



ANNUAL FINANCIAL REPORT

McNairy County, Tennessee

For the Year Ended June 30, 2024

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

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

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

LEE ANN WEST, CPA, CGFM
Audit Manager

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

McNAIRY COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
INTRODUCTORY SECTION		7
McNairy County Officials		8
FINANCIAL SECTION		9
Independent Auditor's Report		10-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22-23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	24
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	C-5	25-26
Solid Waste/Sanitation Fund	C-6	27
Highway/Public Works Fund	C-7	28
Fiduciary Funds:		
Statement of Net Position	D-1	29
Statement of Changes in Net Position	D-2	30
Index and Notes to the Financial Statements		31-83
REQUIRED SUPPLEMENTARY INFORMATION:		84
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-1	85
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-2	86
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented McNairy County School Department	E-3	87

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented McNairy County School Department	E-4	88
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented McNairy County School Department	E-5	89
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented McNairy County School Department	E-6	90
Schedule of Changes in Total OPEB Liability and Related Ratios - Local Education Plan - Discretely Presented McNairy County School Department	E-7	91
Schedule of Changes in Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare - Discretely Presented McNairy County School Department	E-8	92
Notes to the Required Supplementary Information		93
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		94
Nonmajor Governmental Funds:		95
Combining Balance Sheet	F-1	96-99
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	100-101
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Law Library Fund	F-3	102
Special Purpose Fund	F-4	103
Drug Control Fund	F-5	104
Other General Government Fund	F-6	105
Other Special Revenue Fund	F-7	106
Major Governmental Fund:		107
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	108
Fiduciary Funds:		109
Combining Statement of Net Position – Custodial Funds	H-1	110
Combining Statement of Changes in Net Position – Custodial Funds	H-2	111
Component Unit:		
Discretely Presented McNairy County School Department:		112
Statement of Activities	I-1	113
Balance Sheet – Governmental Funds	I-2	114-115
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	116
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	117-118
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	119

	Exhibit	Page(s)
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-6	120-121
School Federal Projects Fund	I-7	122
Central Cafeteria Fund	I-8	123
Miscellaneous Schedules:		124
Schedule of Changes in Long-term Notes, Other Loans, and Bonds	J-1	125
Schedule of Long-term Debt Requirements by Year	J-2	126
Schedule of Lease Receivable - Primary Government	J-3	127
Schedule of Transfers – Primary Government and Discretely Presented McNairy County School Department	J-4	128
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented McNairy County School Department	J-5	129
Schedule of Detailed Revenues – All Governmental Fund Types	J-6	130-143
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented McNairy County School Department	J-7	144-147
Schedule of Detailed Expenditures – All Governmental Fund Types	J-8	148-163
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented McNairy County School Department	J-9	164-174
SINGLE AUDIT SECTION		175
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		176-177
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 Uniform Guidance		178-180
Schedule of Expenditures of Federal Awards and State Grants		181-182
Summary Schedule of Prior-year Findings		183
Schedule of Findings and Questioned Costs		184-188
Management's Corrective Action Plan		189-194
Best Practice		195

Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in five findings and recommendations, which we have reviewed with McNairy 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

- ◆ Amounts withheld from contractor payments were not deposited into an escrow account.
- ◆ Insurance recovery funds were not deposited within three days of collection.
- ◆ A lease financing agreement was not properly approved.

OFFICE OF HIGHWAY COMMISSIONER

- ◆ The Highway Capital Projects Fund did not have a budget approved by the county commission.

OFFICE OF COUNTY CLERK

- ◆ The office did not review its software audit logs.



INTRODUCTORY SECTION

McNAIRY COUNTY OFFICIALS

June 30, 2024

Officials

Larry Smith, County Mayor
Harvey Neal Smith, Highway Commissioner
Greg Martin, Director of Schools
Stanley Mitchell, Trustee
Brandon Moore, Assessor of Property
Ross McNatt, County Clerk
Ashley Hollingsworth, Circuit and General Sessions Courts Clerk
Kim Boals, Clerk and Master
Brian Dickey, Register of Deeds
Guy Buck, Sheriff

Board of County Commissioners

Larry Smith, County Mayor, Chairman	Jeff Kelley
Chad Belton	Doug Knight
Kerry Brown	Terry McCormick
Pamela Carroll	David McCullar
Brenda Cauley	Nicky Moore
Clay Garner	Jimmy Ray
Aubrey Harris	Ryan Sisk
Jimmy Hollingsworth	Willie Tapp
Phillip Hollingsworth	Patricia Underwood
Brad Hunt	James Weatherford
Keith Jernigan	Vacant

Board of Education

Ricky Whitaker, Chairman
Lynn Baker
Kevin Howell
Nicole Mahler
Molly Moore
Brian Rowsey
Jarrell Stanfield

Audit Committee

Mike Smith, Chairman
Wilburn Gene Ashe
Billy Brown
Anthony Henson
Troy Moore
Tommy Ross

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

McNairy County Mayor and
Board of County Commissioners
McNairy 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 McNairy County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

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

We did not audit the financial statements of the Internal School Fund of the McNairy County School Department (a discretely presented component unit), which represent two percent, 2.2 percent, and 3.5 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 McNairy 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 McNairy County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about McNairy 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 McNairy 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 McNairy 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 schedules 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 McNairy 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 McNairy 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 McNairy 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 November 25, 2024, on our consideration of McNairy 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 McNairy 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 McNairy County's internal control over financial reporting and compliance.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 25, 2024

JEM/gc



BASIC FINANCIAL STATEMENTS SECTION

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

	Primary Government Governmental Activities	Component Unit McNairy County School Department
ASSETS		
Cash	\$ 1,381	\$ 1,218,025
Equity in Pooled Cash and Investments	13,390,214	9,575,413
Accounts Receivable	2,850,507	8,701
Allowance for Uncollectibles	(1,004,374)	0
Due from Other Governments	662,613	1,567,372
Due from Primary Government	0	1,054
Property Taxes Receivable	5,874,951	4,333,237
Allowance for Uncollectible Property Taxes	(432,973)	(319,352)
Accrued Interest Receivable	250	0
Prepaid Items	3,998	0
Lease Receivable - Long Term	392,163	0
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	457,420
Net Pension Asset - Agent Plan	554,370	557,930
Net Pension Asset - Teacher Retirement Plan	0	106,521
Net Pension Asset - Teacher Legacy Pension Plan	0	5,576,511
Capital Assets:		
Assets Not Depreciated:		
Land	1,475,432	1,291,479
Construction in Progress	6,003,545	350,249
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	2,434,150	30,585,498
Infrastructure	3,481,076	0
Other Capital Assets	3,866,524	5,695,261
Total Assets	<u>\$ 39,553,827</u>	<u>\$ 61,005,319</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Refunding	\$ 5,283	\$ 0
Pension Changes in Experience	273,034	1,606,984
Pension Changes in Investment Earnings	106,694	1,102,015
Pension Changes in Assumptions	384,044	2,283,629
Pension Changes in Proportion	0	122,702
Pension Contributions after Measurement Date	265,859	1,501,234
OPEB Changes in Experience	0	960,320
OPEB Changes in Assumptions	0	1,394,579
OPEB Changes in Proportion	0	346,293
OPEB Contributions after Measurement Date	0	212,691
Total Deferred Outflows of Resources	<u>\$ 1,034,914</u>	<u>\$ 9,530,447</u>

(Continued)

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

	Primary Government Governmental Activities	Component Unit McNairy County School Department
LIABILITIES		
Accounts Payable	\$ 370,450	\$ 2,676
Payroll Deductions Payable	12,539	95,037
Accrued Interest Payable	76,134	0
Due to Component Units	1,054	0
Due to State of Tennessee	31,296	0
Noncurrent Liabilities:		
Due Within One Year - Debt	1,627,910	0
Due Within One Year - Other	52,556	0
Due in More Than One Year - Debt	27,412,207	0
Due in More Than One Year - Other	402,965	6,622,892
Total Liabilities	<u>\$ 29,987,111</u>	<u>\$ 6,720,605</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	\$ 5,308,801	\$ 3,915,657
Deferred Lease Receivable	392,163	0
Pension Changes in Experience	170,410	492,466
Pension Changes in Proportion	0	141,752
OPEB Changes in Experience	0	153,657
OPEB Changes in Assumptions	0	903,235
OPEB Changes in Proportion	0	3,592,921
Total Deferred Inflows of Resources	<u>\$ 5,871,374</u>	<u>\$ 9,199,688</u>
NET POSITION		
Net Investment in Capital Assets	\$ 8,241,680	\$ 37,922,487
Restricted for:		
General Government	1,764,957	0
Finance	81,568	0
Administration of Justice	166,253	0
Public Safety	226,997	0
Public Health & Welfare	2,101,299	0
Social, Cultural, and Recreational Services	8,518	0
Highway/Public Works	1,983,138	0
Education	0	1,564,174
Operation of Non-instructional Services	0	2,223,124
Debt Service	3,829,388	0
Hybrid Retirement Stabilization Funds	0	457,420
Pensions	554,370	6,240,962
Unrestricted	<u>(14,227,912)</u>	<u>6,207,306</u>
Total Net Position	<u>\$ 4,730,256</u>	<u>\$ 54,615,473</u>

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Total Governmental Activities	McNairy County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 4,370,002	\$ 384,065	\$ 98,170	\$ 24,438	\$ (3,863,329)	\$ 0
Finance	990,255	625,869	0	0	(364,386)	0
Administration of Justice	1,000,442	478,520	68,052	0	(453,870)	0
Public Safety	4,737,438	623,846	1,260,144	306,906	(2,546,542)	0
Public Health and Welfare	2,256,200	1,277,065	458,059	617,302	96,226	0
Social, Cultural, and Rec Services	349,853	147,451	0	0	(202,402)	0
Agriculture and Natural Resources	862,382	0	170,754	431,400	(260,228)	0
Highways/Public Works	6,766,077	30,652	2,688,991	2,691,942	(1,354,492)	0
Education	0	0	1,308,893	0	1,308,893	0
Interest on Long-term Debt	930,457	0	27,652	0	(902,805)	0
Total Primary Government	\$ 22,263,106	\$ 3,567,468	\$ 6,080,715	\$ 4,071,988	\$ (8,542,935)	\$ 0
Component Unit:						
McNairy County School Department	\$ 50,932,807	\$ 163,895	\$ 14,806,863	\$ 1,580,000	\$ 0	\$ (34,382,049)
Total Component Unit	\$ 50,932,807	\$ 163,895	\$ 14,806,863	\$ 1,580,000	\$ 0	\$ (34,382,049)

(Continued)

Exhibit B

McNAIRY 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	Component Unit
					Total Governmental Activities	McNairy County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 4,772,660	\$ 4,136,529
Property Taxes Levied for Debt Service					815,669	0
Local Option Sales Taxes					658,209	3,185,984
Litigation Tax					91,205	0
Business Tax					255,800	0
Wholesale Beer Tax					24,916	0
Other Local Taxes					24,488	1,054
Grants and Contributions Not Restricted to Specific Programs					1,277,411	32,835,095
Unrestricted Investment Income					608,548	0
Miscellaneous					41,990	216,777
Total General Revenues					<u>\$ 8,570,896</u>	<u>\$ 40,375,439</u>
Change in Net Position					\$ 27,961	\$ 5,993,390
Net Position, July 1, 2023					<u>4,702,295</u>	<u>48,622,083</u>
Net Position, June 30, 2024					<u><u>\$ 4,730,256</u></u>	<u><u>\$ 54,615,473</u></u>

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

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	
ASSETS						
Cash	\$ 400	\$ 0	\$ 0	\$ 0	\$ 981	\$ 1,381
Equity in Pooled Cash and Investments	1,955,854	727,907	2,472,063	5,286,369	2,948,021	13,390,214
Accounts Receivable	1,339	2,848,264	904	0	0	2,850,507
Allowance for Uncollectibles	0	(1,004,374)	0	0	0	(1,004,374)
Due from Other Governments	183,399	269	478,945	0	0	662,613
Due from Other Funds	981	0	0	0	0	981
Property Taxes Receivable	4,333,884	0	509,374	854,350	177,343	5,874,951
Allowance for Uncollectible Property Taxes	(319,399)	0	(37,540)	(62,964)	(13,070)	(432,973)
Prepaid Items	3,998	0	0	0	0	3,998
Accrued Interest Receivable	0	0	0	0	250	250
Advances to Other Funds	0	0	0	282,375	0	282,375
Leases Receivable - Long-term	0	0	0	0	392,163	392,163
Total Assets	\$ 6,160,456	\$ 2,572,066	\$ 3,423,746	\$ 6,360,130	\$ 3,505,688	\$ 22,022,086
LIABILITIES						
Accounts Payable	\$ 60,490	\$ 134,321	\$ 0	\$ 0	\$ 175,639	\$ 370,450
Payroll Deductions Payable	12,016	370	153	0	0	12,539
Due to Other Funds	0	0	0	0	981	981
Due to Component Units	1,054	0	0	0	0	1,054
Due to State of Tennessee	0	0	691	0	0	691
Advances Payable to Other Funds	0	0	282,375	0	0	282,375
Other Funds Due State	30,605	0	0	0	0	30,605
Total Liabilities	\$ 104,165	\$ 134,691	\$ 283,219	\$ 0	\$ 176,620	\$ 698,695

(Continued)

McNAIRY COUNTY, TENNESSEE

Balance Sheet

Governmental Funds (Cont.)

	Major Funds				Nonmajor	Total
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 3,916,242	\$ 0	\$ 460,287	\$ 772,019	\$ 160,253	\$ 5,308,801
Deferred Delinquent Property Taxes	85,617	0	10,063	16,878	3,504	116,062
Deferred Leases Receivable	0	0	0	0	392,163	392,163
Other Deferred/Unavailable Revenue	56,696	1,695,132	238,728	0	0	1,990,556
Total Deferred Inflows of Resources	\$ 4,058,555	\$ 1,695,132	\$ 709,078	\$ 788,897	\$ 555,920	\$ 7,807,582
FUND BALANCES						
Restricted:						
Restricted for General Government	\$ 191,736	\$ 0	\$ 0	\$ 0	\$ 25,094	\$ 216,830
Restricted for General Government - American Rescue Plan Act	0	0	0	0	1,548,127	1,548,127
Restricted for Finance	81,568	0	0	0	0	81,568
Restricted for Administration of Justice	166,253	0	0	0	0	166,253
Restricted for Public Safety	86,906	0	0	0	140,091	226,997
Restricted for Public Health and Welfare	406,167	0	0	0	0	406,167
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	8,518	8,518
Restricted for Highways/Public Works	0	0	1,239,229	0	645,638	1,884,867
Restricted for Debt Service	0	0	0	3,600,985	0	3,600,985
Committed:						
Committed for General Government	0	0	0	0	244,488	244,488
Committed for Public Health and Welfare	0	742,243	0	0	0	742,243
Committed for Agriculture and Natural Resources	0	0	0	0	5,333	5,333
Committed for Highways/Public Works	0	0	1,192,220	0	155,859	1,348,079
Committed for Debt Service	0	0	0	1,970,248	0	
Committed for Capital Projects	55,935	0	0	0	0	55,935
Unassigned	1,009,171	0	0	0	0	1,009,171
Total Fund Balances	\$ 1,997,736	\$ 742,243	\$ 2,431,449	\$ 5,571,233	\$ 2,773,148	\$ 13,515,809
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,160,456	\$ 2,572,066	\$ 3,423,746	\$ 6,360,130	\$ 3,505,688	\$ 22,022,086

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

Exhibit C-2

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

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 13,515,809
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,475,432	
Add: construction in progress	6,003,545	
Add: buildings and improvements net of accumulated depreciation	2,434,150	
Add: infrastructure net of accumulated depreciation	3,481,076	
Add: other capital assets net of accumulated depreciation	3,866,524	17,260,727
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (2,206,000)	
Less: bonds payable	(25,740,000)	
Less: other loans payable	(752,601)	
Less: unamortized premium on debt	(341,516)	
Add: deferred amount on refunding	5,283	
Less: compensated absences payable	(299,479)	
Less: landfill closure/postclosure care costs	(156,042)	
Less: accrued interest payable	(76,134)	(29,566,489)
(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	\$ 1,029,631	
Less: deferred inflows of resources related to pensions	(170,410)	859,221
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		554,370
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		2,106,618
Net position of governmental activities (Exhibit A)		\$ 4,730,256

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

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	
Revenues						
Local Taxes	\$ 5,304,165	\$ 0	\$ 497,798	\$ 839,117	\$ 160,837	\$ 6,801,917
Licenses and Permits	32,683	0	0	0	0	32,683
Fines, Forfeitures, and Penalties	120,517	0	0	0	67,982	188,499
Charges for Current Services	273,746	1,293,311	0	0	1,212	1,568,269
Other Local Revenues	137,720	29,710	56,927	604,777	134,492	963,626
Fees Received From County Officials	1,030,609	0	0	0	0	1,030,609
State of Tennessee	3,374,158	230,679	5,388,205	0	0	8,993,042
Federal Government	1,408,046	0	0	0	0	1,408,046
Other Governments and Citizens Groups	95,789	0	0	1,308,893	44,306	1,448,988
Total Revenues	\$ 11,777,433	\$ 1,553,700	\$ 5,942,930	\$ 2,752,787	\$ 408,829	\$ 22,435,679
Expenditures						
Current:						
General Government	\$ 1,119,945	\$ 0	\$ 0	\$ 0	\$ 266,824	\$ 1,386,769
Finance	707,482	0	0	0	0	707,482
Administration of Justice	645,170	0	0	0	0	645,170
Public Safety	5,162,136	0	0	0	63,000	5,225,136
Public Health and Welfare	328,578	1,929,454	0	0	0	2,258,032
Social, Cultural, and Recreational Services	2,146,989	0	0	0	3,236	2,150,225
Agriculture and Natural Resources	656,616	0	0	0	4,150	660,766
Other Operations	2,429,535	70,842	0	0	2,471,609	4,971,986
Highways	0	46,071	5,719,898	0	3,181	5,769,150
Debt Service:						
Principal on Debt	85,873	0	0	1,497,616	0	1,583,489
Interest on Debt	4,127	0	0	927,065	0	931,192
Other Debt Service	0	0	0	23,212	0	23,212

(Continued)

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	
Expenditures (Cont.)						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	1,464,324	\$ 1,464,324
Total Expenditures	\$ 13,286,451	\$ 2,046,367	\$ 5,719,898	\$ 2,447,893	\$ 4,276,324	\$ 27,776,933
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,509,018)	\$ (492,667)	\$ 223,032	\$ 304,894	\$ (3,867,495)	\$ (5,341,254)
Other Financing Sources (Uses)						
Other Loans Issued	\$ 257,372	\$ 0	\$ 0	\$ 0	\$ 0	\$ 257,372
Insurance Recovery	54,225	0	0	0	79,000	133,225
Transfers In	0	0	0	747,988	0	747,988
Transfers Out	0	0	(747,988)	0	0	(747,988)
Total Other Financing Sources (Uses)	\$ 311,597	\$ 0	\$ (747,988)	\$ 747,988	\$ 79,000	\$ 390,597
Net Change in Fund Balances	\$ (1,197,421)	\$ (492,667)	\$ (524,956)	\$ 1,052,882	\$ (3,788,495)	\$ (4,950,657)
Fund Balance, July 1, 2023	3,195,157	1,234,910	2,956,405	4,518,351	6,561,643	18,466,466
Fund Balance, June 30, 2024	\$ 1,997,736	\$ 742,243	\$ 2,431,449	\$ 5,571,233	\$ 2,773,148	\$ 13,515,809

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (4,950,657)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 5,203,294	
Less: current-year depreciation expense	<u>(871,130)</u>	4,332,164
(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		(671,992)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2024	\$ 2,106,618	
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(2,273,320)</u>	(166,702)
(4) The issuance of long-term debt (e.g., bonds, notes, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Less: other loan proceeds	\$ (257,372)	
Add: change in premium on debt issuances	27,652	
Less: change in deferred amount on refunding debt	(2,651)	
Add: principal payments on bonds	1,120,000	
Add: principal payments on notes	294,000	
Add: principal payments on other loans	<u>169,489</u>	1,351,118
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 735	
Change in compensated absences payable	61,655	
Change in landfill closure/postclosure care costs	31,869	
Change in net pension asset	(112,014)	
Change in deferred outflows related to pensions	89,745	
Change in deferred inflows related to pensions	<u>62,040</u>	134,030
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 27,961</u></u>

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

McNAIRY COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 General Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 5,304,165	\$ 4,720,900	\$ 4,820,900	\$ 483,265
Licenses and Permits	32,683	16,900	16,900	15,783
Fines, Forfeitures, and Penalties	120,517	112,700	112,700	7,817
Charges for Current Services	273,746	111,650	111,650	162,096
Other Local Revenues	137,720	293,900	293,900	(156,180)
Fees Received From County Officials	1,030,609	982,500	982,500	48,109
State of Tennessee	3,374,158	2,055,857	3,421,998	(47,840)
Federal Government	1,408,046	1,928,226	1,390,684	17,362
Other Governments and Citizens Groups	95,789	0	95,200	589
Total Revenues	\$ 11,777,433	\$ 10,222,633	\$ 11,246,432	\$ 531,001
Expenditures				
General Government				
County Commission	\$ 49,495	\$ 39,876	\$ 52,180	\$ 2,685
Board of Equalization	1,500	1,800	1,800	300
Beer Board	117	400	400	283
Budget and Finance Committee	2,055	1,500	2,265	210
Other Boards and Committees	690	1,750	985	295
County Mayor/Executive	215,759	218,046	218,046	2,287
County Attorney	6,000	6,000	6,000	0
Election Commission	207,997	194,204	216,793	8,796
Register of Deeds	169,921	171,306	172,156	2,235
County Buildings	462,685	373,475	482,245	19,560
Preservation of Records	3,726	3,870	3,870	144
Finance				
Property Assessor's Office	202,260	217,234	217,234	14,974
County Trustee's Office	213,320	216,761	216,761	3,441
County Clerk's Office	291,902	289,899	294,518	2,616
Administration of Justice				
Circuit Court	207,978	235,354	235,354	27,376
General Sessions Court	213,201	217,673	218,945	5,744
Chancery Court	177,858	184,370	189,242	11,384
Juvenile Court	46,133	53,571	53,571	7,438
Public Safety				
Sheriff's Department	3,181,596	2,303,714	3,228,820	47,224
Jail	776,794	366,913	781,796	5,002
Fire Prevention and Control	906,391	321,821	916,794	10,403
Rural Fire Protection	37,115	42,000	42,000	4,885
Civil Defense	120,007	91,773	130,411	10,404
Inspection and Regulation	7,258	7,258	7,258	0
County Coroner/Medical Examiner	52,477	55,000	55,000	2,523
Other Public Safety	80,498	80,498	80,498	0
Public Health and Welfare				
Local Health Center	227,658	192,003	265,653	37,995
Ambulance/Emergency Medical Services	40,000	40,000	40,000	0
Alcohol and Drug Programs	60,920	76,000	76,000	15,080

(Continued)

McNAIRY 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.)				
Social, Cultural, and Recreational Services				
Libraries	\$ 183,779	\$ 155,203	\$ 184,800	\$ 1,021
Other Social, Cultural, and Recreational	1,963,210	175,180	1,967,775	4,565
Agriculture and Natural Resources				
Agricultural Extension Service	80,703	99,940	103,414	22,711
Soil Conservation	67,713	70,935	70,935	3,222
Storm Water Management	508,200	0	508,200	0
Other Operations				
Tourism	60,370	60,200	63,200	2,830
Other Economic and Community Development	677,058	1,957,418	678,290	1,232
Public Transportation	62,441	71,867	71,867	9,426
Airport	64,000	64,000	64,000	0
Veterans' Services	48,875	51,847	51,847	2,972
Other Charges	166,008	203,900	163,900	(2,108)
Contributions to Other Agencies	43,691	25,000	45,278	1,587
Employee Benefits	1,306,098	1,186,671	1,352,273	46,175
Miscellaneous	994	6,000	6,000	5,006
Principal on Debt				
General Government	85,873	0	85,873	0
Interest on Debt				
General Government	4,127	0	4,127	0
Total Expenditures	\$ 13,286,451	\$ 10,132,230	\$ 13,628,374	\$ 341,923
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,509,018)	\$ 90,403	\$ (2,381,942)	\$ 872,924
Other Financing Sources (Uses)				
Other Loans Issued	\$ 257,372	\$ 0	\$ 257,372	\$ 0
Insurance Recovery	54,225	15,000	60,000	(5,775)
Total Other Financing Sources	\$ 311,597	\$ 15,000	\$ 317,372	\$ (5,775)
Net Change in Fund Balance	\$ (1,197,421)	\$ 105,403	\$ (2,064,570)	\$ 867,149
Fund Balance, July 1, 2023	3,195,157	3,015,543	3,015,543	179,614
Fund Balance, June 30, 2024	\$ 1,997,736	\$ 3,120,946	\$ 950,973	\$ 1,046,763

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

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Charges for Current Services	\$ 1,293,311	\$ 1,055,500	\$ 1,055,500	\$ 237,811
Other Local Revenues	29,710	35,500	35,500	(5,790)
State of Tennessee	230,679	315,400	315,400	(84,721)
Total Revenues	<u>\$ 1,553,700</u>	<u>\$ 1,406,400</u>	<u>\$ 1,406,400</u>	<u>\$ 147,300</u>
Expenditures				
Public Health and Welfare				
Sanitation Management	\$ 1,525,450	\$ 1,269,037	\$ 1,544,747	\$ 19,297
Recycling Center	134,873	130,670	137,545	2,672
Landfill Operation and Maintenance	269,131	32,035	272,619	3,488
Other Operations				
Employee Benefits	70,842	74,339	74,739	3,897
Highways				
Litter and Trash Collection	46,071	47,400	47,400	1,329
Total Expenditures	<u>\$ 2,046,367</u>	<u>\$ 1,553,481</u>	<u>\$ 2,077,050</u>	<u>\$ 30,683</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ (492,667)</u>	<u>\$ (147,081)</u>	<u>\$ (670,650)</u>	<u>\$ 177,983</u>
Net Change in Fund Balance				
Fund Balance, July 1, 2023	<u>1,234,910</u>	<u>1,271,806</u>	<u>1,271,806</u>	<u>(36,896)</u>
Fund Balance, June 30, 2024	<u>\$ 742,243</u>	<u>\$ 1,124,725</u>	<u>\$ 601,156</u>	<u>\$ 141,087</u>

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

McNAIRY COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 497,798	\$ 460,574	\$ 460,574	\$ 37,224
Other Local Revenues	56,927	29,000	29,000	27,927
State of Tennessee	5,388,205	2,878,139	2,878,139	2,510,066
Federal Government	0	309,132	309,132	(309,132)
Other Governments and Citizens Groups	0	3,086,739	3,086,739	(3,086,739)
Total Revenues	<u>\$ 5,942,930</u>	<u>\$ 6,763,584</u>	<u>\$ 6,763,584</u>	<u>\$ (820,654)</u>
Expenditures				
Highways				
Administration	\$ 204,248	\$ 248,582	\$ 248,582	\$ 44,334
Highway and Bridge Maintenance	1,235,453	1,653,987	1,653,987	418,534
Operation and Maintenance of Equipment	501,244	602,050	626,050	124,806
Other Charges	188,722	150,500	202,100	13,378
Employee Benefits	529,091	670,428	670,428	141,337
Capital Outlay	3,061,140	3,456,239	3,456,239	395,099
Principal on Debt				
Highways and Streets	0	832,395	282,395	282,395
Interest on Debt				
Highways and Streets	0	197,988	0	0
Total Expenditures	<u>\$ 5,719,898</u>	<u>\$ 7,812,169</u>	<u>\$ 7,139,781</u>	<u>\$ 1,419,883</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ 223,032</u>	<u>\$ (1,048,585)</u>	<u>\$ (376,197)</u>	<u>\$ 599,229</u>
Other Financing Sources (Uses)				
Transfers In	\$ 0	\$ 62,982	\$ 62,982	\$ (62,982)
Transfers Out	(747,988)	0	(747,988)	0
Total Other Financing Sources	<u>\$ (747,988)</u>	<u>\$ 62,982</u>	<u>\$ (685,006)</u>	<u>\$ (62,982)</u>
Net Change in Fund Balance	\$ (524,956)	\$ (985,603)	\$ (1,061,203)	\$ 536,247
Fund Balance, July 1, 2023	<u>2,956,405</u>	<u>2,977,647</u>	<u>2,977,647</u>	<u>(21,242)</u>
Fund Balance, June 30, 2024	<u>\$ 2,431,449</u>	<u>\$ 1,992,044</u>	<u>\$ 1,916,444</u>	<u>\$ 515,005</u>

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

McNAIRY COUNTY, TENNESSEE

Statement of Net Position

Fiduciary Funds

June 30, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 1,283,558
Accounts Receivable	11
Due from Other Governments	<u>432,167</u>
Total Assets	<u>\$ 1,715,736</u>
LIABILITIES	
Due to Other Taxing Units	<u>\$ 432,167</u>
Total Liabilities	<u>\$ 432,167</u>
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,283,569</u>
Total Net Position	<u><u>\$ 1,283,569</u></u>

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

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

	<u>Custodial Funds</u>
ADDITIONS	
Sales Tax Collections for Other Governments	\$ 2,523,308
Fines/Fees and Other Collections	6,665,929
Total Additions	<u>\$ 9,189,237</u>
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	\$ 2,523,308
Payments to State	3,774,701
Payments to Cities, Individuals, and Others	3,307,977
Total Deductions	<u>\$ 9,605,986</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ (416,749)
Net Position, July 1, 2023	<u>1,700,318</u>
Net Position, June 30, 2024	<u><u>\$ 1,283,569</u></u>

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

McNAIRY COUNTY, TENNESSEE
INDEX OF NOTES TO THE FINANCIAL STATEMENTS

Note	Page(s)
I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
A. Reporting Entity	32
B. Government-wide and Fund Financial Statements	33
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	34
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	36
2. Receivables and Payables	37
3. Prepaid Items	38
4. Restricted Assets	38
5. Capital Assets	38
6. Deferred Outflows/Inflows of Resources	39
7. Compensated Absences	39
8. Long-term Debt and Long-term Obligations	40
9. Net Position and Fund Balance	40
E. Pension Plans	42
F. Other Postemployment Benefit (OPEB) Plan	42
II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	42
B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities	43
III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
A. Budgetary Information	43
B. The County Mayor Failed to Comply with State Statutes when Issuing Debt	44
IV. DETAILED NOTES ON ALL FUNDS	
A. Deposits and Investments	44
B. Lease Receivable	46
C. Capital Assets	47
D. Construction Commitments	50
E. Interfund Receivables, Payables, and Transfers	50
F. Long-term Debt	51
G. Long-term Obligations	55
H. On-Behalf Payments	56
V. OTHER INFORMATION	
A. Risk Management	56
B. Accounting Change	57
C. Contingent Liabilities	58
D. Landfill Closure/Postclosure Care Costs	58
E. Jointly Governed Organization	58
F. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	58
2. Deferred Compensation	74
G. Other Postemployment Benefits (OPEB)	74
H. Purchasing Laws	82

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

McNairy 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 McNairy County:

A. *Reporting Entity*

McNairy County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present McNairy County (the primary government) and its component units. The financial statements of the McNairy County Airport Authority and the McNairy County Emergency Communications District, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of the omissions 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 McNairy County School Department operates the public school system in the county, and the voters of McNairy 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 McNairy County Airport Authority operates the county's only airport facility, and the McNairy County Commission appoints its governing body and approves its operating budget. The McNairy County Airport Authority is funded primarily through rentals and fuel sales. The financial statements of the McNairy County Airport Authority were not material to the component units' opinion unit and therefore have been omitted from this report.

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

The McNairy 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 McNairy County Airport Authority and the McNairy County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

McNairy County Airport Authority
2281 Airport Road
Selmer, TN 38375

McNairy County Emergency
Communications District
12 Falcon Street
Selmer, TN 38375

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 McNairy 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 McNairy 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.

McNairy County issues all debt for the discretely presented McNairy County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2024.

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

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

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

Fund financial statements of McNairy County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/fund net position, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. McNairy 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. McNairy County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

Fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes custodial funds.

McNairy County reports the following major governmental funds:

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

Solid Waste/Sanitation Fund – This special revenue fund accounts for the county’s garbage collection operations. Residential waste collection charges are the foundational revenues of this 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, McNairy County reports the following fund types:

Capital Projects Funds – These funds account for financial resources to be used for the acquisition or construction of capital facilities.

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

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

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

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

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented McNairy 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. McNairy 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. McNairy County had no

investments in the State Treasurer's Intermediate Term Investment Fund during the year.

No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

Advances between funds, as reported in the General Debt Service Fund financial statements, are included in committed fund balance.

Property taxes and solid waste receivables are shown with an allowance for uncollectibles. The solid waste receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 3.98 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 and deferred inflows of resources 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 and deferred inflow are reduced by the principal portion of the payments received. Interest received from the operator is recognized as revenue when received. Any accumulated interest on June 30 will result in accrued interest receivable in the governmental funds and government-wide financial statements.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaids are offset in the nonspendable fund balance account in governmental funds.

4. 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 McNairy 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 McNairy County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the McNairy County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

5. 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 of more than five years. 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:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25 - 40
Other Capital Assets	5 - 20
Infrastructure:	
Roads	20 - 50
Bridges	30

6. **Deferred Outflows/Inflows of Resources**

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

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

7. **Compensated Absences**

It is the county's policy to permit employees to accumulate up to 160 hours of unused vacation benefits, which will be paid to employees upon separation from service. Additionally, it is the county's policy to permit non-law enforcement personnel of the sheriff's department to accumulate up to 80 hours of compensatory time and law enforcement personnel to accumulate up to 480 hours of compensatory time which will be paid to employees upon separation of service. There is no liability for accumulated sick leave since McNairy County does not have a policy to pay sick leave when employees separate from service with the government. A liability for vacation

pay and compensatory time is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

The school department has a formal leave policy; however, the policy does not provide for employees to receive compensation for unused accumulated vacation or sick leave days.

8. Long-term Debt and Long-term Obligations

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

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

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

9. 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 \$10,716,488 of restricted net position, of which \$34,303 is restricted by enabling legislation.

As of June 30, 2024, McNairy County had \$19,901,102 in outstanding debt for capital purposes for the discretely presented McNairy County School Department. This debt is a liability of McNairy County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, McNairy County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

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

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of McNairy County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from McNairy 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 McNairy 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 McNairy 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 McNairy 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 McNairy 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 McNairy County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. *Budgetary Information*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund and the school department's Internal School Fund (special revenue funds), which are not budgeted, and the capital projects funds (except the Highway Capital Projects Fund), 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, Beer Board, Budget, and Finance Committee, 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.

On June 30, 2024, the discretely presented school department's Central Cafeteria Fund had outstanding encumbrances totaling \$35,122.

B. The County Mayor Failed to Comply with State Statutes when Issuing Debt

The county mayor failed to comply with state statutes when issuing a lease financing agreement. Details are discussed in the Schedule of Findings and Questioned Costs.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

McNairy County and the McNairy 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 non-pooled amounts held separately by individual funds.

Deposits

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

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

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using

any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

Investments

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

The county had no pooled and nonpooled investments as of June 30, 2024.

TCRS Stabilization Trust

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

On June 30, 2024, the McNairy 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	\$ 141,800
Developed Market International Equity	N/A	N/A	64,039
Emerging Market International Equity	N/A	N/A	18,297
U.S. Fixed Income	N/A	N/A	91,484
Real Estate	N/A	N/A	45,742
Short-term Securities	N/A	N/A	4,574
NAV - Private Equity and Strategic Lending	N/A	N/A	91,484
 Total			 \$ 457,420

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>

B. Lease Receivable

On January 8, 2017, McNairy County entered into a lease agreement with the University of Tennessee at Martin for their use of a higher education building. The remaining term is three years and seven months, and the county will be receiving yearly payments ranging from \$133,335 to \$138,722. The lease has an annual interest rate of two percent. As of June 30, 2024, the lease receivable balance was \$392,163.

The future receipts of the lease receivable include:

Year Ending June 30	Building Lease		
	Principal	Interest	Total
2025	\$ 125,492	\$ 7,843	\$ 133,335
2026	130,669	5,333	136,002
2027	136,002	2,720	138,722
Total	\$ 392,163	\$ 15,896	\$ 408,059

C. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 1,440,327	\$ 39,200	\$ 4,095	\$ 1,475,432
Construction in Progress	3,413,341	2,590,204	0	6,003,545
Total Capital Assets Not Depreciated	<u>\$ 4,853,668</u>	<u>\$ 2,629,404</u>	<u>\$ 4,095</u>	<u>\$ 7,478,977</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,164,135	\$ 271,800	\$ 0	\$ 11,435,935
Infrastructure	7,699,498	0	704,596	6,994,902
Other Capital Assets	8,367,601	2,302,090	70,765	10,598,926
Total Capital Assets Depreciated	<u>\$ 27,231,234</u>	<u>\$ 2,573,890</u>	<u>\$ 775,361</u>	<u>\$ 29,029,763</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 8,829,331	\$ 172,454	\$ 0	\$ 9,001,785
Infrastructure	3,284,803	267,189	38,166	3,513,826
Other Capital Assets	6,370,213	431,487	69,298	6,732,402
Total Accumulated Depreciation	<u>\$ 18,484,347</u>	<u>\$ 871,130</u>	<u>\$ 107,464</u>	<u>\$ 19,248,013</u>
Total Capital Assets Depreciated, Net	<u>\$ 8,746,887</u>	<u>\$ 1,702,760</u>	<u>\$ 667,897</u>	<u>\$ 9,781,750</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 13,600,555</u></u>	<u><u>\$ 4,332,164</u></u>	<u><u>\$ 671,992</u></u>	<u><u>\$ 17,260,727</u></u>

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

Governmental Activities:

General Government	\$	132,362
Finance		11,149
Administration of Justice		824
Public Safety		257,204
Public Health and Welfare		43,383
Social, Cultural, and Recreational Services		19,323
Highway/Public Works		<u>406,885</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>871,130</u></u>

Net Investment in Capital Assets

Capital Assets	\$	17,260,727
Less:		
Outstanding principal of capital debt and other capital borrowings		(8,797,499)
Unamortized balance of original issue premiums on outstanding capital-related debt		<u>(221,548)</u>
Net Investment in Capital Assets	\$	<u><u>8,241,680</u></u>

Discretely Presented McNairy County School Department

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 1,291,479	\$ 0	\$ 0	\$ 1,291,479
Construction in Progress	849,217	350,249	849,217	350,249
Total Capital Assets Not Depreciated	\$ 2,140,696	\$ 350,249	\$ 849,217	\$ 1,641,728
Capital Assets Depreciated:				
Buildings and Improvements	\$ 51,684,980	\$ 2,978,127	\$ 0	\$ 54,663,107
Other Capital Assets	11,311,528	2,677,987	341,260	13,648,255
Total Capital Assets Depreciated	\$ 62,996,508	\$ 5,656,114	\$ 341,260	\$ 68,311,362
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 22,812,801	\$ 1,264,808	\$ 0	\$ 24,077,609
Other Capital Assets	7,413,347	880,907	341,260	7,952,994
Total Accumulated Depreciation	\$ 30,226,148	\$ 2,145,715	\$ 341,260	\$ 32,030,603
Total Capital Assets Depreciated, Net	\$ 32,770,360	\$ 3,510,399	\$ 0	\$ 36,280,759
Governmental Activities Capital Assets, Net	\$ 34,911,056	\$ 3,860,648	\$ 849,217	\$ 37,922,487

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

Governmental Activities:

Instruction	\$ 1,013,318
Support Services	972,578
Operation of Non-instructional Services	<u>159,819</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,145,715</u>

D. Construction Commitments

On June 30, 2024, the county had uncompleted construction contracts of approximately \$422,190 for the construction of an agricultural event center, and the discretely presented school department had uncompleted construction contracts of approximately \$1,265,401 for various construction and renovation projects. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 981
Discretely Presented School Department:		
General Purpose School	Central Cafeteria	110

The receivable in the General Purpose School Fund totaling \$110 was in transit from the Central Cafeteria Fund on June 30, 2024.

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

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component Unit:		
School Department:	Primary Government:	
General Purpose School	General	\$ 1,054

Advances to/from Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Debt Service	Highway/Public Works	\$ 282,375

Interfund Transfers:

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

Primary Government

Transfer Out	Transfer In	
	General Debt Service Fund	Purpose
Highway/Public Works Fund	\$ 747,988	Debt retirement
Total	<u>\$ 747,988</u>	

Discretely Presented McNairy County School Department

Transfer Out	Transfer In	
	General Purpose School Fund	Purpose
School Federal Projects Fund	\$ 181,683	Indirect costs
Total	<u>\$ 181,683</u>	

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

F. Long-term Debt

Primary Government

General Obligation Bonds, Notes and Other Loans

General Obligation Bonds - McNairy 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 29 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest

requirements decrease over the term of the debt. The bonds included in long-term debt as of June 30, 2024, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements – McNairy County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 12 years for notes and up to 13 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2024, will be retired from the General and General Debt Service funds.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-24
General Obligation Bonds	2 to 5%	6-1-47	\$ 32,225,000	\$ 25,740,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	0 to 3.69	6-1-33	3,500,000	2,206,000
Other Loans - Fixed rate	0.75 - 5	3-1-31	1,107,946	752,601

During the 2018-19 year, McNairy County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient Schools Initiative program. Under this agreement, the program loaned McNairy County \$850,574 to fund a project to increase energy efficiency in the McNairy County School Department. The loan has an interest rate of .75 percent.

During the current year, McNairy County entered into financed purchase agreements for six patrol cars totaling \$257,372. The agreements have an interest rate of five percent. Title to the vehicles will pass to McNairy County upon completion of the agreements. Payments are being made from the General Fund.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 1,160,000	\$ 807,996	\$ 1,967,996
2026	2,570,000	774,095	3,344,095
2027	790,000	684,725	1,474,725
2028	805,000	665,545	1,470,545
2029	825,000	644,262	1,469,262
2030-2034	7,120,000	2,720,471	9,840,471
2035-2039	4,300,000	1,816,340	6,116,340
2040-2044	5,050,000	1,056,788	6,106,788
2045-2047	3,120,000	202,883	3,322,883
Total	\$ 25,740,000	\$ 9,373,105	\$ 35,113,105

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2025	\$ 300,000	\$ 67,564	\$ 367,564
2026	307,000	61,106	368,106
2027	313,000	54,391	367,391
2028	195,000	47,453	242,453
2029	203,000	40,258	243,258
2030-2033	888,000	83,394	971,394
Total	\$ 2,206,000	\$ 354,166	\$ 2,560,166

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2025	\$ 167,910	\$ 10,350	\$ 178,260
2026	172,716	5,544	178,260
2027	85,525	2,736	88,261
2028	86,160	2,100	88,260
2029	86,808	1,452	88,260
2030-2031	153,482	956	154,438
Total	\$ 752,601	\$ 23,138	\$ 775,739

There is \$5,571,233 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$995, based on the 2020 federal census. Total debt per capita, including bonds, notes, other loans, and unamortized debt premiums, totaled \$1,123 based on the 2020 federal census.

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

Description of Indebtedness	Outstanding 6-30-24
<u>Bonds Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
General Obligation School Bonds, Series 2017	\$ 5,315,000
General Obligation School Bonds, Series 2018	14,005,000
<u>Other Loans Payable - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficient School Initiative	581,102
Total	<u>\$ 19,901,102</u>

Changes in Long-term Debt

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

Governmental Activities:

	Bonds	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2023	\$ 26,860,000	\$ 2,500,000	\$ 664,718
Additions	0	0	257,372
Reductions	(1,120,000)	(294,000)	(169,489)
Balance, June 30, 2024	<u>\$ 25,740,000</u>	<u>\$ 2,206,000</u>	<u>\$ 752,601</u>
Balance Due Within One Year	<u>\$ 1,160,000</u>	<u>\$ 300,000</u>	<u>\$ 167,910</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2024	\$ 28,698,601
Less: Balance Due Within One Year - Debt	(1,627,910)
Add: Unamortized Premium on Debt	<u>341,516</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 27,412,207</u>

G. Long-term Obligations

Primary Government

Changes in Long-term Obligations

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

Governmental Activities:

	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2023	\$ 361,134	\$ 187,911
Additions	246,271	5,713
Reductions	(307,926)	(37,582)
Balance, June 30, 2024	<u>\$ 299,479</u>	<u>\$ 156,042</u>
Balance Due Within One Year	<u>\$ 14,974</u>	<u>\$ 37,582</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other - June 30, 2024	\$ 455,521
Less: Balance Due Within One Year - Other	<u>(52,556)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 402,965</u>

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

Discretely Presented McNairy County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Net OPEB Liability
Balance, July 1, 2023	\$ 6,030,783
Additions	979,006
Reductions	(386,897)
Balance, June 30, 2024	\$ 6,622,892
Balance Due Within One Year	\$ 0

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2024	\$ 6,622,892
Less: Balance Due Within One Year - Other	0
Other Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 6,622,892

The net OPEB liability will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

H. On-Behalf Payments – Discretely Presented McNairy County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the McNairy County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are 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 and the Medicare Supplement Plan for the year ended June 30, 2024, totaled \$118,352 and \$49,605, respectively. 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

Primary Government

McNairy County is exposed to various risks related to general liability, property, and casualty losses. The county participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services

Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$250,000 for property and \$450,000 for liability for each insured event.

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

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

Discretely Presented McNairy County School Department

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

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

B. Accounting Change

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

C. *Contingent Liabilities*

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

The attorney for the county and the school department advised of several pending lawsuits involving McNairy County. However, they estimate that any potential claims not covered by insurance resulting from such litigation should not materially affect the county or the school department's financial statements.

D. *Landfill Closure/Postclosure Care Costs*

McNairy County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill and a demolition landfill. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. McNairy County closed its sanitary landfill in 1998. The \$156,042 reported as postclosure care liability on June 30, 2024, represents amounts based on what it would cost to perform all postclosure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. *Jointly Governed Organization*

The West Tennessee Railroad Authority (WTRA) was created by Gibson County in conjunction with the counties of Chester, Madison, McNairy, Obion, and Weakley. The WTRA's board includes the mayors of Chester, Gibson, Madison, McNairy, and Weakley counties, and one at-large member from each of these areas. However, the counties do not have any ongoing financial interest or responsibility for the entity.

F. *Retirement Commitments*

1. *Tennessee Consolidated Retirement System (TCRS)*

Primary Government

General Information About the Pension Plan

Plan Description. Employees of McNairy County and non-certified employees of the discretely presented McNairy 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 49.84 percent and the non-certified employees of the discretely

presented school department comprised 50.16 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	205
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	486
Active Employees	355
Total	1,046

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. McNairy County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, the employer contribution for McNairy County was \$541,771 based on a rate of 5.25 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept McNairy 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)

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

Actuarial Assumptions. The total pension liability as of the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from McNairy 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	Plan	Net Pension
	Pension	Fiduciary	Liability
	Liability	Net Position	(Asset)
	(a)	(b)	(a)-(b)
Balance, July 1, 2022	\$ 25,044,615	\$ 26,419,736	\$ (1,375,121)
Changes for the Year:			
Service Cost	\$ 768,161	\$ 0	\$ 768,161
Interest	1,707,092	0	1,707,092
Differences Between Expected and Actual Experience	523,563	0	523,563
Contributions-Employer	0	503,695	(503,695)
Contributions-Employees	0	493,864	(493,864)
Net Investment Income	0	1,773,138	(1,773,138)
Benefit Payments, Including Refunds of Employee Contributions	(1,045,058)	(1,045,058)	0
Administrative Expense	0	(34,702)	34,702
Net Changes	<u>\$ 1,953,758</u>	<u>\$ 1,690,937</u>	<u>\$ 262,821</u>
Balance, June 30, 2023	<u>\$ 26,998,373</u>	<u>\$ 28,110,673</u>	<u>\$ (1,112,300)</u>

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

		Increase (Decrease)		
		Total	Plan	Net
		Pension	Fiduciary	Pension
		Liability	Net	Liability
		Position	(Asset)	
Primary Government	49.84%	\$ 13,455,989	\$ 14,010,359	\$ (554,370)
School Department	50.16%	<u>13,542,384</u>	<u>14,100,314</u>	<u>(557,930)</u>
Total		<u>\$ 26,998,373</u>	<u>\$ 28,110,673</u>	<u>\$ (1,112,300)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of McNairy 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 percent) or one percentage point higher (7.75 percent) than the current rate:

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

Net Pension Liability (Asset) \$ 2,280,069 \$ (1,112,300) \$ (3,942,535)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, McNairy County recognized (negative pension expense) of \$516,597.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, McNairy 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	\$ 547,821	\$ 341,915
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	214,074	0
Changes in Assumptions	770,553	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	541,771	N/A
Total	<u>\$ 2,074,219</u>	<u>\$ 341,915</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,029,631	\$ 170,410
School Department	1,044,588	171,505
Total	\$ 2,074,219	\$ 341,915

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

Year Ending June 30	Amount
2025	\$ 278,567
2026	217,035
2027	588,733
2028	106,198
2029	0
Thereafter	0

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

Discretely Presented McNairy County School Department – Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of McNairy County and non-certified employees of the discretely presented McNairy 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 49.84 percent and the non-certified employees of the discretely presented school department comprised 50.16 percent of the plan based on contribution data.

Discretely Presented McNairy County School Department - Certified Employees – Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution

rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2024, to the Teacher Retirement Plan were \$172,154 which is 2.95 percent of covered payroll. In addition, employer contributions of \$60,479, which is 1.05 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). On June 30, 2024, the school department reported a liability (asset) of (\$106,521) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2023, the school department's proportion was .251209 percent. The proportion as of June 30, 2022, was .231901 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense of \$135,221.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,588	\$ 62,174
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	27,082	0
Changes in Assumptions	80,140	0
Changes in Proportion of Net Pension Liability (Asset)	17,145	21,284
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	172,154	N/A
Total	<u>\$ 300,109</u>	<u>\$ 83,458</u>

The school department's employer contributions of \$172,154 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ (87)
2026	(4,028)
2027	37,750
2028	2,330
2029	2,495
Thereafter	6,037

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

Actuarial Assumptions. The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	4.88	% 31
International Equity Emerging Market	5.37	14
International Equity	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 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Net Pension Liability (Asset)	\$ 489,993	\$ (106,521)	\$ (535,962)

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

General Information About the Pension Plan

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

obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the McNairy County School Department for the year ended June 30, 2024, to the Teacher Legacy Pension Plan were \$1,053,168, which is 6.81 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). On June 30, 2024, the school department reported a liability (asset) of (\$5,576,511) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2023, the school department's proportion

was .472997 percent. The proportion measured on June 30, 2022, was .467362 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized (negative pension expense) of \$1,403,747.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,328,609	\$ 258,787
Changes in Assumptions	1,816,980	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	967,553	0
Changes in Proportion of Net Pension Liability (Asset)	105,557	120,468
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	1,053,168	N/A
Total	<u>\$ 5,271,867</u>	<u>\$ 379,255</u>

The school department's employer contributions of \$1,053,168 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) in net pension liability (asset) in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ 1,308,209
2026	(748,113)
2027	3,271,769
2028	7,579
2029	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity 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 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 12,146,029 \$ (5,576,511) \$ (20,316,667)

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 \$283,120 and teachers contributed \$141,654 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

Discretely Presented McNairy County School Department

The McNairy County School Department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of the McNairy County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

The school department’s total OPEB liability for the plan was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

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

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

The discount rate was 3.65%, based on the daily rate of Bond Buyer’s 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2023, actuarial valuation of the TCRS.

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

Changes in Assumptions. The discount rate changed from 3.54 percent as of the beginning of the measurement period to 3.65 percent as of the measurement date of June 30, 2023. This change in assumption decreased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2023 plan year was revised from 8.37 percent to 10.31 percent.

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

Plan Description. Employees of the McNairy 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 McNairy County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with *TCA* 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. During the year, McNairy County provided direct subsidies of \$546 to \$788 per month toward the cost of the insurance plan selected by the retiree. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	22
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	354
Total	376

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 \$187,696 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		
	McNairy County School Department 63.757%	State of TN 36.243%	Total OPEB Liability
Balance July 1, 2022	\$ 5,393,712	\$ 2,836,278	\$ 8,229,990
Changes for the Year:			
Service Cost	\$ 238,893	\$ 135,801	\$ 374,694
Interest	190,706	108,409	299,115
Difference between Expected and Actuarial Experience	27,687	15,739	43,426
Changes in Proportion	(146,542)	146,542	0
Changes in Assumption and Other Inputs	469,637	266,971	736,608
Benefit Payments	(199,507)	(113,412)	(312,919)
Net Changes	\$ 580,873	\$ 560,051	\$ 1,140,924
Balance June 30, 2023	\$ 5,974,585	\$ 3,396,329	\$ 9,370,914

The McNairy 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 McNairy 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 \$433,935 in revenue for subsidies provided by non-employer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the McNairy County School Department's proportionate share of the collective OPEB liability was 63.757 percent and the State of Tennessee's share was 36.243 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department recognized OPEB expense of \$1,103,840, including the state's share of the expense. On June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 945,677	\$ 53,390
Changes of Assumptions	1,247,151	643,095
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	39,300	253,685
Benefits Paid After the Measurement Date of June 30, 2023	187,696	0
Total	<u>\$ 2,419,824</u>	<u>\$ 950,170</u>

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

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

Year Ending June 30	School Department
2025	\$ 240,306
2026	240,306
2027	240,306
2028	250,635
2029	226,407
Thereafter	83,998

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%	Discount	1%
	Decrease	Rate	Increase
	2.65%	3.65%	4.65%

Proportionate Share of the Collective Total OPEB Liability	\$	6,436,276	\$	5,974,585	\$	5,534,001
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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	Current		
	1%	Rates	1%
	Decrease		Increase
	9.31 to 3.5%	10.31 to 4.5%	11.31 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$	5,326,417	\$	5,974,585	\$	6,727,156
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Closed Tennessee Plan – Medicare – Discretely Presented McNairy County School Department

Plan Description. Employees of the McNairy County School Department, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan - Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retired teachers and disability participants of local education agencies, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015. The school department's total OPEB liability for the TNM Plan was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with Section 8-27-209, *TCA*, benefits of the TNM are established and amended by cooperation of insurance committees created by Sections 8-27-201, 8-27-301 and 8-27-701, *TCA*. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receive a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The McNairy County School Department provides a subsidy of \$97 per month for retirees with 30 or more years of service, retirees with 20-29 years of service receive \$109, and retirees with 10-19 years of service receive \$130 to \$155.

The state, as a governmental non-employer contributing entity, contributes to the premiums of eligible retirees of local education agencies based on years of service. The State of Tennessee provides a subsidy of \$50 per month for retirees with 30 or more years of service, retirees with 20-29 years of service receive \$38, and retirees with 15-19 years of service receive \$25.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	104
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	45
Active Employees Eligible for Benefits	280
 Total	 <u>429</u>

In accordance with Section 8-27-209, *TCA*, the state insurance committees established by Sections 8-27-201, 8-27-301 and 8-27-701, *TCA*, determine the required payments to the plan by member employers and 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. For the fiscal year ended June 30, 2024, the school department paid \$24,995 to the TNM 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
	McNairy County School Department 33.506%	State of TN 66.494%	
Balance July 1, 2022	\$ 637,071	\$ 1,214,772	\$ 1,851,843
Changes for the Year:			
Service Cost	\$ 12,451	\$ 24,711	\$ 37,162
Interest	22,001	43,663	65,664
Difference between Expected and Actuarial Experience	17,631	34,990	52,621
Change in Proportion	(16,597)	16,597	0
Changes in Assumption and Other Inputs	(1,209)	(2,398)	(3,607)
Benefit Payments	(23,042)	(45,729)	(68,771)
Net Changes	<u>\$ 11,236</u>	<u>\$ 71,833</u>	<u>\$ 83,069</u>
Balance June 30, 2023	<u>\$ 648,307</u>	<u>\$ 1,286,605</u>	<u>\$ 1,934,912</u>

The McNairy County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retirees participating in the TNM. The McNairy County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's 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 \$1,376,318 in revenue for subsidies provided by non-employer contributing entities for benefits paid by the TNM for school department retirees.

During the year, the McNairy County School Department's proportionate share of the collective OPEB liability was 33.506 percent and the State of Tennessee's share was 66.494 percent.

OPEB Expense (Negative OPEB Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department recognized (negative) OPEB expense of (\$178,286) including the state's share of the OPEB expense.

On June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 14,643	\$ 100,267
Changes of Assumptions	147,428	260,140
Changes in Proportionate Share	306,993	3,339,236
Benefits Paid After the Measurement Date of June 30, 2023	24,995	0
Total	\$ 494,059	\$ 3,699,643

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

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

Year Ending June 30	School Department
2025	\$ (1,589,056)
2026	(1,582,198)
2027	(69,690)
2028	23,561
2029	(13,196)
Thereafter	0

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 TNM, 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%	Discount	1%
	Decrease	Rate	Increase
	2.65%	3.65%	4.65%
Proportionate Share of the Collective Total OPEB Liability	\$ 743,167	\$ 648,307	\$ 570,035

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

H. Purchasing Laws

Office of County Mayor

Chapter 171, Private Acts of 1990, provides for the county mayor to serve as purchasing agent for McNairy County and to award all contracts for purchases for all departments, excluding purchases made from county highway or county education funds. Purchasing procedures for the County Mayor's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which provide for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Highway Commissioner

Section 54-7-113, *TCA*, (Uniform Road Law), governs purchasing procedures for the highway department. This statute requires all 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 McNairy 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 estimated to exceed \$20,000.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

Exhibit E-1

McNAIRY COUNTY, TENNESSEE

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on

Participation in the Public Employee Pension Plan of TCRS

Primary Government

For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability (Asset)										
Service Cost	\$ 517,696	\$ 523,449	\$ 562,697	\$ 581,519	\$ 589,490	\$ 588,963	\$ 602,188	\$ 656,135	\$ 776,018	\$ 768,161
Interest	999,235	1,059,743	1,136,026	1,193,154	1,279,976	1,371,882	1,453,122	1,523,088	1,652,805	1,707,092
Differences Between Actual and Expected Experience	(236,568)	(106,163)	(374,167)	18,203	167,299	51,407	(178,398)	322,429	(510,395)	523,563
Changes of Assumptions	0	0	0	614,108	0	0	0	1,926,384	0	0
Benefit Payments, Including Refunds of Employee Contributions	(472,435)	(486,255)	(512,088)	(651,243)	(686,441)	(850,688)	(959,152)	(972,483)	(1,167,582)	(1,045,058)
Net Change in Total Pension Liability (Asset)	\$ 807,928	\$ 990,774	\$ 812,468	\$ 1,755,741	\$ 1,350,324	\$ 1,161,564	\$ 917,760	\$ 3,455,553	\$ 750,846	\$ 1,953,758
Total Pension Liability (Asset), Beginning	13,041,657	13,849,585	14,840,359	15,652,827	17,408,568	18,758,892	19,920,456	20,838,216	24,293,769	25,044,615
Total Pension Liability (Asset), Ending (a)	\$ 13,849,585	\$ 14,840,359	\$ 15,652,827	\$ 17,408,568	\$ 18,758,892	\$ 19,920,456	\$ 20,838,216	\$ 24,293,769	\$ 25,044,615	\$ 26,998,373
Plan Fiduciary Net Position										
Contributions - Employer	\$ 380,365	\$ 397,514	\$ 403,328	\$ 412,547	\$ 408,406	\$ 406,188	\$ 427,832	\$ 456,566	\$ 448,738	\$ 503,695
Contributions - Employee	372,182	378,560	384,121	392,901	388,955	386,844	407,458	434,825	427,369	493,864
Net Investment Income	2,103,796	463,324	418,276	1,857,916	1,523,206	1,479,399	1,052,841	5,712,853	(1,057,393)	1,773,138
Benefit Payments, Including Refunds of Employee Contributions	(472,435)	(486,255)	(512,088)	(651,243)	(686,441)	(850,688)	(959,152)	(972,483)	(1,167,582)	(1,045,058)
Administrative Expense	(13,617)	(19,003)	(27,777)	(30,723)	(33,442)	(30,469)	(31,324)	(30,824)	(33,801)	(34,702)
Other	0	0	1,337	240	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 2,370,291	\$ 734,140	\$ 667,197	\$ 1,981,638	\$ 1,600,684	\$ 1,391,274	\$ 897,655	\$ 5,600,937	\$ (1,382,669)	\$ 1,690,937
Plan Fiduciary Net Position, Beginning	12,558,589	14,928,880	15,663,020	16,330,217	18,311,855	19,912,539	21,303,813	22,201,468	27,802,405	26,419,736
Plan Fiduciary Net Position, Ending (b)	\$ 14,928,880	\$ 15,663,020	\$ 16,330,217	\$ 18,311,855	\$ 19,912,539	\$ 21,303,813	\$ 22,201,468	\$ 27,802,405	\$ 26,419,736	\$ 28,110,673
Net Pension Liability (Asset), Ending (a - b)	\$ (1,079,295)	\$ (822,661)	\$ (677,390)	\$ (903,287)	\$ (1,153,647)	\$ (1,383,357)	\$ (1,363,252)	\$ (3,508,636)	\$ (1,375,121)	\$ (1,112,300)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	107.79%	105.54%	104.33%	105.19%	106.15%	106.94%	106.54%	114.44%	105.49%	104.12%
Covered Payroll	\$ 7,443,631	\$ 7,571,687	\$ 7,684,750	\$ 7,858,977	\$ 7,779,168	\$ 7,736,918	\$ 8,151,256	\$ 8,696,472	\$ 8,547,356	\$ 9,594,180
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(14.50)%	(10.86)%	(8.81)%	(11.49)%	(14.83)%	(17.88)%	(16.72)%	(40.35)%	(16.09)%	(11.59)%

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

Exhibit E-2

McNAIRY COUNTY, TENNESSEE

Schedule of Contributions Based on Participation in the Public

Employee Pension Plan of TCRS

Primary Government

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 397,514	\$ 403,328	\$ 213,764	\$ 231,819	\$ 230,560	\$ 257,514	\$ 274,809	\$ 270,098	\$ 440,373	\$ 473,668
Less: Contributions in Relation to the Actuarially Determined Contribution	(397,514)	(403,328)	(412,547)	(408,406)	(406,188)	(427,832)	(456,566)	(448,738)	(503,695)	(541,771)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ (198,783)	\$ (176,587)	\$ (175,628)	\$ (170,318)	\$ (181,757)	\$ (178,640)	\$ (63,322)	\$ (68,103)
Covered Payroll	\$ 7,571,687	\$ 7,684,750	\$ 7,858,977	\$ 7,779,168	\$ 7,736,918	\$ 8,151,256	\$ 8,696,472	\$ 8,547,356	\$ 9,594,180	\$ 10,319,775
Contributions as a Percentage of Covered Payroll	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 24,876	\$ 39,880	\$ 74,511	\$ 80,380	\$ 50,404	\$ 59,053	\$ 69,645	\$ 79,600	\$ 143,404	\$ 172,154
Less: Contributions in Relation to the Contractually Required Contribution	(24,876)	(39,880)	(74,511)	(80,380)	(50,404)	(59,053)	(69,645)	(79,600)	(143,404)	(172,154)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 621,907	\$ 997,001	\$ 1,862,766	\$ 2,009,496	\$ 2,598,118	\$ 2,909,012	\$ 3,447,781	\$ 3,956,265	\$ 4,996,650	\$ 5,835,746
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%	2.95%

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

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

Exhibit E-4

McNAIRY COUNTY, TENNESSEE

Schedule of Contributions Based on Participation in the Teacher

Legacy Pension Plan of TCRS

Discretely Presented McNairy County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 1,449,291	\$ 1,459,059	\$ 1,414,531	\$ 1,425,666	\$ 1,640,994	\$ 1,622,321	\$ 1,617,718	\$ 1,584,200	\$ 1,333,826	\$ 1,053,168
Less: Contributions in Relation to the Contractually Required Contribution	(1,449,291)	(1,459,059)	(1,414,531)	(1,425,666)	(1,640,994)	(1,622,321)	(1,617,718)	(1,584,200)	(1,333,826)	(1,053,168)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 16,031,992	\$ 16,140,062	\$ 15,647,497	\$ 15,701,163	\$ 15,688,241	\$ 15,261,709	\$ 15,751,832	\$ 15,384,501	\$ 15,348,960	\$ 15,465,024
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%	6.81%

Exhibit E-5

McNAIRY COUNTY, TENNESSEE

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

Discretely Presented McNairy County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023
School Department's Proportion of the Net Pension Liability (Asset)	0.293138%	0.226590%	0.283812%	0.229951%	0.245525%	0.230523%	0.238895%	0.231901%	0.251209%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (12,041)	\$ (23,589)	\$ (74,880)	\$ (104,289)	\$ (138,595)	\$ (131,085)	\$ (258,774)	\$ (70,249)	\$ (106,521)
Covered Payroll	\$ 621,907	\$ 997,001	\$ 1,862,766	\$ 2,009,496	\$ 2,598,118	\$ 2,909,012	\$ 3,447,781	\$ 3,956,265	\$ 4,996,650
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)%	(1.78)%	(2.13)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%	104.97%

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
School Department's Proportion of the Net Pension Liability (Asset)	0.429186%	0.428261%	0.447117%	0.442650%	0.448390%	0.467868%	0.458550%	0.479923%	0.467362%	0.472997%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (69,741)	\$ 175,431	\$ 2,794,236	\$ (144,827)	\$ (1,577,848)	\$ (4,810,522)	\$ (3,496,780)	\$ (20,700,217)	\$ (5,731,747)	\$ (5,576,511)
Covered Payroll	\$ 16,845,522	\$ 16,031,992	\$ 16,140,062	\$ 15,647,497	\$ 15,701,163	\$ 15,688,241	\$ 15,261,709	\$ 15,751,832	\$ 15,384,501	\$ 15,348,960
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.94253%	17.31%	(.93)%	(10.05)%	(30.66)%	(22.91)%	(131.41)%	(37.26)%	(36.33)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%

McNAIRY COUNTY, TENNESSEE

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

Discretely Presented McNairy County School Department

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 569,825	\$ 527,746	\$ 307,266	\$ 295,025	\$ 373,148	\$ 492,930	\$ 374,694
Interest	270,661	330,540	208,045	218,121	158,954	195,576	299,115
Changes in Benefit Terms	0	(6,822,040)	568,394	0	0	0	0
Differences Between Actual and Expected Experience	0	2,787,329	122,134	(104,391)	247,446	(33,686)	43,426
Changes in Assumptions or Other Inputs	(429,330)	181,006	(472,583)	746,029	1,238,192	(843,438)	736,608
Benefit Payments	(326,393)	(380,546)	(265,465)	(241,932)	(266,836)	(284,327)	(312,919)
Net Change in Total OPEB Liability	\$ 84,763	\$ (3,375,965)	\$ 467,791	\$ 912,852	\$ 1,750,904	\$ (472,945)	\$ 1,140,924
Total OPEB Liability, Beginning	8,862,590	8,947,353	5,571,388	6,039,179	6,952,031	8,702,935	8,229,990
Total OPEB Liability, Ending	\$ 8,947,353	\$ 5,571,388	\$ 6,039,179	\$ 6,952,031	\$ 8,702,935	\$ 8,229,990	\$ 9,370,914
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,878,632	\$ 1,872,521	\$ 2,002,972	\$ 2,184,016	\$ 2,866,113	\$ 2,836,278	\$ 3,396,329
Employer Proportionate Share of the Total OPEB Liability	6,068,721	3,698,867	4,036,207	4,768,015	5,836,822	5,393,712	5,974,585
Covered Employee Payroll	\$ 20,095,095	\$ 19,865,769	\$ 21,321,986	\$ 20,342,368	\$ 19,719,720	\$ 20,216,211	\$ 20,720,460
Net OPEB Liability as a Percentage of Covered Employee Payroll	30.20%	18.62%	18.93%	23.44%	29.60%	26.68%	28.83%

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

Note 2: Changes in assumptions.

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

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

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

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

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

McNAIRY COUNTY, TENNESSEE

Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare

Discretely Presented McNairy County School Department

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 1,354,436	\$ 1,096,992	\$ 22,858	\$ 46,962	\$ 68,517	\$ 61,359	\$ 37,162
Interest	485,516	576,911	52,605	71,266	54,669	49,385	65,664
Changes in Benefit Terms	0	(14,467,321)	0	0	0	0	0
Differences Between Actual and Expected Experience	0	(740,374)	(106)	(66,749)	(64,457)	(49,796)	52,621
Changes in Assumptions or Other Inputs	(1,821,928)	(19,867)	544,023	438,905	(172,200)	(400,887)	(3,607)
Benefit Payments	(178,700)	(186,235)	(63,097)	(69,564)	(67,404)	(66,040)	(68,771)
Net Change in Total OPEB Liability	\$ (160,676)	\$ (13,739,894)	\$ 556,283	\$ 420,820	\$ (180,875)	\$ (405,979)	\$ 83,069
Total OPEB Liability, Beginning	15,362,164	15,201,488	1,461,594	2,017,877	2,438,697	2,257,822	1,851,843
Total OPEB Liability, Ending	\$ 15,201,488	\$ 1,461,594	\$ 2,017,877	\$ 2,438,697	\$ 2,257,822	\$ 1,851,843	\$ 1,934,912
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,575,953	\$ 1,273,446	\$ 1,348,842	\$ 1,621,944	\$ 1,494,268	\$ 1,214,772	\$ 1,286,605
Employer Proportionate Share of the Total OPEB Liability	13,625,535	188,148	669,035	816,753	763,554	637,071	648,307
Covered Employee Payroll	\$ 20,095,095	\$ 19,865,769	\$ 21,321,986	\$ 20,342,368	\$ 19,719,720	\$ 20,216,211	\$ 20,720,460
Net OPEB Liability as a Percentage of Covered Employee Payroll	67.81%	0.95%	3.14%	4.02%	3.87%	3.15%	3.13%

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%

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

McNAIRY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

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

Methods and assumptions used to determine contribution rates:

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

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

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Law Library Fund – The Law Library Fund is used to account for a special tax levied by private act on litigation. Proceeds of the tax must be expended for the benefit of the county's law library.

Special Purpose Fund – The Special Purpose Fund is used to account for transactions of a higher education center.

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

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

Other Special Revenue Fund – The Other Special Revenue fund is used to account for revenues received from a local government support grant.

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 the acquisition or construction of major capital facilities.

Community Development/Industrial Park Fund – The Community Development/ Industrial Park Fund is used to account for the transactions of the Cypress Creek Watershed.

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for capital expenditures for the highway department.

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

	Special Revenue Funds					Total
	Law Library	Special Purpose	Drug Control	Other General Government	Constitu - tional Officers - Fees	
ASSETS						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	981	\$ 981
Equity in Pooled Cash and Investments	8,518	445,221	140,091	1,547,877	0	2,141,707
Property Taxes Receivable	0	0	0	0	0	0
Allowance for Uncollectible Property Taxes	0	0	0	0	0	0
Accrued Interest Receivable	0	0	0	250	0	250
Leases Receivable - Long-term	0	392,163	0	0	0	392,163
Total Assets	<u>\$ 8,518</u>	<u>\$ 837,384</u>	<u>\$ 140,091</u>	<u>\$ 1,548,127</u>	<u>\$ 981</u>	<u>\$ 2,535,101</u>
LIABILITIES						
Accounts Payable	\$ 0	\$ 175,639	\$ 0	\$ 0	\$ 0	\$ 175,639
Due to Other Funds	0	0	0	0	981	981
Total Liabilities	<u>\$ 0</u>	<u>\$ 175,639</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 981</u>	<u>\$ 176,620</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Deferred Delinquent Property Taxes	0	0	0	0	0	0
Deferred Leases Receivable	0	392,163	0	0	0	392,163
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 392,163</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 392,163</u>

(Continued)

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

FUND BALANCES	Special Revenue Funds					Total
	Law Library	Special Purpose	Drug Control	Other General Government	Constitu - tional Officers - Fees	
Restricted:						
Restricted for General Government	\$ 0	\$ 25,094	\$ 0	\$ 0	\$ 0	25,094
Restricted for General Government - American Rescue Plan Act	0	0	0	1,548,127	0	1,548,127
Restricted for Public Safety	0	0	140,091	0	0	140,091
Restricted for Social, Cultural, and Recreational Services	8,518	0	0	0	0	8,518
Restricted for Highways/Public Works	0	0	0	0	0	0
Committed:						
Committed for General Government	0	244,488	0	0	0	244,488
Committed for Agriculture and Natural Resources	0	0	0	0	0	0
Committed for Highways/Public Works	0	0	0	0	0	0
Total Fund Balances	\$ 8,518	\$ 269,582	\$ 140,091	\$ 1,548,127	\$ 0	\$ 1,966,318
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,518	\$ 837,384	\$ 140,091	\$ 1,548,127	\$ 981	\$ 2,535,101

(Continued)

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

	<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	Community Development/ Industrial Park	Highway Capital Projects	Total	
ASSETS				
Cash	\$ 0	\$ 0	\$ 0	\$ 981
Equity in Pooled Cash and Investments	5,333	800,981	806,314	2,948,021
Property Taxes Receivable	0	177,343	177,343	177,343
Allowance for Uncollectible Property Taxes	0	(13,070)	(13,070)	(13,070)
Accrued Interest Receivable	0	0	0	250
Leases Receivable - Long-term	0	0	0	392,163
Total Assets	<u>\$ 5,333</u>	<u>\$ 965,254</u>	<u>\$ 970,587</u>	<u>\$ 3,505,688</u>
LIABILITIES				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 175,639
Due to Other Funds	0	0	0	981
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 176,620</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 0	\$ 160,253	\$ 160,253	\$ 160,253
Deferred Delinquent Property Taxes	0	3,504	3,504	3,504
Deferred Leases Receivable	0	0	0	392,163
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 163,757</u>	<u>\$ 163,757</u>	<u>\$ 555,920</u>

(Continued)

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

FUND BALANCES

Restricted:

Restricted for General Government
 Restricted for General Government - American Rescue Plan Act
 Restricted for Public Safety
 Restricted for Social, Cultural, and Recreational Services
 Restricted for Highways/Public Works

Committed:

Committed for General Government
 Committed for Agriculture and Natural Resources
 Committed for Highways/Public Works

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

	<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	Community Development/ Industrial Park	Highway Capital Projects	Total	
Restricted for General Government	\$ 0	\$ 0	\$ 0	\$ 25,094
Restricted for General Government - American Rescue Plan Act	0	0	0	1,548,127
Restricted for Public Safety	0	0	0	140,091
Restricted for Social, Cultural, and Recreational Services	0	0	0	8,518
Restricted for Highways/Public Works	0	645,638	645,638	645,638
Committed for General Government	0	0	0	244,488
Committed for Agriculture and Natural Resources	5,333	0	5,333	5,333
Committed for Highways/Public Works	0	155,859	155,859	155,859
Total Fund Balances	<u>\$ 5,333</u>	<u>\$ 801,497</u>	<u>\$ 806,830</u>	<u>\$ 2,773,148</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,333</u>	<u>\$ 965,254</u>	<u>\$ 970,587</u>	<u>\$ 3,505,688</u>

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

	Special Revenue Funds					
	Law Library	Special Purpose	Drug Control	Other General Government	Other Special Revenue	Total
Revenues						
Local Taxes	\$ 1,796	\$ 0	\$ 0	\$ 0	\$ 0	1,796
Fines, Forfeitures, and Penalties	0	0	67,982	0	0	67,982
Charges for Current Services	1,212	0	0	0	0	1,212
Other Local Revenues	0	130,721	0	3,771	0	134,492
Other Governments and Citizens Groups	0	44,306	0	0	0	44,306
Total Revenues	\$ 3,008	\$ 175,027	\$ 67,982	\$ 3,771	\$ 0	\$ 249,788
Expenditures						
Current:						
General Government	\$ 0	\$ 266,824	\$ 0	\$ 0	\$ 0	266,824
Public Safety	0	0	63,000	0	0	63,000
Social, Cultural, and Recreational Services	3,236	0	0	0	0	3,236
Agriculture and Natural Resources	0	0	0	0	0	0
Other Operations	0	1,636	0	2,469,973	0	2,471,609
Highways	0	0	0	0	0	0
Capital Projects	0	0	0	0	118,742	118,742
Total Expenditures	\$ 3,236	\$ 268,460	\$ 63,000	\$ 2,469,973	\$ 118,742	\$ 2,923,411
Excess (Deficiency) of Revenues Over Expenditures	\$ (228)	\$ (93,433)	\$ 4,982	\$ (2,466,202)	\$ (118,742)	\$ (2,673,623)
Other Financing Sources (Uses)						
Insurance Recovery	\$ 0	\$ 79,000	\$ 0	\$ 0	\$ 0	79,000
Total Other Financing Sources (Uses)	\$ 0	\$ 79,000	\$ 0	\$ 0	\$ 0	\$ 79,000
Net Change in Fund Balances	\$ (228)	\$ (14,433)	\$ 4,982	\$ (2,466,202)	\$ (118,742)	\$ (2,594,623)
Fund Balance, July 1, 2023	8,746	284,015	135,109	4,014,329	118,742	4,560,941
Fund Balance, June 30, 2024	\$ 8,518	\$ 269,582	\$ 140,091	\$ 1,548,127	\$ 0	\$ 1,966,318

(Continued)

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

	Capital Projects Funds				Total Nonmajor Governmental Funds
	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	Total	
Revenues					
Local Taxes	\$ 0	\$ 0	\$ 159,041	\$ 159,041	\$ 160,837
Fines, Forfeitures, and Penalties	0	0	0	0	67,982
Charges for Current Services	0	0	0	0	1,212
Other Local Revenues	0	0	0	0	134,492
Other Governments and Citizens Groups	0	0	0	0	44,306
Total Revenues	\$ 0	\$ 0	\$ 159,041	\$ 159,041	\$ 408,829
Expenditures					
Current:					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 266,824
Public Safety	0	0	0	0	63,000
Social, Cultural, and Recreational Services	0	0	0	0	3,236
Agriculture and Natural Resources	0	4,150	0	4,150	4,150
Other Operations	0	0	0	0	2,471,609
Highways	0	0	3,181	3,181	3,181
Capital Projects	1,345,582	0	0	1,345,582	1,464,324
Total Expenditures	\$ 1,345,582	\$ 4,150	\$ 3,181	\$ 1,352,913	\$ 4,276,324
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,345,582)	\$ (4,150)	\$ 155,860	\$ (1,193,872)	\$ (3,867,495)
Other Financing Sources (Uses)					
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 79,000
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 79,000
Net Change in Fund Balances	\$ (1,345,582)	\$ (4,150)	\$ 155,860	\$ (1,193,872)	\$ (3,788,495)
Fund Balance, July 1, 2023	1,345,582	9,483	645,637	2,000,702	6,561,643
Fund Balance, June 30, 2024	\$ 0	\$ 5,333	\$ 801,497	\$ 806,830	\$ 2,773,148

McNAIRY COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Law Library Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 1,796	\$ 3,400	\$ 3,400	\$ (1,604)
Charges for Current Services	1,212	0	0	1,212
Total Revenues	<u>\$ 3,008</u>	<u>\$ 3,400</u>	<u>\$ 3,400</u>	<u>\$ (392)</u>
Expenditures				
Social, Cultural, and Recreational Services				
Libraries	\$ 3,236	\$ 3,400	\$ 3,400	\$ 164
Total Expenditures	<u>\$ 3,236</u>	<u>\$ 3,400</u>	<u>\$ 3,400</u>	<u>\$ 164</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (228)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (228)</u>
Net Change in Fund Balance	\$ (228)	\$ 0	\$ 0	(228)
Fund Balance, July 1, 2023	<u>8,746</u>	<u>8,878</u>	<u>8,878</u>	<u>(132)</u>
Fund Balance, June 30, 2024	<u><u>\$ 8,518</u></u>	<u><u>\$ 8,878</u></u>	<u><u>\$ 8,878</u></u>	<u><u>\$ (360)</u></u>

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Other Local Revenues	\$ 130,721	\$ 130,721	\$ 130,721	\$ 0
Other Governments and Citizens Groups	44,306	0	0	44,306
Total Revenues	<u>\$ 175,027</u>	<u>\$ 130,721</u>	<u>\$ 130,721</u>	<u>\$ 44,306</u>
Expenditures				
General Government				
Other Facilities	\$ 266,824	\$ 100,077	\$ 308,854	\$ 42,030
Other Operations				
Employee Benefits	1,636	1,621	1,638	2
Total Expenditures	<u>\$ 268,460</u>	<u>\$ 101,698</u>	<u>\$ 310,492</u>	<u>\$ 42,032</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (93,433)</u>	<u>\$ 29,023</u>	<u>\$ (179,771)</u>	<u>\$ 86,338</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 79,000	0	0	79,000
Total Other Financing Sources	<u>\$ 79,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 79,000</u>
Net Change in Fund Balance	<u>\$ (14,433)</u>	<u>\$ 29,023</u>	<u>\$ (179,771)</u>	<u>\$ 165,338</u>
Fund Balance, July 1, 2023	<u>284,015</u>	<u>315,500</u>	<u>315,500</u>	<u>(31,485)</u>
Fund Balance, June 30, 2024	<u><u>\$ 269,582</u></u>	<u><u>\$ 344,523</u></u>	<u><u>\$ 135,729</u></u>	<u><u>\$ 133,853</u></u>

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Fines, Forfeitures, and Penalties	\$ 67,982	\$ 32,000	\$ 32,000	\$ 35,982
Other Local Revenues	0	50,000	50,000	(50,000)
Total Revenues	<u>\$ 67,982</u>	<u>\$ 82,000</u>	<u>\$ 82,000</u>	<u>\$ (14,018)</u>
Expenditures				
Public Safety				
Drug Enforcement	\$ 63,000	\$ 60,000	\$ 64,000	\$ 1,000
Total Expenditures	<u>\$ 63,000</u>	<u>\$ 60,000</u>	<u>\$ 64,000</u>	<u>\$ 1,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 4,982</u>	<u>\$ 22,000</u>	<u>\$ 18,000</u>	<u>\$ (13,018)</u>
Net Change in Fund Balance	\$ 4,982	\$ 22,000	\$ 18,000	\$ (13,018)
Fund Balance, July 1, 2023	<u>135,109</u>	<u>133,873</u>	<u>133,873</u>	<u>1,236</u>
Fund Balance, June 30, 2024	<u><u>\$ 140,091</u></u>	<u><u>\$ 155,873</u></u>	<u><u>\$ 151,873</u></u>	<u><u>\$ (11,782)</u></u>

McNAIRY COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Other General Government Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Other Local Revenues	\$ 3,771	\$ 0	\$ 0	\$ 3,771
Total Revenues	\$ 3,771	\$ 0	\$ 0	\$ 3,771
Expenditures				
Other Operations				
Other Economic and Community Development	\$ 2,469,973	\$ 0	\$ 2,523,227	\$ 53,254
Total Expenditures	\$ 2,469,973	\$ 0	\$ 2,523,227	\$ 53,254
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,466,202)	\$ 0	\$ (2,523,227)	\$ 57,025
Net Change in Fund Balance	\$ (2,466,202)	\$ 0	\$ (2,523,227)	\$ 57,025
Fund Balance, July 1, 2023	4,014,329	0	2,523,227	1,491,102
Fund Balance, June 30, 2024	\$ 1,548,127	\$ 0	\$ 0	\$ 1,548,127

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures				
Capital Projects				
Other General Government Projects	\$ 118,742	\$ 0	\$ 118,742	\$ 0
Total Expenditures	\$ 118,742	\$ 0	\$ 118,742	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ (118,742)	\$ 0	\$ (118,742)	\$ 0
Net Change in Fund Balance	\$ (118,742)	\$ 0	\$ (118,742)	\$ 0
Fund Balance, July 1, 2023	118,742	118,742	118,742	0
Fund Balance, June 30, 2024	\$ 0	\$ 118,742	\$ 0	\$ 0

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.

McNAIRY COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 General Debt Service Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 839,117	\$ 793,358	\$ 793,358	\$ 45,759
Other Local Revenues	604,777	35,000	35,000	569,777
Other Governments and Citizens Groups	1,308,893	0	1,308,893	0
Total Revenues	\$ 2,752,787	\$ 828,358	\$ 2,137,251	\$ 615,536
Expenditures				
Principal on Debt				
General Government	\$ 294,000	\$ 315,000	\$ 294,000	\$ 0
Highways and Streets	550,000	550,000	550,000	0
Education	653,616	652,368	653,616	0
Interest on Debt				
General Government	73,800	73,800	73,800	0
Highways and Streets	197,988	197,988	197,988	0
Education	655,277	656,525	655,277	0
Other Debt Service				
General Government	21,612	1,000	21,900	288
Education	1,600	0	1,600	0
Total Expenditures	\$ 2,447,893	\$ 2,446,681	\$ 2,448,181	\$ 288
Excess (Deficiency) of Revenues Over Expenditures	\$ 304,894	\$ (1,618,323)	\$ (310,930)	\$ 615,824
Other Financing Sources (Uses)				
Transfers In	\$ 747,988	\$ 2,339,257	\$ 1,030,364	\$ (282,376)
Total Other Financing Sources	\$ 747,988	\$ 2,339,257	\$ 1,030,364	\$ (282,376)
Net Change in Fund Balance	\$ 1,052,882	\$ 720,934	\$ 719,434	\$ 333,448
Fund Balance, July 1, 2023	4,518,351	3,881,772	3,881,772	636,579
Fund Balance, June 30, 2024	\$ 5,571,233	\$ 4,602,706	\$ 4,601,206	\$ 970,027

CUSTODIAL FUNDS

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

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

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

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

	<u>Custodial Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
ASSETS			
Cash	\$ 0	\$ 1,283,558	\$ 1,283,558
Accounts Receivable	0	11	11
Due from Other Governments	432,167	0	432,167
Total Assets	<u>\$ 432,167</u>	<u>\$ 1,283,569</u>	<u>\$ 1,715,736</u>
LIABILITIES			
Due to Other Taxing Units	\$ 432,167	\$ 0	\$ 432,167
Total Liabilities	<u>\$ 432,167</u>	<u>\$ 0</u>	<u>\$ 432,167</u>
NET POSITION			
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 0</u>	<u>\$ 1,283,569</u>	<u>\$ 1,283,569</u>
Total Net Position	<u>\$ 0</u>	<u>\$ 1,283,569</u>	<u>\$ 1,283,569</u>

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

	Custodial Funds		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
Additions			
Sales Tax Collections for Other Governments	\$ 2,523,308	\$ 0	\$ 2,523,308
Fines/Fees and Other Collections	0	6,665,929	6,665,929
Total Additions	<u>\$ 2,523,308</u>	<u>\$ 6,665,929</u>	<u>\$ 9,189,237</u>
Deductions			
Payment of Sales Tax Collections for Other Governments	\$ 2,523,308	\$ 0	\$ 2,523,308
Payments to State	0	3,774,701	3,774,701
Payments to Cities, Individuals and Others	0	3,307,977	3,307,977
Total Deductions	<u>\$ 2,523,308</u>	<u>\$ 7,082,678</u>	<u>\$ 9,605,986</u>
Change in Net Position	\$ 0	\$ (416,749)	\$ (416,749)
Net Position July 1, 2023	0	1,700,318	1,700,318
Net Position June 30, 2024	<u>\$ 0</u>	<u>\$ 1,283,569</u>	<u>\$ 1,283,569</u>

McNAIRY COUNTY SCHOOL DEPARTMENT

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

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

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

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

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

Exhibit I-1

McNAIRY COUNTY, TENNESSEE

Statement of Activities

Discretely Presented McNairy County School Department

For the Year Ended June 30, 2024

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	\$ 30,960,264	\$ 97,209	\$ 5,463,242	\$ 0	\$ (25,399,813)
Support Services	13,353,164	52,978	4,716,660	1,580,000	(7,003,526)
Operation of Non-instructional Services	6,619,379	13,708	4,626,961	0	(1,978,710)
Total Governmental Activities	\$ 50,932,807	\$ 163,895	\$ 14,806,863	\$ 1,580,000	\$ (34,382,049)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 4,136,529
Local Option Sales Taxes					3,185,984
Other Local Taxes					1,054
Grants and Contributions Not Restricted to Specific Programs					32,835,095
Miscellaneous					216,777
Total General Revenues					\$ 40,375,439
Change in Net Position					\$ 5,993,390
Net Position, July 1, 2023					48,622,083
Net Position, June 30, 2024					\$ 54,615,473

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

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,218,025	\$ 1,218,025
Equity in Pooled Cash and Investments	7,084,025	293,007	2,198,271	0	9,575,303
Accounts Receivable	9	0	89	8,603	8,701
Due from Other Governments	1,535,798	512	31,062	0	1,567,372
Due from Other Funds	110	0	0	0	110
Due from Primary Government	1,054	0	0	0	1,054
Property Taxes Receivable	4,333,237	0	0	0	4,333,237
Allowance for Uncollectible Property Taxes	(319,352)	0	0	0	(319,352)
Restricted Assets	457,420	0	0	0	457,420
Total Assets	<u>\$ 13,092,301</u>	<u>\$ 293,519</u>	<u>\$ 2,229,422</u>	<u>\$ 1,226,628</u>	<u>\$ 16,841,870</u>
LIABILITIES					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 2,676	\$ 2,676
Payroll Deductions Payable	88,739	0	6,298	0	95,037
Total Liabilities	<u>\$ 88,739</u>	<u>\$ 0</u>	<u>\$ 6,298</u>	<u>\$ 2,676</u>	<u>\$ 97,713</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 3,915,657	\$ 0	\$ 0	\$ 0	\$ 3,915,657
Deferred Delinquent Property Taxes	85,601	0	0	0	85,601
Other Deferred/Unavailable Revenue	269,992	0	0	0	269,992
Total Deferred Inflows of Resources	<u>\$ 4,271,250</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,271,250</u>

(Continued)

McNAIRY COUNTY, TENNESSEE

Balance Sheet - Governmental Funds

Discretely Presented McNairy County School Department (Cont.)

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
FUND BALANCES					
Restricted:					
Restricted for Education	\$ 72,931	\$ 258,519	\$ 0	\$ 1,223,952	\$ 1,555,402
Restricted for Instruction	8,772	0	0	0	8,772
Restricted for Operation of Non-instructional Services	0	0	2,223,124	0	2,223,124
Restricted for Hybrid Retirement Stabilization Funds	457,420	0	0	0	457,420
Assigned:					
Assigned for Education	0	35,000	0	0	35,000
Unassigned	8,193,189	0	0	0	8,193,189
Total Fund Balances	\$ 8,732,312	\$ 293,519	\$ 2,223,124	\$ 1,223,952	\$ 12,472,907
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,092,301	\$ 293,519	\$ 2,229,422	\$ 1,226,628	\$ 16,841,870

McNAIRY COUNTY, TENNESSEE

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position**

Discretely Presented McNairy County School Department

June 30, 2024

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 12,472,907
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,291,479	
Add: construction in progress	350,249	
Add: buildings and improvements net of accumulated depreciation	30,585,498	
Add: other capital assets net of accumulated depreciation	<u>5,695,261</u>	37,922,487
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: net OPEB liability		(6,622,892)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 6,616,564	
Less: deferred inflows of resources related to pensions	(634,218)	
Add: deferred outflows of resources related to OPEB	2,913,883	
Less: deferred inflows of resources related to OPEB	<u>(4,649,813)</u>	4,246,416
(4) Net pension assets are not current financial resources and therefore are not reported in governmental funds.		
Add: net pension asset - agent plan	\$ 557,930	
Add: net pension asset - teacher retirement plan	106,521	
Add: net pension asset - teacher legacy pension plan	<u>5,576,511</u>	6,240,962
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>355,593</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 54,615,473</u></u>

McNAIRY COUNTY, TENNESSEE

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

Discretely Presented McNairy County School Department
For the Year Ended June 30, 2024

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
Revenues					
Local Taxes	\$ 7,442,563	\$ 0	\$ 0	\$ 0	\$ 7,442,563
Licenses and Permits	1,588	0	0	0	1,588
Charges for Current Services	19,474	0	110,917	0	130,391
Other Local Revenues	253,907	0	19,828	1,967,748	2,241,483
State of Tennessee	32,601,825	0	20,182	0	32,622,007
Federal Government	1,778,450	8,166,020	2,459,056	0	12,403,526
Other Governments and Citizens Groups	511,386	0	0	0	511,386
Total Revenues	\$ 42,609,193	\$ 8,166,020	\$ 2,609,983	\$ 1,967,748	\$ 53,352,944
Expenditures					
Current:					
Instruction	\$ 25,572,518	\$ 3,492,287	\$ 0	\$ 0	\$ 29,064,805
Support Services	12,694,223	2,466,072	0	0	15,160,295
Operation of Non-Instructional Services	607,518	409,466	2,717,135	1,938,684	5,672,803
Capital Outlay	439,258	1,430,499	0	0	1,869,757
Debt Service:					
Other Debt Service	1,308,893	0	0	0	1,308,893
Total Expenditures	\$ 40,622,410	\$ 7,798,324	\$ 2,717,135	\$ 1,938,684	\$ 53,076,553
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,986,783	\$ 367,696	\$ (107,152)	\$ 29,064	\$ 2,276,391
Other Financing Sources (Uses)					
Insurance Recovery	\$ 10,075	\$ 0	\$ 0	\$ 0	\$ 10,075
Transfers In	181,683	0	0	0	181,683

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
Other Financing Sources (Uses) (Cont.)					
Transfers Out	\$ 0	\$ (181,683)	\$ 0	\$ 0	\$ (181,683)
Total Other Financing Sources (Uses)	\$ 191,758	\$ (181,683)	\$ 0	\$ 0	\$ 10,075
Net Change in Fund Balances	\$ 2,178,541	\$ 186,013	\$ (107,152)	\$ 29,064	\$ 2,286,466
Fund Balance, July 1, 2023	6,553,771	107,506	2,330,276	1,194,888	10,186,441
Fund Balance, June 30, 2024	\$ 8,732,312	\$ 293,519	\$ 2,223,124	\$ 1,223,952	\$ 12,472,907

McNAIRY COUNTY, TENNESSEE

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

Discretely Presented McNairy County School Department

For the Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 2,286,466
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 5,157,146	
Less: current-year depreciation expense	<u>(2,145,715)</u>	3,011,431
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2024	\$ 355,593	
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(424,636)</u>	(69,043)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net OPEB liability	\$ (592,109)	
Change in deferred outflows related to OPEB	(108,704)	
Change in deferred inflows related to OPEB	1,798,203	
Change in net pension asset - agent plan	(150,807)	
Change in net pension asset - teacher retirement plan	36,272	
Change in net pension asset - teacher legacy pension plan	(155,236)	
Change in deferred outflows related to pensions	(773,766)	
Change in deferred inflows related to pensions	<u>710,683</u>	<u>764,536</u>
		<u>\$ 5,993,390</u>
Change in net position of governmental activities (Exhibit B)		

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 7,442,563	\$ 6,651,000	\$ 6,651,000	\$ 791,563
Licenses and Permits	1,588	2,000	2,000	(412)
Charges for Current Services	19,474	18,000	18,000	1,474
Other Local Revenues	253,907	106,600	752,600	(498,693)
State of Tennessee	32,601,825	30,847,479	34,198,399	(1,596,574)
Federal Government	1,778,450	0	1,663,078	115,372
Other Governments and Citizens Groups	511,386	0	494,186	17,200
Total Revenues	\$ 42,609,193	\$ 37,625,079	\$ 43,779,263	\$ (1,170,070)
Expenditures				
Instruction				
Regular Instruction Program	\$ 21,153,084	\$ 21,280,931	\$ 22,036,904	\$ 883,820
Special Education Program	2,687,942	2,491,273	2,894,641	206,699
Career and Technical Education Program	1,662,630	1,173,394	2,117,936	455,306
Adult Education Program	68,862	84,418	69,419	557
Support Services				
Attendance	99,429	99,563	99,895	466
Health Services	416,026	465,115	477,559	61,533
Other Student Support	231,172	1,068,635	247,912	16,740
Regular Instruction Program	850,130	829,585	861,304	11,174
Special Education Program	354,917	391,729	358,889	3,972
Career and Technical Education Program	130,114	97,212	449,577	319,463
Technology	1,071,229	518,686	1,073,021	1,792
Other Programs	167,957	0	167,957	0
Board of Education	443,820	476,357	453,217	9,397
Director of Schools	207,713	213,849	214,899	7,186
Office of the Principal	1,346,251	1,350,373	1,376,273	30,022
Fiscal Services	165,591	197,791	168,353	2,762
Operation of Plant	2,570,626	2,286,300	2,620,574	49,948
Maintenance of Plant	1,379,724	805,830	1,454,850	75,126
Transportation	3,259,524	1,855,174	3,416,346	156,822
Operation of Non-Instructional Services				
Food Service	3,388	0	3,444	56
Early Childhood Education	604,130	613,197	621,187	17,057
Capital Outlay				
Regular Capital Outlay	439,258	0	1,279,258	840,000
Other Debt Service				
Education	1,308,893	1,309,234	1,309,234	341
Total Expenditures	\$ 40,622,410	\$ 37,608,646	\$ 43,772,649	\$ 3,150,239
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,986,783	\$ 16,433	\$ 6,614	\$ 1,980,169

(Continued)

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Other Financing Sources (Uses)				
Insurance Recovery	\$ 10,075	\$ 0	\$ 10,000	\$ 75
Transfers In	181,683	0	0	181,683
Total Other Financing Sources	<u>\$ 191,758</u>	<u>\$ 0</u>	<u>\$ 10,000</u>	<u>\$ 181,758</u>
Net Change in Fund Balance	\$ 2,178,541	\$ 16,433	\$ 16,614	\$ 2,161,927
Fund Balance, July 1, 2023	6,553,771	8,305,987	8,305,987	(1,752,216)
Fund Balance, June 30, 2024	<u>\$ 8,732,312</u>	<u>\$ 8,322,420</u>	<u>\$ 8,322,601</u>	<u>\$ 409,711</u>

McNAIRY COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented McNairy County School Department
School Federal Projects Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Federal Government	\$ 8,166,020	\$ 8,959,043	\$ 10,125,188	\$ (1,959,168)
Total Revenues	\$ 8,166,020	\$ 8,959,043	\$ 10,125,188	\$ (1,959,168)
Expenditures				
Instruction				
Regular Instruction Program	\$ 2,323,235	\$ 2,470,374	\$ 2,777,766	\$ 454,531
Special Education Program	845,106	730,271	934,491	89,385
Career and Technical Education Program	323,946	309,616	324,208	262
Support Services				
Health Services	18,992	30,140	26,140	7,148
Other Student Support	521,269	138,874	548,441	27,172
Regular Instruction Program	515,311	543,217	593,424	78,113
Special Education Program	179,230	135,116	231,645	52,415
Career and Technical Education Program	2,372	18,600	2,372	0
Technology	65,678	105,185	120,175	54,497
Office of the Principal	22,949	45,935	35,335	12,386
Maintenance of Plant	683,009	741,000	857,050	174,041
Transportation	457,262	727,350	860,911	403,649
Operation of Non-Instructional Services				
Food Service	3,081	12,000	12,000	8,919
Community Services	406,385	457,842	458,989	52,604
Capital Outlay				
Regular Capital Outlay	1,430,499	2,086,185	1,786,185	355,686
Total Expenditures	\$ 7,798,324	\$ 8,551,705	\$ 9,569,132	\$ 1,770,808
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 367,696	\$ 407,338	\$ 556,056	\$ (188,360)
Other Financing Sources (Uses)				
Transfers Out	\$ (181,683)	\$ (407,339)	\$ (556,056)	\$ 374,373
Total Other Financing Sources	\$ (181,683)	\$ (407,339)	\$ (556,056)	\$ 374,373
Net Change in Fund Balance	\$ 186,013	\$ (1)	\$ 0	\$ 186,013
Fund Balance, July 1, 2023	107,506	248,378	248,378	(140,872)
Fund Balance, June 30, 2024	\$ 293,519	\$ 248,377	\$ 248,378	\$ 45,141

McNAIRY COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

Discretely Presented McNairy County School Department

Central Cafeteria Fund

For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Charges for Current Services	\$ 110,917	\$ 0	\$ 110,917	\$ 178,000	\$ 178,000	\$ (67,083)
Other Local Revenues	19,828	0	19,828	22,000	22,000	(2,172)
State of Tennessee	20,182	0	20,182	20,000	20,000	182
Federal Government	2,459,056	0	2,459,056	2,285,000	2,643,800	(184,744)
Total Revenues	\$ 2,609,983	\$ 0	\$ 2,609,983	\$ 2,505,000	\$ 2,863,800	\$ (253,817)
Expenditures						
Operation of Non-Instructional Services						
Food Service	\$ 2,717,135	\$ 35,122	\$ 2,752,257	\$ 2,505,000	\$ 2,863,800	\$ 111,543
Total Expenditures	\$ 2,717,135	\$ 35,122	\$ 2,752,257	\$ 2,505,000	\$ 2,863,800	\$ 111,543
Excess (Deficiency) of Revenues						
Over Expenditures	\$ (107,152)	\$ (35,122)	\$ (142,274)	\$ 0	\$ 0	\$ (142,274)
Net Change in Fund Balance						
Fund Balance, July 1, 2023	\$ 2,330,276	\$ 0	\$ 2,330,276	\$ 2,249,840	\$ 2,249,840	\$ 80,436
Fund Balance, June 30, 2024	\$ 2,223,124	\$ (35,122)	\$ 2,188,002	\$ 2,249,840	\$ 2,249,840	\$ (61,838)

MISCELLANEOUS SCHEDULES

Exhibit J-1

McNAIRY COUNTY, TENNESSEE
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2024

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-23	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-24
NOTES PAYABLE								
Payable through General Debt Service Fund								
County Office Building	\$ 1,500,000	0 %	1-27-15	3-1-27	\$ 500,000	\$ 0	\$ 125,000	\$ 375,000
Ag Center Capital Outlay Notes, Series 2022	2,000,000	3.69	12-16-22	6-1-33	2,000,000	0	169,000	1,831,000
Total Notes Payable					<u>\$ 2,500,000</u>	<u>\$ 0</u>	<u>\$ 294,000</u>	<u>\$ 2,206,000</u>
OTHER LOANS PAYABLE								
Payable through the General Fund								
Patrol Cars	257,372	5	12-5-23	12-4-26	\$ 0	\$ 257,372	\$ 85,873	\$ 171,499
Payable through General Debt Service Fund								
Energy Efficient School Initiative	850,574	0.75	12-10-18	3-1-31	664,718	0	83,616	581,102
Total Other Loans Payable					<u>\$ 664,718</u>	<u>\$ 257,372</u>	<u>\$ 169,489</u>	<u>\$ 752,601</u>
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation School Bonds, Series 2017	7,750,000	2 to 3.5	6-9-17	6-1-46	\$ 5,490,000	\$ 0	\$ 175,000	\$ 5,315,000
General Obligation School Bonds, Series 2018	15,475,000	3 to 5	3-1-18	6-1-47	14,400,000	0	395,000	14,005,000
General Obligation Bonds, Series 2019	9,000,000	2.5 to 3	5-30-19	6-1-34	6,970,000	0	550,000	6,420,000
Total Bonds Payable					<u>\$ 26,860,000</u>	<u>\$ 0</u>	<u>\$ 1,120,000</u>	<u>\$ 25,740,000</u>

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2025	\$ 300,000	\$ 67,564	\$ 367,564
2026	307,000	61,106	368,106
2027	313,000	54,391	367,391
2028	195,000	47,453	242,453
2029	203,000	40,258	243,258
2030	210,000	32,767	242,767
2031	218,000	25,018	243,018
2032	226,000	16,974	242,974
2033	234,000	8,635	242,635
Total	\$ 2,206,000	\$ 354,166	\$ 2,560,166

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2025	\$ 167,910	\$ 10,350	\$ 178,260
2026	172,716	5,544	178,260
2027	85,525	2,736	88,261
2028	86,160	2,100	88,260
2029	86,808	1,452	88,260
2030	87,468	792	88,260
2031	66,014	164	66,178
Total	\$ 752,601	\$ 23,138	\$ 775,739

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 1,160,000	\$ 807,996	\$ 1,967,996
2026	2,570,000	774,095	3,344,095
2027	790,000	684,725	1,474,725
2028	805,000	665,545	1,470,545
2029	825,000	644,262	1,469,262
2030	1,345,000	622,452	1,967,452
2031	1,380,000	584,627	1,964,627
2032	1,420,000	545,812	1,965,812
2033	1,465,000	505,765	1,970,765
2034	1,510,000	461,815	1,971,815
2035	805,000	415,814	1,220,814
2036	835,000	390,946	1,225,946
2037	860,000	364,793	1,224,793
2038	885,000	337,087	1,222,087
2039	915,000	307,700	1,222,700
2040	945,000	277,313	1,222,313
2041	975,000	245,419	1,220,419
2042	1,005,000	212,512	1,217,512
2043	1,045,000	178,594	1,223,594
2044	1,080,000	142,950	1,222,950
2045	1,115,000	106,113	1,221,113
2046	1,155,000	68,082	1,223,082
2047	850,000	28,688	878,688
Total	\$ 25,740,000	\$ 9,373,105	\$ 35,113,105

McNAIRY COUNTY, TENNESSEE

Schedule of Lease Receivable

Primary Government

June 30, 2024

Description	Debtor	Original Amount of Lease	Date of Issue	Date of Maturity	Interest Rate	Balance 7-1-23	Deductions	Balance 6-30-24
PRIMARY GOVERNMENT								
Special Purpose Fund								
Higher Education Building	UTM Selmer	\$ 1,043,873	1-8-17	1-31-27	2 %	\$ 512,632	\$ 120,469	\$ 392,163
Total Lease Receivable						\$ 512,632	\$ 120,469	\$ 392,163

McNAIRY COUNTY, TENNESSEE

Schedule of Transfers

Primary Government and Discretely Presented McNairy County School Department

For the Year Ended June 30, 2024

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
Highway/Public Works	General Debt Service	Debt retirement	\$ 747,988
Total Transfers Primary Government			<u>\$ 747,988</u>
DISCRETELY PRESENTED MCNAIRY COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	\$ 181,683
Total Transfers Discretely Presented McNairy County School Department			<u>\$ 181,683</u>

McNAIRY COUNTY, TENNESSEE

Schedule of Salaries and Official Bonds of Principal Officials

Primary Government and Discretely Presented McNairy County School Department

For the Year Ended June 30, 2024

Official	Salary	Authorization	Bond	Surety
County Mayor		Section 8-24-102, <i>TCA</i>	\$ 100,000	Ohio Casualty Insurance Company
Base salary/Total compensation	<u>\$ 104,776</u>			
Highway Commissioner		Section 8-24-102, <i>TCA</i>	100,000	Western Surety Company
Base salary/Total compensation	<u>\$ 99,787</u>			
Director of Schools		State Board of Education and (1) County Board of Education	400,000	Tennessee Risk Management Trust
Base salary	\$ 104,428			
CEO supplement/teacher bonus	1,887			
Travel allowance	4,800			
Career ladder	1,000			
Total compensation	<u>\$ 112,115</u>			
Trustee		Section 8-24-102, <i>TCA</i>	1,408,298	Ohio Casualty Insurance Company
Base salary/Total compensation	<u>\$ 90,715</u>			
Assessor of Property		Section 8-24-102, <i>TCA</i>	100,000	Ohio Casualty Insurance Company
Base salary/Total compensation	<u>\$ 90,715</u>			
County Clerk		Section 8-24-102, <i>TCA</i>	100,000	Auto-Owners Mutual Insurance Company
Base salary/Total compensation	<u>\$ 90,715</u>			
Circuit and General Sessions Courts Clerk		Section 8-24-102, <i>TCA</i>	100,000	Auto-Owners Mutual Insurance Company
Base salary/Total compensation	<u>\$ 90,715</u>			
Clerk and Master		Section 8-24-102, <i>TCA</i>	115,000	Ohio Casualty Insurance Company
Base salary/Total compensation	<u>\$ 90,715</u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	100,000	Ohio Casualty Insurance Company
Base salary/Total compensation	<u>\$ 90,715</u>			
Sheriff		Section 8-24-102, <i>TCA</i>	100,000	Ohio Casualty Insurance Company
Base salary	\$ 99,787			
Law enforcement training supplement	800			
Total compensation	<u>\$ 100,587</u>			
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Local Government Property and Casualty Fund
Employee Fidelity - School Department			400,000	Tennessee Risk Management Trust

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

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

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Other General Government
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 3,694,829	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	162,512	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	342,293	0	0	0	0	0
Interest and Penalty	28,905	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	2,506	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	840	0	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	657,447	0	0	0	0	0
Hotel/Motel Tax	17,199	0	0	0	0	0
Litigation Tax - General	89,409	0	0	0	0	0
Litigation Tax - Special Purpose	0	1,796	0	0	0	0
Business Tax	21,570	0	0	0	0	0
Mixed Drink Tax	1,156	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	26,353	0	0	0	0	0
Wholesale Beer Tax	24,916	0	0	0	0	0
City Local Option Taxes						
Business Tax	234,230	0	0	0	0	0
Total Local Taxes	<u>\$ 5,304,165</u>	<u>\$ 1,796</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Licenses and Permits						
Licenses						
Cable TV Franchise	\$ 31,875	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Other General Government
Licenses and Permits (Cont.)						
Permits						
Beer Permits	\$ 808	\$ 0	\$ 0	\$ 0	\$ 0	0
Total Licenses and Permits	\$ 32,683	\$ 0	\$ 0	\$ 0	\$ 0	0
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	\$ 13,194	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	8,985	0	0	0	0	0
Drug Control Fines	266	0	0	0	15,757	0
Drug Court Fees	3,744	0	0	0	0	0
Jail Fees	1,227	0	0	0	0	0
Data Entry Fee - Circuit Court	6,379	0	0	0	0	0
Victims Assistance Assessments	6,769	0	0	0	0	0
Criminal Court						
DUI Treatment Fines	1,757	0	0	0	0	0
General Sessions Court						
Fines	16,889	0	0	0	0	0
Officers Costs	9,318	0	0	0	0	0
Drug Control Fines	0	0	0	0	7,734	0
Drug Court Fees	5,543	0	0	0	0	0
Jail Fees	18,704	0	0	0	0	0
DUI Treatment Fines	3,705	0	0	0	0	0
Data Entry Fee - General Sessions Court	8,336	0	0	0	0	0
Courtroom Security Fee	8	0	0	0	0	0
Victims Assistance Assessments	9,697	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Other General Government
Fines, Forfeitures, and Penalties (Cont.)						
Juvenile Court						
Fines	\$ 792	\$ 0	\$ 0	\$ 0	\$ 0	0
Chancery Court						
Data Entry Fee - Chancery Court	5,204	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	0	0	44,491	0
Total Fines, Forfeitures, and Penalties	\$ 120,517	\$ 0	\$ 0	\$ 0	\$ 67,982	\$ 0
Charges for Current Services						
General Service Charges						
Residential Waste Collection Charge	\$ 0	\$ 0	1,287,912	\$ 0	\$ 0	0
Tipping Fees	0	0	5,399	0	0	0
Other General Service Charges	52,305	0	0	0	0	0
Fees						
Recreation Fees	89,015	0	0	0	0	0
Copy Fees	380	0	0	0	0	0
Library Fees	4,919	1,212	0	0	0	0
Telephone Commissions	54,590	0	0	0	0	0
Tourism Fees	13,164	0	0	0	0	0
Additional Fees - Titling and Registration	22,844	0	0	0	0	0
Data Processing Fee - Register	7,564	0	0	0	0	0
Data Processing Fee - Sheriff	1,319	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	6,044	0	0	0	0	0
Data Processing Fee - County Clerk	7,015	0	0	0	0	0
Vehicle Registration Reinstatement Fees	3,050	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Other General Government
Charges for Current Services (Cont.)						
Education Charges						
Transportation from Individuals	\$ 4,289	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Charges for Services	7,248	0	0	0	0	0
Total Charges for Current Services	<u>\$ 273,746</u>	<u>\$ 1,212</u>	<u>\$ 1,293,311</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Other Local Revenues						
Recurring Items						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,771
Lease/Rentals/PPP	56,700	0	0	120,468	0	0
Lease/PPP Interest	0	0	0	10,253	0	0
Sale of Materials and Supplies	7,523	0	0	0	0	0
Commissary Sales	15,850	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0
Sale of Maps	556	0	0	0	0	0
Sale of Recycled Materials	0	0	28,961	0	0	0
Miscellaneous Refunds	14,701	0	749	0	0	0
Nonrecurring Items						
Sale of Property	28,890	0	0	0	0	0
Contributions and Gifts	13,500	0	0	0	0	0
Total Other Local Revenues	<u>\$ 137,720</u>	<u>\$ 0</u>	<u>\$ 29,710</u>	<u>\$ 130,721</u>	<u>\$ 0</u>	<u>3,771</u>
Fees Received From County Officials						
Excess Fees						
Juvenile Court Clerk	\$ 4,967	\$ 0	\$ 0	\$ 0	\$ 0	0
Fees In-Lieu-of Salary						
County Clerk	255,491	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Other General Government
Fees Received From County Officials (Cont.)						
Fees In-Lieu-of Salary (Cont.)						
Circuit Court Clerk	\$ 63,795	\$ 0	\$ 0	\$ 0	\$ 0	0
General Sessions Court Clerk	126,238	0	0	0	0	0
Clerk and Master	139,512	0	0	0	0	0
Register	102,151	0	0	0	0	0
Sheriff	1,565	0	0	0	0	0
Trustee	336,890	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,030,609	\$ 0	\$ 0	\$ 0	\$ 0	0
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0	0
Other General Government Grants	63,552	0	0	0	0	0
Public Safety Grants						
School Resource Officer Grants	569,395	0	0	0	0	0
Other Public Safety Grants	912,008	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	118,536	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	0	0	0
Other State Revenues						
Beer Tax	18,498	0	0	0	0	0
Vehicle Certificate of Title Fees	2,500	0	0	0	0	0
Alcoholic Beverage Tax	91,511	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	109,247	0	0	0	0	0
State Revenue Sharing - T.V.A.	639,316	0	213,105	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Other General Government
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
State Revenue Sharing - Telecommunications	\$ 39,752	\$ 0	\$ 0	\$ 0	\$ 0	0
State Shared Sports Gaming Privilege Tax	28,807	0	0	0	0	0
Contracted Prisoner Boarding	489,663	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Other State Grants	253,844	0	0	0	0	0
Other State Revenues	33,029	0	17,574	0	0	0
Total State of Tennessee	\$ 3,374,158	\$ 0	\$ 230,679	\$ 0	\$ 0	0
Federal Government						
Federal Through State						
Community Development	\$ 892,120	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	35,088	0	0	0	0	0
American Rescue Plan Act Grant A	25,000	0	0	0	0	0
Other Federal through State	24,438	0	0	0	0	0
Direct Federal Revenue						
Other Direct Federal Revenue	431,400	0	0	0	0	0
Total Federal Government	\$ 1,408,046	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 0	\$ 0	\$ 0	44,306	\$ 0	0
Citizens Groups						
Donations	200	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Other General Government
Other Governments and Citizens Groups (Cont.)						
Other						
Opioid Settlement Funds - Past Remediation	\$ 95,589	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	<u>\$ 95,789</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 44,306</u>	<u>\$ 0</u>	<u>\$ 0</u>
 Total	 <u>\$ 11,777,433</u>	 <u>\$ 3,008</u>	 <u>\$ 1,553,700</u>	 <u>\$ 175,027</u>	 <u>\$ 67,982</u>	 <u>\$ 3,771</u>

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	Highway Capital Projects	
Local Taxes				
County Property Taxes				
Current Property Tax	\$ 434,272	\$ 728,376	\$ 151,712	\$ 5,009,189
Trustee's Collections - Prior Year	19,091	31,203	6,111	218,917
Circuit Clerk/Clerk and Master Collections - Prior Years	30,715	67,787	0	440,795
Interest and Penalty	3,260	5,851	1,218	39,234
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	2,506
Payments in-Lieu-of Taxes - Other	0	0	0	840
County Local Option Taxes				
Local Option Sales Tax	0	0	0	657,447
Hotel/Motel Tax	0	0	0	17,199
Litigation Tax - General	0	0	0	89,409
Litigation Tax - Special Purpose	0	0	0	1,796
Business Tax	0	0	0	21,570
Mixed Drink Tax	0	0	0	1,156
Mineral Severance Tax	6,133	0	0	6,133
Statutory Local Taxes				
Bank Excise Tax	4,327	5,900	0	36,580
Wholesale Beer Tax	0	0	0	24,916
City Local Option Taxes				
Business Tax	0	0	0	234,230
Total Local Taxes	\$ 497,798	\$ 839,117	\$ 159,041	\$ 6,801,917
Licenses and Permits				
Licenses				
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 31,875

(Continued)

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

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	Total
	Highway / Public Works	General Debt Service	Highway Capital Projects	
Licenses and Permits (Cont.)				
Permits				
Beer Permits	\$ 0	\$ 0	\$ 0	808
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>32,683</u>
Fines, Forfeitures, and Penalties				
Circuit Court				
Fines	\$ 0	\$ 0	\$ 0	13,194
Officers Costs	0	0	0	8,985
Drug Control Fines	0	0	0	16,023
Drug Court Fees	0	0	0	3,744
Jail Fees	0	0	0	1,227
Data Entry Fee - Circuit Court	0	0	0	6,379
Victims Assistance Assessments	0	0	0	6,769
Criminal Court				
DUI Treatment Fines	0	0	0	1,757
General Sessions Court				
Fines	0	0	0	16,889
Officers Costs	0	0	0	9,318
Drug Control Fines	0	0	0	7,734
Drug Court Fees	0	0	0	5,543
Jail Fees	0	0	0	18,704
DUI Treatment Fines	0	0	0	3,705
Data Entry Fee - General Sessions Court	0	0	0	8,336
Courtroom Security Fee	0	0	0	8
Victims Assistance Assessments	0	0	0	9,697

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
	Highway / Public Works	General Debt Service	Highway Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)				
Juvenile Court				
Fines	\$ 0	\$ 0	\$ 0	792
Chancery Court				
Data Entry Fee - Chancery Court	0	0	0	5,204
Other Fines, Forfeitures, and Penalties				
Proceeds from Confiscated Property	0	0	0	44,491
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	188,499
Charges for Current Services				
General Service Charges				
Residential Waste Collection Charge	\$ 0	\$ 0	\$ 0	1,287,912
Tipping Fees	0	0	0	5,399
Other General Service Charges	0	0	0	52,305
Fees				
Recreation Fees	0	0	0	89,015
Copy Fees	0	0	0	380
Library Fees	0	0	0	6,131
Telephone Commissions	0	0	0	54,590
Tourism Fees	0	0	0	13,164
Additional Fees - Titling and Registration	0	0	0	22,844
Data Processing Fee - Register	0	0	0	7,564
Data Processing Fee - Sheriff	0	0	0	1,319
Sexual Offender Registration Fee - Sheriff	0	0	0	6,044
Data Processing Fee - County Clerk	0	0	0	7,015
Vehicle Registration Reinstatement Fees	0	0	0	3,050

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	Highway Capital Projects	
Charges for Current Services (Cont.)				
Education Charges				
Transportation from Individuals	\$ 0	\$ 0	\$ 0	\$ 4,289
Other Charges for Services	0	0	0	7,248
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 1,568,269
Other Local Revenues				
Recurring Items				
Investment Income	\$ 0	\$ 604,777	\$ 0	\$ 608,548
Lease/Rentals/PPP	0	0	0	177,168
Lease/PPP Interest	0	0	0	10,253
Sale of Materials and Supplies	4,042	0	0	11,565
Commissary Sales	0	0	0	15,850
Sale of Gasoline	26,610	0	0	26,610
Sale of Maps	0	0	0	556
Sale of Recycled Materials	0	0	0	28,961
Miscellaneous Refunds	26,275	0	0	41,725
Nonrecurring Items				
Sale of Property	0	0	0	28,890
Contributions and Gifts	0	0	0	13,500
Total Other Local Revenues	\$ 56,927	\$ 604,777	\$ 0	\$ 963,626
Fees Received From County Officials				
Excess Fees				
Juvenile Court Clerk	\$ 0	\$ 0	\$ 0	\$ 4,967
Fees In-Lieu-of Salary				
County Clerk	0	0	0	255,491

(Continued)

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

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Highway / Public Works	General Debt Service	Highway Capital Projects	Total
Fees Received From County Officials (Cont.)				
Fees In-Lieu-of Salary (Cont.)				
Circuit Court Clerk	\$ 0	\$ 0	\$ 0	\$ 63,795
General Sessions Court Clerk	0	0	0	126,238
Clerk and Master	0	0	0	139,512
Register	0	0	0	102,151
Sheriff	0	0	0	1,565
Trustee	0	0	0	336,890
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 1,030,609
State of Tennessee				
General Government Grants				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 4,500
Other General Government Grants	0	0	0	63,552
Public Safety Grants				
School Resource Officer Grants	0	0	0	569,395
Other Public Safety Grants	0	0	0	912,008
Health and Welfare Grants				
Health Department Programs	0	0	0	118,536
Public Works Grants				
State Aid Program	2,691,942	0	0	2,691,942
Other State Revenues				
Beer Tax	0	0	0	18,498
Vehicle Certificate of Title Fees	0	0	0	2,500
Alcoholic Beverage Tax	0	0	0	91,511
Opioid Settlement Funds - TN Abatement Council	0	0	0	109,247
State Revenue Sharing - T.V.A.	0	0	0	852,421

(Continued)

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

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Highway / Public Works	General Debt Service	Highway Capital Projects	Total
State of Tennessee (Cont.)				
Other State Revenues (Cont.)				
State Revenue Sharing - Telecommunications	\$ 0	\$ 0	\$ 0	\$ 39,752
State Shared Sports Gaming Privilege Tax	0	0	0	28,807
Contracted Prisoner Boarding	0	0	0	489,663
Gasoline and Motor Fuel Tax	2,668,326	0	0	2,668,326
Hybrid/Electric Vehicle Registration Fee	10,799	0	0	10,799
Petroleum Special Tax	17,138	0	0	17,138
Other State Grants	0	0	0	253,844
Other State Revenues	0	0	0	50,603
Total State of Tennessee	<u>\$ 5,388,205</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,993,042</u>
Federal Government				
Federal Through State				
Community Development	\$ 0	\$ 0	\$ 0	\$ 892,120
Civil Defense Reimbursement	0	0	0	35,088
American Rescue Plan Act Grant A	0	0	0	25,000
Other Federal through State	0	0	0	24,438
Direct Federal Revenue				
Other Direct Federal Revenue	0	0	0	431,400
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,408,046</u>
Other Governments and Citizens Groups				
Other Governments				
Contributions	\$ 0	\$ 1,308,893	\$ 0	\$ 1,353,199
Citizens Groups				
Donations	0	0	0	200

(Continued)

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

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Highway / Public Works	General Debt Service	Highway Capital Projects	Total
<hr/>				
Other Governments and Citizens Groups (Cont.)				
Other				
Opioid Settlement Funds - Past Remediation	\$ 0	\$ 0	\$ 0	\$ 95,589
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 1,308,893</u>	<u>\$ 0</u>	<u>\$ 1,448,988</u>
 Total	 <u>\$ 5,942,930</u>	 <u>\$ 2,752,787</u>	 <u>\$ 159,041</u>	 <u>\$ 22,435,679</u>

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

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 3,694,282	\$ 0	\$ 0	\$ 0	\$ 0	3,694,282
Trustee's Collections - Prior Year	162,543	0	0	0	0	162,543
Circuit Clerk/Clerk and Master Collections - Prior Years	340,077	0	0	0	0	340,077
Interest and Penalty	28,662	0	0	0	0	28,662
County Local Option Taxes						
Local Option Sales Tax	3,165,992	0	0	0	0	3,165,992
Mixed Drink Tax	1,054	0	0	0	0	1,054
Statutory Local Taxes						
Bank Excise Tax	49,953	0	0	0	0	49,953
Total Local Taxes	\$ 7,442,563	\$ 0	\$ 0	\$ 0	\$ 0	7,442,563
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 1,588	\$ 0	\$ 0	\$ 0	\$ 0	1,588
Total Licenses and Permits	\$ 1,588	\$ 0	\$ 0	\$ 0	\$ 0	1,588
Charges for Current Services						
Education Charges						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 22,830	\$ 0	\$ 0	22,830
A la Carte Sales	0	0	74,379	0	0	74,379
Receipts from Individual Schools	19,474	0	0	0	0	19,474
Other Charges for Services	0	0	13,708	0	0	13,708
Total Charges for Current Services	\$ 19,474	\$ 0	\$ 110,917	\$ 0	\$ 0	130,391

(Continued)

McNAIRY COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented McNairy County School Department (Cont.)

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
Other Local Revenues						
Recurring Items						
Investment Income	\$ 38,287	\$ 0	\$ 9,983	\$ 0	\$ 48,270	
Lease/Rentals/PPP	33,504	0	0	0	33,504	
Miscellaneous Refunds	1,885	0	9,845	0	11,730	
Nonrecurring Items						
Contributions and Gifts	13,471	0	0	0	13,471	
Other Local Revenues						
Other Local Revenues	166,760	0	0	1,967,748	2,134,508	
Total Other Local Revenues	\$ 253,907	\$ 0	\$ 19,828	\$ 1,967,748	\$ 2,241,483	
State of Tennessee						
General Government Grants						
On-behalf Contributions for OPEB	\$ 167,957	\$ 0	\$ 0	\$ 0	167,957	
State Education Funds						
Tennessee Investment in Student Achievement	30,740,663	0	0	0	30,740,663	
TISA - On-behalf Payments	55,247	0	0	0	55,247	
Early Childhood Education	636,861	0	0	0	636,861	
School Food Service	0	0	20,182	0	20,182	
Driver Education	12,045	0	0	0	12,045	
Other State Education Funds	288,912	0	0	0	288,912	
Paid Parental Leave	90,273	0	0	0	90,273	
Career Ladder Program	67,865	0	0	0	67,865	
Other Vocational	388,086	0	0	0	388,086	
Other State Revenues						
Safe Schools	152,716	0	0	0	152,716	

(Continued)

McNAIRY COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented McNairy County School Department (Cont.)

	<u>Special Revenue Funds</u>					Total
	General	School	Central	Internal	Total	
	Purpose School	Federal Projects	Cafeteria	School		
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Other State Revenues	\$ 1,200	\$ 0	\$ 0	\$ 0	\$ 0	1,200
Total State of Tennessee	<u>\$ 32,601,825</u>	<u>\$ 0</u>	<u>\$ 20,182</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>32,622,007</u>
Federal Government						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	1,337,375	\$ 0	\$ 0	1,337,375
USDA - Commodities	0	0	167,983	0	0	167,983
Breakfast	0	0	670,761	0	0	670,761
USDA - Other	0	0	282,937	0	0	282,937
Vocational Education - Basic Grants to States	0	357,071	0	0	0	357,071
Title I Grants to Local Education Agencies	0	1,337,312	0	0	0	1,337,312
Special Education - Grants to States	0	1,104,854	0	0	0	1,104,854
Special Education Preschool Grants	0	38,396	0	0	0	38,396
Rural Education	0	86,037	0	0	0	86,037
Eisenhower Professional Development State Grants	0	64,662	0	0	0	64,662
COVID-19 Grant B	0	172,529	0	0	0	172,529
COVID-19 Grant D	0	29,000	0	0	0	29,000
American Rescue Plan Act Grant #1	0	4,422,621	0	0	0	4,422,621
American Rescue Plan Act Grant #2	0	15	0	0	0	15
American Rescue Plan Act Grant #4	0	81,026	0	0	0	81,026
Other Federal through State	198,450	472,497	0	0	0	670,947
Direct Federal Revenue						
Other Direct Federal Revenue	1,580,000	0	0	0	0	1,580,000
Total Federal Government	<u>\$ 1,778,450</u>	<u>\$ 8,166,020</u>	<u>\$ 2,459,056</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>12,403,526</u>

(Continued)

McNAIRY COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented McNairy County School Department (Cont.)

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 494,186	\$ 0	\$ 0	\$ 0	\$ 0	494,186
Other						
Other	17,200	0	0	0	0	17,200
Total Other Governments and Citizens Groups	<u>\$ 511,386</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>511,386</u>
Total	<u>\$ 42,609,193</u>	<u>\$ 8,166,020</u>	<u>\$ 2,609,983</u>	<u>\$ 1,967,748</u>	<u>\$ 0</u>	<u>55,352,944</u>

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	7,905	
Accounting Services		6,000	
Audit Services		11,122	
Dues and Memberships		3,192	
Legal Services		19,446	
Periodicals		1,830	
Total County Commission			\$ 49,495

Board of Equalization

Board and Committee Members Fees	\$	1,500	
Total Board of Equalization			1,500

Beer Board

Board and Committee Members Fees	\$	75	
Periodicals		42	
Total Beer Board			117

Budget and Finance Committee

Board and Committee Members Fees	\$	2,055	
Total Budget and Finance Committee			2,055

Other Boards and Committees

Board and Committee Members Fees	\$	690	
Total Other Boards and Committees			690

County Mayor/Executive

County Official/Administrative Officer	\$	104,776	
Accountants/Bookkeepers		36,165	
Salary Supplements		2,000	
Secretary(ies)		31,684	
Communication		2,932	
Dues and Memberships		2,015	
Maintenance Agreements		1,550	
Postal Charges		1,496	
Printing, Stationery, and Forms		1,390	
Travel		895	
Other Contracted Services		19,956	
Office Supplies		1,396	
Other Charges		665	
Office Equipment		8,839	
Total County Mayor/Executive			215,759

County Attorney

County Official/Administrative Officer	\$	6,000	
Total County Attorney			6,000

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	81,644	
Other Salaries and Wages		17,439	
Election Commission		5,770	
Election Workers		13,175	
In-service Training		232	
Communication		3,744	
Legal Notices, Recording, and Court Costs		2,698	
Maintenance Agreements		13,886	
Maintenance and Repair Services - Equipment		13,490	
Postal Charges		2,496	
Printing, Stationery, and Forms		3,008	
Rentals		390	
Travel		800	
Other Contracted Services		10,934	
Office Supplies		3,687	
Software		12,278	
Liability Insurance		2,529	
Other Charges		7,688	
Data Processing Equipment		2,403	
Office Equipment		9,706	
Total Election Commission			\$ 207,997

Register of Deeds

County Official/Administrative Officer	\$	90,715	
Deputy(ies)		34,574	
Secretary(ies)		28,637	
In-service Training		370	
Communication		1,966	
Data Processing Services		7,937	
Dues and Memberships		969	
Maintenance Agreements		568	
Postal Charges		157	
Printing, Stationery, and Forms		617	
Travel		1,719	
Office Supplies		839	
Other Supplies and Materials		853	
Total Register of Deeds			169,921

County Buildings

Custodial Personnel	\$	24,361	
Maintenance Personnel		11,642	
Maintenance Agreements		4,390	
Maintenance and Repair Services - Buildings		63,128	
Maintenance and Repair Services - Vehicles		3,178	
Pest Control		1,050	
Custodial Supplies		2,354	
Electricity		109,631	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Gasoline	\$	5,947	
Natural Gas		13,979	
Water and Sewer		31,598	
Other Supplies and Materials		3,220	
Building and Contents Insurance		185,170	
Other Charges		3,037	
Total County Buildings			\$ 462,685

Preservation of Records

Postal Charges	\$	1	
Other Supplies and Materials		3,725	
Total Preservation of Records			3,726

Finance

Property Assessor's Office

County Official/ Administrative Officer	\$	90,715	
Deputy(ies)		51,639	
Data Processing Personnel		20,500	
Part-time Personnel		5,040	
In-service Training		175	
Audit Services		9,813	
Communication		1,395	
Contracts with Private Agencies		1,323	
Data Processing Services		14,910	
Dues and Memberships		1,750	
Maintenance Agreements		1,277	
Maintenance and Repair Services - Equipment		100	
Maintenance and Repair Services - Vehicles		642	
Postal Charges		864	
Printing, Stationery, and Forms		297	
Travel		300	
Gasoline		782	
Office Supplies		738	
Total Property Assessor's Office			202,260

County Trustee's Office

County Official/ Administrative Officer	\$	90,715	
Deputy(ies)		34,575	
Clerical Personnel		26,714	
Part-time Personnel		13,254	
Communication		1,615	
Data Processing Services		18,595	
Dues and Memberships		859	
Maintenance Agreements		677	
Postal Charges		8,135	
Printing, Stationery, and Forms		7,414	
Travel		1,495	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Office Supplies	\$	1,689	
Periodicals		378	
Office Equipment		7,205	
Total County Trustee's Office			\$ 213,320

County Clerk's Office

County Official/ Administrative Officer	\$	90,715	
Deputy(ies)		32,313	
Secretary(ies)		26,460	
Clerical Personnel		98,614	
Communication		4,263	
Data Processing Services		4,800	
Dues and Memberships		859	
Maintenance Agreements		930	
Postal Charges		6,342	
Printing, Stationery, and Forms		4,542	
Travel		811	
Data Processing Equipment		21,253	
Total County Clerk's Office			291,902

Administration of Justice

Circuit Court

County Official/ Administrative Officer	\$	90,715	
Deputy(ies)		64,979	
Jury and Witness Expense		4,412	
Other Per Diem and Fees		485	
Communication		7,512	
Contracts with Government Agencies		18,860	
Dues and Memberships		944	
Maintenance Agreements		1,772	
Postal Charges		4,363	
Printing, Stationery, and Forms		854	
Office Supplies		3,932	
Periodicals		207	
Other Charges		1,510	
Data Processing Equipment		7,433	
Total Circuit Court			207,978

General Sessions Court

Judge(s)	\$	133,535	
Deputy(ies)		20,803	
Accountants/Bookkeepers		24,484	
Secretary(ies)		26,390	
Contracts with Government Agencies		5,830	
Travel		680	
Other Charges		1,479	
Total General Sessions Court			213,201

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	90,715	
Deputy(ies)		29,668	
Clerical Personnel		25,017	
Advertising		108	
Communication		1,395	
Data Processing Services		11,921	
Dues and Memberships		1,044	
Maintenance Agreements		1,550	
Postal Charges		7,123	
Printing, Stationery, and Forms		100	
Travel		1,302	
Office Supplies		723	
Periodicals		1,722	
Premiums on Corporate Surety Bonds		599	
Data Processing Equipment		4,871	
Total Chancery Court			\$ 177,858

Juvenile Court

Youth Service Officer(s)	\$	41,671	
Clerical Personnel		2,581	
Travel		691	
Other Charges		1,190	
Total Juvenile Court			46,133

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	99,787	
Deputy(ies)		937,413	
Accountants/Bookkeepers		32,698	
Salary Supplements		54,870	
Guards		539,571	
Secretary(ies)		30,368	
Part-time Personnel		24,271	
Overtime Pay		22,239	
In-service Training		6,662	
Communication		32,234	
Dues and Memberships		2,300	
Maintenance Agreements		794	
Maintenance and Repair Services - Equipment		500	
Maintenance and Repair Services - Office Equipment		500	
Maintenance and Repair Services - Vehicles		31,028	
Postal Charges		490	
Printing, Stationery, and Forms		710	
Towing Services		1,275	
Travel		3,648	
Other Contracted Services		500	
Gasoline		105,718	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Law Enforcement Supplies	\$	91,176	
Office Supplies		1,596	
Tires and Tubes		10,771	
Uniforms		14,317	
Other Supplies and Materials		9,418	
Indirect Cost		132,054	
Vehicle and Equipment Insurance		145,104	
Workers' Compensation Insurance		66,017	
Communication Equipment		292,367	
Data Processing Equipment		223,549	
Law Enforcement Equipment		6,083	
Motor Vehicles		257,372	
Office Equipment		500	
Other Equipment		3,696	
Total Sheriff's Department			\$ 3,181,596

Jail

Custodial Personnel	\$	36,213	
In-service Training		1,585	
Maintenance Agreements		5,589	
Maintenance and Repair Services - Buildings		86,783	
Maintenance and Repair Services - Equipment		2,962	
Medical and Dental Services		135,906	
Pest Control		600	
Travel		918	
Custodial Supplies		31,772	
Food Supplies		140,943	
Office Supplies		1,856	
Prisoners Clothing		1,081	
Other Supplies and Materials		11,324	
Other Charges		35,263	
Motor Vehicles		96,000	
Other Equipment		187,999	
Total Jail			776,794

Fire Prevention and Control

Assistant(s)	\$	29,739	
Supervisor/Director		60,158	
Salary Supplements		1,200	
Laborers		25,870	
In-service Training		3,871	
Maintenance and Repair Services - Buildings		4,136	
Maintenance and Repair Services - Equipment		11,589	
Maintenance and Repair Services - Vehicles		9,966	
Travel		217	
Electricity		16,980	
Gasoline		17,816	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Instructional Supplies and Materials	\$	1,578	
Office Supplies		569	
Tires and Tubes		3,708	
Other Supplies and Materials		2,477	
Liability Insurance		44,391	
Workers' Compensation Insurance		53,333	
Maintenance Equipment		49,409	
Other Equipment		569,384	
Total Fire Prevention and Control			\$ 906,391

Rural Fire Protection

Contracts with Government Agencies	\$	37,115	
Total Rural Fire Protection			37,115

Civil Defense

Supervisor/Director	\$	63,823	
In-service Training		2,542	
Communication		1,428	
Dues and Memberships		180	
Maintenance and Repair Services - Vehicles		1,350	
Gasoline		1,945	
Office Supplies		508	
Uniforms		302	
Other Supplies and Materials		4,343	
Other Equipment		43,586	
Total Civil Defense			120,007

Inspection and Regulation

Supervisor/Director	\$	7,258	
Total Inspection and Regulation			7,258

County Coroner/Medical Examiner

Other Contracted Services	\$	52,477	
Total County Coroner/Medical Examiner			52,477

Other Public Safety

Contracts with Other Public Agencies	\$	80,498	
Total Other Public Safety			80,498

Public Health and Welfare

Local Health Center

Social Workers	\$	47,894	
Clerical Personnel		36,971	
Custodial Personnel		13,121	
Communication		3,730	
Maintenance and Repair Services - Buildings		25,625	
Pest Control		455	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Travel	\$	2,486	
Custodial Supplies		212	
Electricity		12,181	
Natural Gas		5,645	
Office Supplies		1,970	
Water and Sewer		3,718	
Other Equipment		73,650	
Total Local Health Center			\$ 227,658

Ambulance/Emergency Medical Services

Contracts with Other Public Agencies	\$	40,000	
Total Ambulance/Emergency Medical Services			40,000

Alcohol and Drug Programs

Supervisor/Director	\$	37,200	
Clerical Personnel		17,363	
In-service Training		1,780	
Communication		466	
Other Supplies and Materials		3,817	
Other Charges		294	
Total Alcohol and Drug Programs			60,920

Social, Cultural, and Recreational Services

Libraries

County Official/Administrative Officer	\$	32,544	
Custodial Personnel		1,375	
Other Salaries and Wages		62,734	
Communication		2,545	
Maintenance and Repair Services - Buildings		2,741	
Pest Control		190	
Travel		628	
Custodial Supplies		354	
Electricity		7,889	
Library Books/Media		808	
Natural Gas		1,642	
Office Supplies		3,307	
Water and Sewer		2,058	
Other Supplies and Materials		2,426	
Data Processing Equipment		7,538	
Other Equipment		55,000	
Total Libraries			183,779

Other Social, Cultural, and Recreational

Supervisor/Director	\$	35,579	
Laborers		18,582	
Clerical Personnel		32,981	
Maintenance Personnel		7,327	

(Continued)

McNAIRY 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 (Cont.)

Advertising	\$ 3,464	
Architects	33,080	
Communication	2,538	
Maintenance Agreements	2,209	
Maintenance and Repair Services - Buildings	34,803	
Printing, Stationery, and Forms	1,090	
Travel	1,194	
Disposal Fees	2,645	
Permits	710	
Other Contracted Services	1,200	
Electricity	29,434	
Food Preparation Supplies	996	
Food Supplies	17,216	
Gasoline	1,172	
Natural Gas	15,054	
Office Supplies	2,080	
Periodicals	595	
Water and Sewer	3,591	
Gravel and Chert	126	
Other Supplies and Materials	46,420	
Other Charges	55,455	
Building Construction	1,180,174	
Food Service Equipment	223,528	
Land	39,200	
Office Equipment	499	
Building Purchases	10,800	
Other Equipment	19,969	
Other Capital Outlay	139,499	
Total Other Social, Cultural, and Recreational	\$ 1,963,210	\$ 1,963,210

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$ 73,051	
Maintenance Agreements	615	
Other Contracted Services	5,475	
Other Supplies and Materials	681	
Office Equipment	881	
Total Agricultural Extension Service	80,703	80,703

Soil Conservation

County Official/Administrative Officer	\$ 43,326	
Secretary(ies)	23,587	
Contributions	800	
Total Soil Conservation	67,713	67,713

Storm Water Management

Other Charges	\$ 508,200	
Total Storm Water Management	508,200	508,200

(Continued)

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

General Fund (Cont.)

Other Operations

Tourism

Supervisor/Director	\$	37,800	
Communication		893	
Dues and Memberships		100	
Maintenance and Repair Services - Equipment		158	
Travel		1,683	
Contracts for Development Costs		10,794	
Office Supplies		3,197	
Other Supplies and Materials		5,745	
Total Tourism			\$ 60,370

Other Economic and Community Development

Contracts with Other Public Agencies	\$	75,191	
Contributions		9,000	
Contracts for Development Costs		592,098	
Other Charges		769	
Total Other Economic and Community Development			677,058

Public Transportation

County Official/Administrative Officer	\$	28,080	
Part-time Personnel		26,957	
Communication		1,358	
Maintenance and Repair Services - Vehicles		701	
Gasoline		2,392	
Office Supplies		243	
Software		2,500	
Other Charges		210	
Total Public Transportation			62,441

Airport

Other Charges	\$	64,000	
Total Airport			64,000

Veterans' Services

Supervisor/Director	\$	43,254	
Communication		1,157	
Postal Charges		150	
Travel		1,558	
Office Supplies		588	
Periodicals		388	
Other Charges		1,078	
Data Processing Equipment		702	
Total Veterans' Services			48,875

Other Charges

Liability Insurance	\$	61,668	
Trustee's Commission		104,340	
Total Other Charges			166,008

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$ 43,691	
Total Contributions to Other Agencies		\$ 43,691

Employee Benefits

Longevity Pay	\$ 16,350	
Social Security	251,844	
Pensions	202,440	
Life Insurance	14,700	
Medical Insurance	761,548	
Employer Medicare	58,704	
Workers' Compensation Insurance	512	
Total Employee Benefits		1,306,098

Miscellaneous

Other Supplies and Materials	\$ 499	
Other Charges	495	
Total Miscellaneous		994

Principal on Debt

General Government

Principal on Other Loans	\$ 85,873	
Total General Government		85,873

Interest on Debt

General Government

Interest on Other Loans	\$ 4,127	
Total General Government		4,127

Total General Fund		\$ 13,286,451
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Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Clerical Personnel	\$ 1,800	
Library Books/Media	1,425	
Trustee's Commission	11	
Total Libraries		\$ 3,236

Total Law Library Fund		3,236
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Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$ 54,000	
Data Processing Personnel	28,538	
Board and Committee Members Fees	855	
Advertising	168	

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Communication	\$	3,729	
Contracts with Private Agencies		1,361,788	
Dues and Memberships		610	
Legal Services		33,019	
Postal Charges		25,987	
Travel		149	
Other Contracted Services		4,120	
Office Supplies		1,013	
Other Supplies and Materials		230	
Refunds		1,111	
Trustee's Commission		5	
Vehicle and Equipment Insurance		8,858	
Data Processing Equipment		1,270	
Total Sanitation Management			\$ 1,525,450

Recycling Center

Laborers	\$	111,507	
Maintenance and Repair Services - Buildings		439	
Maintenance and Repair Services - Equipment		2,636	
Maintenance and Repair Services - Vehicles		1,827	
Travel		50	
Electricity		2,237	
Gasoline		6,827	
Propane Gas		512	
Small Tools		842	
Tires and Tubes		1,717	
Uniforms		1,020	
Water and Sewer		393	
Other Supplies and Materials		4,866	
Total Recycling Center			134,873

Landfill Operation and Maintenance

Evaluation and Testing	\$	27,226	
Contracts for Landfill Facilities		28,310	
Electricity		373	
Water and Sewer		222	
Landfill Closure/Postclosure Care Costs		213,000	
Total Landfill Operation and Maintenance			269,131

Other Operations

Employee Benefits

Longevity Pay	\$	450	
Social Security		13,499	
Pensions		8,190	
Life Insurance		865	
Medical Insurance		44,524	
Employer Medicare		3,228	
Workers' Compensation Insurance		86	
Total Employee Benefits			70,842

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Highways

Litter and Trash Collection

Part-time Personnel	\$	30,668	
Maintenance and Repair Services - Vehicles		55	
Gasoline		2,699	
Instructional Supplies and Materials		11,813	
Other Supplies and Materials		836	
Total Litter and Trash Collection			\$ 46,071

Total Solid Waste/Sanitation Fund \$ 2,046,367

Special Purpose Fund

General Government

Other Facilities

Custodial Personnel	\$	12,817	
Communication		3,131	
Maintenance and Repair Services - Buildings		209,696	
Pest Control		270	
Other Contracted Services		2,288	
Custodial Supplies		2,449	
Electricity		20,432	
Gasoline		900	
Natural Gas		2,534	
Water and Sewer		3,323	
Building and Contents Insurance		8,984	
Total Other Facilities			\$ 266,824

Other Operations

Employee Benefits

Social Security	\$	776	
Pensions		674	
Employer Medicare		186	
Total Employee Benefits			1,636

Total Special Purpose Fund 268,460

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	8,000	
Other Supplies and Materials		5,000	
Motor Vehicles		40,000	
Other Equipment		10,000	
Total Drug Enforcement			\$ 63,000

Total Drug Control Fund 63,000

(Continued)

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

Other General Government Fund

Other Operations

Other Economic and Community Development

Contracts with Government Agencies	\$ 2,381,675	
Contracts for Development Costs	88,298	
Total Other Economic and Community Development	<u>2,469,973</u>	\$ 2,469,973

Total Other General Government Fund \$ 2,469,973

Other Special Revenue Fund

Capital Projects

Other General Government Projects

Maintenance and Repair Services - Buildings	\$ 118,742	
Total Other General Government Projects	<u>118,742</u>	\$ 118,742

Total Other Special Revenue Fund 118,742

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 99,787	
Accountants/Bookkeepers	37,263	
Clerical Personnel	18,844	
Board and Committee Members Fees	150	
Communication	7,717	
Dues and Memberships	3,683	
Maintenance and Repair Services - Buildings	8,231	
Postal Charges	400	
Printing, Stationery, and Forms	1,098	
Electricity	10,528	
Office Supplies	460	
Water and Sewer	256	
Office Equipment	<u>15,831</u>	
Total Administration		\$ 204,248

Highway and Bridge Maintenance

Foremen	\$ 14,337	
Equipment Operators	357,785	
Truck Drivers	240,884	
Laborers	219,204	
Other Contracted Services	14,915	
Crushed Stone	315,982	
Pipe - Metal	33,743	
Road Signs	3,622	
Chemicals	<u>34,981</u>	
Total Highway and Bridge Maintenance		1,235,453

Operation and Maintenance of Equipment

Mechanic(s)	\$ 79,331	
Licenses	20	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Diesel Fuel	\$	203,104	
Equipment and Machinery Parts		97,725	
Garage Supplies		30,061	
Gasoline		49,262	
Lubricants		3,679	
Propane Gas		94	
Tires and Tubes		37,968	
Total Operation and Maintenance of Equipment			\$ 501,244

Other Charges

Other Contracted Services	\$	18,812	
Building and Contents Insurance		25,526	
Trustee's Commission		55,029	
Vehicle and Equipment Insurance		89,355	
Total Other Charges			188,722

Employee Benefits

Social Security	\$	80,272	
Pensions		54,860	
Employee and Dependent Insurance		288,752	
Unemployment Compensation		6,748	
Workers' Compensation Insurance		98,459	
Total Employee Benefits			529,091

Capital Outlay

Bridge Construction	\$	23,895	
Highway Construction		2,984,069	
Highway Equipment		53,176	
Total Capital Outlay			3,061,140

Total Highway/Public Works Fund \$ 5,719,898

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$	294,000	
Total General Government			\$ 294,000

Highways and Streets

Principal on Bonds	\$	550,000	
Total Highways and Streets			550,000

Education

Principal on Bonds	\$	570,000	
Principal on Other Loans		83,616	
Total Education			653,616

(Continued)

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

General Debt Service Fund (Cont.)		
Interest on Debt		
General Government		
Interest on Notes	<u>\$ 73,800</u>	
Total General Government		\$ 73,800
Highways and Streets		
Interest on Bonds	<u>\$ 197,988</u>	
Total Highways and Streets		197,988
Education		
Interest on Bonds	\$ 650,633	
Interest on Other Loans	<u>4,644</u>	
Total Education		655,277
Other Debt Service		
General Government		
Trustee's Commission	<u>\$ 21,612</u>	
Total General Government		21,612
Education		
Other Debt Service	<u>\$ 1,600</u>	
Total Education		<u>1,600</u>
Total General Debt Service Fund		\$ 2,447,893
General Capital Projects Fund		
Capital Projects		
Other General Government Projects		
Building Construction	\$ 1,200,445	
Other Capital Outlay	<u>145,137</u>	
Total Other General Government Projects		<u>\$ 1,345,582</u>
Total General Capital Projects Fund		1,345,582
Community Development/Industrial Park Fund		
Agriculture and Natural Resources		
Other Agriculture and Natural Resources		
Other Charges	<u>\$ 4,150</u>	
Total Other Agriculture and Natural Resources		<u>\$ 4,150</u>
Total Community Development/Industrial Park Fund		4,150
Highway Capital Projects Fund		
Highways		
Other Charges		
Trustee's Commission	<u>\$ 3,181</u>	
Total Other Charges		<u>\$ 3,181</u>
Total Highway Capital Projects Fund		<u>3,181</u>
Total Governmental Funds - Primary Government		<u><u>\$ 27,776,933</u></u>

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 15,037,853	
Career Ladder Program	47,724	
Educational Assistants	314,887	
Certified Substitute Teachers	55,798	
Non-certified Substitute Teachers	107,205	
Social Security	893,505	
Pensions	711,768	
Medical Insurance	2,804,308	
Dental Insurance	80,580	
Unemployment Compensation	7,513	
Employer Medicare	212,027	
Travel	19,329	
Other Contracted Services	8,300	
Instructional Supplies and Materials	302,624	
Textbooks - Bound	278,288	
Judgments	9,500	
Other Charges	4,591	
Right-of-Way	257,284	
Total Regular Instruction Program		\$ 21,153,084

Special Education Program

Teachers	\$ 1,386,856	
Career Ladder Program	4,000	
Homebound Teachers	62,488	
Clerical Personnel	72,312	
Educational Assistants	120,073	
Speech Pathologist	129,079	
Certified Substitute Teachers	2,310	
Non-certified Substitute Teachers	7,366	
Social Security	103,581	
Pensions	56,892	
Medical Insurance	622,062	
Dental Insurance	9,282	
Employer Medicare	24,226	
Contracts with Other Public Agencies	6,967	
Contracts with Private Agencies	1,302	
Evaluation and Testing	6,362	
Instructional Supplies and Materials	5,212	
Other Supplies and Materials	10,382	
TISA - On-behalf Payments	55,247	
Special Education Equipment	1,943	
Total Special Education Program		2,687,942

Career and Technical Education Program

Teachers	\$ 916,325	
Career Ladder Program	1,000	

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Certified Substitute Teachers	\$	70	
Non-certified Substitute Teachers		2,639	
Social Security		49,674	
Pensions		22,211	
Medical Insurance		166,365	
Dental Insurance		5,177	
Employer Medicare		11,617	
Travel		2,900	
Instructional Supplies and Materials		123,507	
Other Supplies and Materials		8,544	
Other Charges		76,008	
Vocational Instruction Equipment		276,593	
Total Career and Technical Education Program	\$		1,662,630

Adult Education Program

Teachers	\$	25,000	
Travel		1,771	
Other Supplies and Materials		36,667	
In Service/Staff Development		5,424	
Total Adult Education Program			68,862

Support Services

Attendance

Supervisor/Director	\$	71,287	
Social Security		4,134	
Pensions		5,625	
Medical Insurance		12,375	
Dental Insurance		338	
Employer Medicare		967	
Travel		4,703	
Total Attendance			99,429

Health Services

Supervisor/Director	\$	16,471	
Other Salaries and Wages		242,157	
Social Security		12,702	
Pensions		2,742	
Medical Insurance		82,594	
Employer Medicare		3,368	
Communication		60	
Postal Charges		50	
Travel		216	
Contracts for Substitute Teachers - Non-certified		254	
Other Supplies and Materials		41,559	
In Service/Staff Development		9,342	
Other Charges		4,511	
Total Health Services			416,026

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		72,751	
Social Security		23,234	
Pensions		27,598	
Medical Insurance		80,688	
Dental Insurance		2,163	
Employer Medicare		6,255	
Evaluation and Testing		17,483	
Total Other Student Support			\$ 231,172

Regular Instruction Program

Supervisor/Director	\$	99,431	
Career Ladder Program		2,000	
Librarians		446,976	
Materials Supervisor		11,920	
Secretary(ies)		31,730	
Other Salaries and Wages		4,500	
Social Security		34,636	
Pensions		41,539	
Medical Insurance		111,962	
Dental Insurance		3,041	
Employer Medicare		8,100	
Travel		9,140	
Other Contracted Services		4,000	
Library Books/Media		962	
In Service/Staff Development		12,575	
Other Charges		27,618	
Total Regular Instruction Program			850,130

Special Education Program

Supervisor/Director	\$	77,095	
Psychological Personnel		67,931	
Secretary(ies)		31,730	
Clerical Personnel		34,280	
Other Salaries and Wages		32,404	
Social Security		14,037	
Pensions		15,608	
Medical Insurance		52,901	
Dental Insurance		808	
Employer Medicare		3,309	
Contracts with Other Public Agencies		14,224	
Travel		268	
Other Supplies and Materials		3,862	
In Service/Staff Development		6,460	
Total Special Education Program			354,917

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program

Supervisor/Director	\$	69,979	
Social Security		3,884	
Pensions		5,643	
Medical Insurance		16,379	
Dental Insurance		338	
Employer Medicare		908	
Other Equipment		32,983	
Total Career and Technical Education Program			\$ 130,114

Technology

Supervisor/Director	\$	88,029	
Computer Programmer(s)		107,236	
Instructional Computer Personnel		123,926	
Social Security		17,883	
Pensions		19,130	
Medical Insurance		103,135	
Dental Insurance		338	
Employer Medicare		4,182	
Internet Connectivity		607,370	
Total Technology			1,071,229

Other Programs

On-behalf Payments to OPEB	\$	167,957	
Total Other Programs			167,957

Board of Education

Secretary to Board	\$	600	
Board and Committee Members Fees		4,500	
Social Security		316	
Pensions		32	
Employer Medicare		74	
Audit Services		20,000	
Dues and Memberships		18,036	
Legal Services		17,220	
Travel		9,928	
Other Contracted Services		2,878	
Trustee's Commission		160,376	
Workers' Compensation Insurance		209,860	
Total Board of Education			443,820

Director of Schools

County Official/Administrative Officer	\$	104,428	
Career Ladder Program		1,000	
Secretary(ies)		42,000	
Social Security		9,236	
Pensions		11,093	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Medical Insurance	\$	17,065	
Dental Insurance		338	
Employer Medicare		2,160	
Other Fringe Benefits		4,800	
Communication		2,776	
Travel		6,750	
Office Supplies		6,067	
Total Director of Schools			\$ 207,713

Office of the Principal

Principals	\$	683,660	
Career Ladder Program		7,000	
Secretary(ies)		341,045	
Social Security		60,533	
Pensions		53,183	
Medical Insurance		184,308	
Dental Insurance		2,365	
Employer Medicare		14,157	
Total Office of the Principal			1,346,251

Fiscal Services

Accountants/Bookkeepers	\$	73,167	
Secretary(ies)		32,000	
Social Security		5,975	
Pensions		5,521	
Medical Insurance		26,777	
Employer Medicare		1,397	
Travel		809	
Other Contracted Services		19,945	
Total Fiscal Services			165,591

Operation of Plant

Custodial Personnel	\$	647,363	
Social Security		38,024	
Pensions		31,341	
Medical Insurance		197,885	
Employer Medicare		8,893	
Communication		38,875	
Custodial Supplies		121,775	
Electricity		713,755	
Natural Gas		157,789	
Water and Sewer		180,547	
Building and Contents Insurance		434,379	
Total Operation of Plant			2,570,626

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Supervisor/Director	\$ 70,325	
Maintenance Personnel	107,596	
Social Security	10,922	
Pensions	9,341	
Medical Insurance	35,793	
Employer Medicare	2,554	
Maintenance and Repair Services - Buildings	793,502	
Maintenance and Repair Services - Equipment	29,828	
Maintenance and Repair Services - Vehicles	142	
Other Contracted Services	429	
Other Supplies and Materials	79,438	
Other Charges	50,629	
Administration Equipment	152,575	
Building Improvements	36,650	
Total Maintenance of Plant	\$ 1,379,724	

Transportation

Supervisor/Director	\$ 52,000	
Mechanic(s)	91,920	
Bus Drivers	536,780	
Clerical Personnel	29,430	
Other Salaries and Wages	198,966	
Social Security	55,100	
Pensions	49,637	
Medical Insurance	47,386	
Employer Medicare	12,886	
Communication	759	
Maintenance and Repair Services - Vehicles	108,719	
Medical and Dental Services	6,425	
Other Contracted Services	98,582	
Diesel Fuel	208,813	
Gasoline	34,062	
Lubricants	11,225	
Tires and Tubes	39,300	
Other Supplies and Materials	33,327	
Other Charges	1,794	
Transportation Equipment	1,642,413	
Total Transportation	3,259,524	

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 2,000	
Clerical Personnel	1,000	
Social Security	186	
Pensions	158	
Employer Medicare	44	
Total Food Service	3,388	

(Continued)

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Supervisor/Director	\$	76,635	
Teachers		297,993	
Educational Assistants		96,135	
Certified Substitute Teachers		700	
Non-certified Substitute Teachers		6,090	
Social Security		27,347	
Pensions		23,367	
Medical Insurance		57,296	
Dental Insurance		2,028	
Employer Medicare		6,398	
Travel		1,929	
Other Supplies and Materials		7,265	
In Service/Staff Development		947	
Total Early Childhood Education	\$		604,130

Capital Outlay

Regular Capital Outlay

Architects	\$	125,122	
Other Contracted Services		82,500	
Building Construction		189,181	
Building Improvements		42,455	
Total Regular Capital Outlay			439,258

Other Debt Service

Education

Contributions	\$	1,308,893	
Total Education			1,308,893

Total General Purpose School Fund \$ 40,622,410

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,247,451	
Educational Assistants		53,054	
Other Salaries and Wages		67,457	
Certified Substitute Teachers		385	
Non-certified Substitute Teachers		2,987	
Social Security		69,232	
Pensions		92,422	
Medical Insurance		204,167	
Dental Insurance		5,716	
Employer Medicare		18,497	
Instructional Supplies and Materials		121,834	
Textbooks - Bound		8,812	
Software		77,468	

(Continued)

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Other Supplies and Materials	\$	1,808	
Regular Instruction Equipment		351,945	
Total Regular Instruction Program			\$ 2,323,235

Special Education Program

Educational Assistants	\$	609,775	
Speech Pathologist		98,852	
Other Salaries and Wages		8,740	
Social Security		40,938	
Pensions		39,695	
Employer Medicare		9,581	
Other Contracted Services		10,402	
Instructional Supplies and Materials		15,070	
Other Supplies and Materials		5,817	
Special Education Equipment		6,236	
Total Special Education Program			845,106

Career and Technical Education Program

Instructional Supplies and Materials	\$	32,108	
Other Supplies and Materials		16,080	
Vocational Instruction Equipment		275,758	
Total Career and Technical Education Program			323,946

Support Services

Health Services

Other Salaries and Wages	\$	13,750	
Social Security		852	
Pensions		469	
Employer Medicare		199	
Other Contracted Services		1,312	
Other Supplies and Materials		2,410	
Total Health Services			18,992

Other Student Support

Guidance Personnel	\$	388,656	
Social Workers		47,140	
Bonus Payments		10,250	
Other Salaries and Wages		8,700	
Social Security		3,832	
Pensions		3,799	
Medical Insurance		9,376	
Employer Medicare		896	
Travel		8,500	
Other Contracted Services		21,591	
Other Supplies and Materials		9,729	
In Service/Staff Development		5,196	
Other Charges		3,604	
Total Other Student Support			521,269

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$ 75,618	
Secretary(ies)	26,630	
Part-time Personnel	53,908	
Other Salaries and Wages	140,902	
Social Security	13,495	
Pensions	16,117	
Medical Insurance	38,684	
Dental Insurance	663	
Employer Medicare	4,152	
Lease/SBITA Payments	585	
Postal Charges	17	
Travel	216	
Other Contracted Services	71,250	
Software	3,950	
Other Supplies and Materials	449	
In Service/Staff Development	<u>68,675</u>	
Total Regular Instruction Program		\$ 515,311

Special Education Program

Other Salaries and Wages	\$ 47,140	
Social Security	2,895	
Pensions	2,475	
Employer Medicare	677	
Other Contracted Services	<u>126,043</u>	
Total Special Education Program		179,230

Career and Technical Education Program

In Service/Staff Development	<u>\$ 2,372</u>	
Total Career and Technical Education Program		2,372

Technology

Other Salaries and Wages	\$ 33,785	
Social Security	2,083	
Pensions	1,774	
Employer Medicare	487	
Software	<u>27,549</u>	
Total Technology		65,678

Office of the Principal

Other Salaries and Wages	\$ 20,000	
Social Security	1,240	
Pensions	1,419	
Employer Medicare	<u>290</u>	
Total Office of the Principal		22,949

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Maintenance and Repair Services - Buildings	\$ 683,009	
Total Maintenance of Plant		\$ 683,009

Transportation

Bus Drivers	\$ 31,892	
Other Salaries and Wages	38,000	
Social Security	4,333	
Pensions	3,714	
Employer Medicare	1,013	
Other Contracted Services	208	
Other Supplies and Materials	4,977	
Transportation Equipment	373,125	
Total Transportation		457,262

Operation of Non-Instructional Services

Food Service

Other Salaries and Wages	\$ 3,081	
Total Food Service		3,081

Community Services

Supervisor/Director	\$ 2,630	
Teachers	232,702	
Clerical Personnel	34,280	
Educational Assistants	71,022	
Social Security	20,432	
Pensions	22,009	
Employer Medicare	4,938	
Other Contracted Services	13,708	
Instructional Supplies and Materials	1,123	
In Service/Staff Development	1,393	
Other Charges	2,148	
Total Community Services		406,385

Capital Outlay

Regular Capital Outlay

Building Improvements	\$ 1,430,499	
Total Regular Capital Outlay		1,430,499

Total School Federal Projects Fund \$ 7,798,324

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 44,770	
Accountants/Bookkeepers	33,080	
Clerical Personnel	22,100	

(Continued)

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Cafeteria Personnel	\$	694,235	
Maintenance Personnel		1,847	
Other Salaries and Wages		10,342	
Social Security		45,520	
Pensions		38,925	
Medical Insurance		248,873	
Unemployment Compensation		2,224	
Employer Medicare		10,646	
Maintenance and Repair Services - Equipment		74,689	
Transportation - Other than Students		9,243	
Travel		434	
Other Contracted Services		36,904	
Food Supplies		1,146,424	
Office Supplies		1,622	
Uniforms		6,375	
USDA - Commodities		167,983	
Other Supplies and Materials		92,619	
Refund to Applicant for Criminal Investigation		37	
Other Charges		2,018	
Food Service Equipment		26,225	
Total Food Service			\$ 2,717,135

Total Central Cafeteria Fund \$ 2,717,135

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	1,938,684	
Total Community Services			\$ 1,938,684

Total Internal School Fund 1,938,684

Total Governmental Funds - McNairy County School Department \$ 53,076,553

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*

McNairy County Mayor and
Board of County Commissioners
McNairy 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 McNairy County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise McNairy County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated November 25, 2024. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the McNairy County School Department (a discretely presented component unit), as described in our report on McNairy County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered McNairy 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 McNairy County's internal control. Accordingly, we do not express an opinion on the effectiveness of McNairy 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 the attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified the following deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2024-005.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether McNairy 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 Finding and Questioned Costs as items: 2024-001, 2024-002, 2024-003, and 2024-004.

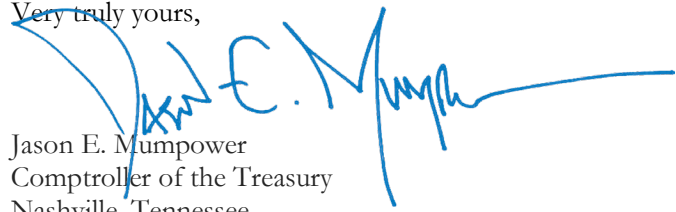
McNairy County's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on McNairy County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. McNairy 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 McNairy 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

November 25, 2024

JEM/gc



JASON E. MUMPOWER
Comptroller

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

McNairy County Mayor and
Board of County Commissioners
McNairy 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 McNairy 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 McNairy County's major federal programs for the year ended June 30, 2024. McNairy 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, McNairy County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of McNairy 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 McNairy 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 McNairy 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 McNairy 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 McNairy 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 McNairy 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 McNairy 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 McNairy 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 McNairy County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise McNairy County's basic financial statements. We issued our report thereon dated November 25, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,


Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 25, 2024

JEM/gc

McNAIRY COUNTY, TENNESSEE, AND THE McNAIRY COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8)
For the Year-Ended June 30, 2024

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Local Food for Schools Cooperative Agreement Program	10.185	N/A	\$ 90,000
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	670,761
National School Lunch Program	10.555	N/A	1,522,925 (7)
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	3,256
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	167,983 (7)
Rebate of Storage and Distribution Fees	10.555	N/A	4,131 (7)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-24-79668-00	9,835
Direct Programs:			
Community Facilities Loans and Grants	10.766	N/A	50,000
Emergency Watershed Protection Program	10.923	N/A	381,400
Total U.S. Department of Agriculture			<u>\$ 2,900,291</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	(5)	\$ 617,302
Total U.S. Department of Housing and Urban Development			<u>\$ 617,302</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(6)	\$ 5,198
Total U.S. Department of Transportation			<u>\$ 5,198</u>
U.S. Department of the Treasury:			
Passed-through State Department of Tourist Development:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	32601-75880	\$ 25,000 (7)
Passed-through State Department of Education:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	N/A	83,078 (7)
Total U.S. Department of the Treasury			<u>\$ 108,078</u>
U.S. Environmental Protection Agency:			
Direct Program:			
2023 Clean School Bus Rebate Program (Noncash Assistance)	66.U01	N/A	\$ 1,580,000
Total U.S. Environmental Protection Agency			<u>\$ 1,580,000</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,349,008
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	1,095,465 (7)
COVID 19 - Special Education - Grants to States (ARP)	84.027X	N/A	18 (7)
Special Education - Preschool Grants	84.173	N/A	35,681
Career and Technical Education - Basic Grants to States	84.048	N/A	356,775
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	115,372
Twenty-first Century Community Learning Centers	84.287	N/A	410,104
Rural Education	84.358	N/A	86,827
Supporting Effective Instruction State Grants	84.367	N/A	71,583
Student Support and Academic Enrichment Program	84.424	N/A	66,684
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund (ESSER II)	84.425D	N/A	201,529 (7)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	4,215,975 (7)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	N/A	81,026 (7)
Total U.S. Department of Education			<u>\$ 8,086,047</u>

(Continued)

McNAIRY COUNTY, TENNESSEE, AND THE McNAIRY COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Expenditures
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State: 2018 HAVA Election Security Grants	90.404	(5)	\$ 24,438
Total U.S. Election Assistance Commission			<u>\$ 24,438</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ARP)	93.323	Z-23-270205	\$ 321,949
Maternal and Child Health Services Block Grant to the States	93.994	GG-24-79668-00	11,049
Passed-through State Department of Education:			
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	N/A	9,333
Total U.S. Department of Health and Human Services			<u>\$ 342,331</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	45857-1	\$ 35,088
Assistance to Firefighters Grant	97.044	EMW-2021-FG-07335	271,818
Total U.S. Department of Homeland Security			<u>\$ 306,906</u>
Total Expenditures of Federal Grants			<u>\$ 13,970,591</u>

State Grants		Contract Number	Expenditures
Tennessee Agricultural Enhancement Program - State Department of Agriculture	N/A	(5)	\$ 150,000
Juvenile Court State Supplement Funds - State Department of Children's Services	N/A	(5)	4,500
2024 School Resource Officer Grant - State Department of Education	N/A	N/A	569,395
Early Childhood Education - State Department of Education	N/A	N/A	636,861
Innovative School Model - State Department of Education	N/A	N/A	388,086
COVID 19 - Learning Camp Transportation - State Department of Education	N/A	N/A	49,730
Safe Schools - State Department of Education	N/A	N/A	152,716
COVID 19 - Summer Learning Camps - State Department of Education	N/A	N/A	239,181
Health Department Grant - State Department of Health	N/A	GG-24-79668-00	97,652
Tennessee Certified Recovery Court Program - State Department of Mental Health and Substance Abuse Services	N/A	(5)	63,552
Volunteer Firefighter Equipment and Training Grant - State Fire Marshal's Office	N/A	(5)	28,839
Violent Crime Intervention Fund Grant - State Office of Criminal Justice Programs	N/A	(5)	590,059
Total State Grants			<u>\$ 2,970,571</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) McNairy County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Child Nutrition Cluster total \$2,365,800; Special Education Cluster total \$1,131,164.
- (5) Information not available.
- (6) Z23THS177: \$3,479; Z24THS186: \$1,719.
- (7) Total for ALN 10.555 is \$1,695,039; Total for ALN 21.027 is \$108,078; Total for ALN 84.027 is \$1,095,483;
Total for FAL 84.425 is \$4,498,530.
- (8) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	ALN	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 111,991
Rural Education	84.358	19,461
Supporting Effective Instruction State Grant	84.367	16,541
Student Support and Academic Enrichment	84.424	195
Total amounts consolidated for administration purposes		<u>\$ 148,188</u>

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

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for McNairy County, Tennessee, for the year ended June 30, 2024.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
OFFICE OF COUNTY MAYOR					
2023	205	2023-001	Amounts withheld from contractor payments were not deposited into an escrow account.	N/A	Not Corrected - See Explanation on Corrective Action Plan
OFFICE OF HIGHWAY COMMISSIONER					
2023	205	2023-002	The Highway Capital Projects Fund required material audit adjustments for proper financial statement presentation.	N/A	Corrected
OFFICE OF DIRECTOR OF SCHOOLS					
2023	206	2023-003	Accounting records for capital assets were not closed and available for audit by August 31, 2023.	N/A	Corrected

Prior-year Federal Awards Findings

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

McNAIRY COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of McNairy 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: 66.U01 Clean School Bus Rebate Program
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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 the findings are paraphrased and presented following the findings and recommendations. Management's corrective action plan, whether related to the financial statements or federal awards, is presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF COUNTY MAYOR

FINDING 2024-001

AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT
(Noncompliance Under *Government Auditing Standards*)

The office did not deposit amounts withheld from contractor payments into an escrow account related to a \$4,330,410 construction contract for an agriculture event center project. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account with a third-party for contracts of \$500,000 or more. This deficiency is the result of a lack of management oversight and could result in the loss of interest earnings for the contractor. This deficiency is also the result of management's failure to correct the finding noted in the prior-year audit report and management's failure to implement their corrective action plan

RECOMMENDATION

Amounts withheld from contractor payments on contracts of \$500,000 or more should be deposited into an escrow account in compliance with state statute.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with the finding. We will work to correct this deficiency.

FINDING 2024-002

INSURANCE RECOVERY FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION
(Noncompliance Under *Government Auditing Standards*)

Insurance recovery funds totaling \$79,000 were not deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*. These funds were held by the office for at least nine months before being deposited with the county trustee. The delay in depositing funds increases the risk of fraud and misappropriation. This deficiency is the result of a lack of management oversight and the failure to follow state statutes.

RECOMMENDATION

The mayor's office should ensure that all funds are deposited with the county trustee within three days of collection as required by state statute.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

I concur with the finding. We will try to prevent this from recurring in the future.

FINDING 2024-003

A LEASE FINANCING AGREEMENT WAS NOT PROPERLY APPROVED

(Noncompliance Under *Government Auditing Standards*)

On December 5, 2023, the county mayor entered into a lease financing agreement for six patrol cars totaling \$257,372 that did not receive prior approval of the state Comptroller’s Office or the county commission. Section 9-24-104, *Tennessee Code Annotated*, states “Prior to entering into a lease financing, a public entity shall obtain the approval of the comptroller of the treasury or the comptroller’s designee... which approval must be submitted to the governing body of the public entity for consideration in connection with any authorization of such a lease financing.” The county mayor did submit a Report on Debt Obligation to the state Comptroller’s Office and to the county commission during January 2024 after the agreement had been signed. This deficiency is the result of a lack of management oversight and the failure to follow state statutes.

RECOMMENDATION

All debt, including lease financing agreements, should be issued in compliance with state statutes.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

I concur with the finding. Although we submitted a Report on Debt Obligation for this lease, we failed to obtain the proper approvals prior to entering into this agreement.

OFFICE OF HIGHWAY COMMISSIONER

FINDING 2024-004

THE HIGHWAY CAPITAL PROJECTS FUND DID NOT HAVE A BUDGET APPROVED BY THE COUNTY COMMISSION

(Noncompliance Under *Government Auditing Standards*)

The Highway Capital Projects Fund did not have a budget approved by the county commission. This fund is on the property tax rate and included property tax collections of \$159,041. Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of the county governments shall be appropriated to such use by the county legislative bodies.” This deficiency is the result of a lack of management oversight.

RECOMMENDATION

The Highway Capital Projects Fund should have a budget approved by the county commission, as required by state statute.

MANAGEMENT’S RESPONSE – HIGHWAY COMMISSIONER

The budget was delayed by the county commission. We were also advised by the Trustee’s Office that we would not be written up because of this.

OFFICE OF COUNTY CLERK

FINDING 2024-005

THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS

(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated four audit logs that displayed changes made by users. Because these logs provided the only audit trail of these changes, they should be routinely reviewed for inappropriate activity. Although the official was aware of the importance of these logs, one of the logs was not reviewed. This deficiency was a result of a lack of management oversight. When the importance of the report was brought to management’s attention in April 2024, the review process was resumed. Procedures for reviewing the report are currently in place.

RECOMMENDATION

Management should continue to review the audit logs on a routine basis. Any unusual transactions should be investigated.

MANAGEMENT’S RESPONSE – COUNTY CLERK

The finding states that this office did not review its software audit logs in an appropriate time frame. We concur with this finding and have implemented corrective actions to prevent this error. We are now reviewing daily MV audit logs immediately after they are posted. On Mondays, we print logs to capture the weekend for review. We print Marriage, Miscellaneous Receipts, and MV monthly logs by the 15th of each month and review. This is performed and reviewed by the secretary and the county clerk.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

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

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

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF COUNTY MAYOR

2024-001	Amounts withheld from contractor payments were not deposited into an escrow account.	190
2024-002	Insurance Recovery funds were not deposited within three days of collection.	191
2024-003	A lease financing agreement was not properly approved.	192

OFFICE OF HIGHWAY COMMISSIONER

2024-004	The Highway Capital Projects Fund did not have a budget approved by the county commission.	193
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OFFICE OF COUNTY CLERK

2024-005	The office did not review its software audit logs.	194
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LARRY SMITH
MAYOR
McNAIRY COUNTY, TENNESSEE

Corrective Action Plan

FINDING

AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS
WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT

Response and Corrective Action Plan Prepared by:
Larry Smith, County Mayor

Person Responsible for Implementing the Corrective Action:
Larry Smith, County Mayor

Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Although we did open escrow accounts for some retainage payments, we failed to open a separate account for the contract mentioned in the finding.

Planned Corrective Action:
We will open a separate account and deposit the amounts that have been withheld along with any interest that has been earned.



LARRY SMITH
MAYOR
McNAIRY COUNTY, TENNESSEE

Corrective Action Plan

FINDING

INSURANCE RECOVERY FUNDS WERE NOT DEPOSITED
WITHIN THREE DAYS OF COLLECTION

Response and Corrective Action Plan Prepared by:

Larry Smith, County Mayor

Person Responsible for Implementing the Corrective Action:

Larry Smith, County Mayor

Anticipated Completion Date of Corrective Action:

Immediately

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

All funds received by the office will be deposited with the county trustee within three days of collection in the future.



LARRY SMITH
MAYOR
McNAIRY COUNTY, TENNESSEE

Corrective Action Plan

FINDING

A LEASE FINANCING AGREEMENT WAS NOT PROPERLY APPROVED

Response and Corrective Action Plan Prepared by:

Larry Smith, County Mayor

Person Responsible for Implementing the Corrective Action:

Larry Smith, County Mayor

Anticipated Completion Date of Corrective Action:

Immediately

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

In the future, we will request approval from the Comptroller's Division of Local Government Finance and the county commission before any agreements are signed.

Signature:



McNairy County Highway Department

4684 Highway 64 East
Selmer, TN 38375

Office:(731) 645-3651
Fax:(731) 645-3962

Harvey Neal Smith, Road Superintendent

Corrective Action Plan

FINDING

THE HIGHWAY CAPITAL PROJECTS FUND DID NOT HAVE A BUDGET APPROVED BY THE COUNTY COMMISSION

Response and Corrective Action Plan Prepared by:

Harvey Neal Smith, Highway Commissioner

Person Responsible for Implementing the Corrective Action:

Harvey Neal Smith, Highway Commissioner

Anticipated Completion Date of Corrective Action:

Immediately

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

For the current fiscal year, since no budget has been approved, we will submit amendments to the commission for their approval, and we will ensure that an original budget is approved by the county commission for fiscal year 2026.

Signature:



Ross McNatt
McNairy County Clerk

Corrective Action Plan

Finding 2024-001:

The Office did not review its software audit logs

Response and Corrective Action Plan Prepared by:

Ross McNatt, County Clerk

Person Responsible for Implementing the Corrective Action Plan:

Ross McNatt, County Clerk

Anticipated Completion Date of Corrective Action:

April 2024

Repeat Finding:

No

Planned Corrective Action:

The office plans to routinely review its software audit logs.

Signature: _____

A handwritten signature in black ink, appearing to read "Ross McNatt", written over a horizontal line.

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 McNairy County.

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

McNairy 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.