ended June 30, 2025, and as of January 21, 2026, the reconciliations had not been completed. Additionally, the office has also not reconciled the General Fund's general ledger cash account for the period July 2025 through December 2025. Section 9-2-138, *Tennessee Code Annotated*, requires officials to reconcile their respective fund accounts with the trustee's reports monthly. Failure to reconcile the general ledger cash account with the county trustee's reports increases the risks that errors may occur and not be detected. The cash balance was determined by substantive tests and alternative audit procedures.
- C. General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments each month in the General Fund. As a result, unidentified balances accumulated in the liability accounts for several payroll deductions. Sound business practices dictate that payroll liability accounts should be reconciled with payroll reports and payments monthly. The failure to regularly reconcile payroll liability accounts is a significant deficiency that increases the risk that errors will not be discovered and corrected in a timely manner.

RECOMMENDATION

Bank statements should be reconciled accurately with the general ledger monthly, and any errors should be corrected promptly. Accurate lists of outstanding checks should be prepared monthly. The office should reconcile its general ledger cash account with the county trustee's reports monthly as required by state statute, and any errors should be corrected promptly. General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors should be corrected promptly.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with the finding. We will focus on getting caught up with our cash reconciliations, and we will begin reconciling our payroll liability accounts monthly.

FINDING 2025-002

ACCOUNTING RECORDS FOR ACCRUED LEAVE WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2025

(Noncompliance Under *Government Auditing Standards*)

Accrued leave accounting records were not closed and available for audit by August 31, 2025, as required by Section 9-2-102, *Tennessee Code Annotated*. This statute provides that records should be available for audit no later than two months after the close of the June 30 fiscal year. The accrued leave accounting records were made available to auditors on January 5, 2026. The failure to maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of accounting controls, and increases the risk that errors will not be discovered and corrected timely. This deficiency can be attributed to a lack of management oversight.

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with the finding. Going forward, all accounting records will be closed by August 31st.

FINDING 2025-003

COMPETITIVE BIDS WERE NOT SOLICITED FOR RENOVATIONS AT THE RECYCLING CENTER AND FOR THE PURCHASE OF A SKID STEER

(Noncompliance Under *Government Auditing Standards*)

Competitive bids were not solicited for renovations at the recycling center (\$98,258) and for the purchase of a skid steer (\$44,057). Purchasing procedures for the office are governed by Chapter 10, Private Acts of 1995, and provisions of the County Purchasing Law of 1983, Sections 5-14-201, *Tennessee Code Annotated*, which requires all purchases exceeding \$25,000 to be made based on competitive bids solicited through public advertisement. The failure to solicit competitive bids could result in the county paying more than the most competitive price. This deficiency is the result of a lack of management oversight and the failure to follow state statutes.

RECOMMENDATION

All purchases should be made in compliance with applicable state statutes.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with the finding. In the future, competitive bids will be solicited when applicable.

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.

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

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF COUNTY MAYOR

2025-001	The office had accounting deficiencies.	210
2025-002	Accounting records for accrued leave were not closed and available for audit by August 31, 2025.	211
2025-003	Competitive bids were not solicited for renovations at the recycling center and for the purchase of a skid steer.	212



OFFICE OF THE COUNTY MAYOR
RANDY GEIGER

County of Henry

P. O. Box 7

PARIS, TENNESSEE 38242

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FAX: (731) 642-6531

EMAIL: RGEIGER@HENRYCOUNTYTN.ORG

Corrective Action Plan

FINDING

THE OFFICE HAD ACCOUNTING DEFICIENCIES

Corrective Action Plan Prepared by:

Randy Geiger, County Mayor

Person Responsible for Implementing the Corrective Action:

Randy Geiger, County Mayor

Anticipated Completion Date of Corrective Action:

June 30, 2026

Repeat Finding:

No

Reason Corrective Action was not taken in the prior year:

N/A

Planned Corrective Action:

We will focus getting caught up on our cash reconciliations, and we will begin reconciling our payroll liability accounts monthly.



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Corrective Action Plan

FINDING

ACCOUNTING RECORDS FOR ACCRUED LEAVE WERE NOT
CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2025

Corrective Action Plan Prepared by:

Randy Geiger, County Mayor

Person Responsible for Implementing the Corrective Action:

Randy Geiger, County Mayor

Anticipated Completion Date of Corrective Action:

August 31, 2026

Repeat Finding:

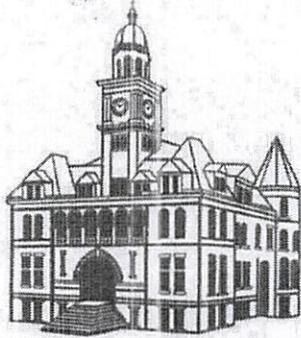
No

Reason Corrective Action was not taken in the prior year:

N/A

Planned Corrective Action:

Going forward, all accounting records will be closed by August 31st.



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Corrective Action Plan

FINDING

COMPETITIVE BIDS WERE NOT SOLICITED FOR RENOVATIONS AT THE RECYCLING CENTER AND FOR THE PURCHASE OF A SKID STEER

Corrective Action Plan Prepared by:

Randy Geiger, County Mayor

Person Responsible for Implementing the Corrective Action:

Randy Geiger, County Mayor

Anticipated Completion Date of Corrective Action:

August 31, 2026

Repeat Finding:

No

Reason Corrective Action was not taken in the prior year:

N/A

Planned Corrective Action:

In the future, competitive bids will be solicited when applicable.

Signature

BEST PRACTICE

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

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

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

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