



ANNUAL FINANCIAL REPORT

Fentress County, Tennessee

For the Year Ended June 30, 2025

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

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

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

STEVE REEDER, CPA, CGFM, CFE
Audit Manager

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

FENTRESS COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in two findings and recommendations, which we have reviewed with Fentress 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 FINANCE DIRECTOR

- ◆ General ledger payroll liability accounts were not reconciled monthly.
- ◆ Appropriations exceeded estimated available funds in the Special Purpose (American Rescue Plan) Fund.



INTRODUCTORY SECTION

FENTRESS COUNTY OFFICIALS

June 30, 2025

Officials

Jimmy Johnson, County Executive
Ryan Reed, Road Supervisor
Kristi Hall, Director of Schools
Angie Sweet, Trustee
Melynda Sullivan, Assessor of Property
Amanda Hicks, County Clerk
Gina Mullinix, Circuit and General Sessions Courts Clerk
Linda Smith, Clerk and Master
Patricia Slaven, Register of Deeds
Michael Reagon, Sheriff
Tyler Arms, Finance Director

Board of County Commissioners

Jimmy Johnson, County Executive, Chairman
Ben Cooper
Larry Cooper
Robert Cooper
Kim Davidson
Lester Gooding

Benny Hughes
Justin Miller
Rita Murphy
Jerry Reagan
Leon Stepp

Board of Education

Eddie Cook, Chairman
Darlene Brannon
William Cody
Karen Cooper
Felicia Garrett

Bobbie Jo Kirby
Sierra Koger
Lee Little
Gary Peters
Seth Vaughn

Financial Management Committee

Larry Cooper, Chairman
Kim Davidson
Lester Gooding
Benny Hughes
Jimmy Johnson, County Executive
Ryan Reed, Road Supervisor
Kristi Hall, Director of Schools

Audit Committee

Jacob Rosenbaum, Chairman
Tiffany Crabtree
Kim Davidson
Lester Gooding
Bart Neely

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

Fentress County Executive and
Board of County Commissioners
Fentress County, Tennessee

To the County Executive 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 Fentress County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Fentress County, Tennessee, as of June 30, 2025, and the respective changes in financial position and the respective budgetary comparisons for the General, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Fentress County Emergency Communications District, a discretely presented component unit. We were unable to determine Fentress County Emergency Communications District's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Industrial Development Board of Fentress County, a component unit requiring discrete presentation, was not included in the county's financial statements. We also did not audit the financial statements of the Internal School Fund of the Fentress County School Department (a discretely presented component unit), which represent 1.29 percent, 1.41 percent, and 2.92 percent, respectively, of the assets, net position, and revenues of the discretely presented school department component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to amounts included for the Fentress County Emergency Communications District and the Fentress County School Department's Internal School Fund are based solely on the reports 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 Fentress County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Changes in Accounting Principle

As described in Note V.B., Fentress County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. GASB 101 updates the recognition and measurement guidance for compensated absences under a unified model and amends certain previously required disclosures. GASB 102 provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Emphasis of Matter

We draw attention to Note I.D.9. to the financial statements, which describes restatements to the beginning Governmental Activities net position totaling (\$25,356) for the primary government and (\$40,040) for the discretely presented Fentress County School Department. These restatements were necessary because of the transitional requirements of GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

In addition, we draw further attention to Note I.D.9 to the financial statements, which describes a restatement to the beginning Governmental Activities net position totaling \$626,968 for the discretely presented Fentress County School Department. This restatement was necessary due to an error in the calculation of termination benefits under the requirements of GASB Statement No. 47, *Accounting for Termination Benefits*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fentress 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 Fentress 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 Fentress 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 and school net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedules of county and school changes in 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 Fentress 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 Fentress 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 Fentress 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 February 9, 2026, on our consideration of Fentress 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 Fentress 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 Fentress County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 9, 2026

JEM/gc

BASIC FINANCIAL STATEMENTS SECTION

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

		Component Units	
		Primary Government	Fentress County
		Governmental Activities	School Department
			Emergency Communications District
ASSETS			
Cash	\$ 23,028	\$ 494,993	\$ 1,400,845
Equity in Pooled Cash and Investments	10,564,512	15,125,683	0
Accounts Receivable	623,465	7,545	0
Allowance for Uncollectibles	(131,182)	0	0
Due from Other Governments	1,151,362	1,966,563	0
Property Taxes Receivable	7,624,519	362,330	0
Allowance for Uncollectible Property Taxes	(221,087)	(12,973)	0
Prepaid Items	0	0	35,620
Cash Shortage	27,000	0	0
Leases Receivable	304,500	0	0
Net Pension Asset - Agent Plan	0	750,251	0
Net Pension Asset - Teacher Retirement Plan	0	119,906	0
Net Pension Asset - Teacher Legacy Pension Plan	0	3,731,019	0
Restricted Assets - Amounts Accumulated for Pension Benefits	0	329,433	0
Capital Assets:			
Assets Not Depreciated:			
Land	5,849,220	389,825	0
Construction in Progress	437,016	0	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	17,463,532	12,322,448	0
Infrastructure	23,065,944	0	0
Other Capital Assets	4,534,835	2,625,881	415,781
Total Assets	<u>\$ 71,316,664</u>	<u>\$ 38,212,904</u>	<u>\$ 1,852,246</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Changes in Experience	\$ 463,448	\$ 1,434,971	\$ 127,152
Pension Changes in Assumptions	346,110	47,648	38,372
Pension Changes in Proportion	0	180,999	0
Pension Contributions after Measurement Date	628,020	809,340	40,260
OPEB Changes in Experience	0	371,381	713
OPEB Changes in Proportion	0	44,207	0
OPEB Changes in Assumptions	0	442,768	6,159
OPEB Contributions after Measurement Date	0	162,372	26
Total Deferred Outflows of Resources	<u>\$ 1,437,578</u>	<u>\$ 3,493,686</u>	<u>\$ 212,682</u>

(Continued)

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

		Component Units	
		Fentress County School Department	Fentress County Emergency Communications District
	Primary Governmental Activities		
LIABILITIES			
Accounts Payable	\$ 0	\$ 5,028	\$ 1,771
Accrued Payroll	0	155,255	14,490
Payroll Deductions Payable	243	598,503	0
Due to State of Tennessee	0	1,354	0
Due to Other Governments	174,989	0	0
Accrued Interest Payable	58,655	0	0
Noncurrent Liabilities:			
Due Within One Year - Debt	403,000	0	0
Due Within One Year - Other	266,062	360,564	13,812
Due in More Than One Year - Debt	9,794,274	0	0
Due in More Than One Year - Other	1,793,133	3,480,502	117,616
Total Liabilities	<u>\$ 12,490,356</u>	<u>\$ 4,601,206</u>	<u>\$ 147,689</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	\$ 7,202,354	\$ 334,993	\$ 0
Deferred Lease Receivable	304,500	0	0
Pension Changes in Experience	12,255	67,209	18,045
Pension Changes in Investment Earnings	180,947	877,423	11,673
Pension Changes in Proportion	0	136,537	0
OPEB Changes in Experience	3,003	207,370	6,404
OPEB Changes in Proportion	0	256,395	0
OPEB Changes in Assumptions	4,250	262,860	4,143
Total Deferred Inflows of Resources	<u>\$ 7,707,309</u>	<u>\$ 2,142,787</u>	<u>\$ 40,265</u>
NET POSITION			
Net Investment in Capital Assets	\$ 41,153,273	\$ 15,338,154	\$ 415,781
Restricted for:			
General Government	21,902	0	0
Finance	38,466	0	0
Administration of Justice	11,850	0	0
Public Safety	76,021	0	0
Public Health and Welfare	343,412	0	0
Social, Cultural, and Recreational Services	144,371	0	0
Highways/Public Works	1,628,195	0	0
Capital Outlay	466,226	0	0
Education	0	2,033,951	0
Pensions	0	4,930,609	0
Other Purposes	27,000	0	0
Unrestricted	<u>8,645,861</u>	<u>12,659,883</u>	<u>1,461,193</u>
Total Net Position	<u>\$ 52,556,577</u>	<u>\$ 34,962,597</u>	<u>\$ 1,876,974</u>

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

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

						Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Program Revenues			Primary Government	Component Units		
		Operating	Capital			Fentress	Fentress	
		Charges	Grants	Grants	Total	County	County	
		for	and	and	Governmental	School	Emergency	
		Services	Contributions	Contributions	Activities	Department	District	
Primary Government:								
Governmental Activities:								
General Government	\$ 2,839,668	\$ 235,118	\$ 15,164	\$ 782,838	\$ (1,806,548)	\$ 0	\$ 0	
Finance	1,550,809	638,459	0	0	(912,350)	0	0	
Administration of Justice	866,426	232,049	82,210	0	(552,167)	0	0	
Public Safety	5,299,193	887,009	743,898	0	(3,668,286)	0	0	
Public Health and Welfare	5,730,818	3,371,817	254,568	547,750	(1,556,683)	0	0	
Social, Cultural, and Recreational Services	1,950,361	148,057	400,462	412,870	(988,972)	0	0	
Agriculture and Natural Resources	353,974	0	1,728	0	(352,246)	0	0	
Highways/Public Works	4,364,299	4,441	2,598,734	888,124	(873,000)	0	0	
Interest on Long-term Debt	290,775	0	0	0	(290,775)	0	0	
Total Primary Government	\$ 23,246,323	\$ 5,516,950	\$ 4,096,764	\$ 2,631,582	\$ (11,001,027)	\$ 0	\$ 0	
Component Unit:								
Fentress County School Department	\$ 31,597,578	\$ 31,886	\$ 8,337,086	\$ 756,733	\$ 0	\$ (22,471,873)	\$ 0	
Fentress County Emergency Communications District	917,067	644,524	301,382	0	0	0	28,839	
Total Component Unit	\$ 32,514,645	\$ 676,410	\$ 8,638,468	\$ 756,733	\$ 0	\$ (22,471,873)	\$ 28,839	

(Continued)

FENTRESS COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position					
		Program Revenues			Primary Government Total Governmental Activities	Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Fentress County School Department	Fentress County Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 6,747,147	\$ 514,567	\$ 0
Property Taxes Levied for Debt Service					491,237	0	0
Local Option Sales Tax					2,177,862	3,357,877	0
Wheel Tax					0	494,982	0
Hotel/Motel Tax					106,571	0	0
Litigation Taxes					120,369	0	0
Business Tax					192,928	55,486	0
Mineral Severance Tax					68,400	0	0
Wholesale Beer Tax					172,335	0	0
Other Local Taxes					8,790	0	0
Grants and Contributions Not Restricted for Specific Programs					1,142,305	19,801,720	9,482
Unrestricted Investment Earnings					511,924	557,813	51,397
Miscellaneous					10,935	326,097	0
Sale of Equipment					0	25,651	0
Amortized Premium					37,277	0	0
Total General Revenues					<u>\$ 11,788,080</u>	<u>\$ 25,134,193</u>	<u>\$ 60,879</u>
Insurance Recovery					<u>\$ 19,500</u>	<u>\$ 0</u>	<u>\$ 3,990</u>
Change in Net Position					\$ 806,553	\$ 2,662,320	\$ 93,708
Net Position, July 1, 2024					51,775,380	31,713,349	1,783,266
Restatement - See Note I.D.9.					<u>(25,356)</u>	<u>586,928</u>	<u>0</u>
Net Position, June 30, 2025					<u><u>\$ 52,556,577</u></u>	<u><u>\$ 34,962,597</u></u>	<u><u>\$ 1,876,974</u></u>

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

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

	Major Funds				Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 231	\$ 0	\$ 0	\$ 0	\$ 22,797	\$ 23,028
Equity in Pooled Cash and Investments	4,842,849	847,769	1,163,595	2,652,618	1,057,681	10,564,512
Accounts Receivable	544,438	19,607	39,640	5,040	14,740	623,465
Allowance for Uncollectibles	(131,182)	0	0	0	0	(131,182)
Due from Other Governments	315,890	211,443	456,353	139,008	28,668	1,151,362
Due from Other Funds	37,537	0	0	0	0	37,537
Property Taxes Receivable	6,732,186	473,295	226,836	133,040	59,162	7,624,519
Allowance for Uncollectible Property Taxes	(193,366)	(13,871)	(3,507)	(8,609)	(1,734)	(221,087)
Cash Shortage	27,000	0	0	0	0	27,000
Leases Receivable - Long-term	304,500	0	0	0	0	304,500
Total Assets	<u>\$ 12,480,083</u>	<u>\$ 1,538,243</u>	<u>\$ 1,882,917</u>	<u>\$ 2,921,097</u>	<u>\$ 1,181,314</u>	<u>\$ 20,003,654</u>
LIABILITIES						
Payroll Deductions Payable	\$ 229	\$ 0	\$ 14	\$ 0	\$ 0	\$ 243
Due to Other Funds	0	0	0	0	37,537	37,537
Due to Other Governments	0	0	0	0	174,989	174,989
Total Liabilities	<u>\$ 229</u>	<u>\$ 0</u>	<u>\$ 14</u>	<u>\$ 0</u>	<u>\$ 212,526</u>	<u>\$ 212,769</u>

(Continued)

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

	Major Funds				Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 6,364,870	\$ 446,658	\$ 223,329	\$ 111,665	\$ 55,832	\$ 7,202,354
Deferred Delinquent Property Taxes	144,085	10,575	0	10,575	1,322	166,557
Deferred Leases Receivable	304,500	0	0	0	0	304,500
Other Deferred/Unavailable Revenue	250,947	95,000	214,165	65,000	0	625,112
Total Deferred Inflows of Resources	<u>\$ 7,064,402</u>	<u>\$ 552,233</u>	<u>\$ 437,494</u>	<u>\$ 187,240</u>	<u>\$ 57,154</u>	<u>\$ 8,298,523</u>
FUND BALANCES						
Nonspendable:						
Long-term Notes Receivable	\$ 27,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,000
Restricted:						
Restricted for General Government	21,902	0	0	0	0	21,902
Restricted for Finance	38,466	0	0	0	0	38,466
Restricted for Administration of Justice	11,850	0	0	0	0	11,850
Restricted for Public Safety	28,303	0	0	0	47,718	76,021
Restricted for Public Health and Welfare	0	0	0	0	343,412	343,412
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	144,371	144,371
Restricted for Highways/Public Works	0	0	1,445,409	0	0	1,445,409
Restricted for Capital Outlay	0	0	0	0	464,350	464,350
Restricted for Capital Projects	0	0	0	0	554	554
Committed:						
Committed for General Government	207,863	0	0	0	0	207,863

(Continued)

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	
FUND BALANCES (Cont.)						
Committed (Cont.):						
Committed for Public Health and Welfare	\$ 0	\$ 986,010	\$ 0	\$ 0	\$ 0	\$ 986,010
Committed for Social, Cultural, and Recreational Services	26,357	0	0	0	0	26,357
Committed for Debt Service	0	0	0	2,733,857	0	2,733,857
Assigned:						
Assigned for General Government	16,272	0	0	0	0	16,272
Assigned for Finance	6,800	0	0	0	0	6,800
Assigned for Administration of Justice	713	0	0	0	0	713
Assigned for Public Safety	56,189	0	0	0	0	56,189
Assigned for Public Health and Welfare	191,211	0	0	0	0	191,211
Assigned for Social, Cultural, and Recreational Services	8,371	0	0	0	0	8,371
Assigned for Other Operations	7,734	0	0	0	8,498	16,232
Unassigned	4,766,421	0	0	0	(97,269)	4,669,152
Total Fund Balances	<u>\$ 5,415,452</u>	<u>\$ 986,010</u>	<u>\$ 1,445,409</u>	<u>\$ 2,733,857</u>	<u>\$ 911,634</u>	<u>\$ 11,492,362</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,480,083</u>	<u>\$ 1,538,243</u>	<u>\$ 1,882,917</u>	<u>\$ 2,921,097</u>	<u>\$ 1,181,314</u>	<u>\$ 20,003,654</u>

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

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

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	11,492,362
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	5,849,220	
Add: construction in progress		437,016	
Add: buildings and improvements net of accumulated depreciation		17,463,532	
Add: infrastructure net of accumulated depreciation		23,065,944	
Add: other capital assets net of accumulated depreciation		<u>4,534,835</u>	51,350,547
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(7,185,000)	
Less: notes payable		(2,099,000)	
Less: unamortized premium on debt		(913,274)	
Less: accrued interest on bonds and notes		(58,655)	
Less: compensated absences payable		(469,455)	
Less: net OPEB liability		(685,685)	
Less: net pension liability		(853,248)	
Less: landfill postclosure care costs		<u>(50,807)</u>	(12,315,124)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	1,437,578	
Less: deferred inflows of resources related to pensions		(193,202)	
Less: deferred inflows of resources related to OPEB		<u>(7,253)</u>	1,237,123
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>791,669</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>52,556,577</u></u>

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

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

	Major Funds				
	General	Solid Waste / Sanitation	Formerly Major Special Purpose	Highway / Public Works	General Debt Service
Revenues					
Local Taxes	\$ 7,086,370	\$ 1,801,635	\$ 0	\$ 68,400	\$ 1,343,569
Licenses and Permits	40,057	0	0	0	0
Fines, Forfeitures, and Penalties	48,949	0	0	0	0
Charges for Current Services	2,935,519	444,255	0	0	0
Other Local Revenues	736,061	103,016	0	235,104	66,226
Fees Received From County Officials	939,029	0	0	0	0
State of Tennessee	1,605,069	96,498	0	3,488,452	0
Federal Government	1,404,392	0	0	0	0
Other Governments and Citizens Groups	248,495	0	0	0	0
Total Revenues	\$ 15,043,941	\$ 2,445,404	\$ 0	\$ 3,791,956	\$ 1,409,795
Expenditures					
Current:					
General Government	\$ 1,557,324	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,218,529	0	0	0	0
Administration of Justice	783,238	0	0	0	0
Public Safety	4,592,202	0	0	0	0
Public Health and Welfare	4,030,639	2,380,056	0	0	0
Social, Cultural, and Recreational Services	414,265	0	0	0	0
Agriculture and Natural Resources	131,181	0	0	0	0
Other Operations	2,115,862	102,970	0	0	0
Highways	0	0	0	4,063,837	0

(Continued)

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

	Major Funds				
	General	Solid Waste / Sanitation	Formerly Major Special Purpose	Highway / Public Works	General Debt Service
Expenditures (Cont.)					
Debt Service:					
Principal on Debt	\$ 0	\$ 0	\$ 0	\$ 59,000	\$ 1,138,000
Interest on Debt	0	0	0	10,812	282,234
Other Debt Service	0	0	0	0	21,384
Capital Projects	0	0	0	0	0
Total Expenditures	\$ 14,843,240	\$ 2,483,026	\$ 0	\$ 4,133,649	\$ 1,441,618
Excess (Deficiency) of Revenues Over Expenditures	\$ 200,701	\$ (37,622)	\$ 0	\$ (341,693)	\$ (31,823)
Other Financing Sources (Uses)					
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 19,500	\$ 0
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	(200,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 19,500	\$ (200,000)
Net Change in Fund Balances	\$ 200,701	\$ (37,622)	\$ 0	\$ (322,193)	\$ (231,823)
Change to or Within the Reporting Entity	0	0	244,913	0	0
Fund Balance, July 1, 2024	5,214,751	1,023,632	(244,913)	1,767,602	2,965,680
Fund Balance, June 30, 2025	\$ 5,415,452	\$ 986,010	\$ 0	\$ 1,445,409	\$ 2,733,857

(Continued)

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

	Nonmajor Funds		Total Governmental Funds	
	Other Govern- mental Funds		Other Govern- mental Funds	
Revenues				
Local Taxes	\$ 57,575	\$	10,357,549	
Licenses and Permits	0		40,057	
Fines, Forfeitures, and Penalties	14,204		63,153	
Charges for Current Services	0		3,379,774	
Other Local Revenues	19,911		1,160,318	
Fees Received From County Officials	0		939,029	
State of Tennessee	99,299		5,289,318	
Federal Government	1,345,233		2,749,625	
Other Governments and Citizens Groups	81,514		330,009	
Total Revenues	\$ 1,617,736	\$	24,308,832	
Expenditures				
Current:				
General Government	\$ 0	\$	1,557,324	
Finance	0		1,218,529	
Administration of Justice	0		783,238	
Public Safety	230,741		4,822,943	
Public Health and Welfare	0		6,410,695	
Social, Cultural, and Recreational Services	202,812		617,077	
Agriculture and Natural Resources	0		131,181	
Other Operations	614,285		2,833,117	
Highways	0		4,063,837	

(Continued)

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		Funds
Expenditures (Cont.)			
Debt Service:			
Principal on Debt	\$ 0	\$	1,197,000
Interest on Debt	0		293,046
Other Debt Service	0		21,384
Capital Projects	648,248		648,248
Total Expenditures	<u>\$ 1,696,086</u>	<u>\$</u>	<u>24,597,619</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ (78,350)</u>	<u>\$</u>	<u>(288,787)</u>
Other Financing Sources (Uses)			
Insurance Recovery	\$ 0	\$	19,500
Transfers In	200,000		200,000
Transfers Out	0		(200,000)
Total Other Financing Sources (Uses)	<u>\$ 200,000</u>	<u>\$</u>	<u>19,500</u>
Net Change in Fund Balances	\$ 121,650	\$	(269,287)
Change to or Within the Reporting Entity	(244,913)		0
Fund Balance, July 1, 2024	<u>1,034,897</u>		<u>11,761,649</u>
Fund Balance, June 30, 2025	<u><u>\$ 911,634</u></u>	<u><u>\$</u></u>	<u><u>11,492,362</u></u>

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

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$	(269,287)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	2,100,405	
Less: current-year depreciation expense		<u>(1,628,790)</u>	471,615
(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			(111,308)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2025	\$	791,669	
Less: deferred delinquent property taxes and other deferred June 30, 2024		<u>(833,356)</u>	(41,687)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Add: principal payments on bonds	\$	175,000	
Add: principal payments on notes		214,000	
Add: principal payments on other loans		808,000	
Add: change in premium on bond issuance		<u>37,277</u>	1,234,277
(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	\$	2,271	
Change in postclosure care costs		142,175	
Change in compensated absences payable		23,515	
Change in net pension liability/asset		235,961	
Change in deferred outflows related to pensions		(25,317)	
Change in deferred inflows related to pensions		(176,862)	
Change in net OPEB liability		(674,850)	
Change in deferred inflows related to OPEB		<u>(3,950)</u>	(477,057)
Change in net position of governmental activities (Exhibit B)		\$	<u>806,553</u>

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

FENTRESS COUNTY, TENNESSEE**Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

General Fund

For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 7,086,370	\$ 0	\$ 0	\$ 7,086,370	\$ 7,173,952	\$ 7,173,952	\$ (87,582)
Licenses and Permits	40,057	0	0	40,057	61,000	61,000	(20,943)
Fines, Forfeitures, and Penalties	48,949	0	0	48,949	45,365	45,365	3,584
Charges for Current Services	2,935,519	0	0	2,935,519	2,503,300	2,506,890	428,629
Other Local Revenues	736,061	0	0	736,061	492,000	570,232	165,829
Fees Received From County Officials	939,029	0	0	939,029	792,000	792,000	147,029
State of Tennessee	1,605,069	0	0	1,605,069	1,522,717	1,837,011	(231,942)
Federal Government	1,404,392	0	0	1,404,392	35,800	1,438,671	(34,279)
Other Governments and Citizens Groups	248,495	0	0	248,495	190,000	217,830	30,665
Total Revenues	\$ 15,043,941	\$ 0	\$ 0	\$ 15,043,941	\$ 12,816,134	\$ 14,642,951	\$ 400,990
Expenditures							
General Government							
County Commission	\$ 135,055	\$ (1,200)	\$ 1,500	\$ 135,355	\$ 138,611	\$ 138,611	\$ 3,256
Board of Equalization	480	0	0	480	750	1,350	870
Beer Board	1,500	0	0	1,500	1,500	1,500	0
County Mayor/Executive	217,169	0	0	217,169	219,067	220,067	2,898
Election Commission	352,774	(4,300)	6,875	355,349	353,492	356,490	1,141
Register of Deeds	219,333	0	800	220,133	224,642	226,642	6,509
Planning	13,127	0	0	13,127	19,000	19,000	5,873

(Continued)

FENTRESS COUNTY, TENNESSEE**Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
General Government (Cont.)							
County Buildings	\$ 602,230	\$ (3,000)	\$ 7,097	\$ 606,327	\$ 639,198	\$ 676,198	\$ 69,871
Preservation of Records	15,656	0	0	15,656	16,932	17,432	1,776
Finance							
Accounting and Budgeting	385,380	(118)	250	385,512	398,208	405,233	19,721
Property Assessor's Office	222,876	0	800	223,676	236,426	238,326	14,650
Reappraisal Program	700	0	0	700	4,180	4,180	3,480
County Trustee's Office	247,056	0	240	247,296	261,895	263,895	16,599
County Clerk's Office	362,517	0	5,510	368,027	363,926	379,426	11,399
Administration of Justice							
Circuit Court	328,858	(2,945)	493	326,406	340,074	361,731	35,325
General Sessions Court	188,472	0	0	188,472	190,384	191,384	2,912
Chancery Court	165,981	0	220	166,201	167,627	170,127	3,926
Juvenile Court	36,311	0	0	36,311	40,506	41,005	4,694
District Attorney General	16,730	0	0	16,730	0	18,500	1,770
Other Administration of Justice	23,959	0	0	23,959	29,000	29,000	5,041
Probation Services	10,299	0	0	10,299	51,774	24,259	13,960
Victim Assistance Programs	12,628	0	0	12,628	59,904	59,904	47,276
Public Safety							
Sheriff's Department	1,765,331	(250)	5,930	1,771,011	1,667,964	1,786,471	15,460

(Continued)

FENTRESS COUNTY, TENNESSEE**Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Public Safety (Cont.)							
Special Patrols	\$ 395,587	\$ (14,100)	\$ 0	\$ 381,487	\$ 450,000	\$ 449,999	\$ 68,512
Administration of the Sexual Offender Registry	5,550	0	0	5,550	2,000	8,950	3,400
Jail	1,743,522	(4,600)	44,968	1,783,890	1,752,339	1,845,532	61,642
Fire Prevention and Control	272,264	(7,295)	3,169	268,138	201,075	291,889	23,751
Civil Defense	84,159	(500)	1,908	85,567	85,959	88,012	2,445
Rescue Squad	36,727	0	214	36,941	39,000	39,000	2,059
Other Emergency Management	242,473	0	0	242,473	243,365	243,365	892
County Coroner/Medical Examiner	46,589	0	0	46,589	55,625	55,625	9,036
Public Health and Welfare							
Local Health Center	35,820	(4,182)	0	31,638	38,157	38,657	7,019
Ambulance/Emergency Medical Services	3,410,342	(549,951)	73,997	2,934,388	2,850,256	3,154,025	219,637
Other Local Health Services	538,054	0	117,213	655,267	181,700	700,530	45,263
Appropriation to State	34,423	0	0	34,423	34,423	34,423	0
General Welfare Assistance	0	0	0	0	3,000	3,000	3,000
Other Local Welfare Services	12,000	0	0	12,000	12,000	12,000	0
Social, Cultural, and Recreational Services							
Adult Activities	139,624	0	167	139,791	146,661	156,278	16,487
Libraries	220,877	(1,028)	854	220,703	228,140	237,425	16,722
Parks and Fair Boards	53,764	(1,750)	7,350	59,364	68,110	76,098	16,734

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Agriculture and Natural Resources							
Agricultural Extension Service	\$ 62,002	\$ 0	\$ 0	\$ 62,002	\$ 83,806	\$ 83,806	\$ 21,804
Soil Conservation	69,179	0	0	69,179	103,855	104,855	35,676
Other Operations							
Tourism	70,000	0	0	70,000	70,000	70,000	0
Other Economic and Community Development	14,500	0	0	14,500	50,750	25,750	11,250
Veterans' Services	67,246	0	1,399	68,645	79,207	80,207	11,562
Contributions to Other Agencies	59,269	0	0	59,269	103,000	85,000	25,731
Miscellaneous	1,904,847	(18,332)	6,336	1,892,851	1,004,544	2,135,074	242,223
Total Expenditures	<u>\$ 14,843,240</u>	<u>\$ (613,551)</u>	<u>\$ 287,290</u>	<u>\$ 14,516,979</u>	<u>\$ 13,312,032</u>	<u>\$ 15,650,231</u>	<u>\$ 1,133,252</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 200,701	\$ 613,551	\$ (287,290)	\$ 526,962	\$ (495,898)	\$ (1,007,280)	\$ 1,534,242
Other Financing Sources (Uses)							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 113,648	\$ (113,648)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 113,648</u>	<u>\$ (113,648)</u>
Net Change in Fund Balance	\$ 200,701	\$ 613,551	\$ (287,290)	\$ 526,962	\$ (495,898)	\$ (893,632)	\$ 1,420,594
Fund Balance, July 1, 2024	<u>5,214,751</u>	<u>(613,551)</u>	<u>0</u>	<u>4,601,200</u>	<u>4,336,341</u>	<u>4,336,341</u>	<u>264,859</u>
Fund Balance, June 30, 2025	<u><u>\$ 5,415,452</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (287,290)</u></u>	<u><u>\$ 5,128,162</u></u>	<u><u>\$ 3,840,443</u></u>	<u><u>\$ 3,442,709</u></u>	<u><u>\$ 1,685,453</u></u>

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

FENTRESS COUNTY, TENNESSEE**Statement of Revenues, Expenditures, and Changes****in Fund Balance - Actual (Budgetary Basis) and Budget**

Solid Waste/Sanitation Fund

For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Local Taxes	\$ 1,801,635	\$ 0	\$ 1,801,635	\$ 1,600,173	\$ 1,600,173	\$ 201,462
Charges for Current Services	444,255	0	444,255	425,000	425,000	19,255
Other Local Revenues	103,016	0	103,016	125,500	125,500	(22,484)
State of Tennessee	96,498	0	96,498	44,200	44,200	52,298
Total Revenues	<u>\$ 2,445,404</u>	<u>\$ 0</u>	<u>\$ 2,445,404</u>	<u>\$ 2,194,873</u>	<u>\$ 2,194,873</u>	<u>\$ 250,531</u>
Expenditures						
Public Health and Welfare						
Sanitation Management	\$ 142,261	\$ 950	\$ 143,211	\$ 159,343	\$ 153,553	\$ 10,342
Sanitation Education/Information	9,199	370	9,569	9,700	9,700	131
Waste Pickup	542,055	160	542,215	520,458	544,849	2,634
Convenience Centers	457,657	0	457,657	482,523	470,023	12,366
Problem Waste Centers	1,742	144	1,886	6,000	6,000	4,114
Other Waste Collection	1,200	0	1,200	2,000	2,000	800
Recycling Center	516,610	228	516,838	497,774	533,228	16,390
Landfill Operation and Maintenance	703,696	0	703,696	560,000	740,000	36,304
Postclosure Care Costs	5,636	2,100	7,736	8,300	8,600	864
Other Operations						
Other Charges	102,673	0	102,673	103,841	104,934	2,261
Employee Benefits	297	0	297	2,000	2,000	1,703
Total Expenditures	<u>\$ 2,483,026</u>	<u>\$ 3,952</u>	<u>\$ 2,486,978</u>	<u>\$ 2,351,939</u>	<u>\$ 2,574,887</u>	<u>\$ 87,909</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (37,622)</u>	<u>\$ (3,952)</u>	<u>\$ (41,574)</u>	<u>\$ (157,066)</u>	<u>\$ (380,014)</u>	<u>\$ 338,440</u>
Net Change in Fund Balance	<u>\$ (37,622)</u>	<u>\$ (3,952)</u>	<u>\$ (41,574)</u>	<u>\$ (157,066)</u>	<u>\$ (380,014)</u>	<u>\$ 338,440</u>
Fund Balance, July 1, 2024	<u>1,023,632</u>	<u>0</u>	<u>1,023,632</u>	<u>919,326</u>	<u>919,326</u>	<u>104,306</u>
Fund Balance, June 30, 2025	<u><u>\$ 986,010</u></u>	<u><u>\$ (3,952)</u></u>	<u><u>\$ 982,058</u></u>	<u><u>\$ 762,260</u></u>	<u><u>\$ 539,312</u></u>	<u><u>\$ 442,746</u></u>

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

FENTRESS COUNTY, TENNESSEE**Statement of Revenues, Expenditures, and Changes****in Fund Balance - Actual (Budgetary Basis) and Budget**

Highway/Public Works Fund

For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Local Taxes	\$ 68,400	\$ 0	\$ 68,400	\$ 55,000	\$ 60,000	\$ 8,400
Other Local Revenues	235,104	0	235,104	90,000	195,525	39,579
State of Tennessee	3,488,452	0	3,488,452	4,535,076	4,535,076	(1,046,624)
Federal Government	0	0	0	840,552	840,552	(840,552)
Total Revenues	\$ 3,791,956	\$ 0	\$ 3,791,956	\$ 5,520,628	\$ 5,631,153	\$ (1,839,197)
Expenditures						
Highways						
Administration	\$ 241,280	\$ 93	\$ 241,373	\$ 263,313	\$ 263,313	\$ 21,940
Highway and Bridge Maintenance	1,903,625	24,883	1,928,508	2,003,795	2,007,941	79,433
Operation and Maintenance of Equipment	473,355	33,234	506,589	627,561	627,561	120,972
Other Charges	140,050	0	140,050	142,500	142,500	2,450
Employee Benefits	74,779	0	74,779	69,256	75,111	332
Capital Outlay	1,230,748	0	1,230,748	2,373,259	2,494,333	1,263,585
Principal on Debt						
Highways and Streets	59,000	0	59,000	59,000	59,000	0
Interest on Debt						
Highways and Streets	10,812	0	10,812	10,812	10,812	0
Total Expenditures	\$ 4,133,649	\$ 58,210	\$ 4,191,859	\$ 5,549,496	\$ 5,680,571	\$ 1,488,712

(Continued)

FENTRESS COUNTY, TENNESSEE**Statement of Revenues, Expenditures, and Changes****in Fund Balance - Actual (Budgetary Basis) and Budget**

Highway/Public Works Fund (Cont.)

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (341,693)	\$ (58,210)	\$ (399,903)	\$ (28,868)	\$ (49,418)	\$ (350,485)
Other Financing Sources (Uses)						
Insurance Recovery	\$ 19,500	\$ 0	\$ 19,500	\$ 0	\$ 25,549	\$ (6,049)
Total Other Financing Sources	\$ 19,500	\$ 0	\$ 19,500	\$ 0	\$ 25,549	\$ (6,049)
Net Change in Fund Balance	\$ (322,193)	\$ (58,210)	\$ (380,403)	\$ (28,868)	\$ (23,869)	\$ (356,534)
Fund Balance, July 1, 2024	1,767,602	0	1,767,602	1,107,700	1,107,700	659,902
Fund Balance, June 30, 2025	\$ 1,445,409	\$ (58,210)	\$ 1,387,199	\$ 1,078,832	\$ 1,083,831	\$ 303,368

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

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

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 2,015,950
Due from Other Governments	<u>201,602</u>
Total Assets	<u><u>\$ 2,217,552</u></u>
LIABILITIES	
Due to Other Taxing Units	\$ 201,602
Total Liabilities	<u><u>\$ 201,602</u></u>
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 2,015,950</u>
Total Net Position	<u><u>\$ 2,015,950</u></u>

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

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

	Custodial Funds
ADDITIONS	
Sales Tax Collections for Other Governments	\$ 1,156,042
Fines/Fees and Other Collections	6,315,316
Total Additions	<u>\$ 7,471,358</u>
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	\$ 1,156,042
Payments to State	2,826,358
Payments to Cities, Individuals, and Others	2,745,516
Total Deductions	<u>\$ 6,727,916</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 743,442
Net Position, July 1, 2024	<u>1,272,508</u>
Net Position, June 30, 2025	<u>\$ 2,015,950</u>

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

FENTRESS COUNTY, TENNESSEE

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fentress 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 Fentress County:

A. *Reporting Entity*

Fentress County is a public municipal corporation governed by an elected 10-member board. As required by GAAP, these financial statements present Fentress County (the primary government) and its component units. The financial statements of the Industrial Development Board of Fentress County, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Fentress County School Department operates the public school system in the county, and the voters of Fentress 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 Fentress County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Fentress County, and the Fentress 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. During the year ended June 30, 2025, the county appropriated an operating subsidy of \$242,473 to the district.

The Industrial Development Board of Fentress County provides assistance in industrial recruitment in Fentress County, and the county commission appoints its 12-member board. Fentress County substantially funds the Industrial Development Board through annual appropriations. During the year ended June 30, 2025, the county appropriated an operating subsidy of \$42,000 to the board. The financial statements of the Industrial Development Board of Fentress County were not material to the component units' opinion unit and therefore have been omitted from this report.

The Fentress 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 Fentress County Emergency Communications District and the Industrial Development Board of Fentress County can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Fentress County Emergency Communications District
116 Justice Center Drive
Jamestown, TN 38556

Industrial Development Board of Fentress County
114 Central Avenue West
Jamestown, TN 38556

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Fentress 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 Fentress 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.

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

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

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

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

Fund financial statements of Fentress 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. Fentress 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. Fentress County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Fentress 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 transactions relating to the disposal of Fentress County’s solid waste. Local taxes and general service 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. 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, Fentress County reports the following fund types:

Capital Projects Funds – Capital projects funds are used to account for transactions associated with various capital projects undertaken by the county.

Custodial Funds – Custodial 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 Fentress County.

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

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

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

Additionally, the Fentress County School Department reports the following fund type:

Capital Projects Fund – The Education Capital Projects Fund is used to account for transfers from the General Purpose School Fund and various grants for building construction and renovations.

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

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Fentress 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 and General Purpose School funds. Fentress 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. Fentress County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

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

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.55 percent of total taxes levied.

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

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

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

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

Most payables are disaggregated on the face of the financial statements.

3. Restricted Assets

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

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items) are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

Assets	Years
Buildings and Improvements	20 - 40
Infrastructure	20 - 75
Other Capital Assets	5 - 20

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension and OPEB changes in experience, assumptions, proportionate share, and contributions made after the measurement date.

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 and proportionate share, pension changes in investment earnings, OPEB changes in assumptions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

6. Compensated Absences

Primary Government

It is the county's policy to permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. All vacation and compensatory pay is accrued when incurred in the government-wide financial statements for the county. Only a portion of the unpaid accumulated sick leave is accrued. The criteria for accrual includes a "more likely than not," to be used or paid. Upon termination of employment for any purpose other than retirement, all unused sick leave will be forfeited. Since Fentress County does not have a policy to pay any amounts when employees separate from service with the government, only the portion of sick leave "more likely than not" expected to be used is accrued in the government-wide financial statements. Sick leave expected to be credited to TCRS service is not accrued. A liability for vacation pay, compensatory time, and sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements and payable under the county's policies.

Discretely Presented Fentress County School Department

It is the school department's policy to permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. However, vacation leave is not allowed to be carried over beyond year end and compensatory time is only allowed in rare instances and is of minimal value. Only a portion of the unpaid accumulated sick leave is accrued. The criteria for accrual includes a "more likely than not," to be used or paid. The school department has a policy that allows for a payout, of the regular daily rate of pay up to 20 sick days, to non-certified employees at the time of separation from the school department. Since the Fentress County School Department has a policy to pay amounts when non-certified employees separate from service with, the portion of sick leave "more likely than not" expected to be used or paid out is accrued in the government-wide financial statements. Sick leave expected to be credited to TCRS service is not accrued. A liability for vacation pay, compensatory time, and sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements and payable under the school department's policies.

7. Long-term Debt and Long-term Obligations

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

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

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

8. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or

regulations of other governments or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

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

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

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

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

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

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

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

9. Restatements

In prior years, the discretely presented Fentress County School Department had recorded a compensated absences liability for the estimated future amounts of incentive payments made to qualifying retiring employees for unused sick leave at the time of retirement. See note V.H. for further details of these incentive payments. With the implementation of GASB Statement 101, *Compensated Absences*, management determined that these payments were

better accounted for as termination benefits under GASB Statement 47, *Accounting for Termination Benefits*. This statement requires recognition when an employee accepts the offer, rather than when an employee becomes eligible for the benefit. As a result, the school department must recognize a restatement to the beginning net position in the Government-wide financial statements for the discretely presented Fentress County School Department to eliminate the liability. A restatement of \$626,968 has been presented to reflect the beginning balance of the discretely presented Fentress County School Department.

With the implementation of GASB Statement 101, *Compensated Absences*, Fentress County must recognize a restatement to the beginning net position in the Government-wide financial statements for the primary government and the discretely presented Fentress County School Department to correct compensated absences liabilities. A restatement of (\$25,356) has been presented to reflect the beginning balance of the primary government and (\$40,040) for the discretely presented Fentress County School Department. The following table reflects the restatement amounts necessary to implement this standard:

	Government Wide Governmental Activities	
	Primary Government	Discretely Presented Fentress County School Department
Net Position, as previously reported	\$ 51,775,380	\$ 31,713,349
Adjustments to correct an error in reporting:		
Termination Benefits	0	626,968
Adjustments for GASB 101 Implementation:		
Compensated Absences Liability	(25,356)	(40,040)
Net Change in Beginning Net Position	\$ (25,356)	\$ 586,928
Net Position, June 30, 2024 Restated	\$ 51,750,024	\$ 32,300,277

10. Changes To or Within the Financial Reporting Entity

Changes in Major Fund Classification

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

The Special Purpose Fund no longer met the quantitative thresholds and is presented as a nonmajor governmental fund. Prior-year amounts have been restated to reflect the fund within the Nonmajor Governmental Funds column.

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

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

	7-1-24 As Previously Reported	Change To or Within the Financial Reporting Entity	7-1-24 As Restated
Primary Government			
Governmental Funds			
Major Fund:			
Special Purpose	\$ (244,913)	\$ 244,913	\$ 0
Nonmajor Funds	1,034,897	(244,913)	789,984
Total Governmental Funds	<u>\$ 789,984</u>	<u>\$ 0</u>	<u>\$ 789,984</u>
Discretely Presented Fentress County School Department			
Major Fund:			
Central Cafeteria	\$ 1,331,537	\$ (1,331,537)	\$ 0
Nonmajor Funds	702,620	1,331,537	2,034,157
Total Governmental Funds			
Discretely Presented Fentress County School Department	<u>\$ 2,034,157</u>	<u>\$ 0</u>	<u>\$ 2,034,157</u>

E. Pension Plans

Primary Government

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

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Fentress 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 Fentress 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 Fentress County School Department

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

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

Primary Government

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

Discretely Presented Fentress 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 certain capital project funds which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

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

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

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

On June 30, 2025, Fentress County and the discretely presented Fentress County School Department reported the following encumbrances:

Funds	Amount
Primary Government:	
Major Funds:	
General	\$ 287,290
Solid Waste/Sanitation	3,952
Highway Public Works	58,210
Nonmajor Funds:	
Special Purpose	8,498
Drug Control	400
Other Special Revenue	1,852
School Department:	
Major Fund:	
General Purpose School	1,209,993
Nonmajor Fund:	
Central Cafeteria	13,241

B. Fund Deficit

The Special Purpose Fund had an unassigned fund deficit of \$97,269 due to the expenditure reporting prescribed by the U.S. Treasury for the State and Local Fiscal Recovery Funds Grant (ALN 21.027). The grant expenditures can only be reported in April of each year. Fentress County made expenditures of grant funds after the reporting period but before the end of the fiscal year, which resulted in a deficit.

C. Appropriations Exceeded Estimated Available Funding

The budget and subsequent amendments approved by the county commission for the Special Purpose Fund resulted in appropriations exceeding estimated available funding by \$91,925.

D. Cash Shortages – Prior Years

On January 28, 2014, the Comptroller of the Treasury released an investigative audit report regarding misappropriation of funds at the Fentress County Public Library. The report revealed a cash shortage of \$40,217 resulting from the misappropriation of funds by the former library director. During the investigation, the former director deposited \$7,000 in personal funds to the library bank account, which left a shortage of \$33,217 on June 30, 2014. On September 25, 2014, the former library director pled guilty to theft of property and received ten years' probation. She was also ordered to

pay restitution to the library with payments beginning in October 2014. On June 30, 2025, the Fentress County Public Library had received the full amount of restitution for this shortage.

On September 4, 2019, the Comptroller of the Treasury released an investigative report related to the misappropriation of funds totaling \$239,681 from the Fentress County Finance Department (\$237,616) and the Kirby Johnson Memorial Ballpark (\$2,065). On June 28, 2021, the former finance department employee pled guilty to theft of property and official misconduct. On August 16, 2021, the former employee was sentenced to fourteen years in state department of corrections custody and ordered to pay restitution upon her release of \$156,421 to Fentress County and \$2,065 to the Kirby Johnson Ball Park. On August 7, 2023, the court ordered the portion of the restitution owed to the county to be reduced from \$156,421 to \$27,000. Total unpaid restitution as of June 30, 2025, was \$27,000.

On June 20, 2021, the Comptroller of the Treasury released an investigative report related to the misappropriation of funds totaling \$8,857. On April 24, 2023, a former sheriff's department deputy pled guilty on one count of official misconduct, one count of theft over \$2,500, and one count of fraudulent use of a credit card for purchasing fuel for his personal vehicle using the county's fuel card and was sentenced to four years supervised probation and to pay restitution to the county totaling \$8,857. On June 30, 2025, the county had received the full amount of restitution for this shortage.

IV. DETAILED NOTES ON ALL FUNDS

A. *Deposits and Investments*

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

Deposits

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

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

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or

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

Investments

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

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

TCRS Stabilization Trust

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

On June 30, 2025, the Fentress 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	\$ 102,124
Developed Market International Equity	N/A	N/A	46,121
Emerging Market International Equity	N/A	N/A	13,177
U.S. Fixed Income	N/A	N/A	65,887
Real Estate	N/A	N/A	32,943
Short-term Securities	N/A	N/A	3,294
NAV - Private Equity and Strategic Lending	N/A	N/A	65,887
Total			<u>\$ 329,433</u>

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

B. Leases Receivable

On July 1, 1989, Fentress County began leasing a county owned building to be used as a nursing home. This lease was reassigned in 2004 and 2016. The 2016 assignment was to Signature HealthCARE with the lease ending in 2028 with a right to renew the lease for an additional 10 years. Signature HealthCARE will pay the county \$87,000 per year for the lease. There are no provisions for contingent or sublease rentals in the agreements. The future minimum lease payments for this lease are as follows:

Year Ending June 30	Nursing Home Lease		
	Principal	Interest	Total
2026	\$ 87,000	\$ 0	\$ 87,000
2027	87,000	0	87,000
2028	87,000	0	87,000
2029	43,500	0	43,500
Total	<u>\$ 304,500</u>	<u>\$ 0</u>	<u>\$ 304,500</u>

C. *Capital Assets*

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

Primary Government

Governmental Activities:

	Balance 7-1-24	Increases	Decreases	Balance 6-30-25
Capital Assets Not Depreciated:				
Land	\$ 5,849,220	\$ 0	\$ 0	\$ 5,849,220
Construction in Progress	3,282,584	437,016	(3,282,584)	437,016
Total Capital Assets Not Depreciated	<u>\$ 9,131,804</u>	<u>\$ 437,016</u>	<u>\$ (3,282,584)</u>	<u>\$ 6,286,236</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 21,477,177	\$ 1,843,534	\$ 0	\$ 23,320,711
Infrastructure	32,110,072	1,041,711	0	33,151,783
Other Capital Assets	10,325,765	2,060,728	(439,594)	11,946,899
Total Capital Assets Depreciated	<u>\$ 63,913,014</u>	<u>\$ 4,945,973</u>	<u>\$ (439,594)</u>	<u>\$ 68,419,393</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,423,010	\$ 434,169	\$ 0	\$ 5,857,179
Infrastructure	9,749,675	336,164	0	10,085,839
Other Capital Assets	6,881,893	858,457	(328,286)	7,412,064
Total Accumulated Depreciation	<u>\$ 22,054,578</u>	<u>\$ 1,628,790</u>	<u>\$ (328,286)</u>	<u>\$ 23,355,082</u>
Total Capital Assets Depreciated, Net	<u>\$ 41,858,436</u>	<u>\$ 3,317,183</u>	<u>\$ (111,308)</u>	<u>\$ 45,064,311</u>
Governmental Activities Capital Assets, Net	<u>\$ 50,990,240</u>	<u>\$ 3,754,199</u>	<u>\$ (3,393,892)</u>	<u>\$ 51,350,547</u>

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

Governmental Activities:

General Government	\$ 25,732
Finance	3,362
Administration of Justice	88,109
Public Safety	491,427
Public Health and Welfare	435,004
Social, Cultural, and Recreational Services	31,236
Agriculture and Natural Resources	38,417
Highways/Public Works	<u>515,503</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,628,790</u>

Net Investment in Capital Assets

Capital Assets	\$ 51,350,547
Less:	
Outstanding principal of capital debt and other capital borrowings	(9,284,000)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(913,274)</u>
Net Investment in Capital Assets	<u>\$ 41,153,273</u>

Discretely Presented Fentress County School Department

Governmental Activities:

	Balance 7-1-24	Increases	Decreases	Balance 6-30-25
Capital Assets Not Depreciated:				
Land	\$ 389,825	\$ 0	\$ 0	\$ 389,825
Construction in Progress	2,633,585	0	(2,633,585)	0
Total Capital Assets Not Depreciated	<u>\$ 3,023,410</u>	<u>\$ 0</u>	<u>\$ (2,633,585)</u>	<u>\$ 389,825</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 20,067,291	\$ 2,719,034	\$ 0	\$ 22,786,325
Other Capital Assets	5,555,335	1,068,485	(244,419)	6,379,401
Total Capital Assets Depreciated	<u>\$ 25,622,626</u>	<u>\$ 3,787,519</u>	<u>\$ (244,419)</u>	<u>\$ 29,165,726</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 9,956,206	\$ 507,671	\$ 0	\$ 10,463,877
Other Capital Assets	3,552,941	432,436	(231,857)	3,753,520
Total Accumulated Depreciation	<u>\$ 13,509,147</u>	<u>\$ 940,107</u>	<u>\$ (231,857)</u>	<u>\$ 14,217,397</u>
Total Capital Assets Depreciated, Net	<u>\$ 12,113,479</u>	<u>\$ 2,847,412</u>	<u>\$ (12,562)</u>	<u>\$ 14,948,329</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,136,889</u>	<u>\$ 2,847,412</u>	<u>\$ (2,646,147)</u>	<u>\$ 15,338,154</u>

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

Governmental Activities:

Instruction	\$ 567,160
Support Services	367,345
Operation of Non-instructional Services	<u>5,602</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 940,107</u>

D. Construction Commitments

On June 30, 2025, the county had uncompleted construction contracts of approximately \$117,213 for a health department renovation project that was ongoing at year-end. Funding has been received for these future expenditures in the General Fund.

On June 30, 2025, the school department had uncompleted construction contracts of approximately \$371,000 for school renovation projects that were ongoing at year-end. Funding has been received for these future expenditures in the General Purpose School Fund.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 37,537
Discretely Presented School Department:		
General Purpose School	School Federal Projects	1,222
School Federal Projects	General Purpose School	3,605
"	"	73
Nonmajor governmental	"	11,201

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

The receivable in the General Purpose School totaling \$1,222 was in transit from the School Federal Projects Fund on June 30, 2025. The receivable in the School Federal Projects Fund totaling \$73 and the receivable in the Central Cafeteria Fund totaling \$11,201 were in transit from the General Purpose School Fund on June 30, 2025.

Interfund Transfers:

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

Primary Government

Transfer Out	Transfer In Nonmajor governmental funds	Purpose
General Debt Service Fund	\$ 200,000	Capital outlay

Discretely Presented Fentress County School Department

Transfer Out	Transfer In General Purpose School Fund	Purpose
School Federal Projects Fund	\$ 58,323	Indirect costs

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 - Fentress 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 a capital lease for the justice center. 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 30 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2025, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Fentress County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities 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 13 years for notes and up to 25 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans were retired prior to June 30, 2025. All notes included in long-term debt as of June 30, 2025, will be retired from the General Debt Service and Highway/Public Works funds.

General obligation bonds and capital outlay notes outstanding as of June 30, 2025, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-25
General Obligation Bonds	3 to 5	%	3-1-50	\$ 8,105,000	\$ 7,185,000
Direct Borrowing and Direct Placement:					
Capital Outlay Notes	1.7		6-1-34	2,950,000	2,099,000

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	\$ 185,000	\$ 231,350	\$ 416,350
2027	195,000	222,100	417,100
2028	200,000	212,350	412,350
2029	210,000	202,350	412,350
2030	225,000	191,850	416,850
2031-2035	1,220,000	854,550	2,074,550
2036-2040	1,410,000	660,450	2,070,450
2041-2045	1,640,000	435,150	2,075,150
2046-2050	1,900,000	174,000	2,074,000
Total	\$ 7,185,000	\$ 3,184,150	\$ 10,369,150

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2026	\$ 218,000	\$ 35,683	\$ 253,683
2027	221,000	31,977	252,977
2028	225,000	28,220	253,220
2029	229,000	24,395	253,395
2030	233,000	20,502	253,502
2031-2034	973,000	41,718	1,014,718
Total	\$ 2,099,000	\$ 182,495	\$ 2,281,495

There is \$2,733,857 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$389, based on the 2020 federal census. Total debt per capita, including bonds, notes, and unamortized debt premiums, totaled \$552, based on the 2020 federal census.

Changes in Long-term Debt

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

Governmental Activities:

	Bonds	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2024	\$ 7,360,000	\$ 2,313,000	\$ 808,000
Reductions	(175,000)	(214,000)	(808,000)
Balance, June 30, 2025	\$ 7,185,000	\$ 2,099,000	\$ 0
Balance Due Within One Year	\$ 185,000	\$ 218,000	\$ 0

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2025	\$ 9,284,000
Less: Balance Due Within One Year - Debt	(403,000)
Add: Unamortized Premium on Debt	<u>913,274</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u><u>\$ 9,794,274</u></u>

G. Long-term Obligations

Primary Government

Changes in Long-term Obligations

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

Governmental Activities:

	Compensated Absences*	Other Post- employment Benefits	Net Pension Liability - Agent Plan	Landfill Postclosure Care Costs
Balance, July 1, 2024	\$ 492,970	\$ 10,835	\$ 1,089,209	\$ 192,982
Additions	0	679,967	2,236,044	4,632
Reductions	(23,515)	(5,117)	(2,472,005)	(146,807)
Balance, June 30, 2025	<u>\$ 469,455</u>	<u>\$ 685,685</u>	<u>\$ 853,248</u>	<u>\$ 50,807</u>
Balance Due Within One Year	<u>\$ 250,129</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,933</u>

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

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2025	\$ 2,059,195
Less: Balance Due Within One Year - Other	<u>(266,062)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 1,793,133</u></u>

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

Discretely Presented Fentress County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Compensated Absences*	Other Post- employment Benefits
Balance, July 1, 2024	\$ 298,751	\$ 3,209,306
Additions	0	534,960
Reductions	(100,559)	(101,392)
Balance, June 30, 2025	<u>\$ 198,192</u>	<u>\$ 3,642,874</u>
Balance Due Within One Year	<u>\$ 198,192</u>	<u>\$ 162,372</u>

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

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2025	\$ 3,841,066
Less: Balance Due Within One Year - Other	<u>(360,564)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 3,480,502</u>

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

H. On-Behalf Payments**Discretely Presented Fentress County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Fentress County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2025, were \$110,949. 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**

The county is exposed to various risks related to general liability, property, and casualty losses. The county's risk of loss relating to general liability, property, and casualty is covered by participation 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.

Fentress County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under provisions of Section 29-20-401, *Tennessee Code Annotated*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the 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.

Fentress County provides health insurance coverage to its employees through commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Discretely Presented Fentress County School Department

The discretely presented Fentress County 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 workers' compensation, general liability, property, and casualty 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 Changes

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

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

C. Contingent Liabilities

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

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

D. Landfill Postclosure Care Costs

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. These closure and postclosure care costs generally are paid near or after the date that the landfill stops accepting waste. Fentress County closed its landfill on July 27, 1994, and

has contracted with a private landfill for its waste disposal. The Solid Waste/Sanitation Fund (special revenue fund) reports postclosure care costs as expenditures in each period in which they are incurred. The \$50,807 reported as landfill postclosure care liability on June 30, 2025, represents estimated postclosure care costs based on the use of 100 percent of the landfill's capacity. Actual costs may vary from estimates due to inflation, changes in technology, or changes in regulations.

E. Joint Ventures

The Fentress County Joint Economic and Community Development Board (the Board) was established by an interlocal agreement between the participating governments, comprised of Fentress County, Tennessee and the cities of Allardt and Jamestown, Tennessee. The purpose of the Board is to foster communication relating to economic and community development between and among governmental entities, industry, and private citizens. Fentress County made no contributions to the Board for the year ended June 30, 2025.

The Eighth Judicial District Drug Task (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighth Judicial District and the municipalities within the district. The district is composed of Fentress, Campbell, Claiborne, Scott, and Union counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Fentress County made no contributions to the DTF for the year ended June 30, 2025.

Fentress County does not have any equity interest in either of the above-noted joint ventures. Complete financial statements for the Fentress County Joint Economic and Development Board and the Eighth Judicial District Task Force can be obtained from its administrative office at the following address:

Administrative Offices:

Fentress County Joint Economic and Community Development Board
114 W Central Ave
Jamestown, TN 38556

Eighth Judicial District Drug Task Force
P.O. Box 10
Huntsville, TN 37756

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Fentress County are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent 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 the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS.

The TCRS issues a publicly available financial report that can be obtained on the [Tennessee Department of Treasury website](#).

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

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	84
Inactive Employees Entitled to But Not Yet Receiving Benefits	304
Active Employees	187
Total	<u><u>575</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of their salary to the plan. Fentress County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2025, the employer contributions for Fentress County were \$628,020 based on a rate of 7.76 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Fentress 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)

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

Actuarial Assumptions. The total pension liability as of the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

Asset Class	Percentage 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 Fentress County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2023	\$ 16,676,498	\$ 15,587,289	\$ 1,089,209
Changes for the Year:			
Service Cost	\$ 673,611	\$ 0	\$ 673,611
Interest	1,150,744	0	1,150,744
Differences Between Expected and Actual Experience	392,583	0	392,583
Contributions-Employer	0	568,678	(568,678)
Contributions-Employees	0	366,417	(366,417)
Net Investment Income	0	1,536,910	(1,536,910)
Benefit Payments, Including Refunds of Employee Contributions	(604,102)	(604,102)	0
Administrative Expense	0	(19,106)	19,106
Net Changes	\$ 1,612,836	\$ 1,848,797	\$ (235,961)
Balance, June 30, 2024	\$ 18,289,334	\$ 17,436,086	\$ 853,248

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Fentress 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 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Fentress County			
Net Pension Liability (Asset)	\$ 3,597,918	\$ 853,248	\$ (1,366,093)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, Fentress County recognized pension expense (negative pension expense) of \$593,065.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, Fentress 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	\$ 463,448	\$ 12,255
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	180,947
Changes in Assumptions	346,110	0
Contributions Subsequent to the Measurement Date of June 30, 2024 (1)	628,020	N/A
Total	<u>\$ 1,437,578</u>	<u>\$ 193,202</u>

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

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

Year Ending June 30	Amount
2026	\$ 109,678
2027	542,611
2028	(19,599)
2029	(16,331)
2030	0
Thereafter	0

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

Discretely Presented Fentress County School Department - Non-certified Employees

Plan Description. Non-Certified employees of the discretely presented Fentress 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 TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained on the [Tennessee Department of Treasury website](#).

Benefits Provided. *TCA*, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service.

Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	97
Inactive Employees Entitled to But Not Yet Receiving Benefits	247
Active Employees	173
Total	<u>517</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of their salary to the plan. Fentress County School Department makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2025, the employer contribution was \$234,968 based on a rate of 6.51 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the school department’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)

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

Actuarial Assumptions. The total pension liability as of the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2023	\$ 10,709,961	\$ 11,296,476	\$ (586,515)
Changes for the Year:			
Service Cost	\$ 305,386	\$ 0	\$ 305,386
Interest	726,194	0	726,194
Differences Between Expected and Actual Experience	262,711	0	262,711
Contributions-Employer	0	220,381	(220,381)
Contributions-Employees	0	161,809	(161,809)
Net Investment Income	0	1,095,420	(1,095,420)
Benefit Payments, Including Refunds of Employee Contributions	(513,837)	(513,837)	0
Administrative Expense	0	(19,583)	19,583
Net Changes	\$ 780,454	\$ 944,190	\$ (163,736)
Balance, June 30, 2024	\$ 11,490,415	\$ 12,240,666	\$ (750,251)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Fentress County School Department 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
Fentress County School Department	5.75%	6.75%	7.75%
Net Pension Liability (Asset)	\$ 727,594	\$ (750,251)	\$ (1,968,562)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, Fentress County School Department recognized pension expense (negative pension expense) of \$326,177.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, Fentress County 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	\$ 430,102	\$ 30,371
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	130,546
Contributions Subsequent to the Measurement Date of June 30, 2024 (1)	234,968	N/A
Total	<u>\$ 665,070</u>	<u>\$ 160,917</u>

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

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

Year Ending June 30	Amount
2026	\$ (15,201)
2027	353,320
2028	(1,324)
2029	(67,602)
2030	0
Thereafter	0

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

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

General Information About the Pension Plan

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2025, to the Teacher Retirement Plan were \$139,998, which is three percent of covered payroll. In addition, employer contributions of \$45,326, which is one percent of covered payroll, were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). On June 30, 2025, the school department reported a liability (asset) of (\$119,906) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2024, the school department's proportion was .168263 percent. The proportion as of June 30, 2023, was .166163 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the Fentress County School Department recognized pension expense (negative pension expenses) of \$99,156.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the school department reported deferred outflows 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	\$ 9,905	\$ 36,838
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	20,226
Changes in Assumptions	47,648	0
Changes in Proportion of Net Pension Liability (Asset)	10,264	21,797
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	139,998	N/A
Total	<u>\$ 207,815</u>	<u>\$ 78,861</u>

The school department's employer contributions of \$139,998, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2026	\$ (12,750)
2027	15,234
2028	(8,491)
2029	(8,380)
2030	1,592
Thereafter	1,750

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

Actuarial Assumptions. The total pension liability as of the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

Asset Class	Percentage 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%
Net Pension Liability (Asset)	\$ 316,230	\$ (119,906)	\$ (444,482)

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

General Information About the Pension Plan

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

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

under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Fentress County School Department for the year ended June 30, 2025, to the Teacher Legacy Pension Plan were \$434,374, which is 6.37 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, 2025, the school department reported a liability (asset) of \$(3,731,019) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2024, the school department's proportion was .216559 percent. The proportion measured on June 30, 2023, was .225122 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized pension expense (negative pension expense) of \$861,346.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 994,964	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	726,651
Changes in Proportion of Net Pension Liability (Asset)	170,735	114,740
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	434,374	N/A
Total	<u>\$ 1,600,073</u>	<u>\$ 841,391</u>

The school department's employer contributions of \$434,374 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2026	\$ (360,857)
2027	1,446,868
2028	(379,116)
2029	(382,586)
2030	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability as of the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2024, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June

30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

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

Net Pension Liability (Asset) \$ 4,739,687 \$ (3,731,019) \$ (10,756,313)

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

Payable to the Pension Plan

On June 30, 2025, the Fentress County School Department reported a payable of \$53 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

2. Deferred Compensation

Fentress County offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 401(k). The discretely presented Fentress County School Department offers its employees deferred compensation plans established pursuant to IRC Sections 401(k) and 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 401(k), Section 457, and Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k), 457, and 403(b) establish participation, contribution, and withdrawal provisions for the plan.

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 \$219,803 and teachers contributed \$183,159 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

Primary Government

Beginning November 1, 2022, Fentress County provides OPEB benefits to its employees through a commercial insurance plan. Benefits are established and amended by the county commission. Prior to November 1, 2022, the county provided OPEB benefits to its employees from the state administered public entity risk pool.

Commercial Postemployment Benefits Plan

Plan Description. The county participates in a commercial postemployment benefits plan administered by Blue Cross/Blue Shield of Tennessee for its retirees and their covered dependents. All eligible pre-65 retired employees, who choose coverage, may participate in the plan. For accounting purposes, the plan is a single employer defined benefit OPEB plan. Benefits are established and

amended by the county commission. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

Benefits Provided. The plan provides healthcare benefits to retirees and their dependents. The county contributes 100 percent of the base plan medical premium for individual coverage. Eligible retirees pay the full contribution for any other elected coverage.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2025, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefits	0
Inactive Employees Entitled To But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	<u>97</u>
Total	<u><u>97</u></u>

Total OPEB Liability. The county's total OPEB liability of \$685,685 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2025.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary Increases	3.5%
Discount Rate	4.81%
Healthcare Cost Trend Rates	4.5%
Retirees share of Benefit-related Cost	100%

The discount rate was based on the S&P Municipal Bond 20 Year High Grade rate index. The individual entry age normal cost actuarial method was used.

Mortality rates were based on RPH-2014 mortality table with the MP-2021 projection scale.

The actuarial assumptions used in the June 30, 2025, valuation were based on plan data and costs presented by the county.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2024	<u>\$ 10,835</u>
Changes for the Year:	
Service Cost	\$ 1,162
Interest	505
Changes in Benefit Terms	678,300
Difference between Expected and Actual Experience	(311)
Changes in Assumption	<u>(4,806)</u>
Net Changes	<u>\$ 674,850</u>
Balance June 30, 2025	<u><u>\$ 685,685</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the period ended June 30, 2025, the county recognized OPEB expense of \$672,714. The county reported no deferred outflows of resources on June 30, 2025.

	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,003
Changes of Assumptions	4,250
Total	<u>\$ 7,253</u>

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	Amount
2026	\$ (1,167)
2027	(1,167)
2028	(1,167)
2029	(1,167)
2030	(1,167)
Thereafter	(1,418)

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the county calculated using the discount rate of 4.81 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (3.81 percent) or one percentage point higher (5.81 percent) than the current rate:

Discount Rate	1% Decrease 3.81%	Current Discount Rate 4.81%	1% Increase 5.81%
Total OPEB Liability	\$ 757,780	\$ 685,685	\$ 620,823

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the county calculated using the healthcare cost trend rate of 4.50 percent, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower (3.50%) or one percentage point higher (5.50%) than the current rate:

Healthcare Cost Trend Rate			
	1%	Current	1%
	Decrease	Trend	Increase
	3.5%	Rate	5.5%
Total OPEB Liability	\$ 594,247	\$ 685,685	\$ 796,405

Discretely Presented Fentress County School Department

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

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

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

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

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

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2024, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2024, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2021 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and

adjusted with a 19 percent load for males and an 18 percent load for females, projected generationally with MP-2021 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2021.

Changes in Assumptions. The discount rate changed from 3.65 percent as of the beginning of the measurement period to 3.93 percent as of the measurement date of June 30, 2024. This change in assumption decreased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2024 plan year was revised from 10.31 percent to 10.68 percent.

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

Plan Description. Employees of the Fentress 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 Fentress 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 the retiree premiums. The school department does not provide a direct subsidy and is only subject to the implicit subsidy.

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

Inactive Employees Currently Receiving Benefits	22
Inactive Employees Entitled To But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	<u>163</u>
Total	<u><u>185</u></u>

A state insurance committee, created in accordance with *TCA* 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$162,372 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Fentress County School Department 64.68%	State of TN 35.32%	Total OPEB Liability
Balance July 1, 2023	\$ 3,209,306	\$ 1,799,809	\$ 5,009,115
Changes for the Year:			
Service Cost	\$ 121,909	\$ 66,586	\$ 188,495
Interest	120,863	66,014	186,877
Difference between Expected and Actual Experience	221,160	120,795	341,955
Changes in Assumption	40,683	22,221	62,904
Benefit Payments	(101,392)	(55,379)	(156,771)
Change in Proportionate Share	30,345	(30,345)	0
Net Changes	\$ 433,568	\$ 189,892	\$ 623,460
Balance June 30, 2024	\$ 3,642,874	\$ 1,989,701	\$ 5,632,575

The Fentress 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 Fentress 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 \$207,288 in revenue for subsidies provided by non-employer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Fentress County School Department's proportionate share of the collective OPEB liability was 64.68 percent and the State of Tennessee's share was 35.32 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the school department recognized OPEB expense of \$452,935, including the state's share of the expense. On June 30, 2025, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Actual and Expected Experience	\$ 371,381	\$ 207,370
Changes in Proportion	44,207	256,395
Changes of Assumptions	442,768	262,860
Benefits Paid After the Measurement Date of June 30, 2024	162,372	0
Total	\$ 1,020,728	\$ 726,625

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

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

Year Ending June 30	School Department
2026	\$ 2,875
2027	2,875
2028	13,439
2029	16,667
2030	25,787
Thereafter	70,088

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

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

Discount Rate	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
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Proportionate Share of the Collective Total OPEB Liability	\$ 3,880,955	\$ 3,642,874	\$ 3,415,407
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

Healthcare Cost Trend Rate	1% Decrease 9.68 to 3.5%	Current Trend Rates 10.68 to 4.5%	1% Increase 11.68 to 5.5%
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Proportionate Share of the Collective Total OPEB Liability	\$ 3,338,268	\$ 3,642,874	\$ 3,988,508
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H. Termination Benefits

The Fentress County School Department has adopted policies allowing for a severance payout, to certified employees hired before July 1, 2015, at the time of retirement. The severance is calculated at \$75 per accumulated sick leave day on record as of June 30 of the year the employee retires. At retirement, the employee has the option to either receive the full payout of accumulated sick leave days, credit all accumulated sick leave days towards TCRS, or split the days between the two options. No retirees qualified to receive this benefit in 2024-2025.

I. Office of Central Accounting, Budgeting, and Purchasing

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

J. Purchasing Law

The County Financial Management System of 1981 provides for the finance director, or a deputy appointed by him to serve as the county purchasing agent. The finance director serves as the purchasing agent for Fentress County. All purchase orders are issued by the finance department. Purchases exceeding \$25,000 are required to be competitively bid.

K. Subsequent Event

On December 19, 2025, Michael Reagon left the Office of Sheriff and was succeeded by Hunter Fowler.

VI. OTHER NOTES – FENTRESS COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

The financial statements of Fentress County Emergency Communications District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Fentress County Emergency Communication District was established in October 1990, under the authority of Title 7, Chapter 86, Tennessee code Annotated, for the purpose of providing an enhanced level of 911 services to the Fentress County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of address and information. It is a component unit of Fentress County. The Fentress County Emergency Communications District is run by a board of directors, which is appointed by Fentress County. The district must file a budget with Fentress County each year. Any bond issued by the district is subject to approval by Fentress County.

1. Basis of Accounting

The district uses the accrual basis of accounting and the economic resources measurement focus. Revenues are recognized when earned and expenses are recognized when incurred. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

2. Estimates

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

3. Deposits and Investments

For the purpose of the Statement of Cash Flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

5. Capital Assets

Capital assets are carried at cost. Capital assets are defined by the district as assets with an initial, individual cost of more than \$5,000, updated from \$2,500 on February 26, 2024, with an estimated useful life in excess of one year. Expenditures for repairs and maintenance are charged to operating expenses as incurred.

6. Depreciation

Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives. Depreciation begins when capital assets are placed in service. It is the district's policy to capitalize all assets based on historical cost for any asset over \$5,000, updated from \$2,500 on February 26, 2024. Depreciation is summarized as follows:

	Method	Estimated Useful Life	Depreciation
Office Equipment	S/L	5-10 Years	\$ 553
Furniture and Fixtures	S/L	5-10 Years	0
Communications Equipment	S/L	5-10 Years	102,595
Vehicles	S/L	5 Years	<u>6,675</u>
Total			<u><u>\$ 109,823</u></u>

7. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position will sometimes report separate sections for deferred outflows and inflows of resources. Deferred outflows of resources are presented after total assets. A deferred outflow of resources is a consumption of net assets by the district that is applicable to future reporting period(s) and so will not be recognized as an outflow of resources (expense) until then.

Deferred inflows of resources are presented after total liabilities in the Statement of Net Position. A deferred inflow of resources is an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

8. Compensated Absences

The district's policy provides that vacation time may be accumulated and carried forward by full-time employees (those who work more than thirty-five hours per week) to the next year in an amount not to exceed thirty days or two hundred forty total hours. Any hours exceeding the two hundred forty-hour limit may be converted to sick leave at the end of each fiscal year to the next. Upon termination of employment, an employee will be entitled to payment for any unused vacation time. Payment will be based upon the employee's daily

rate of compensation at the time of termination. The accumulated amount is charged to expense and corresponding liability in the financial statements. The district implemented GASB 101 during the current fiscal year, whereby sick leave is also accrued unless the amounts are settled through conversion to a defined benefit post-employment benefit plan or the leave is unlimited. Under the current policy, sick leave is unlimited and carries forward indefinitely until employee separates from the district and any balance is then settled by conversion to the defined benefit post-employment benefit plan. Therefore, the accrual for sick leave is not required.

9. Revenue and Expenses

The district distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the district's principal ongoing operations. The principal operating revenues of the district are emergency telephone service charges collected from telephone service providers, shared wireless charges, and other operational funding. Operating expenses include the cost of salaries and wages, employee benefits, administration, building and facilities, communications operations, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

10. Net Position

Net position is classified into three components: investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation.

Restricted Net Position – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This component of net position consists of net position that does not meet the definition of "Restricted" or "Investment in Capital Assets".

11. Reservations of Net Position

If restricted and unrestricted net positions are available for the same purpose, the restricted net position will be used before unrestricted net position.

12. Pensions

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

13. Budget

The budget is legally adopted by the board of directors, in accordance with the provisions of Section 7-86-120, *Tennessee Code Annotated*. The legal level of control is at the line-item level. Accordingly, operating expenses may not exceed the amount budgeted in each line item. Budgeted expenses may be amended, as needed, to meet changing needs.

B. Cash and Cash Investments

Tennessee state statutes require Tennessee banks and savings and loan associations to secure a governmental entity's deposits by pledging government securities as collateral. The market value of pledged securities must equal 105 percent of the entity's deposits. The entity may waive collateral requirements for deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

The following is a schedule of bank accounts on June 30, 2025:

Account	Balance 6-30-25
Checking - Builtwell Bank	\$ 271,476
Investment Local Government Investment Pool	<u>1,129,369</u>
Total	<u><u>\$ 1,400,845</u></u>

On June 30, 2025, the carrying amount of the Fentress County Emergency Communications District's cash deposits was \$1,400,845. The district's deposit accounts are covered up to \$250,000 by the Federal Deposit Insurance Corporation. Any amounts over \$250,000 are covered by the Government Collateralization Pool of which Builtwell Bank and the Local Government Investment Pool are members. The district is authorized to deposit and invest funds according to the provisions of Section 5-8-301 *Tennessee Code Annotated*. [Acts 1992, ch. 891, section 10]. The Tennessee Bank Collateral Pool is a multiple financial institution collateral pool in which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. On June 30, 2025, the district's deposits in financial institutions were entirely insured or collateralized by Federal Depositary Insurance or the Tennessee State Collateral Pool.

C. Bonding

The Fentress County Emergency Communications District is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and missions, workers compensation, and natural disasters. The premises are commercially insured by the Fentress County Government. The building coverage has some hardware insurance coverage for the location where the equipment is located. Additional commercial insurance has been obtained. No losses have occurred during the past three years that have exceeded coverage.

D. Capital Assets

The following is a schedule of equipment on June 30, 2025:

Assets	Balance 7-1-24	Additions	Adjust- ments and Disposals	Balance 6-30-25
Non-depreciable:				
Construction in Progress	\$ 3,271	\$ 0	\$ (3,271)	\$ 0
Depreciable:				
Office Equipment	15,701	0	0	15,701
Furniture and Fixtures	91,081	0	0	91,081
Communications				
Equipment	1,021,349	33,517	0	1,054,866
Vehicles	33,376	0	0	33,376
Total	<u>\$ 1,164,778</u>	<u>\$ 33,517</u>	<u>\$ (3,271)</u>	<u>\$ 1,195,024</u>

Assets	Accumulated Depreciation 7-1-24	Current Year Depreciation	Current Year Adjust- ments and Disposals	Accumulated Depreciation 6-30-25
Office Equipment	\$ 14,181	\$ 553	\$ 0	\$ 14,734
Furniture and Fixtures	91,081	0	0	91,081
Communication's				
Equipment	556,370	102,595	0	658,965
Vehicles	7,788	6,675	0	14,463
Total	<u>\$ 669,420</u>	<u>\$ 109,823</u>	<u>\$ 0</u>	<u>\$ 779,243</u>

E. Calculation of Investment in Capital Assets

Net Book Value	\$ 415,781
Current and Non-Current Debt	<u>0</u>
Investment in Capital Assets	<u>\$ 415,781</u>

F. Budgetary Information

As stated in Note VI.A., the district must file a budget with Fentress County each year which must be filed with the county and approved by the board of directors. The budget is prepared on the accrual basis of accounting. Compliance with the legally adopted budget is required at the line-item level.

G. Compensated Absences

The district implemented GASB 101 during the current fiscal year, whereby sick leave is also accrued unless the amounts are settled through conversion to a defined benefit post-employment benefit plan or the leave is unlimited. Under the current policy, sick leave is unlimited and carries forward indefinitely until employee separates from the district and any balance is then settled by conversion to the defined benefit post-employment benefit plan. Therefore, the accrual for sick leave is not required. Changes to compensated absences during the current fiscal year are summarized as follows:

	Compensated Absences
Balance, July 1, 2024	\$ 26,304
Additions	6,860
Reductions	(13,812)
Balance, June 30, 2025	\$ 19,352
Balance Due Within One Year	\$ 13,812

H. Other Postemployment Benefits (OPEB)

Local Government OPEB Plan

Plan Description. Employees of Fentress County Emergency Communications District (district) are provided with pre-65 retiree health insurance benefits through the closed Local Government OPEB Plan (LGOP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGOP.

Benefits Provided. The district offers the LGOP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with Section 8-27-701, *Tennessee Code Annotated*, establishes and amends the benefit terms of the LGOP. 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 LGOP receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The district does not directly subsidize and is only subject to the implicit. The LGOP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Employees Covered by Benefit Terms. On July 1, 2024, the following employees of the district were covered by the benefit terms of the LGOP:

Inactive Employees Currently Receiving Benefits	0
Inactive Employees Entitled To But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	13
Total	13

An insurance committee, created in accordance with Section 8-27-701, *Tennessee Code Annotated*, establishes the required payments to the LGOP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2025, the district paid \$26 to the LGOP for OPEB benefits as they came due.

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

Inflation	2.25%
Salary Increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent
Healthcare Cost Trend Rates	10.68 percent for pre-65 in 2024, decreasing annually over a 13-year period to an ultimate rate of 4.5 percent. 13.44 percent for post-65 in 2024, decreasing annually over a 12-year period to an ultimate rate of 4.5 percent.
Retirees Share of Benefit Related Cost	Member are required to make monthly contributions in order to maintain their coverage. For the purpose of this valuation a weighted average has been used with weights derived from the current distribution of members among plans offered.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2024, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (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 probability of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the headcount-weighted below median teachers PUB-2010 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2021. Post-retirement tables are adjusted with a 19% load for males and a 18% load for females. 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% load with mortality improvement projected to all future years using Scale MP-2021.

Discount Rate. The discount rate used to measure the total OPEB liability was 3.93 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index.

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

	<u>Total OPEB Liability</u>
Balance July 1, 2023	\$ 16,342
Changes for the Year:	
Service Cost	\$ 1,473
Interest	650
Difference between Expected and Actual Experience	(126)
Changes in Assumption	2,097
Benefit Payments	1
Net Changes	<u>\$ 4,095</u>
Balance June 30, 2024	<u>\$ 20,437</u>

Changes in Assumptions. The discount rate was changed from 3.65% as of the beginning of the measurement period to 3.93% as of June 30, 2024. This change in assumption decreased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability related to the LGOP, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

Discount Rate			
	1%	Current	1%
	Decrease 2.93%	Discount Rate 3.93%	Increase 4.93%
Total OPEB Liability	\$ 21,580	\$ 20,437	\$ 19,318

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability related to the LGOP, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate.

Healthcare Cost Trend Rate			
	1%	Current	1%
	Decrease 5.6 to 3.5%	Trend Rate 6.6 to 4.5%	Increase 7.6 to 5.5%
Total OPEB Liability	\$ 18,855	\$ 20,437	\$ 22,177

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the district recognized OPEB expense of \$1,140. On June 30, 2025, the district reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the LGOP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Actual and Expected Experience	\$ 713	\$ 6,404
Changes of Assumptions	6,159	4,143
Net Difference Between Projected and Benefits paid after the measurement date	26	0
Total	\$ 6,898	\$ 10,547

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	Amount
2026	\$ (983)
2027	(983)
2028	(983)
2029	(300)
2030	(151)
Thereafter	(275)

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

I. Pension Plan

Plan Description. Employees of Fentress County Emergency Communications District are provided a defined benefit pension plan through the Public Employee Retirement Plan, and agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated 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 the [Tennessee Department of Treasury website](#).

Benefits Provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes 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 5 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 service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service-related disability benefits are provided regardless of the length of service. Five years of service is required for nonservice-related disability eligibility. Service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are 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 2nd 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 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	2
Inactive Employees Entitled to But Not Yet Receiving Benefits	12
Active Employees	11
Total	<u><u>25</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of their salary. Fentress County Emergency Communications District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2025, employer contributions for Fentress County Emergency District were \$40,260 based on a rate of 8.02% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Fentress County Emergency Communications District's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (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)

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

Actuarial assumptions. The total pension liability as of June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity 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 three factors described above.

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2023	\$ 1,098,964	\$ 984,552	\$ 114,412
Changes for the year:			
Service Cost	\$ 46,060	\$ 0	\$ 46,060
Interest	77,158	0	77,158
Differences Between Expected and Actual Experience	11,071	0	11,071
Contributions-Employer	0	34,720	(34,720)
Contributions-Employees	0	24,555	(24,555)
Net Investment Income	0	98,771	(98,771)
Benefit Payments, Including Refunds of Employee Contributions	(3,878)	(3,878)	0
Administrative Expense	0	(984)	984
Net Changes	\$ 130,411	\$ 153,184	\$ (22,773)
Balance, June 30, 2024	\$ 1,229,375	\$ 1,137,736	\$ 91,639

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of Fentress County Emergency Communications District 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 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Fentress County Emergency Communications District			
Net Pension Liability (Asset)	\$ 315,935	\$ 91,639	\$ (86,933)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, Fentress County Emergency Communications District recognized pension expense (negative pension expense) of \$39,798.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2025, Fentress County Emergency Communications District 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	\$ 127,152	\$ 18,045
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	11,673
Changes in Assumptions	38,372	0
Contributions Subsequent to the Measurement Date of June 30, 2024 (1)	40,260	N/A
Total	<u>\$ 205,784</u>	<u>\$ 29,718</u>

- (1) The amount shown above for "Contributions subsequent to the measurement date of June 30, 2024", will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2026	\$ 5,690
2027	35,877
2028	15,853
2029	15,618
2030	24,367
Thereafter	38,405

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

J. Deferred Compensation

Fentress County Emergency Communications District offers its employees a deferred compensation plan established pursuant to IRC Section 401(k), funded by employee deferrals and, if elected, employer contributions. The plan became effective June 1, 2017. Any full-time employee, an employee who renders thirty-five hours of service per week, is eligible to participate. The district will match 100 percent of the first twenty dollars of each participant's elective deferral.

Each participant is 100 percent vested immediately in his or her matching contribution account. Assets held in connection with the Plan remain the property of the contributing participants and their beneficiaries and are not presented in the accompanying financial statements. IRC Section 401(k) establishes participation, contribution, and withdrawal provisions for the plan. During the fiscal year ended June 30, 2025, Fentress County Emergency Communications District contributed \$570 to the 401(k) Plan on behalf of the plan participants.

K. Transactions With Other Governments

The Fentress County Emergency Communications District entered into an intergovernmental cooperation agreement with Fentress County, whereby the district will staff and operate the Emergency Communications Center. Fentress County makes quarterly payments to the district for its

share of the dispatching cost. Payments by the City of Jamestown for dispatch services will be collected by the district separately from the county quarterly invoicing and payment. These payments are recognized in the Statement of Revenues, Expenses, and Changes in Net Position as Contributions from Primary Government in the amount of \$301,382.

L. Premises

As part of the intergovernmental cooperation agreement with Fentress County, Tennessee, the county agrees to allow the district to occupy the building and real property owned by the county located at 116 Justice Center Drive, Jamestown, Tennessee, for its operations center. No payment of rent or other future monetary contributions will be required as this agreement is for the benefit of both parties.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

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

Primary Government

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability (Asset)										
Service Cost	\$ 339,177	\$ 385,704	\$ 416,773	\$ 443,393	\$ 433,251	\$ 459,371	\$ 479,296	\$ 581,664	\$ 596,408	\$ 673,611
Interest	572,115	657,161	709,557	753,832	792,245	852,981	914,313	990,799	1,077,711	1,150,744
Differences Between Actual and Expected Experience	551,752	111,603	56,298	(184,202)	110,024	17,721	49,063	325,187	(20,425)	392,583
Changes in Assumptions	0	0	242,793	0	0	0	1,038,330	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(377,551)	(373,712)	(600,142)	(430,075)	(516,034)	(531,769)	(476,305)	(555,858)	(693,756)	(604,102)
Net Change in Total Pension Liability (Asset)	\$ 1,085,493	\$ 780,756	\$ 825,279	\$ 582,948	\$ 819,486	\$ 798,304	\$ 2,004,697	\$ 1,341,792	\$ 959,938	\$ 1,612,836
Total Pension Liability (Asset), Beginning	7,477,805	8,563,298	9,344,054	10,169,333	10,752,281	11,571,767	12,370,071	14,374,768	15,716,560	16,676,498
Total Pension Liability, Ending (a)	\$ 8,563,298	\$ 9,344,054	\$ 10,169,333	\$ 10,752,281	\$ 11,571,767	\$ 12,370,071	\$ 14,374,768	\$ 15,716,560	\$ 16,676,498	\$ 18,289,334
Plan Fiduciary Net Position										
Contributions - Employer	\$ 291,706	\$ 312,079	\$ 317,267	\$ 322,100	\$ 329,117	\$ 347,662	\$ 364,494	\$ 379,103	\$ 540,515	\$ 568,678
Contributions - Employee	242,282	259,204	263,513	267,525	273,354	296,137	306,805	324,489	348,746	366,417
Net Investment Income	235,457	213,495	944,908	775,059	760,982	548,809	3,031,378	(571,442)	976,090	1,536,910
Benefit Payments, Including Refunds of Employee Contributions	(377,551)	(373,712)	(600,142)	(430,075)	(516,034)	(531,769)	(476,305)	(555,858)	(693,756)	(604,102)
Administrative Expense	(7,579)	(11,861)	(14,294)	(15,351)	(15,428)	(16,097)	(15,695)	(17,213)	(15,352)	(19,106)
Other	0	157	0	0	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 384,315	\$ 399,362	\$ 911,252	\$ 919,258	\$ 831,991	\$ 644,742	\$ 3,210,677	\$ (440,921)	\$ 1,156,243	\$ 1,848,797
Plan Fiduciary Net Position, Beginning	7,570,370	7,954,685	8,354,047	9,265,299	10,184,557	11,016,548	11,661,290	14,871,967	14,431,046	15,587,289
Plan Fiduciary Net Position, Ending (b)	\$ 7,954,685	\$ 8,354,047	\$ 9,265,299	\$ 10,184,557	\$ 11,016,548	\$ 11,661,290	\$ 14,871,967	\$ 14,431,046	\$ 15,587,289	\$ 17,436,086
Net Pension Liability (Asset), Ending (a - b)	\$ 608,613	\$ 990,007	\$ 904,034	\$ 567,724	\$ 555,219	\$ 708,781	\$ (497,199)	\$ 1,285,514	\$ 1,089,209	\$ 853,248
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.89%	89.40%	91.11%	94.72%	95.20%	94.27%	103.46%	91.82%	93.47%	95.33%
Covered Payroll	\$ 4,845,610	\$ 5,184,034	\$ 5,270,217	\$ 5,350,488	\$ 5,467,056	\$ 5,922,687	\$ 5,967,012	\$ 6,458,812	\$ 6,972,228	\$ 7,342,106
Net Pension Liability (Asset) as a Percentage of Covered Payroll	12.56%	19.10%	17.15%	10.61%	10.16%	11.97%	(8.33)%	19.90%	15.62%	11.62%

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

Discretely Presented Fentress County School Department – Non-Certified Employees

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability (Asset)										
Service Cost	\$ 197,164	\$ 209,501	\$ 221,413	\$ 226,917	\$ 225,748	\$ 235,342	\$ 240,040	\$ 270,649	\$ 291,082	\$ 305,386
Interest	482,715	518,294	558,189	544,931	569,934	596,457	610,886	640,802	663,175	726,194
Differences Between Actual and Expected Experience	128,858	126,959	(519,661)	(40,731)	(49,926)	(192,714)	(93,723)	(121,484)	466,139	262,711
Changes in Assumptions	0	0	159,141	0	0	0	769,433	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(355,160)	(338,239)	(331,223)	(370,397)	(399,769)	(379,249)	(510,271)	(469,547)	(488,336)	(513,837)
Net Change in Total Pension Liability (Asset)	\$ 453,577	\$ 516,515	\$ 87,859	\$ 360,720	\$ 345,987	\$ 259,836	\$ 1,016,365	\$ 320,420	\$ 932,060	\$ 780,454
Total Pension Liability (Asset), Beginning	6,416,622	6,870,199	7,386,714	7,474,573	7,835,293	8,181,280	8,441,116	9,457,481	9,777,901	10,709,961
Total Pension Liability (Asset), Ending (a)	\$ 6,870,199	\$ 7,386,714	\$ 7,474,573	\$ 7,835,293	\$ 8,181,280	\$ 8,441,116	\$ 9,457,481	\$ 9,777,901	\$ 10,709,961	\$ 11,490,415
Plan Fiduciary Net Position										
Contributions - Employer	\$ 132,147	\$ 145,356	\$ 142,857	\$ 167,179	\$ 175,361	\$ 179,926	\$ 160,791	\$ 179,534	\$ 205,666	\$ 220,381
Contributions - Employee	102,759	113,029	111,088	111,453	116,907	119,952	123,317	123,820	141,839	161,809
Net Investment Income	212,281	185,576	803,614	647,136	620,257	438,644	2,351,667	(430,667)	716,418	1,095,420
Benefit Payments, Including Refunds of Employee Contributions	(355,160)	(338,239)	(331,223)	(370,397)	(399,769)	(379,249)	(510,271)	(469,547)	(488,336)	(513,837)
Administrative Expense	(7,786)	(11,265)	(12,354)	(13,945)	(13,369)	(13,554)	(12,949)	(15,349)	(15,100)	(19,583)
Other	0	1,807	0	0	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 84,241	\$ 96,264	\$ 713,982	\$ 541,426	\$ 499,387	\$ 345,719	\$ 2,112,555	\$ (612,209)	\$ 560,487	\$ 944,190
Plan Fiduciary Net Position, Beginning	6,954,624	7,038,865	7,135,129	7,849,111	8,390,537	8,889,924	9,235,643	11,348,198	10,735,989	11,296,476
Plan Fiduciary Net Position, Ending (b)	\$ 7,038,865	\$ 7,135,129	\$ 7,849,111	\$ 8,390,537	\$ 8,889,924	\$ 9,235,643	\$ 11,348,198	\$ 10,735,989	\$ 11,296,476	\$ 12,240,666
Net Pension Liability (Asset), Ending (a - b)	\$ (168,666)	\$ 251,585	\$ (374,538)	\$ (555,244)	\$ (708,644)	\$ (794,527)	\$ (1,890,717)	\$ (958,088)	\$ (586,515)	\$ (750,251)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.46%	96.59%	105.01%	107.09%	108.66%	109.41%	119.99%	109.80%	105.48%	106.53%
Covered Payroll	\$ 2,055,161	\$ 2,260,582	\$ 2,221,720	\$ 2,229,057	\$ 2,338,149	\$ 2,402,426	\$ 2,467,751	\$ 2,476,340	\$ 2,840,789	\$ 3,236,144
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(8.21)%	11.13%	(16.86)%	(24.91)%	(30.31)%	(33.07)%	(76.62)%	(38.69)%	(20.65)%	(23.18)%

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

Primary Government

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 312,079	\$ 317,267	\$ 322,100	\$ 329,117	\$ 347,662	\$ 364,494	\$ 379,103	\$ 540,515	\$ 568,678	\$ 628,020
Less: Contributions in Relation to the Actuarially Determined Contribution	(312,079)	(317,267)	(322,100)	(329,117)	(347,662)	(364,494)	(379,103)	(540,515)	(568,678)	(628,020)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 5,184,034	\$ 5,270,217	\$ 5,350,488	\$ 5,467,056	\$ 5,922,687	\$ 5,967,012	\$ 6,458,812	\$ 6,972,228	\$ 7,342,106	\$ 8,093,064
Contributions as a Percentage of Covered Payroll	6.02%	6.02%	6.02%	6.02%	5.87%	6.11%	5.87%	7.75%	7.75%	7.76%

FENTRESS COUNTY, TENNESSEE**Schedule of Contributions Based on Participation in the Public****Employee Pension Plan of TCRS – Non-Certified Employees**

Discretely Presented Fentress County School Department

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 145,356	\$ 142,857	\$ 167,179	\$ 170,685	\$ 156,176	\$ 160,791	\$ 161,209	\$ 184,674	\$ 210,673	\$ 234,968
Less: Contributions in Relation to the Actuarially Determined Contribution	(145,356)	(142,857)	(167,179)	(175,361)	(179,926)	(160,791)	(179,534)	(205,666)	(220,381)	(234,968)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (4,676)	\$ (23,750)	\$ 0	\$ (18,325)	\$ (20,992)	\$ (9,708)	\$ 0
Covered Payroll	\$ 2,260,582	\$ 2,221,720	\$ 2,229,057	\$ 2,338,149	\$ 2,402,426	\$ 2,467,761	\$ 2,476,340	\$ 2,840,789	\$ 3,236,144	\$ 3,609,424
Contributions as a Percentage of Covered Payroll	6.43%	6.43%	7.50%	7.50%	7.49%	6.52%	7.25%	7.24%	6.81%	6.51%

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

Discretely Presented Fentress County School Department

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 32,845	\$ 44,099	\$ 51,227	\$ 28,571	\$ 31,213	\$ 38,544	\$ 49,207	\$ 94,855	\$ 116,606	\$ 139,998
Less: Contributions in Relation to the Contractually Required Contribution	(32,845)	(44,099)	(51,227)	(28,571)	(31,213)	(38,544)	(49,207)	(94,855)	(116,606)	(139,998)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 821,109	\$ 1,102,470	\$ 1,280,670	\$ 1,472,743	\$ 1,537,626	\$ 1,908,091	\$ 2,421,652	\$ 3,305,038	\$ 3,952,792	\$ 4,666,537
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.03%	2.87%	2.95%	3.00%

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

2019: Pension - 1.94%, SRT - 2.02%

2020: Pension - 2.03%, SRT - 1.97%

2021: Pension - 2.02%, SRT - 1.98%

2022: Pension - 2.01%, SRT - 1.99%

2023: Pension - 2.87%, SRT - 1.13%

2024: Pension - 2.95%, SRT - 1.05%

2025: Pension - 3.00%, SRT - 1.00%

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

Discretely Presented Fentress County School Department

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 741,440	\$ 706,114	\$ 706,905	\$ 786,546	\$ 799,733	\$ 766,022	\$ 724,391	\$ 634,831	\$ 486,987	\$ 434,374
Less: Contributions in Relation to the Contractually Required Contribution	(741,440)	(706,114)	(706,905)	(786,546)	(799,733)	(766,022)	(724,391)	(634,831)	(486,987)	(434,374)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 8,201,766	\$ 7,810,955	\$ 7,785,294	\$ 7,519,554	\$ 7,523,362	\$ 7,458,841	\$ 7,059,330	\$ 7,313,488	\$ 7,188,735	\$ 6,824,187
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.26%	8.68%	6.77%	6.37%

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

Discretely Presented Fentress County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.128450%	0.186615%	0.167974%	0.146550%	0.139173%	0.121846%	0.132213%	0.143358%	0.166163%	0.168263%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (5,276)	\$ (19,427)	\$ (44,317)	\$ (66,465)	\$ (78,561)	\$ (69,287)	\$ (143,214)	\$ (43,427)	\$ (70,459)	\$ (119,906)
Covered Payroll	\$ 272,509	\$ 821,109	\$ 1,102,470	\$ 1,280,670	\$ 1,472,743	\$ 1,537,626	\$ 1,908,091	\$ 2,421,652	\$ 3,305,038	\$ 3,952,792
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)%	(1.79)%	(2.13)%	(3.03)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%	104.97%	106.49%

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

Discretely Presented Fentress County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.224202%	0.227209%	0.220965%	0.222331%	0.224254%	0.226045%	0.227253%	0.213706%	0.225122%	0.216559%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ 91,841	\$ 1,419,927	\$ (72,297)	\$ (782,363)	\$ (2,305,736)	\$ (1,723,759)	\$ (9,801,974)	\$ (2,620,898)	\$ (2,654,125)	\$ (3,731,019)
Covered Payroll	\$ 8,393,011	\$ 8,201,766	\$ 7,810,995	\$ 7,785,294	\$ 7,519,554	\$ 7,523,362	\$ 7,458,841	\$ 7,059,330	\$ 7,313,488	\$ 7,188,735
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	1.09%	17.31%	(.93)%	(10.05)%	(30.66)%	(22.91)%	(131.41)%	(37.13)%	(36.29)%	(51.90)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%	105.76%

FENTRESS COUNTY, TENNESSEE**Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Commercial Plan**

Primary Government

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability									
Service Cost	\$ 19,568	\$ 18,540	\$ 18,903	\$ 21,044	\$ 26,787	\$ 19,734	\$ 1,560	\$ 1,624	\$ 1,162
Interest	5,651	7,170	6,649	5,208	3,892	3,076	493	581	505
Changes in Benefit Terms	0	0	0	0	0	0	0	0	678,300
Differences Between Actual and Expected Experience	0	(49,839)	(67,099)	(19,187)	(21,290)	(20,857)	0	(3,728)	(311)
Changes in Assumptions	(10,500)	10,433	5,858	16,291	(34,716)	(46,972)	(66,718)	(84)	(4,806)
Benefit Payments	(4,986)	(6,609)	(2,215)	(1,254)	(1,491)	(1,122)	0	0	0
Net Change in Total OPEB Liability	\$ 9,733	\$ (20,305)	\$ (37,904)	\$ 22,102	\$ (26,818)	\$ (46,141)	\$ (64,665)	\$ (1,607)	\$ 674,850
Total OPEB Liability, Beginning	176,440	186,173	165,868	127,964	150,066	123,248	77,107	12,442	10,835
Total OPEB Liability, Ending	\$ 186,173	\$ 165,868	\$ 127,964	\$ 150,066	\$ 123,248	\$ 77,107	\$ 12,442	\$ 10,835	\$ 685,685
Covered Employee Payroll	\$ 5,353,364	\$ 5,468,668	\$ 5,927,474	\$ 5,986,460	\$ 5,967,012	\$ 6,972,463	\$ 3,114,918	\$ 3,257,101	\$ 4,206,392
Net OPEB Liability as a Percentage of Covered Employee Payroll	3.48%	3.03%	2.16%	2.51%	2.07%	2.07%	0.40%	0.33%	16.30%

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:

2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%
2023	4.13%
2024	4.21%
2025	4.81%

(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 4.5%
For the 2024 plan year - rate remained at 4.5%
For the 2025 plan year - rate remained at 4.5%

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

Note 4: Beginning November 1, 2022, Fentress County provides OPEB benefits to its employees through a commercial insurance plan. Prior to November 1, 2022, the county provided OPEB benefits to its employees from the state administered public entity risk pool.

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

Discretely Presented Fentress County School Department

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 271,269	\$ 251,325	\$ 166,584	\$ 148,367	\$ 200,145	\$ 229,899	\$ 170,044	\$ 188,495
Interest	146,078	173,337	133,264	128,029	96,749	102,104	165,990	186,877
Changes in Benefit Terms	0	(835,560)	0	0	0	0	0	0
Differences Between Actual and Expected Experience	0	(510,677)	156,560	118,614	(96,566)	266,675	(120,048)	341,955
Changes in Assumptions	(208,329)	107,975	(266,601)	432,148	254,019	(417,793)	366,482	62,904
Benefit Payments	(311,662)	(333,823)	(247,031)	(162,935)	(133,758)	(136,010)	(182,987)	(156,771)
Net Change in Total OPEB Liability	\$ (102,644)	\$ (1,147,423)	\$ (57,224)	\$ 664,223	\$ 320,589	\$ 44,875	\$ 399,481	\$ 623,460
Total OPEB Liability, Beginning	4,887,238	4,784,594	3,637,171	3,579,947	4,244,170	4,564,759	4,609,634	5,009,115
Total OPEB Liability, Ending	\$ 4,784,594	\$ 3,637,171	\$ 3,579,947	\$ 4,244,170	\$ 4,564,759	\$ 4,609,634	\$ 5,009,115	\$ 5,632,575
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,254,535	\$ 1,134,670	\$ 1,153,445	\$ 1,295,275	\$ 1,480,858	\$ 1,593,181	\$ 1,799,809	\$ 1,989,701
Employer Proportionate Share of the Total OPEB Liability	3,530,059	2,502,501	2,426,502	2,948,895	3,083,901	3,016,453	3,209,306	3,642,874
Covered Employee Payroll	\$ 11,289,022	\$ 11,624,636	\$ 11,465,289	\$ 11,842,325	\$ 11,957,323	\$ 13,469,308	\$ 14,411,910	\$ 15,100,148
Net OPEB Liability as a Percentage of Covered Employee Payroll	42.38%	31.29%	31.22%	35.84%	38.18%	34.22%	34.76%	37.30%

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:

2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%
2024	3.93%

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

For the 2019 plan year - from 5.4% to 6.75%
For the 2020 plan year - from 6.75% to 6.03%
For the 2021 plan year - from 6.03% to 9.02%
For the 2022 plan year - from 9.02% to 7.36%
For the 2023 plan year - from 7.36% to 8.37%
For the 2024 plan year - from 8.37% to 10.31%
For the 2025 plan year - from 10.31% to 10.68%

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

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

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2025 were calculated based on the June 30, 2023, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Special Purpose Fund – The Special Purpose Fund is used to account for American Rescue Plan Act revenues and expenditures.

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

Opioid Abatement Fund – The Opioid Abatement Fund is used to account for revenues received from national settlements from pharmaceutical distributors.

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for revenues received for the senior citizens meal program. The county expects to receive grant proceeds for this program in future periods.

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

CAPITAL PROJECTS FUNDS

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

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

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for note proceeds issued for road projects.

Other Capital Projects Fund #1 – The Other Capital Projects Fund #1 is used to account for revenues to be used for various capital projects related to the Home Investment Partnerships Program grant. This fund was closed as of June 30, 2025.

Other Capital Projects Fund #3 – The Other Capital Projects Fund #3 is used to account for revenues to be used for various capital projects to benefit the highway department.

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

	Special Revenue Funds					Total
	Special Purpose	Drug Control	Opioid Abatement	Other Special Revenue	Constitutional - Officers - Fees	
ASSETS						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,797	\$ 22,797
Equity in Pooled Cash and Investments	86,218	47,718	343,412	115,703	0	593,051
Accounts Receivable	0	0	0	0	14,740	14,740
Due from Other Governments	0	0	0	28,668	0	28,668
Property Taxes Receivable	0	0	0	0	0	0
Allowance for Uncollectible Property Taxes	0	0	0	0	0	0
Total Assets	<u>\$ 86,218</u>	<u>\$ 47,718</u>	<u>\$ 343,412</u>	<u>\$ 144,371</u>	<u>\$ 37,537</u>	<u>\$ 659,256</u>
LIABILITIES						
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,537	\$ 37,537
Due to Other Governments	174,989	0	0	0	0	174,989
Total Liabilities	<u>\$ 174,989</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 37,537</u>	<u>\$ 212,526</u>

(Continued)

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

	Special Revenue Funds					Constitu - tional Officers - Fees	Total
	Special Purpose	Drug Control	Opioid Abatement	Other Special Revenue			
DEFERRED INFLOWS OF RESOURCES							
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Deferred Delinquent Property Taxes	0	0	0	0	0	0	0
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
FUND BALANCES							
Restricted:							
Restricted for Public Safety	\$ 0	\$ 47,718	\$ 0	\$ 0	\$ 0	\$ 0	47,718
Restricted for Public Health and Welfare	0	0	343,412	0	0	0	343,412
Restricted for Social, Cultural, and Recreational Services	0	0	0	144,371	0	0	144,371
Restricted for Capital Outlay	0	0	0	0	0	0	0
Restricted for Capital Projects	0	0	0	0	0	0	0
Assigned:							
Assigned for Other Operations	8,498	0	0	0	0	0	8,498
Unassigned	(97,269)	0	0	0	0	0	(97,269)
Total Fund Balances	<u>\$ (88,771)</u>	<u>\$ 47,718</u>	<u>\$ 343,412</u>	<u>\$ 144,371</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>446,730</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 86,218</u>	<u>\$ 47,718</u>	<u>\$ 343,412</u>	<u>\$ 144,371</u>	<u>\$ 37,537</u>	<u>\$ 0</u>	<u>659,256</u>

(Continued)

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

	Capital Projects Funds				Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Other Capital Projects #3	Total	
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,797
Equity in Pooled Cash and Investments	354,632	554	109,444	464,630	1,057,681
Accounts Receivable	0	0	0	0	14,740
Due from Other Governments	0	0	0	0	28,668
Property Taxes Receivable	0	0	59,162	59,162	59,162
Allowance for Uncollectible Property Taxes	0	0	(1,734)	(1,734)	(1,734)
Total Assets	<u>\$ 354,632</u>	<u>\$ 554</u>	<u>\$ 166,872</u>	<u>\$ 522,058</u>	<u>\$ 1,181,314</u>
LIABILITIES					
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,537
Due to Other Governments	0	0	0	0	174,989
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 212,526</u>

(Continued)

FENTRESS COUNTY, TENNESSEE**Combining Balance Sheet - Nonmajor Governmental Funds (Cont.)****DEFERRED INFLOWS OF RESOURCES**

	Capital Projects Funds				Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Other Capital Projects #3	Total	
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 55,832	\$ 55,832	\$ 55,832
Deferred Delinquent Property Taxes	0	0	1,322	1,322	1,322
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 57,154	\$ 57,154	\$ 57,154

FUND BALANCES

Restricted:

Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 0	\$ 47,718
Restricted for Public Health and Welfare	0	0	0	0	343,412
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	144,371
Restricted for Capital Outlay	354,632	0	109,718	464,350	464,350
Restricted for Capital Projects	0	554	0	554	554
Assigned:					
Assigned for Other Operations	0	0	0	0	8,498
Unassigned	0	0	0	0	(97,269)
Total Fund Balances	\$ 354,632	\$ 554	\$ 109,718	\$ 464,904	\$ 911,634

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

\$ 354,632	\$ 554	\$ 166,872	\$ 522,058	\$ 1,181,314
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FENTRESS COUNTY, TENNESSEE**Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds****For the Year Ended June 30, 2025**

	Special Revenue Funds					Capital Projects Funds
	<i>Formerly Major Special Purpose</i>	<i>Drug Control</i>	<i>Opioid Abatement</i>	<i>Other Special Revenue</i>	<i>Total</i>	<i>General Capital Projects</i>
Revenues						
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	14,204	0	0	14,204	0
Other Local Revenues	10,505	0	8,630	776	19,911	0
State of Tennessee	0	0	90,844	8,455	99,299	0
Federal Government	758,751	0	0	173,612	932,363	0
Other Governments and Citizens Groups	0	0	81,514	0	81,514	0
Total Revenues	<u>\$ 769,256</u>	<u>\$ 14,204</u>	<u>\$ 180,988</u>	<u>\$ 182,843</u>	<u>\$ 1,147,291</u>	<u>\$ 0</u>
Expenditures						
Current:						
Public Safety	\$ 0	\$ 2,616	\$ 228,125	\$ 0	\$ 230,741	\$ 0
Social, Cultural, and Recreational Services	0	0	0	202,812	202,812	0
Other Operations	613,114	0	0	0	613,114	0
Capital Projects	0	0	0	0	0	186,950
Total Expenditures	<u>\$ 613,114</u>	<u>\$ 2,616</u>	<u>\$ 228,125</u>	<u>\$ 202,812</u>	<u>\$ 1,046,667</u>	<u>\$ 186,950</u>

(Continued)

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

	Special Revenue Funds					Capital Projects Funds
	<i>Formerly Major Special Purpose</i>	<i>Drug Control</i>	<i>Opioid Abatement</i>	<i>Other Special Revenue</i>	<i>Total</i>	<i>General Capital Projects</i>
Excess (Deficiency) of Revenues Over Expenditures	\$ 156,142	\$ 11,588	\$ (47,137)	\$ (19,969)	\$ 100,624	\$ (186,950)
Other Financing Sources (Uses)						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,000
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,000
Net Change in Fund Balances	\$ 156,142	\$ 11,588	\$ (47,137)	\$ (19,969)	\$ 100,624	\$ 13,050
Change to or Within the Reporting Entity	(244,913)	0	0	0	(244,913)	0
Fund Balance, July 1, 2024	0	36,130	390,549	164,340	591,019	341,582
Fund Balance, June 30, 2025	\$ (88,771)	\$ 47,718	\$ 343,412	\$ 144,371	\$ 446,730	\$ 354,632

(Continued)

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	Highway Capital Projects	Other Capital Projects #1	Other Capital Projects #3	Total	
Revenues					
Local Taxes	\$ 0	\$ 0	\$ 57,575	\$ 57,575	\$ 57,575
Fines, Forfeitures, and Penalties	0	0	0	0	14,204
Other Local Revenues	0	0	0	0	19,911
State of Tennessee	0	0	0	0	99,299
Federal Government	0	412,870	0	412,870	1,345,233
Other Governments and Citizens Groups	0	0	0	0	81,514
Total Revenues	\$ 0	\$ 412,870	\$ 57,575	\$ 470,445	\$ 1,617,736
Expenditures					
Current:					
Public Safety	\$ 0	\$ 0	\$ 0	\$ 0	\$ 230,741
Social, Cultural, and Recreational Services	0	0	0	0	202,812
Other Operations	0	0	1,171	1,171	614,285
Capital Projects	48,428	412,870	0	648,248	648,248
Total Expenditures	\$ 48,428	\$ 412,870	\$ 1,171	\$ 649,419	\$ 1,696,086

(Continued)

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	Highway Capital Projects	Other Capital Projects #1	Other Capital Projects #3	Total	
Excess (Deficiency) of Revenues Over Expenditures	\$ (48,428)	\$ 0	\$ 56,404	\$ (178,974)	\$ (78,350)
Other Financing Sources (Uses)					
Transfers In	\$ 0	\$ 0	\$ 0	\$ 200,000	\$ 200,000
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 200,000	\$ 200,000
Net Change in Fund Balances	\$ (48,428)	\$ 0	\$ 56,404	\$ 21,026	\$ 121,650
Change to or Within the Reporting Entity	0	0	0	0	(244,913)
Fund Balance, July 1, 2024	48,982	0	53,314	443,878	1,034,897
Fund Balance, June 30, 2025	\$ 554	\$ 0	\$ 109,718	\$ 464,904	\$ 911,634

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

Special Purpose Fund

For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Other Local Revenues	\$ 10,505	\$ 0	\$ 0	\$ 10,505	\$ 1,500	\$ 1,500	\$ 9,005
Federal Government	758,751	0	0	758,751	0	0	758,751
Total Revenues	<u>\$ 769,256</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 769,256</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 767,756</u>
Expenditures							
Other Operations							
American Rescue Plan Act Grant #1	\$ 613,114	\$ (325,416)	\$ 8,498	\$ 296,196	\$ 0	\$ 298,104	\$ 1,908
Total Expenditures	<u>\$ 613,114</u>	<u>\$ (325,416)</u>	<u>\$ 8,498</u>	<u>\$ 296,196</u>	<u>\$ 0</u>	<u>\$ 298,104</u>	<u>\$ 1,908</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 156,142</u>	<u>\$ 325,416</u>	<u>\$ (8,498)</u>	<u>\$ 473,060</u>	<u>\$ 1,500</u>	<u>\$ (296,604)</u>	<u>\$ 769,664</u>
Net Change in Fund Balance	\$ 156,142	\$ 325,416	\$ (8,498)	\$ 473,060	\$ 1,500	\$ (296,604)	\$ 769,664
Changes to or Within the Financial Reporting Entity	(244,913)	0	0	(244,913)	0	0	(244,913)
Fund Balance, July 1, 2024	<u>0</u>	<u>(325,416)</u>	<u>0</u>	<u>(325,416)</u>	<u>204,679</u>	<u>204,679</u>	<u>(530,095)</u>
Fund Balance, June 30, 2025	<u><u>\$ (88,771)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (8,498)</u></u>	<u><u>\$ (97,269)</u></u>	<u><u>\$ 206,179</u></u>	<u><u>\$ (91,925)</u></u>	<u><u>\$ (5,344)</u></u>

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Fines, Forfeitures, and Penalties	\$ 14,204	\$ 0	\$ 14,204	\$ 74,000	\$ 74,000	\$ (59,796)
Other Local Revenues	0	0	0	32,500	32,500	(32,500)
Total Revenues	<u>\$ 14,204</u>	<u>\$ 0</u>	<u>\$ 14,204</u>	<u>\$ 106,500</u>	<u>\$ 106,500</u>	<u>\$ (92,296)</u>
Expenditures						
Public Safety						
Drug Enforcement	\$ 2,616	\$ 400	\$ 3,016	\$ 105,500	\$ 105,500	\$ 102,484
Total Expenditures	<u>\$ 2,616</u>	<u>\$ 400</u>	<u>\$ 3,016</u>	<u>\$ 105,500</u>	<u>\$ 105,500</u>	<u>\$ 102,484</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 11,588</u>	<u>\$ (400)</u>	<u>\$ 11,188</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 10,188</u>
Net Change in Fund Balance	\$ 11,588	\$ (400)	\$ 11,188	\$ 1,000	\$ 1,000	\$ 10,188
Fund Balance, July 1, 2024	<u>36,130</u>	<u>0</u>	<u>36,130</u>	<u>40,227</u>	<u>40,227</u>	<u>(4,097)</u>
Fund Balance, June 30, 2025	<u><u>\$ 47,718</u></u>	<u><u>\$ (400)</u></u>	<u><u>\$ 47,318</u></u>	<u><u>\$ 41,227</u></u>	<u><u>\$ 41,227</u></u>	<u><u>\$ 6,091</u></u>

FENTRESS COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Opioid Abatement Fund
For the Year Ended June 30, 2025

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Other Local Revenues	\$ 8,630	\$ 2,000	\$ 2,000	\$ 6,630
State of Tennessee	90,844	80,000	80,000	10,844
Other Governments and Citizens Groups	81,514	0	0	81,514
Total Revenues	<u>\$ 180,988</u>	<u>\$ 82,000</u>	<u>\$ 82,000</u>	<u>\$ 98,988</u>
Expenditures				
Public Safety				
Other Public Safety	\$ 228,125	\$ 65,462	\$ 256,544	\$ 28,419
Total Expenditures	<u>\$ 228,125</u>	<u>\$ 65,462</u>	<u>\$ 256,544</u>	<u>\$ 28,419</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (47,137)</u>	<u>\$ 16,538</u>	<u>\$ (174,544)</u>	<u>\$ 127,407</u>
Net Change in Fund Balance	\$ (47,137)	\$ 16,538	\$ (174,544)	\$ 127,407
Fund Balance, July 1, 2024	<u>390,549</u>	<u>390,007</u>	<u>390,007</u>	<u>542</u>
Fund Balance, June 30, 2025	<u>\$ 343,412</u>	<u>\$ 406,545</u>	<u>\$ 215,463</u>	<u>\$ 127,949</u>

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Other Local Revenues	\$ 776	\$ 0	\$ 776	\$ 0	\$ 0	\$ 776
State of Tennessee	8,455	0	8,455	0	0	8,455
Federal Government	173,612	0	173,612	245,000	208,700	(35,088)
Total Revenues	<u>\$ 182,843</u>	<u>\$ 0</u>	<u>\$ 182,843</u>	<u>\$ 245,000</u>	<u>\$ 208,700</u>	<u>\$ (25,857)</u>
Expenditures						
Social, Cultural, and Recreational Services						
Senior Citizens Assistance	\$ 202,812	\$ 1,852	\$ 204,664	\$ 249,158	\$ 214,858	\$ 10,194
Total Expenditures	<u>\$ 202,812</u>	<u>\$ 1,852</u>	<u>\$ 204,664</u>	<u>\$ 249,158</u>	<u>\$ 214,858</u>	<u>\$ 10,194</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (19,969)</u>	<u>\$ (1,852)</u>	<u>\$ (21,821)</u>	<u>\$ (4,158)</u>	<u>\$ (6,158)</u>	<u>\$ (15,663)</u>
Net Change in Fund Balance	\$ (19,969)	\$ (1,852)	\$ (21,821)	\$ (4,158)	\$ (6,158)	\$ (15,663)
Fund Balance, July 1, 2024	<u>164,340</u>	<u>0</u>	<u>164,340</u>	<u>139,753</u>	<u>139,753</u>	<u>24,587</u>
Fund Balance, June 30, 2025	<u><u>\$ 144,371</u></u>	<u><u>\$ (1,852)</u></u>	<u><u>\$ 142,519</u></u>	<u><u>\$ 135,595</u></u>	<u><u>\$ 133,595</u></u>	<u><u>\$ 8,924</u></u>

FENTRESS COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Capital Projects #3 Fund
For the Year Ended June 30, 2025

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Local Taxes	\$ 57,575	\$ 56,754	\$ 56,754	\$ 821
Total Revenues	\$ 57,575	\$ 56,754	\$ 56,754	\$ 821
Expenditures				
Other Operations				
Miscellaneous	\$ 1,171	\$ 1,250	\$ 2,500	\$ 1,329
Total Expenditures	\$ 1,171	\$ 1,250	\$ 2,500	\$ 1,329
Excess (Deficiency) of Revenues Over Expenditures	\$ 56,404	\$ 55,504	\$ 54,254	\$ 2,150
Net Change in Fund Balance	\$ 56,404	\$ 55,504	\$ 54,254	\$ 2,150
Fund Balance, July 1, 2024	53,314	52,644	52,644	670
Fund Balance, June 30, 2025	\$ 109,718	\$ 108,148	\$ 106,898	\$ 2,820

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.

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 1,343,569	\$ 1,201,673	\$ 1,201,673	\$ 141,896
Other Local Revenues	66,226	63,680	63,680	2,546
Total Revenues	<u>\$ 1,409,795</u>	<u>\$ 1,265,353</u>	<u>\$ 1,265,353</u>	<u>\$ 144,442</u>
Expenditures				
Principal on Debt				
General Government	\$ 330,000	\$ 330,000	\$ 330,000	\$ 0
Education	808,000	394,000	808,000	0
Interest on Debt				
General Government	268,609	268,609	268,609	0
Education	13,625	48,480	48,480	34,855
Other Debt Service				
General Government	19,679	30,000	30,000	10,321
Education	1,705	30,000	30,000	28,295
Total Expenditures	<u>\$ 1,441,618</u>	<u>\$ 1,101,089</u>	<u>\$ 1,515,089</u>	<u>\$ 73,471</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (31,823)</u>	<u>\$ 164,264</u>	<u>\$ (249,736)</u>	<u>\$ 217,913</u>
Other Financing Sources (Uses)				
Transfers Out	\$ (200,000)	\$ 0	\$ (200,000)	\$ 0
Total Other Financing Sources	<u>\$ (200,000)</u>	<u>\$ 0</u>	<u>\$ (200,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	<u>\$ (231,823)</u>	<u>\$ 164,264</u>	<u>\$ (449,736)</u>	<u>\$ 217,913</u>
Fund Balance, July 1, 2024	<u>2,965,680</u>	<u>2,900,746</u>	<u>2,900,746</u>	<u>64,934</u>
Fund Balance, June 30, 2025	<u><u>\$ 2,733,857</u></u>	<u><u>\$ 3,065,010</u></u>	<u><u>\$ 2,451,010</u></u>	<u><u>\$ 282,847</u></u>

CUSTODIAL FUNDS

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

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

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.

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

		Custodial Funds		
		Cities -	Constitu -	
		Sales	tional	
		Tax	Officers -	
			Custodial	Total
ASSETS				
Cash	\$	0	\$ 2,015,950	\$ 2,015,950
Due from Other Governments		201,602	0	201,602
Total Assets	\$	201,602	\$ 2,015,950	\$ 2,217,552
LIABILITIES				
Due to Other Taxing Units	\$	201,602	\$ 0	\$ 201,602
Total Liabilities	\$	201,602	\$ 0	\$ 201,602
NET POSITION				
Restricted for Individuals, Organizations, and Other Governments	\$	0	\$ 2,015,950	\$ 2,015,950
Total Net Position	\$	0	\$ 2,015,950	\$ 2,015,950

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

	Custodial Funds		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
Additions			
Sales Tax Collections for Other Governments	\$ 1,156,042	\$ 0	\$ 1,156,042
Fines/Fees and Other Collections	0	6,315,316	6,315,316
Total Additions	<u>\$ 1,156,042</u>	<u>\$ 6,315,316</u>	<u>\$ 7,471,358</u>
Deductions			
Payment of Sales Tax Collections to Other Governments	\$ 1,156,042	\$ 0	\$ 1,156,042
Payments to State	0	2,826,358	2,826,358
Payments to Cities, Individuals, and Others	0	2,745,516	2,745,516
Total Deductions	<u>\$ 1,156,042</u>	<u>\$ 5,571,874</u>	<u>\$ 6,727,916</u>
Change in Net Position	\$ 0	\$ 743,442	\$ 743,442
Net Position July 1, 2024	0	1,272,508	1,272,508
Net Position June 30, 2025	<u>\$ 0</u>	<u>\$ 2,015,950</u>	<u>\$ 2,015,950</u>

FENTRESS COUNTY SCHOOL DEPARTMENT

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

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

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

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

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

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

FENTRESS COUNTY, TENNESSEE**Statement of Activities**

Discretely Presented Fentress County School Department

For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Instruction	\$ 16,825,974	\$ 6	\$ 2,407,308	\$ 80,923	\$ (14,337,737)
Support Services	10,641,548	0	2,157,555	675,810	(7,808,183)
Operation of Non-Instructional Services	4,130,056	31,880	3,772,223	0	(325,953)
Total Governmental Activities	<u>\$ 31,597,578</u>	<u>\$ 31,886</u>	<u>\$ 8,337,086</u>	<u>\$ 756,733</u>	<u>\$ (22,471,873)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 514,567
Local Option Sales Taxes					3,357,877
Wheel Tax					494,982
Business Tax					55,486
Grants and Contributions Not Restricted to Specific Programs					19,801,720
Unrestricted Investment Earnings					557,813
Miscellaneous					326,097
Sale of Equipment					25,651
Total General Revenues					<u>\$ 25,134,193</u>
Change in Net Position					\$ 2,662,320
Net Position, July 1, 2024					31,713,349
Restatement - See Note I.D.9.					586,928
Net Position, June 30, 2025					<u>\$ 34,962,597</u>

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

Discretely Presented Fentress County School Department

June 30, 2025

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 400	\$ 0	\$ 494,593	\$ 494,993
Equity in Pooled Cash and Investments	12,903,777	808,887	1,400,523	15,113,187
Accounts Receivable	0	7,545	0	7,545
Due from Other Governments	1,366,594	239,349	360,620	1,966,563
Due from Other Funds	1,222	3,678	11,201	16,101
Property Taxes Receivable	362,330	0	0	362,330
Allowance for Uncollectible Property Taxes	(12,973)	0	0	(12,973)
Restricted Assets	329,433	0	0	329,433
Total Assets	<u>\$ 14,950,783</u>	<u>\$ 1,059,459</u>	<u>\$ 2,266,937</u>	<u>\$ 18,277,179</u>
LIABILITIES				
Accounts Payable	\$ 5,028	\$ 0	\$ 0	\$ 5,028
Accrued Payroll	133,816	13,072	8,367	155,255
Payroll Deductions Payable	531,159	46,387	20,957	598,503
Due to Other Funds	3,605	0	0	3,605
Due to State of Tennessee	0	0	1,354	1,354
Total Liabilities	<u>\$ 673,608</u>	<u>\$ 59,459</u>	<u>\$ 30,678</u>	<u>\$ 763,745</u>

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 334,993	\$ 0	\$ 0	\$ 334,993
Deferred Delinquent Property Taxes	11,897	0	0	11,897
Other Deferred/Unavailable Revenue	240,000	0	0	240,000
Total Deferred Inflows of Resources	<u>\$ 586,890</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 586,890</u>
FUND BALANCES				
Restricted:				
Restricted for Education	\$ 0	\$ 0	\$ 2,033,951	\$ 2,033,951
Restricted for Hybrid Retirement Stabilization Funds	329,433	0	0	329,433
Committed:				
Committed for Education	20,526	1,000,000	202,308	1,222,834
Assigned:				
Assigned for Education	1,209,993	0	0	1,209,993
Unassigned	12,130,333	0	0	12,130,333
Total Fund Balances	<u>\$ 13,690,285</u>	<u>\$ 1,000,000</u>	<u>\$ 2,236,259</u>	<u>\$ 16,926,544</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,950,783</u>	<u>\$ 1,059,459</u>	<u>\$ 2,266,937</u>	<u>\$ 18,277,179</u>

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

Discretely Presented Fentress County School Department

June 30, 2025

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	16,926,544
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	389,825	
Add: buildings and improvements net of accumulated depreciation		12,322,448	
Add: other capital assets net of accumulated depreciation		<u>2,625,881</u>	15,338,154
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	\$	(198,192)	
Less: net OPEB liability		<u>(3,642,874)</u>	(3,841,066)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	2,472,958	
Less: deferred inflows of resources related to pensions		(1,081,169)	
Add: deferred outflows of resources related to OPEB		1,020,728	
Less: deferred inflows of resources related to OPEB		<u>(726,625)</u>	1,685,892
(4) Net pension assets of the pension plans are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	750,251	
Add: net pension asset - teacher retirement plan		119,906	
Add: net pension asset - teacher legacy pension plan		<u>3,731,019</u>	4,601,176
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>251,897</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>34,962,597</u></u>

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

Discretely Presented Fentress County School Department

For the Year Ended June 30, 2025

	Major Funds			Nonmajor Funds	
	General Purpose School	School Federal Projects	<i>Formerly Major Central Cafeteria</i>	Other Govern- mental Funds	Total Governmental Funds
Revenues					
Local Taxes	\$ 4,420,647	\$ 0	\$ 0	\$ 0	\$ 4,420,647
Licenses and Permits	1,130	0	0	0	1,130
Charges for Current Services	0	0	0	31,880	31,880
Other Local Revenues	950,006	0	0	1,047,992	1,997,998
State of Tennessee	19,834,585	0	0	14,099	19,848,684
Federal Government	321,674	5,409,427	0	2,035,031	7,766,132
Other Governments and Citizens Groups	104,473	0	0	0	104,473
Total Revenues	<u>\$ 25,632,515</u>	<u>\$ 5,409,427</u>	<u>\$ 0</u>	<u>\$ 3,129,002</u>	<u>\$ 34,170,944</u>
Expenditures					
Current:					
Instruction	\$ 12,526,359	\$ 2,366,436	\$ 0	\$ 0	\$ 14,892,795
Support Services	8,289,676	2,329,931	0	0	10,619,607
Operation of Non-Instructional Services	1,064,733	86,599	0	2,926,900	4,078,232
Capital Outlay	982,196	675,810	0	0	1,658,006
Total Expenditures	<u>\$ 22,862,964</u>	<u>\$ 5,458,776</u>	<u>\$ 0</u>	<u>\$ 2,926,900</u>	<u>\$ 31,248,640</u>

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

	Major Funds			Nonmajor Funds	
	General Purpose School	School Federal Projects	<i>Formerly Major Central Cafeteria</i>	Other Govern- mental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,769,551	\$ (49,349)	\$ 0	\$ 202,102	\$ 2,922,304
Other Financing Sources (Uses)					
Transfers In	\$ 58,323	\$ 0	\$ 0	\$ 0	\$ 58,323
Transfers Out	0	(58,323)	0	0	(58,323)
Total Other Financing Sources (Uses)	\$ 58,323	\$ (58,323)	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ 2,827,874	\$ (107,672)	\$ 0	\$ 202,102	\$ 2,922,304
Change to or Within the Reporting Entity	0	0	(1,331,537)	1,331,537	0
Fund Balance, July 1, 2024	10,862,411	1,107,672	1,331,537	702,620	14,004,240
Fund Balance, June 30, 2025	\$ 13,690,285	\$ 1,000,000	\$ 0	\$ 2,236,259	\$ 16,926,544

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

Discretely Presented Fentress County School Department

For the Year Ended June 30, 2025

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$	2,922,304
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	1,153,934	
Less: current-year depreciation expense		<u>(940,107)</u>	213,827
(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			(12,562)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2025	\$	251,897	
Less: deferred delinquent property taxes and other deferred June 30, 2024		<u>(249,631)</u>	2,266
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued compensated absences	\$	100,559	
Change in net pension asset - agent plan		163,736	
Change in net pension asset - teacher retirement plan		49,447	
Change in net pension asset - teacher legacy pension plan		1,076,894	
Change in deferred outflows related to pensions		(1,135,323)	
Change in deferred inflows related to pensions		(635,553)	
Change in OPEB liability		(433,568)	
Change in deferred outflows related to OPEB		186,110	
Change in deferred inflows related to OPEB		<u>164,183</u>	<u>(463,515)</u>
Change in net position of governmental activities (Exhibit B)		\$	<u><u>2,662,320</u></u>

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

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	Total	Education Capital Projects	
ASSETS					
Cash	\$ 0	\$ 494,593	\$ 494,593	\$ 0	\$ 494,593
Equity in Pooled Cash and Investments	1,198,215	0	1,198,215	202,308	1,400,523
Due from Other Governments	360,620	0	360,620	0	360,620
Due from Other Funds	11,201	0	11,201	0	11,201
Total Assets	<u>\$ 1,570,036</u>	<u>\$ 494,593</u>	<u>\$ 2,064,629</u>	<u>\$ 202,308</u>	<u>\$ 2,266,937</u>
LIABILITIES					
Accrued Payroll	\$ 8,367	\$ 0	\$ 8,367	\$ 0	\$ 8,367
Payroll Deductions Payable	20,957	0	20,957	0	20,957
Due to State of Tennessee	1,354	0	1,354	0	1,354
Total Liabilities	<u>\$ 30,678</u>	<u>\$ 0</u>	<u>\$ 30,678</u>	<u>\$ 0</u>	<u>\$ 30,678</u>
FUND BALANCES					
Restricted:					
Restricted for Education	\$ 1,539,358	\$ 494,593	\$ 2,033,951	\$ 0	\$ 2,033,951
Committed:					
Committed for Education	0	0	0	202,308	202,308
Total Fund Balances	<u>\$ 1,539,358</u>	<u>\$ 494,593</u>	<u>\$ 2,033,951</u>	<u>\$ 202,308</u>	<u>\$ 2,236,259</u>
Total Liabilities and Fund Balances	<u>\$ 1,570,036</u>	<u>\$ 494,593</u>	<u>\$ 2,064,629</u>	<u>\$ 202,308</u>	<u>\$ 2,266,937</u>

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

Discretely Presented Fentress County School Department

For the Year Ended June 30, 2025

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	<i>Formerly Major Central Cafeteria</i>	<i>Internal School</i>	<i>Total</i>	<i>Education Capital Projects</i>	
Revenues					
Charges for Current Services	\$ 31,880	\$ 0	\$ 31,880	\$ 0	\$ 31,880
Other Local Revenues	47,405	1,000,587	1,047,992	0	1,047,992
State of Tennessee	14,099	0	14,099	0	14,099
Federal Government	2,035,031	0	2,035,031	0	2,035,031
Total Revenues	<u>\$ 2,128,415</u>	<u>\$ 1,000,587</u>	<u>\$ 3,129,002</u>	<u>\$ 0</u>	<u>\$ 3,129,002</u>
Expenditures					
Current:					
Operation of Non-Instructional Services	\$ 1,920,594	\$ 1,006,306	\$ 2,926,900	\$ 0	\$ 2,926,900
Total Expenditures	<u>\$ 1,920,594</u>	<u>\$ 1,006,306</u>	<u>\$ 2,926,900</u>	<u>\$ 0</u>	<u>\$ 2,926,900</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 207,821</u>	<u>\$ (5,719)</u>	<u>\$ 202,102</u>	<u>\$ 0</u>	<u>\$ 202,102</u>
Net Change in Fund Balances	\$ 207,821	\$ (5,719)	\$ 202,102	\$ 0	\$ 202,102
Change to or Within the Reporting Entity	1,331,537	0	1,331,537	0	1,331,537
Fund Balance, July 1, 2024	<u>0</u>	<u>500,312</u>	<u>500,312</u>	<u>202,308</u>	<u>702,620</u>
Fund Balance, June 30, 2025	<u><u>\$ 1,539,358</u></u>	<u><u>\$ 494,593</u></u>	<u><u>\$ 2,033,951</u></u>	<u><u>\$ 202,308</u></u>	<u><u>\$ 2,236,259</u></u>

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

Discretely Presented Fentress County School Department

General Purpose School Fund

For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 4,420,647	\$ 0	\$ 0	\$ 4,420,647	\$ 3,472,382	\$ 3,472,382	\$ 948,265
Licenses and Permits	1,130	0	0	1,130	1,250	1,250	(120)
Other Local Revenues	950,006	0	0	950,006	385,000	453,620	496,386
State of Tennessee	19,834,585	0	0	19,834,585	19,992,869	21,813,867	(1,979,282)
Federal Government	321,674	0	0	321,674	297,000	483,792	(162,118)
Other Governments and Citizens Groups	104,473	0	0	104,473	0	104,473	0
Total Revenues	\$ 25,632,515	\$ 0	\$ 0	\$ 25,632,515	\$ 24,148,501	\$ 26,329,384	\$ (696,869)
Expenditures							
Instruction							
Regular Instruction Program	\$ 10,164,323	\$ (1,150)	\$ 234,807	\$ 10,397,980	\$ 11,164,761	\$ 11,688,054	\$ 1,290,074
Alternative Instruction Program	111,670	0	0	111,670	112,848	113,817	2,147
Special Education Program	1,418,790	0	0	1,418,790	1,385,314	1,515,831	97,041
Career and Technical Education Program	667,002	(33,501)	0	633,501	1,227,828	1,358,012	724,511
Student Body Education Program	164,574	0	6,904	171,478	171,213	204,012	32,534
Support Services							
Attendance	192,093	0	57	192,150	227,458	230,411	38,261
Health Services	274,803	(6,603)	507	268,707	300,269	304,186	35,479
Other Student Support	517,380	(5,505)	0	511,875	446,296	599,907	88,032
Regular Instruction Program	679,872	0	10,434	690,306	683,096	705,903	15,597
Special Education Program	307,885	0	714	308,599	343,450	328,595	19,996
Career and Technical Education Program	43,544	0	0	43,544	47,719	77,694	34,150
Technology	375,794	0	40	375,834	345,023	449,496	73,662

(Continued)

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

Discretely Presented Fentress County School Department

General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Support Services (Cont.)							
Other Programs	\$ 110,949	\$ 0	\$ 0	\$ 110,949	\$ 0	\$ 110,949	\$ 0
Board of Education	712,851	0	0	712,851	757,624	772,529	59,678
Director of Schools	160,483	0	0	160,483	186,437	182,967	22,484
Office of the Principal	1,364,262	0	1	1,364,263	1,455,172	1,472,868	108,605
Fiscal Services	329,597	0	0	329,597	350,778	391,545	61,948
Operation of Plant	1,349,999	(739)	0	1,349,260	1,434,311	1,440,986	91,726
Maintenance of Plant	533,808	(30,467)	15,944	519,285	567,625	594,625	75,340
Transportation	1,336,356	0	62,385	1,398,741	1,617,710	1,632,184	233,443
Operation of Non-Instructional Services							
Food Service	8,177	0	11	8,188	0	10,530	2,342
Community Services	392,887	0	11,351	404,238	413,308	413,308	9,070
Early Childhood Education	663,669	0	0	663,669	684,708	695,108	31,439
Capital Outlay							
Regular Capital Outlay	982,196	(681,363)	866,838	1,167,671	1,608,000	2,447,286	1,279,615
Total Expenditures	\$ 22,862,964	\$ (759,328)	\$ 1,209,993	\$ 23,313,629	\$ 25,530,948	\$ 27,740,803	\$ 4,427,174
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,769,551	\$ 759,328	\$ (1,209,993)	\$ 2,318,886	\$ (1,382,447)	\$ (1,411,419)	\$ 3,730,305
Other Financing Sources (Uses)							
Transfers In	\$ 58,323	\$ 0	\$ 0	\$ 58,323	\$ 0	\$ 0	\$ 58,323
Total Other Financing Sources	\$ 58,323	\$ 0	\$ 0	\$ 58,323	\$ 0	\$ 0	\$ 58,323
Net Change in Fund Balance	\$ 2,827,874	\$ 759,328	\$ (1,209,993)	\$ 2,377,209	\$ (1,382,447)	\$ (1,411,419)	\$ 3,788,628
Fund Balance, July 1, 2024	10,862,411	(759,328)	0	10,103,083	6,518,406	6,518,406	3,584,677
Fund Balance, June 30, 2025	\$ 13,690,285	\$ 0	\$ (1,209,993)	\$ 12,480,292	\$ 5,135,959	\$ 5,106,987	\$ 7,373,305

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

Discretely Presented Fentress County School Department

School Federal Projects Fund

For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Federal Government	\$ 5,409,427	\$ 0	\$ 5,409,427	\$ 4,858,109	\$ 5,491,160	\$ (81,733)
Total Revenues	\$ 5,409,427	\$ 0	\$ 5,409,427	\$ 4,858,109	\$ 5,491,160	\$ (81,733)
Expenditures						
Instruction						
Regular Instruction Program	\$ 1,651,847	\$ 0	\$ 1,651,847	\$ 1,029,366	\$ 1,692,610	\$ 40,763
Special Education Program	655,534	(644)	654,890	578,842	728,568	73,678
Career and Technical Education Program	59,055	0	59,055	43,908	59,055	0
Support Services						
Health Services	171,411	0	171,411	10,000	171,412	1
Other Student Support	190,195	0	190,195	160,887	217,112	26,917
Regular Instruction Program	1,262,176	(107,555)	1,154,621	1,123,499	1,275,449	120,828
Special Education Program	49,094	0	49,094	91,846	195,023	145,929
Career and Technical Education Program	975	0	975	3,800	975	0
Technology	12,158	0	12,158	21,632	12,158	0
Fiscal Services	9,374	0	9,374	8,932	9,374	0
Operation of Plant	10,411	0	10,411	25,000	10,411	0
Transportation	624,137	0	624,137	377,464	632,984	8,847

(Continued)

FENTRESS COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**Discretely Presented Fentress County School Department
School Federal Projects Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Expenditures (Cont.)						
Operation of Non-Instructional Services						
Community Services	\$ 86,599	\$ 0	\$ 86,599	\$ 68,850	\$ 86,599	\$ 0
Capital Outlay						
Regular Capital Outlay	675,810	(335,352)	340,458	1,283,633	340,458	0
Total Expenditures	<u>\$ 5,458,776</u>	<u>\$ (443,551)</u>	<u>\$ 5,015,225</u>	<u>\$ 4,827,659</u>	<u>\$ 5,432,188</u>	<u>\$ 416,963</u>
Excess (Deficiency) of Revenues						
Over Expenditures	<u>\$ (49,349)</u>	<u>\$ 443,551</u>	<u>\$ 394,202</u>	<u>\$ 30,450</u>	<u>\$ 58,972</u>	<u>\$ 335,230</u>
Other Financing Sources (Uses)						
Transfers Out	<u>\$ (58,323)</u>	<u>\$ 0</u>	<u>\$ (58,323)</u>	<u>\$ (30,450)</u>	<u>\$ (58,968)</u>	<u>\$ 645</u>
Total Other Financing Sources	<u>\$ (58,323)</u>	<u>\$ 0</u>	<u>\$ (58,323)</u>	<u>\$ (30,450)</u>	<u>\$ (58,968)</u>	<u>\$ 645</u>
Net Change in Fund Balance	\$ (107,672)	\$ 443,551	\$ 335,879	\$ 0	\$ 4	\$ 335,875
Fund Balance, July 1, 2024	<u>1,107,672</u>	<u>(443,551)</u>	<u>664,121</u>	<u>0</u>	<u>0</u>	<u>664,121</u>
Fund Balance, June 30, 2025	<u><u>\$ 1,000,000</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,000,000</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 4</u></u>	<u><u>\$ 999,996</u></u>

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

Discretely Presented Fentress County School Department

Central Cafeteria Fund

For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Charges for Current Services	\$ 31,880	\$ 0	\$ 31,880	\$ 38,000	\$ 38,000	\$ (6,120)
Other Local Revenues	47,405	0	47,405	3,350	13,850	33,555
State of Tennessee	14,099	0	14,099	17,000	17,000	(2,901)
Federal Government	2,035,031	0	2,035,031	1,795,000	1,795,000	240,031
Total Revenues	<u>\$ 2,128,415</u>	<u>\$ 0</u>	<u>\$ 2,128,415</u>	<u>\$ 1,853,350</u>	<u>\$ 1,863,850</u>	<u>\$ 264,565</u>
Expenditures						
Operation of Non-Instructional Services						
Food Service	\$ 1,920,594	\$ 13,241	\$ 1,933,835	\$ 1,963,817	\$ 1,974,317	\$ 40,482
Total Expenditures	<u>\$ 1,920,594</u>	<u>\$ 13,241</u>	<u>\$ 1,933,835</u>	<u>\$ 1,963,817</u>	<u>\$ 1,974,317</u>	<u>\$ 40,482</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 207,821</u>	<u>\$ (13,241)</u>	<u>\$ 194,580</u>	<u>\$ (110,467)</u>	<u>\$ (110,467)</u>	<u>\$ 305,047</u>
Net Change in Fund Balance	\$ 207,821	\$ (13,241)	\$ 194,580	\$ (110,467)	\$ (110,467)	\$ 305,047
Changes to or Within the Financial Reporting Entity	1,331,537	0	1,331,537	0	0	1,331,537
Fund Balance, July 1, 2024	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,394,827</u>	<u>1,394,827</u>	<u>(1,394,827)</u>
Fund Balance, June 30, 2025	<u><u>\$ 1,539,358</u></u>	<u><u>\$ (13,241)</u></u>	<u><u>\$ 1,526,117</u></u>	<u><u>\$ 1,284,360</u></u>	<u><u>\$ 1,284,360</u></u>	<u><u>\$ 241,757</u></u>

MISCELLANEOUS SCHEDULES

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

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-24	Paid and/or Matured During Period	Outstanding 6-30-25
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation, Series 2020	\$ 8,105,000	3 to 5	%	8-14-20	3-1-50	\$ 7,360,000	\$ 175,000	\$ 7,185,000
Total Bonds Payable						\$ 7,360,000	\$ 175,000	\$ 7,185,000
NOTES PAYABLE								
Payable through General Debt Service Fund								
General Obligation Capital Outlay Notes, Series 2021	2,139,000	1.7		9-7-21	6-1-34	\$ 1,677,000	\$ 155,000	\$ 1,522,000
Payable through Highway/Public Works Fund								
General Obligation Capital Outlay Notes, Series 2021	811,000	1.7		9-7-21	6-1-34	636,000	59,000	577,000
Total Notes Payable						\$ 2,313,000	\$ 214,000	\$ 2,099,000
OTHER LOANS PAYABLE								
Payable through General Debt Service Fund								
School Construction - Southern System Facility	6,000,000	Variable		10-25-01	9-17-24	\$ 808,000	\$ 808,000	\$ 0
Total Other Loans Payable						\$ 808,000	\$ 808,000	\$ 0

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	\$ 185,000	\$ 231,350	\$ 416,350
2027	195,000	222,100	417,100
2028	200,000	212,350	412,350
2029	210,000	202,350	412,350
2030	225,000	191,850	416,850
2031	230,000	185,100	415,100
2032	235,000	178,200	413,200
2033	245,000	171,150	416,150
2034	250,000	163,800	413,800
2035	260,000	156,300	416,300
2036	265,000	148,500	413,500
2037	275,000	140,550	415,550
2038	280,000	132,300	412,300
2039	290,000	123,900	413,900
2040	300,000	115,200	415,200
2041	310,000	106,200	416,200
2042	320,000	96,900	416,900
2043	330,000	87,300	417,300
2044	335,000	77,400	412,400
2045	345,000	67,350	412,350
2046	360,000	57,000	417,000
2047	370,000	46,200	416,200
2048	380,000	35,100	415,100
2049	390,000	23,700	413,700
2050	400,000	12,000	412,000
Total	\$ 7,185,000	\$ 3,184,150	\$ 10,369,150

Year Ending June 30	Notes		
	Principal	Interest	Total
2026	\$ 218,000	\$ 35,683	\$ 253,683
2027	221,000	31,977	252,977
2028	225,000	28,220	253,220
2029	229,000	24,395	253,395
2030	233,000	20,502	253,502
2031	237,000	16,541	253,541
2032	241,000	12,512	253,512
2033	245,000	8,415	253,415
2034	250,000	4,250	254,250
Total	\$ 2,099,000	\$ 182,495	\$ 2,281,495

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

Description	Debtor	Original Amount of Lease	Date of Issue	Date of Maturity	Interest Rate	Balance 7-1-24	Deductions	Balance 6-30-25
General Fund								
Nursing Home	OHI Asset Jamestown, LLC	\$ 3,436,500	7-1-89	12-31-28	0 %	\$ 391,500	\$ 87,000	\$ 304,500
Total Leases Receivable						\$ 391,500	\$ 87,000	\$ 304,500

FENTRESS COUNTY, TENNESSEE**Schedule of Transfers**

Primary Government and Discretely Presented Fentress County School Department

For the Year Ended June 30, 2025

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General Debt Service	General Capital Projects	Capital outlay	\$ 200,000
Total Transfers Primary Government			<u>\$ 200,000</u>
DISCRETELY PRESENTED FENTRESS COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	\$ 58,323
Total Transfers Discretely Presented Fentress County School Department			<u>\$ 58,323</u>

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

Primary Government and Discretely Presented Fentress County School Department

For the Year Ended June 30, 2025

Official	Salary	Authorization	Bond	Surety
County Executive		Section 8-24-102, <i>TCA</i>	\$ (1)	Local Government Insurance Pool
Base salary/Total Compensation	<u>\$ 105,396</u>			
Road Supervisor		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total Compensation	<u>\$ 100,377</u>			
Director of Schools		State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 108,000			
Chief executive officer training supplement	1,000			
Salary equity pay bonus	1,200			
Differential pay	500			
Total compensation	<u>\$ 110,700</u>			
Trustee		Section 8-24-102, <i>TCA</i>	937,294	RLI Insurance Company
Base salary/Total Compensation	<u>\$ 91,252</u>			
Assessor of Property		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total Compensation	<u>\$ 91,252</u>			
County Clerk		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total Compensation	<u>\$ 91,252</u>			
Circuit and General Sessions Courts Clerk		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total Compensation	<u>\$ 91,252</u>			
Clerk and Master		Section 8-24-102, <i>TCA</i> and Chancery Judge	(1)	Local Government Insurance Pool
Base salary	\$ 91,252			
Special commissioner fees	6,267			
Total compensation	<u>\$ 97,519</u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total Compensation	<u>\$ 91,252</u>			
Sheriff		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary	\$ 100,377			
Law enforcement training supplement	800			
Total compensation	<u>\$ 101,177</u>			
Administrator of Elections		Section 2-12-208, <i>TCA</i> and County Commission		
Base salary	\$ 82,127			
Bonus	1,000			
Total compensation	<u>\$ 83,127</u>			
Finance Director		County Commission	(1)	Local Government Insurance Pool
Base salary	\$ 73,002			
Bonus	1,000			
Total compensation (2)	<u>\$ 74,002</u>			
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Local Government Insurance Pool
Employee Fidelity - School Department			500,000	Tennessee Risk Management Trust

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

(2) Finance director also served as a firefighter for the county for which he made an additional \$4,979 during the year.

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Opioid Abatement	Other Special Revenue
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 6,060,025	\$ 439,479	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	172,484	18,148	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	45,593	3,368	0	0	0	0
Interest and Penalty	37,243	2,771	0	0	0	0
Payments in-Lieu-of Taxes - Other	105,446	0	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	4,660	1,315,410	0	0	0	0
Hotel/Motel Tax	106,571	0	0	0	0	0
Litigation Tax - General	49,889	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	38,192	0	0	0	0	0
Litigation Tax - Victim-Offender Mediation Center	11,428	0	0	0	0	0
Litigation Tax - Courthouse Security	20,860	0	0	0	0	0
Business Tax	155,937	22,459	0	0	0	0
Mixed Drink Tax	6,380	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Other County Local Option Taxes	0	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	97,783	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Opioid Abatement	Other Special Revenue
Local Taxes (Cont.)						
Statutory Local Taxes (Cont.)						
Wholesale Beer Tax	\$ 172,335	\$ 0	\$ 0	\$ 0	\$ 0	0
Beer Privilege Tax	1,544	0	0	0	0	0
Total Local Taxes	<u>\$ 7,086,370</u>	<u>\$ 1,801,635</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Licenses and Permits						
Licenses						
Cable TV Franchise	\$ 39,807	\$ 0	\$ 0	\$ 0	\$ 0	0
Permits						
Beer Permits	250	0	0	0	0	0
Total Licenses and Permits	<u>\$ 40,057</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	\$ 1,370	\$ 0	\$ 0	\$ 95	\$ 0	0
Officers Costs	1,399	0	0	0	0	0
Drug Control Fines	0	0	0	9,104	0	0
Criminal Court						
Data Entry Fee - Criminal Court	1,151	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Opioid Abatement	Other Special Revenue
Fines, Forfeitures, and Penalties (Cont.)						
General Sessions Court						
Fines	\$ 17,118	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	3,294	0	0	0	0	0
Game and Fish Fines	225	0	0	0	0	0
Drug Control Fines	0	0	0	4,247	0	0
Data Entry Fee - General Sessions Court	3,276	0	0	0	0	0
Chancery Court						
Officers Costs	182	0	0	0	0	0
Data Entry Fee - Chancery Court	678	0	0	0	0	0
Other Courts - In-county						
Officers Costs	17,266	0	0	0	0	0
DUI Treatment Fines	2,990	0	0	0	0	0
Judicial District Drug Program						
Drug Task Force Forfeitures and Seizures	0	0	0	758	0	0
Total Fines, Forfeitures, and Penalties	\$ 48,949	\$ 0	\$ 0	\$ 14,204	\$ 0	0
Charges for Current Services						
General Service Charges						
Tipping Fees	\$ 0	\$ 418,721	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Opioid Abatement	Other Special Revenue
Charges for Current Services (Cont.)						
General Service Charges (Cont.)						
Surcharge - Waste Tire Disposal	\$ 0	\$ 25,534	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	2,824,062	0	0	0	0	0
Fees						
Recreation Fees	5,215	0	0	0	0	0
Library Fees	11,063	0	0	0	0	0
Archives and Records Management Fee	39,729	0	0	0	0	0
Greenbelt Late Application Fee	112	0	0	0	0	0
Additional Fees - Titling and Registration	22,328	0	0	0	0	0
Data Processing Fee - Register	9,194	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	5,100	0	0	0	0	0
Data Processing Fee - County Clerk	16,676	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	2,040	0	0	0	0	0
Total Charges for Current Services	\$ 2,935,519	\$ 444,255	\$ 0	\$ 0	\$ 0	\$ 0
Other Local Revenues						
Recurring Items						
Investment Income	\$ 492,789	\$ 0	\$ 10,505	\$ 0	\$ 8,630	\$ 0
Lease/Rentals/PPP	92,050	6,000	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Opioid Abatement	Other Special Revenue
Other Local Revenues (Cont.)						
Recurring Items (Cont.)						
Commissary Sales	\$ 93,487	\$ 0	\$ 0	\$ 0	\$ 0	0
Sale of Recycled Materials	0	96,805	0	0	0	0
Miscellaneous Refunds	53,284	211	0	0	0	776
Nonrecurring Items						
Sale of Equipment	2,691	0	0	0	0	0
Contributions and Gifts	1,000	0	0	0	0	0
Other Local Revenues						
Other Local Revenues	760	0	0	0	0	0
Total Other Local Revenues	<u>\$ 736,061</u>	<u>\$ 103,016</u>	<u>\$ 10,505</u>	<u>\$ 0</u>	<u>\$ 8,630</u>	<u>\$ 776</u>
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	\$ 234,983	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	63,003	0	0	0	0	0
General Sessions Court Clerk	71,176	0	0	0	0	0
Clerk and Master	34,717	0	0	0	0	0
Register	123,161	0	0	0	0	0
Sheriff	60,736	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Opioid Abatement	Other Special Revenue
Fees Received From County Officials (Cont.)						
Fees In-Lieu-of Salary (Cont.)						
Trustee	\$ 351,253	\$ 0	\$ 0	\$ 0	\$ 0	0
Total Fees Received From County Officials	\$ 939,029	\$ 0	\$ 0	\$ 0	\$ 0	0
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 13,500	\$ 0	\$ 0	\$ 0	\$ 0	0
Aging Programs	11,765	0	0	0	0	0
Other General Government Grants	1,500	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	17,402	0	0	0	0	0
School Resource Officer Grants	450,000	0	0	0	0	0
Other Public Safety Grants	64,196	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	144,470	0	0	0	0	0
Emergency Medical Services Training Programs	13,600	0	0	0	0	0
Other Health and Welfare Grants	150,000	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	0	0	0
Litter Program	0	96,498	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Opioid Abatement	Other Special Revenue
State of Tennessee (Cont.)						
Other State Revenues						
Beer Tax	\$ 17,752	\$ 0	\$ 0	\$ 0	\$ 0	0
Vehicle Certificate of Title Fees	7,143	0	0	0	0	0
Alcoholic Beverage Tax	72,500	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	0	0	0	0	90,844	0
State Revenue Sharing - Telecommunications	55,314	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	0	0	0	0	0	0
Contracted Prisoner Boarding	527,397	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
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	14,500	0	0	0	0	8,455
Other State Revenues	28,866	0	0	0	0	0
Total State of Tennessee	<u>\$ 1,605,069</u>	<u>\$ 96,498</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 90,844</u>	<u>\$ 8,455</u>
Federal Government						
Federal Through State						
Community Development	\$ 397,750	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Special Purpose	Drug Control	Opioid Abatement	Other Special Revenue
Federal Government (Cont.)						
Federal Through State (Cont.)						
American Rescue Plan Act Grant #1	\$ 0	\$ 0	\$ 758,751	\$ 0	\$ 0	\$ 0
Other Federal through State	1,006,642	0	0	0	0	173,612
Total Federal Government	<u>\$ 1,404,392</u>	<u>\$ 0</u>	<u>\$ 758,751</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 173,612</u>
Other Governments and Citizens Groups						
Other Governments						
Prisoner Board	\$ 200,289	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Citizens Groups						
Donations	48,206	0	0	0	0	0
Other						
Opioid Settlement Funds - Past Remediation	0	0	0	0	81,514	0
Total Other Governments and Citizens Groups	<u>\$ 248,495</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 81,514</u>	<u>\$ 0</u>
Total	<u><u>\$ 15,043,941</u></u>	<u><u>\$ 2,445,404</u></u>	<u><u>\$ 769,256</u></u>	<u><u>\$ 14,204</u></u>	<u><u>\$ 180,988</u></u>	<u><u>\$ 182,843</u></u>

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	Other Capital Projects -	Other Capital Projects -	Total
Local Taxes					
County Property Taxes					
Current Property Tax	\$ 0	\$ 444,763	\$ 0	\$ 55,596	\$ 6,999,863
Trustee's Collections - Prior Year	0	8,855	0	1,607	201,094
Circuit Clerk/Clerk and Master Collections - Prior Years	0	3,005	0	25	51,991
Interest and Penalty	0	2,006	0	347	42,367
Payments in-Lieu-of Taxes - Other	0	0	0	0	105,446
County Local Option Taxes					
Local Option Sales Tax	0	837,792	0	0	2,157,862
Hotel/Motel Tax	0	0	0	0	106,571
Litigation Tax - General	0	0	0	0	49,889
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	38,192
Litigation Tax - Victim-Offender Mediation Center	0	0	0	0	11,428
Litigation Tax - Courthouse Security	0	0	0	0	20,860
Business Tax	0	14,532	0	0	192,928
Mixed Drink Tax	0	0	0	0	6,380
Mineral Severance Tax	68,400	0	0	0	68,400
Other County Local Option Taxes	0	32,616	0	0	32,616
Statutory Local Taxes					
Bank Excise Tax	0	0	0	0	97,783

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	Other Capital Projects -	Other Capital Projects -	Total
Local Taxes (Cont.)					
Statutory Local Taxes (Cont.)					
Wholesale Beer Tax	\$ 0	\$ 0	\$ 0	\$ 0	172,335
Beer Privilege Tax	0	0	0	0	1,544
Total Local Taxes	\$ 68,400	\$ 1,343,569	\$ 0	\$ 57,575	\$ 10,357,549
Licenses and Permits					
Licenses					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	39,807
Permits					
Beer Permits	0	0	0	0	250
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	40,057
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	1,465
Officers Costs	0	0	0	0	1,399
Drug Control Fines	0	0	0	0	9,104
Criminal Court					
Data Entry Fee - Criminal Court	0	0	0	0	1,151

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Other Capital Projects -	Other Capital Projects -	
Fines, Forfeitures, and Penalties (Cont.)					
General Sessions Court					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	17,118
Officers Costs	0	0	0	0	3,294
Game and Fish Fines	0	0	0	0	225
Drug Control Fines	0	0	0	0	4,247
Data Entry Fee - General Sessions Court	0	0	0	0	3,276
Chancery Court					
Officers Costs	0	0	0	0	182
Data Entry Fee - Chancery Court	0	0	0	0	678
Other Courts - In-county					
Officers Costs	0	0	0	0	17,266
DUI Treatment Fines	0	0	0	0	2,990
Judicial District Drug Program					
Drug Task Force Forfeitures and Seizures	0	0	0	0	758
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	63,153
Charges for Current Services					
General Service Charges					
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	418,721

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Other Capital Projects -	Other Capital Projects -	
Charges for Current Services (Cont.)					
General Service Charges (Cont.)					
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 0	\$ 0	25,534
Patient Charges	0	0	0	0	2,824,062
Fees					
Recreation Fees	0	0	0	0	5,215
Library Fees	0	0	0	0	11,063
Archives and Records Management Fee	0	0	0	0	39,729
Greenbelt Late Application Fee	0	0	0	0	112
Additional Fees - Titling and Registration	0	0	0	0	22,328
Data Processing Fee - Register	0	0	0	0	9,194
Sexual Offender Registration Fee - Sheriff	0	0	0	0	5,100
Data Processing Fee - County Clerk	0	0	0	0	16,676
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	2,040
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	3,379,774
Other Local Revenues					
Recurring Items					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	511,924
Lease/Rentals/PPP	0	62,630	0	0	160,680

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	Other Capital Projects -	Other Capital Projects -	Total
Other Local Revenues (Cont.)					
Recurring Items (Cont.)					
Commissary Sales	\$ 0	\$ 0	\$ 0	\$ 0	93,487
Sale of Recycled Materials	4,441	0	0	0	101,246
Miscellaneous Refunds	10,611	3,596	0	0	68,478
Nonrecurring Items					
Sale of Equipment	210,052	0	0	0	212,743
Contributions and Gifts	10,000	0	0	0	11,000
Other Local Revenues					
Other Local Revenues	0	0	0	0	760
Total Other Local Revenues	\$ 235,104	\$ 66,226	\$ 0	\$ 0	1,160,318
Fees Received From County Officials					
Fees In-Lieu-of Salary					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	234,983
Circuit Court Clerk	0	0	0	0	63,003
General Sessions Court Clerk	0	0	0	0	71,176
Clerk and Master	0	0	0	0	34,717
Register	0	0	0	0	123,161
Sheriff	0	0	0	0	60,736

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	Other Capital Projects -	Other Capital Projects -	Total
Fees Received From County Officials (Cont.)					
Fees In-Lieu-of Salary (Cont.)					
Trustee	\$ 0	\$ 0	\$ 0	\$ 0	351,253
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	939,029
State of Tennessee					
General Government Grants					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	13,500
Aging Programs	0	0	0	0	11,765
Other General Government Grants	0	0	0	0	1,500
Public Safety Grants					
Law Enforcement Training Programs	0	0	0	0	17,402
School Resource Officer Grants	0	0	0	0	450,000
Other Public Safety Grants	0	0	0	0	64,196
Health and Welfare Grants					
Health Department Programs	0	0	0	0	144,470
Emergency Medical Services Training Programs	0	0	0	0	13,600
Other Health and Welfare Grants	0	0	0	0	150,000
Public Works Grants					
State Aid Program	888,124	0	0	0	888,124
Litter Program	0	0	0	0	96,498

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	Other Capital Projects -	Other Capital Projects -	
State of Tennessee (Cont.)					
Other State Revenues					
Beer Tax	\$ 0	\$ 0	\$ 0	\$ 0	17,752
Vehicle Certificate of Title Fees	0	0	0	0	7,143
Alcoholic Beverage Tax	0	0	0	0	72,500
Opioid Settlement Funds - TN Abatement Council	0	0	0	0	90,844
State Revenue Sharing - Telecommunications	0	0	0	0	55,314
State Shared Sports Gaming Privilege Tax	34,759	0	0	0	34,759
Contracted Prisoner Boarding	0	0	0	0	527,397
Gasoline and Motor Fuel Tax	2,524,183	0	0	0	2,524,183
Hybrid/Electric Vehicle Registration Fee	30,156	0	0	0	30,156
Petroleum Special Tax	11,230	0	0	0	11,230
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	22,955
Other State Revenues	0	0	0	0	28,866
Total State of Tennessee	\$ 3,488,452	\$ 0	\$ 0	\$ 0	\$ 5,289,318
Federal Government					
Federal Through State					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	397,750

(Continued)

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	Other Capital Projects -	Other Capital Projects -	Total
Federal Government (Cont.)					
Federal Through State (Cont.)					
American Rescue Plan Act Grant #1	\$ 0	\$ 0	\$ 0	\$ 0	758,751
Other Federal through State	0	0	412,870	0	1,593,124
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 412,870</u>	<u>\$ 0</u>	<u>2,749,625</u>
Other Governments and Citizens Groups					
Other Governments					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	200,289
Citizens Groups					
Donations	0	0	0	0	48,206
Other					
Opioid Settlement Funds - Past Remediation	0	0	0	0	81,514
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>330,009</u>
Total	<u>\$ 3,791,956</u>	<u>\$ 1,409,795</u>	<u>\$ 412,870</u>	<u>\$ 57,575</u>	<u>\$ 24,308,832</u>

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

Discretely Presented Fentress County School Department

For the Year Ended June 30, 2025

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
Local Taxes					
County Property Taxes					
Current Property Tax	\$ 500,384	\$ 0	\$ 0	\$ 0	\$ 500,384
Trustee's Collections - Prior Year	21,127	0	0	0	21,127
Circuit Clerk/Clerk and Master Collections - Prior Years	6,399	0	0	0	6,399
Interest and Penalty	4,392	0	0	0	4,392
County Local Option Taxes					
Local Option Sales Tax	3,288,524	0	0	0	3,288,524
Wheel Tax	494,982	0	0	0	494,982
Business Tax	55,486	0	0	0	55,486
Other County Local Option Taxes	49,353	0	0	0	49,353
Total Local Taxes	<u>\$ 4,420,647</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,420,647</u>
Licenses and Permits					
Licenses					
Marriage Licenses	\$ 1,130	\$ 0	\$ 0	\$ 0	\$ 1,130
Total Licenses and Permits	<u>\$ 1,130</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,130</u>

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
Charges for Current Services					
Education Charges					
Lunch Payments - Adults	\$ 0	\$ 0	\$ 16,104	\$ 0	\$ 16,104
Income from Breakfast	0	0	1,242	0	1,242
A la Carte Sales	0	0	14,534	0	14,534
Total Charges for Current Services	\$ 0	\$ 0	\$ 31,880	\$ 0	\$ 31,880
Other Local Revenues					
Recurring Items					
Investment Income	\$ 521,108	\$ 0	\$ 36,705	\$ 0	\$ 557,813
Lease/Rentals/PPP	6	0	0	0	6
E-Rate Funding	19,598	0	0	0	19,598
Miscellaneous Refunds	325,687	0	200	0	325,887
Nonrecurring Items					
Sale of Equipment	35,301	0	0	0	35,301
Contributions and Gifts	42,074	0	10,500	0	52,574
Other Local Revenues					
Other Local Revenues	6,232	0	0	1,000,587	1,006,819
Total Other Local Revenues	\$ 950,006	\$ 0	\$ 47,405	\$ 1,000,587	\$ 1,997,998

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	\$ 110,949	\$ 0	\$ 0	\$ 0	\$ 110,949
State Education Funds					
Tennessee Investment in Student Achievement	16,748,553	0	0	0	16,748,553
TISA - On-behalf Payments	12,296	0	0	0	12,296
Early Childhood Education	728,484	0	0	0	728,484
School Food Service	0	0	14,099	0	14,099
Energy Efficient School Initiative	19,950	0	0	0	19,950
Other State Education Funds	848,795	0	0	0	848,795
Career Ladder Program	21,994	0	0	0	21,994
Other Vocational	516,436	0	0	0	516,436
Other State Revenues					
State Revenue Sharing - T.V.A.	713,538	0	0	0	713,538
Other State Grants	36,677	0	0	0	36,677
Other State Revenues	76,913	0	0	0	76,913
Total State of Tennessee	\$ 19,834,585	\$ 0	\$ 14,099	\$ 0	\$ 19,848,684

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
Federal Government					
Federal Through State					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,342,725	\$ 0	\$ 1,342,725
USDA - Commodities	0	0	137,455	0	137,455
Breakfast	0	0	543,984	0	543,984
USDA - Other	0	0	10,867	0	10,867
Vocational Education - Basic Grants to States	0	78,957	0	0	78,957
Title I Grants to Local Education Agencies	0	1,303,155	0	0	1,303,155
Special Education - Grants to States	0	676,118	0	0	676,118
Special Education Preschool Grants	0	34,345	0	0	34,345
Rural Education	0	89,341	0	0	89,341
21st Century Community Learning Centers	0	86,600	0	0	86,600
Eisenhower Professional Development State Grants	0	295,450	0	0	295,450
American Rescue Plan Act Grant #1	0	2,422,153	0	0	2,422,153
Other Federal through State	233,896	87,956	0	0	321,852
Direct Federal Revenue					
ROTC Reimbursement	87,778	0	0	0	87,778
Other Direct Federal Revenue	0	335,352	0	0	335,352
Total Federal Government	\$ 321,674	\$ 5,409,427	\$ 2,035,031	\$ 0	\$ 7,766,132
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 104,473	\$ 0	\$ 0	\$ 0	\$ 104,473
Total Other Governments and Citizens Groups	\$ 104,473	\$ 0	\$ 0	\$ 0	\$ 104,473
Total	\$ 25,632,515	\$ 5,409,427	\$ 2,128,415	\$ 1,000,587	\$ 34,170,944

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	70,781	
In-service Training		1,125	
Social Security		4,216	
Pensions		2,723	
Employer Medicare		986	
Audit Services		8,135	
Contributions		42,000	
Printing, Stationery, and Forms		217	
Travel		3,672	
Other Charges		1,200	
Total County Commission			\$ 135,055

Board of Equalization

Board and Committee Members Fees	\$	480	
Total Board of Equalization			480

Beer Board

Board and Committee Members Fees	\$	1,500	
Total Beer Board			1,500

County Mayor/Executive

County Official/Administrative Officer	\$	105,396	
Assistant(s)		35,214	
Bonus Payments		1,000	
In-service Training		225	
Social Security		8,553	
Pensions		10,989	
Medical Insurance		4,710	
Unemployment Compensation		56	
Employer Medicare		2,000	
Legal Services		40,075	
Postal Charges		269	
Printing, Stationery, and Forms		30	
Travel		5,262	
Office Supplies		2,894	
Other Equipment		496	
Total County Mayor/Executive			217,169

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	82,127	
Deputy(ies)		42,078	
Clerical Personnel		35,547	
Bonus Payments		3,000	
Election Commission		10,200	
Election Workers		60,469	
Social Security		10,468	
Pensions		12,641	
Medical Insurance		9,420	
Unemployment Compensation		193	
Employer Medicare		2,448	
Communication		129	
Data Processing Services		23,305	
Dues and Memberships		1,743	
Maintenance and Repair Services - Equipment		11,175	
Postal Charges		4,975	
Printing, Stationery, and Forms		3,951	
Travel		5,728	
Office Supplies		13,856	
Liability Insurance		4,262	
Office Equipment		15,059	
Total Election Commission			\$ 352,774

Register of Deeds

County Official/Administrative Officer	\$	91,252
Deputy(ies)		39,915
Clerical Personnel		33,072
Bonus Payments		2,000
Social Security		9,549
Pensions		12,900
Medical Insurance		11,295
Unemployment Compensation		112
Employer Medicare		2,233
Data Processing Services		8,915
Postal Charges		64
Printing, Stationery, and Forms		70

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Travel	\$	100	
Duplicating Supplies		2,370	
Office Supplies		5,486	
Total Register of Deeds			\$ 219,333

Planning

Board and Committee Members Fees	\$	1,400	
Dues and Memberships		11,000	
Other Supplies and Materials		727	
Total Planning			13,127

County Buildings

Deputy(ies)	\$	30,401	
Maintenance Personnel		36,275	
Bonus Payments		2,000	
Social Security		3,956	
Pensions		5,329	
Medical Insurance		4,710	
Unemployment Compensation		112	
Employer Medicare		925	
Communication		91,682	
Data Processing Services		45	
Maintenance and Repair Services - Buildings		139,304	
Travel		45	
Custodial Supplies		8,740	
Gasoline		3,524	
Utilities		274,919	
Other Supplies and Materials		263	
Total County Buildings			602,230

Preservation of Records

Part-time Personnel	\$	12,599	
Bonus Payments		500	
Social Security		150	
Unemployment Compensation		59	
Employer Medicare		190	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Office Supplies	\$	404	
Office Equipment		<u>1,754</u>	
Total Preservation of Records			\$ 15,656

Finance

Accounting and Budgeting

Supervisor/Director	\$	73,002	
Deputy(ies)		45,626	
Accountants/Bookkeepers		175,797	
Bonus Payments		7,000	
Social Security		17,604	
Pensions		23,345	
Medical Insurance		23,550	
Unemployment Compensation		440	
Employer Medicare		4,117	
Postal Charges		4,411	
Printing, Stationery, and Forms		3,858	
Office Supplies		3,299	
Other Supplies and Materials		171	
In Service/Staff Development		220	
Office Equipment		<u>2,940</u>	
Total Accounting and Budgeting			385,380

Property Assessor's Office

County Official/Administrative Officer	\$	91,252	
Clerical Personnel		70,395	
Part-time Personnel		11,430	
Bonus Payments		2,500	
Social Security		10,728	
Pensions		12,628	
Medical Insurance		4,710	
Unemployment Compensation		168	
Employer Medicare		2,509	
Audit Services		8,513	
Maintenance and Repair Services - Vehicles		65	
Postal Charges		84	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Travel	\$	1,769	
Office Supplies		2,982	
Office Equipment		3,143	
Total Property Assessor's Office			\$ 222,876

Reappraisal Program

Office Supplies	\$	700	
Total Reappraisal Program			700

County Trustee's Office

County Official/Administrative Officer	\$	91,252	
Deputy(ies)		77,297	
Bonus Payments		1,000	
Social Security		10,100	
Pensions		12,860	
Medical Insurance		14,130	
Unemployment Compensation		168	
Employer Medicare		2,362	
Contracts with Government Agencies		4,208	
Postal Charges		12,409	
Printing, Stationery, and Forms		90	
Office Supplies		2,778	
Premiums on Corporate Surety Bonds		2,318	
Data Processing Equipment		16,084	
Total County Trustee's Office			247,056

County Clerk's Office

County Official/Administrative Officer	\$	91,252	
Deputy(ies)		155,176	
Bonus Payments		4,500	
Social Security		14,586	
Pensions		19,472	
Medical Insurance		23,550	
Unemployment Compensation		280	
Employer Medicare		3,411	
Data Processing Services		13,546	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Maintenance Agreements	\$	4,526	
Maintenance and Repair Services - Office Equipment		284	
Postal Charges		9,333	
Printing, Stationery, and Forms		3,789	
Travel		3,934	
Office Supplies		3,943	
In Service/Staff Development		600	
Office Equipment		10,335	
Total County Clerk's Office			\$ 362,517

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	91,252	
Deputy(ies)		143,494	
Bonus Payments		4,000	
Jury and Witness Expense		7,774	
In-service Training		61	
Social Security		14,534	
Pensions		18,527	
Medical Insurance		7,545	
Unemployment Compensation		323	
Employer Medicare		3,399	
Data Processing Services		23,252	
Postal Charges		4,438	
Printing, Stationery, and Forms		520	
Travel		148	
Office Supplies		5,900	
Office Equipment		3,691	
Total Circuit Court			328,858

General Sessions Court

Judge(s)	\$	113,603
Deputy(ies)		43,784
Bonus Payments		1,000
Social Security		9,628
Pensions		12,291

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Medical Insurance	\$	4,559	
Unemployment Compensation		56	
Employer Medicare		2,252	
Travel		1,058	
Office Supplies		241	
Total General Sessions Court			\$ 188,472

Chancery Court

County Official/Administrative Officer	\$	91,252	
Deputy(ies)		33,488	
Bonus Payments		2,500	
Social Security		7,701	
Pensions		9,874	
Medical Insurance		4,710	
Unemployment Compensation		112	
Employer Medicare		1,801	
Data Processing Services		6,800	
Postal Charges		726	
Office Supplies		4,101	
Office Equipment		2,916	
Total Chancery Court			165,981

Juvenile Court

Social Workers	\$	30,615	
Bonus Payments		500	
Social Security		1,929	
Pensions		2,414	
Unemployment Compensation		56	
Employer Medicare		451	
Contracts with Other Public Agencies		246	
Office Supplies		100	
Total Juvenile Court			36,311

District Attorney General

Clerical Personnel	\$	16,386	
Unemployment Compensation		106	
Employer Medicare		238	
Total District Attorney General			16,730

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice

Special Commissioner Fees/Special Master Fees	\$	17,197	
Gasoline		<u>6,762</u>	
Total Other Administration of Justice	\$		23,959

Probation Services

Probation Officer(s)	\$	5,638	
Social Security		343	
Pensions		438	
Medical Insurance		151	
Unemployment Compensation		4	
Employer Medicare		80	
Office Supplies		45	
Testing		<u>3,600</u>	
Total Probation Services			10,299

Victim Assistance Programs

Deputy(ies)	\$	10,758	
Social Security		666	
Pensions		835	
Employer Medicare		156	
Travel		<u>213</u>	
Total Victim Assistance Programs			12,628

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	100,377	
Deputy(ies)		862,900	
Salary Supplements		28,000	
Clerical Personnel		97,008	
Part-time Personnel		110,846	
School Resource Officer		1,079	
Overtime Pay		50,975	
Bonus Payments		28,500	
Other Salaries and Wages		1,038	
In-service Training		17,186	
Social Security		72,004	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Pensions	\$	83,259	
Medical Insurance		54,585	
Unemployment Compensation		1,765	
Employer Medicare		17,454	
Communication		20,304	
Data Processing Services		9,598	
Confidential Drug Enforcement Payments		2,000	
Maintenance and Repair Services - Buildings		4,331	
Maintenance and Repair Services - Vehicles		43,028	
Postal Charges		1,138	
Printing, Stationery, and Forms		789	
Gasoline		97,029	
Law Enforcement Supplies		1,477	
Office Supplies		8,085	
Tires and Tubes		13,541	
Uniforms		2,862	
Other Supplies and Materials		1,188	
Other Charges		10,178	
Law Enforcement Equipment		21,205	
Office Equipment		1,602	
Total Sheriff's Department			\$ 1,765,331

Special Patrols

School Resource Officer	\$	232,521	
Overtime Pay		2,492	
In-service Training		600	
Social Security		16,506	
Pensions		20,521	
Medical Insurance		9,420	
Unemployment Compensation		336	
Employer Medicare		3,860	
Maintenance and Repair Services - Vehicles		1,456	
Uniforms		248	
Law Enforcement Equipment		14,100	
Motor Vehicles		93,527	
Total Special Patrols			395,587

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Administration of the Sexual Offender Registry

Remittance of Revenue Collected	\$	5,100	
Office Supplies		450	
Total Administration of the Sexual Offender Registry			\$ 5,550

Jail

Guards	\$	813,740	
Cafeteria Personnel		10,440	
Maintenance Personnel		47,565	
Overtime Pay		18,903	
Bonus Payments		19,000	
Jury and Witness Expense		457	
In-service Training		4,120	
Social Security		54,083	
Pensions		69,330	
Medical Insurance		67,132	
Unemployment Compensation		2,154	
Employer Medicare		12,648	
Contracts with Private Agencies		168,123	
Data Processing Services		24,812	
Maintenance and Repair Services - Buildings		70,841	
Medical and Dental Services		179,488	
Postal Charges		947	
Printing, Stationery, and Forms		1,801	
Custodial Supplies		14,853	
Food Supplies		142,450	
Office Supplies		2,334	
Prisoners Clothing		9,073	
Uniforms		1,749	
Other Supplies and Materials		2,971	
Other Charges		2,366	
Data Processing Equipment		1,910	
Furniture and Fixtures		52	
Office Equipment		180	
Total Jail			1,743,522

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

Firefighters	\$	84,600	
Bonus Payments		12,750	
In-service Training		4,927	
Other Per Diem and Fees		21	
Social Security		6,037	
Unemployment Compensation		28	
Employer Medicare		1,412	
Communication		3,656	
Contributions		8,000	
Maintenance and Repair Services - Vehicles		12,180	
Travel		1,894	
Gasoline		6,744	
Utilities		23,861	
Other Supplies and Materials		952	
Other Charges		7,284	
Motor Vehicles		19,995	
Other Equipment		77,923	
Total Fire Prevention and Control			\$ 272,264

Civil Defense

Supervisor/Director	\$	45,549	
Bonus Payments		1,000	
In-service Training		3,700	
Social Security		2,739	
Pensions		3,612	
Medical Insurance		4,710	
Unemployment Compensation		56	
Employer Medicare		640	
Communication		1,931	
Maintenance and Repair Services - Vehicles		2,414	
Gasoline		3,775	
Office Supplies		3,094	
Other Supplies and Materials		3,052	
Other Equipment		7,887	
Total Civil Defense			84,159

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad

Communication	\$	444	
Contributions		4,000	
Maintenance and Repair Services - Vehicles		8,854	
Gasoline		6,875	
Other Supplies and Materials		2,599	
Other Equipment		13,955	
Total Rescue Squad			\$ 36,727

Other Emergency Management

Contributions	\$	242,473	
Total Other Emergency Management			242,473

County Coroner/Medical Examiner

Social Security	\$	194	
Pensions		23	
Unemployment Compensation		2	
Employer Medicare		45	
Other Contracted Services		46,325	
Total County Coroner/Medical Examiner			46,589

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	13,645	
Bonus Payments		500	
Social Security		877	
Pensions		1,098	
Unemployment Compensation		60	
Employer Medicare		205	
Communication		2,455	
Maintenance and Repair Services - Buildings		9,118	
Drugs and Medical Supplies		2,417	
Office Supplies		3,445	
Other Supplies and Materials		2,000	
Total Local Health Center			35,820

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services

Supervisor/Director	\$	62,080	
Medical Personnel		1,140,529	
Salary Supplements		13,600	
Clerical Personnel		59,870	
Part-time Personnel		78,072	
Overtime Pay		361,311	
Bonus Payments		26,000	
In-service Training		14,156	
Social Security		102,653	
Pensions		126,445	
Medical Insurance		84,060	
Unemployment Compensation		2,043	
Employer Medicare		24,008	
Communication		12,537	
Contracts with Government Agencies		10,660	
Contracts with Private Agencies		83,309	
Dues and Memberships		2,524	
Maintenance and Repair Services - Vehicles		39,008	
Postal Charges		266	
Travel		4,313	
Custodial Supplies		7,688	
Drugs and Medical Supplies		149,436	
Gasoline		87,368	
Office Supplies		7,444	
Uniforms		20,007	
Other Supplies and Materials		1,500	
Refunds		11,749	
Furniture and Fixtures		150	
Motor Vehicles		720,544	
Office Equipment		5,189	
Health Equipment		1,823	
Other Equipment		150,000	
Total Ambulance/Emergency Medical Services			\$ 3,410,342

Other Local Health Services

Medical Personnel	\$	105,870
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(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Social Security	\$	6,426	
Pensions		8,117	
Medical Insurance		3,960	
Unemployment Compensation		336	
Employer Medicare		1,503	
Travel		10,059	
Other Contracted Services		83	
Other Charges		83	
Building Improvements		401,617	
Total Other Local Health Services			\$ 538,054

Appropriation to State

Other Contracted Services	\$	34,423	
Total Appropriation to State			34,423

Other Local Welfare Services

Contributions	\$	12,000	
Total Other Local Welfare Services			12,000

Social, Cultural, and Recreational Services

Adult Activities

Assistant(s)	\$	31,200	
Supervisor/Director		39,811	
Custodial Personnel		32,091	
Bonus Payments		3,000	
Social Security		6,439	
Pensions		5,666	
Medical Insurance		4,710	
Unemployment Compensation		271	
Employer Medicare		1,506	
Contracts with Private Agencies		1,375	
Postal Charges		292	
Travel		320	
Custodial Supplies		3,159	
Gasoline		276	
Office Supplies		1,598	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Adult Activities (Cont.)

Office Equipment	\$	695	
Other Equipment		<u>7,215</u>	
Total Adult Activities			\$ 139,624

Libraries

Supervisor/Director	\$	39,936	
Librarians		107,577	
Custodial Personnel		1,362	
Bonus Payments		5,000	
Social Security		9,011	
Pensions		9,965	
Medical Insurance		10,920	
Unemployment Compensation		322	
Employer Medicare		2,108	
Data Processing Services		362	
Dues and Memberships		4,219	
Postal Charges		365	
Printing, Stationery, and Forms		1,471	
Travel		1,553	
Custodial Supplies		2,582	
Library Books/Media		6,502	
Office Supplies		4,771	
Other Supplies and Materials		3,923	
Other Charges		<u>8,928</u>	
Total Libraries			220,877

Parks and Fair Boards

Maintenance Personnel	\$	33,983	
Bonus Payments		1,500	
Social Security		2,200	
Unemployment Compensation		220	
Employer Medicare		514	
Maintenance and Repair Services - Equipment		10,653	
Custodial Supplies		3,805	
Gasoline		<u>889</u>	
Total Parks and Fair Boards			53,764

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Contributions	\$	59,808	
Office Supplies		<u>2,194</u>	
Total Agricultural Extension Service			\$ 62,002

Soil Conservation

Assistant(s)	\$	53,103	
Bonus Payments		1,000	
Social Security		3,139	
Pensions		3,935	
Medical Insurance		7,140	
Unemployment Compensation		128	
Employer Medicare		<u>734</u>	
Total Soil Conservation			69,179

Other Operations

Tourism

Contributions	\$	<u>70,000</u>	
Total Tourism			70,000

Other Economic and Community Development

Contracts with Government Agencies	\$	<u>14,500</u>	
Total Other Economic and Community Development			14,500

Veterans' Services

Supervisor/Director	\$	46,409	
Bonus Payments		1,000	
Social Security		2,939	
Pensions		3,581	
Unemployment Compensation		111	
Employer Medicare		687	
Contracts with Government Agencies		2,632	
Data Processing Services		941	
Postal Charges		100	
Travel		2,193	
Office Supplies		10	
Other Supplies and Materials		<u>6,643</u>	
Total Veterans' Services			67,246

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$	5,000	
Dues and Memberships		26,200	
Remittance of Revenue Collected		11,069	
Other Charges		17,000	
Total Contributions to Other Agencies			\$ 59,269

Miscellaneous

Other Fringe Benefits	\$	10,075	
Advertising		8,064	
Data Processing Services		115,089	
Medical and Dental Services		4,183	
Postal Charges		631	
Other Contracted Services		2,300	
Road Signs		12,340	
Liability Insurance		375,619	
Trustee's Commission		175,241	
Vehicle and Equipment Insurance		119,510	
Workers' Compensation Insurance		164,730	
Liability Claims		13,672	
Other Charges		4,164	
Other Equipment		162,849	
Other Capital Outlay		736,380	
Total Miscellaneous			<u>1,904,847</u>

Total General Fund \$ 14,843,240

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Assistant(s)	\$	61,094
Supervisor/Director		42,723
Bonus Payments		3,000
Social Security		6,406
Pensions		8,289
Medical Insurance		4,710
Unemployment Compensation		168

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Employer Medicare	\$	1,498	
Communication		1,970	
Data Processing Services		5,063	
Postal Charges		2,040	
Printing, Stationery, and Forms		230	
Travel		1,845	
Other Supplies and Materials		3,225	
Total Sanitation Management			\$ 142,261

Sanitation Education/Information

Advertising	\$	2,417	
Instructional Supplies and Materials		3,061	
Other Supplies and Materials		3,721	
Total Sanitation Education/Information			9,199

Waste Pickup

Paraprofessionals	\$	44,505	
Truck Drivers		114,827	
Laborers		92,898	
Bonus Payments		7,000	
Social Security		15,302	
Pensions		17,748	
Medical Insurance		25,372	
Unemployment Compensation		446	
Employer Medicare		3,579	
Communication		1,545	
Maintenance and Repair Services - Equipment		10,120	
Maintenance and Repair Services - Vehicles		82,650	
Gasoline		62,470	
Tires and Tubes		21,877	
Uniforms		3,189	
Other Supplies and Materials		5,585	
Solid Waste Equipment		31,355	
Other Equipment		1,587	
Total Waste Pickup			542,055

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers

Paraprofessionals	\$	33,717	
Equipment Operators - Heavy		23,124	
Attendants		292,190	
Bonus Payments		11,000	
Social Security		21,601	
Pensions		25,367	
Medical Insurance		2,423	
Unemployment Compensation		909	
Employer Medicare		5,190	
Communication		5,921	
Maintenance and Repair Services - Equipment		9,278	
Utilities		16,320	
Other Supplies and Materials		6,478	
Other Equipment		4,139	
Total Convenience Centers			\$ 457,657

Problem Waste Centers

Other Supplies and Materials	\$	1,742	
Total Problem Waste Centers			1,742

Other Waste Collection

Other Supplies and Materials	\$	1,200	
Total Other Waste Collection			1,200

Recycling Center

Paraprofessionals	\$	42,016	
Equipment Operators - Heavy		136,469	
Laborers		63,284	
Bonus Payments		7,500	
Social Security		14,827	
Pensions		18,595	
Medical Insurance		18,840	
Unemployment Compensation		469	
Employer Medicare		3,468	
Communication		2,092	
Contracts with Private Agencies		65,283	

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center (Cont.)

Maintenance and Repair Services - Buildings	\$	19,342	
Maintenance and Repair Services - Equipment		1,691	
Maintenance and Repair Services - Vehicles		57,791	
Gasoline		19,678	
Tires and Tubes		975	
Uniforms		1,970	
Utilities		7,865	
Other Supplies and Materials		7,754	
Other Equipment		26,701	
Total Recycling Center			\$ 516,610

Landfill Operation and Maintenance

Contracts with Private Agencies	\$	703,696	
Total Landfill Operation and Maintenance			703,696

Postclosure Care Costs

Engineering Services	\$	3,723	
Permits		1,000	
Utilities		913	
Total Postclosure Care Costs			5,636

Other Operations

Other Charges

Other Fringe Benefits	\$	2,275	
Liability Insurance		20,949	
Trustee's Commission		26,815	
Vehicle and Equipment Insurance		19,074	
Workers' Compensation Insurance		33,560	
Total Other Charges			102,673

Employee Benefits

Medical and Dental Services	\$	297	
Total Employee Benefits			297

Total Solid Waste/Sanitation Fund \$ 2,483,026

(Continued)

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

Special Purpose Fund

Other Operations

American Rescue Plan Act Grant #1

Contributions	\$	10,000	
Maintenance and Repair Services - Buildings		35,399	
Maintenance and Repair Services - Vehicles		10,059	
Building Improvements		111,000	
Motor Vehicles		136,448	
Office Equipment		6,808	
Health Equipment		267,736	
Other Equipment		25,599	
Other Capital Outlay		10,065	
Total American Rescue Plan Act Grant #1			<u>\$ 613,114</u>

Total Special Purpose Fund \$ 613,114

Drug Control Fund

Public Safety

Drug Enforcement

Veterinary Services	\$	216	
Animal Food and Supplies		864	
Other Supplies and Materials		784	
Trustee's Commission		152	
Law Enforcement Equipment		600	
Total Drug Enforcement			<u>\$ 2,616</u>

Total Drug Control Fund 2,616

Opioid Abatement Fund

Public Safety

Other Public Safety

Advertising	\$	5,530	
Communication		527	
Contracts with Other Public Agencies		18,525	
Contributions		127,544	
Other Charges		75,999	
Total Other Public Safety			<u>\$ 228,125</u>

Total Opioid Abatement Fund 228,125

(Continued)

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

Other Special Revenue Fund

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Truck Drivers	\$	27,270	
Cafeteria Personnel		36,937	
Bonus Payments		2,000	
Social Security		4,105	
Pensions		1,484	
Unemployment Compensation		229	
Employer Medicare		960	
Consultants		203	
Maintenance and Repair Services - Vehicles		4,402	
Food Preparation Supplies		2,557	
Food Supplies		104,468	
Gasoline		5,148	
Other Charges		49	
Motor Vehicles		13,000	
Total Senior Citizens Assistance			\$ 202,812

Total Other Special Revenue Fund \$ 202,812

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	100,377	
Clerical Personnel		80,385	
Overtime Pay		2,363	
Bonus Payments		1,050	
Social Security		11,026	
Pensions		14,292	
Unemployment Compensation		630	
Employer Medicare		2,579	
Communication		7,941	
Dues and Memberships		3,483	
Travel		4,157	
Other Contracted Services		615	
Custodial Supplies		1,157	
Office Supplies		5,035	
Other Charges		3,729	
Office Equipment		2,461	
Total Administration			\$ 241,280

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Foremen	\$	47,042	
Equipment Operators		136,538	
Truck Drivers		144,151	
Laborers		251,164	
Overtime Pay		37,723	
Bonus Payments		3,000	
Social Security		36,790	
Pensions		46,627	
Unemployment Compensation		5,330	
Employer Medicare		8,604	
Rentals		500	
Other Contracted Services		10,782	
Asphalt - Cold Mix		39,562	
Asphalt - Hot Mix		713,074	
Asphalt - Liquid		163,881	
Crushed Stone		185,068	
Other Road Materials		3,795	
Pipe - Metal		14,615	
Road Signs		4,924	
Salt		30,093	
Other Charges		20,362	
Total Highway and Bridge Maintenance			\$ 1,903,625

Operation and Maintenance of Equipment

Mechanic(s)	\$	70,332
Overtime Pay		5,655
Bonus Payments		400
Social Security		4,690
Pensions		5,852
Unemployment Compensation		420
Employer Medicare		1,097
Freight Expenses		2,132
Maintenance and Repair Services - Vehicles		22,486
Diesel Fuel		83,038
Electricity		6,220
Equipment and Machinery Parts		156,839

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Garage Supplies	\$	18,966	
Gasoline		36,364	
Lubricants		14,073	
Natural Gas		2,266	
Tires and Tubes		17,610	
Other Supplies and Materials		21,004	
Other Charges		3,911	
Total Operation and Maintenance of Equipment			\$ 473,355

Other Charges

Water and Sewer	\$	429	
Liability Insurance		70,476	
Trustee's Commission		26,665	
Workers' Compensation Insurance		38,835	
Liability Claims		3,645	
Total Other Charges			140,050

Employee Benefits

Medical Insurance	\$	73,609	
Other Fringe Benefits		1,170	
Total Employee Benefits			74,779

Capital Outlay

Bridge Construction	\$	28,462	
Building Improvements		19,000	
Communication Equipment		7,778	
Highway Construction		908,125	
Highway Equipment		206,891	
Surplus Equipment		46,688	
Other Capital Outlay		13,804	
Total Capital Outlay			1,230,748

Principal on Debt

Highways and Streets

Principal on Notes	\$	59,000	
Total Highways and Streets			59,000

(Continued)

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

Highway/Public Works Fund (Cont.)

Interest on Debt

Highways and Streets

Interest on Notes	\$ 10,812	
Total Highways and Streets	<u>\$ 10,812</u>	

Total Highway/Public Works Fund \$ 4,133,649

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 175,000	
Principal on Notes	<u>155,000</u>	
Total General Government		\$ 330,000

Education

Principal on Other Loans	\$ 808,000	
Total Education		808,000

Interest on Debt

General Government

Interest on Bonds	\$ 240,100	
Interest on Notes	<u>28,509</u>	
Total General Government		268,609

Education

Interest on Other Loans	\$ 13,625	
Total Education		13,625

Other Debt Service

General Government

Trustee's Commission	\$ 18,679	
Other Debt Service	<u>1,000</u>	
Total General Government		19,679

Education

Other Debt Service	\$ 1,705	
Total Education		<u>1,705</u>

Total General Debt Service Fund 1,441,618

(Continued)

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

General Capital Projects Fund

Capital Projects

General Administration Projects

Building Improvements

\$ 186,950

Total General Administration Projects

\$ 186,950

Total General Capital Projects Fund

\$ 186,950

Highway Capital Projects Fund

Capital Projects

Highway and Street Capital Projects

Asphalt - Liquid

\$ 48,428

Total Highway and Street Capital Projects

\$ 48,428

Total Highway Capital Projects Fund

48,428

Other Capital Projects #1 Fund

Capital Projects

Other General Government Projects

Other Capital Outlay

\$ 412,870

Total Other General Government Projects

\$ 412,870

Total Other Capital Projects #1 Fund

412,870

Other Capital Projects #3 Fund

Other Operations

Miscellaneous

Trustee's Commission

\$ 1,171

Total Miscellaneous

\$ 1,171

Total Other Capital Projects #3 Fund

1,171

Total Governmental Funds - Primary Government

\$ 24,597,619

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

Discretely Presented Fentress County School Department

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

Instruction

Regular Instruction Program

Teachers	\$ 6,692,648	
Career Ladder Program	12,000	
Homebound Teachers	6,447	
Educational Assistants	537,888	
Bonus Payments	104,643	
Other Salaries and Wages	188,372	
Certified Substitute Teachers	17,885	
Non-certified Substitute Teachers	99,592	
Social Security	434,457	
Pensions	526,520	
Medical Insurance	1,005,123	
Unemployment Compensation	2,040	
Employer Medicare	102,523	
Maintenance and Repair Services - Equipment	40,224	
Food Supplies	147	
Instructional Supplies and Materials	139,658	
Textbooks - Bound	81,336	
Software	55,981	
Other Supplies and Materials	88,730	
TISA - On-behalf Payments	12,296	
Other Charges	2,456	
Regular Instruction Equipment	13,357	
Total Regular Instruction Program		\$ 10,164,323

Alternative Instruction Program

Teachers	\$ 69,901	
Educational Assistants	16,884	
Bonus Payments	1,400	
Social Security	5,263	
Pensions	5,635	
Medical Insurance	11,336	
Unemployment Compensation	20	
Employer Medicare	1,231	
Total Alternative Instruction Program		111,670

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	489,225	
Career Ladder Program		1,000	
Homebound Teachers		9,168	
Educational Assistants		304,879	
Speech Pathologist		126,180	
Bonus Payments		20,050	
Certified Substitute Teachers		8,150	
Non-certified Substitute Teachers		20,158	
Social Security		54,478	
Pensions		62,692	
Medical Insurance		185,648	
Unemployment Compensation		409	
Employer Medicare		12,741	
Other Contracted Services		84,162	
Instructional Supplies and Materials		6,000	
Other Supplies and Materials		32,840	
Other Charges		1,010	
Total Special Education Program			\$ 1,418,790

Career and Technical Education Program

Teachers	\$	205,090	
Career Ladder Program		500	
Bonus Payments		2,200	
Other Salaries and Wages		5,550	
Non-certified Substitute Teachers		278	
Social Security		12,618	
Pensions		15,185	
Medical Insurance		18,000	
Unemployment Compensation		60	
Employer Medicare		2,951	
Instructional Supplies and Materials		83,662	
Software		11,462	
Other Supplies and Materials		10,705	
Other Charges		800	
Vocational Instruction Equipment		297,941	
Total Career and Technical Education Program			667,002

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Student Body Education Program

Other Salaries and Wages	\$	111,760	
Social Security		6,255	
Pensions		5,165	
Unemployment Compensation		7	
Employer Medicare		1,517	
Other Supplies and Materials		7,000	
Other Charges		32,870	
Total Student Body Education Program			\$ 164,574

Support Services

Attendance

Supervisor/Director	\$	46,791	
Career Ladder Program		500	
Bonus Payments		2,750	
Other Salaries and Wages		95,189	
Social Security		8,491	
Pensions		9,227	
Medical Insurance		15,230	
Unemployment Compensation		58	
Employer Medicare		1,986	
Maintenance and Repair Services - Equipment		2,909	
Travel		2,691	
Software		3,374	
In Service/Staff Development		2,897	
Total Attendance			192,093

Health Services

Supervisor/Director	\$	44,023	
Medical Personnel		166,881	
Bonus Payments		5,250	
Social Security		12,867	
Pensions		13,499	
Medical Insurance		15,663	
Unemployment Compensation		81	
Employer Medicare		3,009	

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Drugs and Medical Supplies	\$	3,293	
Other Supplies and Materials		6,996	
In Service/Staff Development		2,499	
Other Charges		238	
Health Equipment		504	
Total Health Services			\$ 274,803

Other Student Support

Supervisor/Director	\$	21,557	
Teachers		23,734	
Career Ladder Program		1,000	
Guidance Personnel		316,225	
Social Workers		7,670	
Educational Assistants		7,936	
Bonus Payments		2,900	
Other Salaries and Wages		3,000	
Social Security		21,499	
Pensions		24,442	
Medical Insurance		55,902	
Unemployment Compensation		133	
Employer Medicare		5,028	
Evaluation and Testing		3,000	
Software		3,300	
Other Supplies and Materials		9,044	
Other Equipment		11,010	
Total Other Student Support			517,380

Regular Instruction Program

Supervisor/Director	\$	105,121	
Career Ladder Program		1,500	
Librarians		308,270	
Bonus Payments		5,000	
Other Salaries and Wages		33,601	
Social Security		26,602	
Pensions		29,602	

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Medical Insurance	\$	47,628	
Unemployment Compensation		112	
Employer Medicare		6,221	
Consultants		510	
Travel		8,753	
Other Contracted Services		8,820	
Software		34,672	
Other Supplies and Materials		5,146	
In Service/Staff Development		57,049	
Other Charges		1,265	
Total Regular Instruction Program			\$ 679,872

Special Education Program

Supervisor/Director	\$	45,502	
Psychological Personnel		81,968	
Bonus Payments		1,750	
Social Security		7,883	
Pensions		8,062	
Medical Insurance		3,107	
Unemployment Compensation		34	
Employer Medicare		1,844	
Contracts with Private Agencies		3,411	
Evaluation and Testing		1,023	
Travel		2,880	
Other Contracted Services		142,603	
In Service/Staff Development		7,109	
Other Equipment		709	
Total Special Education Program			307,885

Career and Technical Education Program

Supervisor/Director	\$	40,054	
Social Security		2,483	
Unemployment Compensation		16	
Employer Medicare		581	
Travel		390	
In Service/Staff Development		20	
Total Career and Technical Education Program			43,544

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology

Supervisor/Director	\$	46,541	
Career Ladder Program		500	
Bonus Payments		1,250	
Other Salaries and Wages		35,614	
Social Security		5,115	
Pensions		4,902	
Medical Insurance		2,833	
Unemployment Compensation		19	
Employer Medicare		1,196	
Maintenance and Repair Services - Equipment		65,807	
Internet Connectivity		128,293	
Software		49,667	
Other Supplies and Materials		376	
In Service/Staff Development		1,925	
Other Charges		1,231	
Regular Instruction Equipment		30,525	
Total Technology			\$ 375,794

Other Programs

On-behalf Payments to OPEB	\$	110,949	
Total Other Programs			110,949

Board of Education

Board and Committee Members Fees	\$	42,000	
Social Security		2,585	
Medical Insurance		42,840	
Unemployment Compensation		49	
Employer Medicare		604	
Other Fringe Benefits		20,735	
Dues and Memberships		13,479	
Legal Services		30,600	
Liability Insurance		282,305	
Trustee's Commission		92,715	
Workers' Compensation Insurance		144,535	
In Service/Staff Development		15,956	

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Criminal Investigation of Applicants - TBI	\$	4,270	
Other Charges		20,178	
Total Board of Education			\$ 712,851

Director of Schools

County Official/Administrative Officer	\$	109,200	
Secretary(ies)		12,252	
Bonus Payments		1,000	
Other Salaries and Wages		1,000	
Social Security		6,875	
Pensions		7,675	
Medical Insurance		16,031	
Unemployment Compensation		16	
Employer Medicare		1,608	
Travel		137	
In Service/Staff Development		4,689	
Total Director of Schools			160,483

Office of the Principal

Principals	\$	444,115	
Career Ladder Program		3,000	
Assistant Principals		383,285	
Secretary(ies)		262,854	
Bonus Payments		12,500	
Social Security		65,157	
Pensions		70,786	
Medical Insurance		104,165	
Unemployment Compensation		362	
Employer Medicare		15,238	
Office Supplies		1,000	
Other Charges		1,800	
Total Office of the Principal			1,364,262

Fiscal Services

Supervisor/Director	\$	81,573	
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(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Accountants/Bookkeepers	\$	86,202	
Clerical Personnel		71,479	
Bonus Payments		4,000	
Other Salaries and Wages		3,893	
Social Security		14,165	
Pensions		15,056	
Medical Insurance		30,105	
Unemployment Compensation		89	
Employer Medicare		3,313	
Office Supplies		6,117	
Software		2,525	
In Service/Staff Development		3,873	
Other Charges		7,207	
Total Fiscal Services			\$ 329,597

Operation of Plant

Custodial Personnel	\$	385,532	
Bonus Payments		15,500	
Social Security		23,949	
Pensions		25,401	
Medical Insurance		34,740	
Unemployment Compensation		290	
Employer Medicare		5,601	
Communication		62,577	
Disposal Fees		60,999	
Custodial Supplies		1,999	
Electricity		417,743	
Natural Gas		120,351	
Water and Sewer		43,822	
Other Supplies and Materials		151,495	
Total Operation of Plant			1,349,999

Maintenance of Plant

Supervisor/Director	\$	52,250	
Bonus Payments		4,500	

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Other Salaries and Wages	\$	138,559	
Social Security		11,725	
Pensions		12,715	
Medical Insurance		18,500	
Unemployment Compensation		80	
Employer Medicare		2,742	
Maintenance and Repair Services - Equipment		12,558	
Other Contracted Services		43,153	
Equipment and Machinery Parts		200,916	
Other Charges		5,643	
Other Equipment		30,467	
Total Maintenance of Plant			\$ 533,808

Transportation

Supervisor/Director	\$	40,750	
Mechanic(s)		50,929	
Bus Drivers		405,601	
Secretary(ies)		33,758	
Bonus Payments		22,220	
Other Salaries and Wages		165,332	
Social Security		42,933	
Pensions		30,797	
Medical Insurance		39,199	
Unemployment Compensation		551	
Employer Medicare		10,235	
Contracts with Parents		3,350	
Maintenance and Repair Services - Vehicles		9,300	
Rentals		9,104	
Diesel Fuel		877	
Equipment and Machinery Parts		20,978	
Gasoline		144,000	
Vehicle Parts		68,003	
Software		9,176	
Other Supplies and Materials		2,994	
Other Charges		25,958	
Transportation Equipment		200,311	
Total Transportation			1,336,356

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	6,300	
Social Security		391	
Pensions		410	
Employer Medicare		91	
Food Supplies		985	
Total Food Service			\$ 8,177

Community Services

Teachers	\$	272,129	
Educational Assistants		1,079	
Bonus Payments		2,850	
Non-certified Substitute Teachers		630	
Social Security		15,681	
Pensions		18,235	
Medical Insurance		30,794	
Unemployment Compensation		67	
Employer Medicare		3,667	
Travel		9,996	
Instructional Supplies and Materials		9,004	
In Service/Staff Development		784	
Other Charges		27,971	
Total Community Services			392,887

Early Childhood Education

Supervisor/Director	\$	45,502	
Teachers		326,636	
Educational Assistants		106,925	
Bonus Payments		7,750	
Certified Substitute Teachers		400	
Non-certified Substitute Teachers		17,780	
Social Security		28,369	
Pensions		31,786	
Medical Insurance		89,934	
Unemployment Compensation		218	
Employer Medicare		6,635	

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Food Supplies	\$	812	
Instructional Supplies and Materials		922	
Total Early Childhood Education			\$ 663,669

Capital Outlay

Regular Capital Outlay

Architects	\$	24,997	
Building Construction		20,100	
Building Improvements		426,714	
Other Capital Outlay		510,385	
Total Regular Capital Outlay			982,196

Total General Purpose School Fund

\$ 22,862,964

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	176,037	
Educational Assistants		27,481	
Bonus Payments		1,000	
Social Security		12,146	
Pensions		10,530	
Medical Insurance		16,555	
Unemployment Compensation		72	
Employer Medicare		2,841	
Instructional Supplies and Materials		46,315	
Software		168,199	
Regular Instruction Equipment		1,190,671	
Total Regular Instruction Program			\$ 1,651,847

Special Education Program

Teachers	\$	215,520	
Educational Assistants		183,487	
Speech Pathologist		51,558	
Bonus Payments		11,000	

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Social Security	\$	25,177	
Pensions		30,122	
Medical Insurance		98,922	
Unemployment Compensation		214	
Employer Medicare		5,888	
Other Contracted Services		2,015	
Instructional Supplies and Materials		17,175	
Other Supplies and Materials		14,456	
Total Special Education Program			\$ 655,534

Career and Technical Education Program

Instructional Supplies and Materials	\$	14,205	
Other Supplies and Materials		4,000	
Vocational Instruction Equipment		40,850	
Total Career and Technical Education Program			59,055

Support Services

Health Services

Medical Personnel	\$	68,021	
Other Contracted Services		62,000	
Other Supplies and Materials		21,335	
Health Equipment		20,055	
Total Health Services			171,411

Other Student Support

Guidance Personnel	\$	47,841	
Other Salaries and Wages		94,106	
Social Security		8,838	
Pensions		6,043	
Unemployment Compensation		77	
Employer Medicare		2,067	
Software		2,760	
Other Supplies and Materials		120	
In Service/Staff Development		10,386	
Other Charges		17,957	
Total Other Student Support			190,195

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	87,198	
Librarians		140,389	
Instructional Coaches		259,841	
Bonus Payments		136,670	
Other Salaries and Wages		149,033	
In-service Training		72,796	
Social Security		41,308	
Pensions		37,740	
Medical Insurance		49,740	
Unemployment Compensation		158	
Employer Medicare		9,661	
Consultants		31,300	
Travel		1,119	
Other Contracted Services		42,100	
Periodicals		150	
Other Supplies and Materials		26,860	
In Service/Staff Development		176,113	
Total Regular Instruction Program			\$ 1,262,176

Special Education Program

Secretary(ies)	\$	24,845	
Other Salaries and Wages		7,830	
Social Security		1,873	
Pensions		2,026	
Medical Insurance		3,097	
Unemployment Compensation		10	
Employer Medicare		438	
Contracts with Private Agencies		5,563	
Evaluation and Testing		1,612	
Other Contracted Services		1,800	
Total Special Education Program			49,094

Career and Technical Education Program

In Service/Staff Development	\$	975	
Total Career and Technical Education Program			975

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Technology

Lease/SBITA Payments	\$ 12,158	
Total Technology		\$ 12,158

Fiscal Services

Accountants/Bookkeepers	\$ 5,573	
Social Security	346	
Pensions	161	
Unemployment Compensation	13	
Employer Medicare	81	
Other Supplies and Materials	3,200	
Total Fiscal Services		9,374

Operation of Plant

Other Supplies and Materials	\$ 10,411	
Total Operation of Plant		10,411

Transportation

Bus Drivers	\$ 13,788	
Bonus Payments	700	
Other Salaries and Wages	6,460	
Social Security	1,302	
Unemployment Compensation	18	
Employer Medicare	305	
Transportation Equipment	601,564	
Total Transportation		624,137

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$ 16,944	
Teachers	23,678	
Educational Assistants	10,430	
Other Salaries and Wages	3,088	
Social Security	3,204	
Pensions	2,886	
Unemployment Compensation	20	

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Employer Medicare	\$	749	
Instructional Supplies and Materials		23,609	
Other Supplies and Materials		269	
In Service/Staff Development		307	
Other Charges		1,415	
Total Community Services			\$ 86,599

Capital Outlay

Regular Capital Outlay

Building Construction	\$	80,314	
Building Improvements		335,352	
Other Capital Outlay		260,144	
Total Regular Capital Outlay			675,810

Total School Federal Projects Fund \$ 5,458,776

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	41,513
Secretary(ies)		44,470
Cafeteria Personnel		457,834
Bonus Payments		20,250
Social Security		31,871
Pensions		33,857
Medical Insurance		110,348
Unemployment Compensation		372
Employer Medicare		7,454
Communication		2,865
Maintenance and Repair Services - Equipment		27,127
Travel		9,665
Other Contracted Services		14,574
Food Supplies		872,500
Uniforms		2,374
USDA - Commodities		137,455

(Continued)

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

Discretely Presented Fentress County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Supplies and Materials	\$ 71,936	
In Service/Staff Development	623	
Other Charges	9,257	
Food Service Equipment	<u>24,249</u>	
Total Food Service		<u>\$ 1,920,594</u>

Total Central Cafeteria Fund		\$ 1,920,594
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Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$ 1,006,306	
Total Community Services		<u>\$ 1,006,306</u>

Total Internal School Fund		<u>1,006,306</u>
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Total Governmental Funds - Fentress County School Department		<u><u>\$ 31,248,640</u></u>
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SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Fentress County Executive and
Board of County Commissioners
Fentress County, Tennessee

To the County Executive 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 Fentress County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Fentress County's basic financial statements as listed in the table of contents, and have issued our report thereon dated February 9, 2026. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Fentress County Emergency Communications District and the financial statements of the Internal School Fund of the Fentress County School Department (a discretely presented component unit) as described in our report on Fentress County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fentress 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 Fentress County's internal control. Accordingly, we do not express an opinion on the effectiveness of Fentress County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified the following deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2025-001 and 2025-002.

Report on Compliance and Other Matters

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

Fentress County's Responses to Findings

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

February 9, 2026

JEM/gc



JASON E. MUMPOWER
Comptroller

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

Fentress County Executive and
Board of County Commissioners
Fentress County, Tennessee

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fentress 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 Fentress County's major federal programs for the year ended June 30, 2025. Fentress 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 Fentress County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Fentress 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 Fentress 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 Fentress 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 Fentress 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 Fentress 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 Fentress County compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Fentress 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 Fentress 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 Fentress County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Fentress County's basic financial statements. We issued our report thereon dated February 9, 2026, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,


Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 9, 2026

JEM/gc

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

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	\$ 543,983
National School Lunch Program	10.555	N/A	1,350,658 (6)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
Rebate of Storage and Distribution Fees	10.555	(4)	2,936 (6)
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	137,455 (6)
Watershed Protection and Flood Prevention	10.904	(4)	1,728
Total U.S. Department of Agriculture			<u>\$ 2,036,760</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	(4)	\$ 397,750
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	(4)	412,870
Total U.S. Department of Housing and Urban Development			<u>\$ 810,620</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 90,775
Total U.S. Department of the Interior			<u>\$ 90,775</u>
U.S. Department of Justice:			
Passed-through State Department of Finance and Administration:			
Crime Victim Assistance	16.575	(4)	\$ 4,514
Direct Program:			
Public Safety Partnership and Community Policing Grants	16.710	N/A	335,352
Total U.S. Department of Justice			<u>\$ 339,866</u>
U.S. Department of Transportation:			
Passed-through State Department of Safety and Homeland Security:			
Alcohol Open Container Requirements	20.607	(4)	\$ 1,038
Total U.S. Department of Transportation			<u>\$ 1,038</u>
U.S. Department of the Treasury:			
Direct Programs:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	N/A	\$ 556,003 (6)
Local Assistance and Tribal Consistency Fund	21.032	N/A	202,678
Passed-through State Department of Environment and Conservation:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	(4)	782,838 (6)
Passed-through State Department of Education:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	N/A	47,246 (6)
Total U.S. Department of the Treasury			<u>\$ 1,588,765</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,394,755
Special Education Cluster (IDEA): (5)			
Special Education Grants to States	84.027	N/A	676,120
Special Education Preschool Grants	84.173	N/A	34,345
Career and Technical Education -- Basic Grants to States	84.048	N/A	79,072
Twenty-First Century Community Learning Centers	84.287	N/A	86,600
Rural Education	84.358	N/A	89,341
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	N/A	311,405
Student Support and Academic Enrichment Program	84.424	N/A	87,956
COVID 19 - Education Stabilization Fund Program -- Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	2,422,153
Passed-through State Department of Disability and Aging:			
Special Education-Grants for Infants and Families	84.181	34401-99415-HCB	98,320
Total U.S. Department of Education			<u>\$ 5,280,067</u>
U.S. Department of Health and Human Services:			
Passed-through Upper Cumberland Development District:			
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	(4)	\$ 2,000 (6)
COVID 19 - Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	(4)	1,700 (6)
Aging Cluster: (5)			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	(4)	38,726 (6)
COVID 19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	(4)	934 (6)
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	(4)	142,311 (6)
COVID 19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	(4)	14,238 (6)
Nutrition Services Incentive Program	93.053	(4)	12,000
National Family Caregiver Support, Title III, Part E	93.052	(4)	5,063
Passed-through State Department of Health:			
Immunization Cooperative Agreements	93.268	GG-24-79334-02	100,000
Grants for Capital Development in Health Centers	93.526	(4)	24,110
Passed-through Save the Children:			
Temporary Assistance for Needy Families	93.558	(4)	186,650
Total U.S. Department of Health and Human Services			<u>\$ 527,732</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(4)	\$ 49,054
Total U.S. Department of Homeland Security			<u>\$ 49,054</u>
Total Expenditures of Federal Grants			<u>\$ 10,724,677</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Contract Number	Expenditures
State Grants			
State Supplement Juvenile Court Improvement Funds - State Department of Children's Services	N/A	(4)	\$ 13,500
ThreeStar Grant - State Department of Economic and Community Development	N/A	(4)	14,500
Innovative School Models - State Department of Education	N/A	N/A	516,436
Lottery for Education Voluntary PreK - State Department of Education	N/A	N/A	599,967
Public School Security - State Department of Education	N/A	N/A	30,467
Special Education - Preschool - State Department of Education	N/A	N/A	128,517
Summer Learning Camps - State Department of Education	N/A	N/A	181,993
Summer Learning Camps - Transportation - State Department of Education	N/A	N/A	28,055
Violent Crime Intervention Fund Grant - State Department of Finance and Administration	N/A	(4)	64,196
EMS Equipment Grant - State Department of Health	N/A	(4)	150,000
Local Health Service Grant - State Department of Health	N/A	(4)	144,470
Statewide School Resource Officer (SRO) Grant Program - State Department of Homeland Security	N/A	(4)	450,000
Special Education - Grants for Infants and Families - State Department of Intellectual and Developmental Disabilities	N/A	(4)	294,962
Litter Grant - State Department of Transportation	N/A	(4)	96,498
Summer Reading Program - Tennessee Secretary of State	N/A	(4)	1,500
Aging Program - Upper Cumberland Development District	N/A	(4)	11,765
Nutrition Meal Delivery Services - Upper Cumberland Development District	N/A	(4)	8,455
Arts Build Communities - Upper Cumberland Development District	N/A	(4)	1,208
Summer Fine Arts Grant - Upper Cumberland Development District	N/A	(4)	5,002
Total State Grants			<u>\$ 2,741,491</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) Fentress County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.

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

(4) Information not available.

(5) Child Nutrition Cluster total \$2,035,032; Special Education Cluster (IDEA) total \$710,465; Aging Cluster total \$208,209.

(6) ALN 10.555 total \$1,491,049; ALN 21.027 total \$1,386,087; ALN 93.043 total \$3,700; ALN 93.044 total \$39,660;

ALN 93.045 total \$156,549.

(7) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	ALN	Amount
Title I Grants to Local Educational Agencies	84.010	\$ 95,567
Supporting Effective Instruction State Grants	84.367	21,960
Rural Education	84.358	702
Student Support and Academic Enrichment Program	84.424	813
Total amounts consolidated for administration purposes		<u>\$ 119,042</u>

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

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

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
OFFICE OF FINANCE DIRECTOR					
2024	217	2024-001	General ledger payroll liability accounts were not reconciled monthly.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2024	217	2024-002	The Solid Waste Department did not review its software audit logs.	N/A	Corrected

Prior-year Federal Awards Findings

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

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

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Fentress 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: 84.425 COVID 19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

FINDING 2025-001

GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED MONTHLY

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

General ledger payroll liability accounts were not reconciled monthly with subsidiary payroll records and payments in the General Purpose School and Central Cafeteria funds. As a result, unidentified balances accumulated in the liability accounts for several payroll deductions. Sound business practices dictate that payroll liability accounts should be reconciled with billings and payments monthly. The failure to regularly reconcile payroll liability accounts is a significant deficiency that increases the risk that errors will not be discovered and corrected in a timely manner. This deficiency exists due to a lack of management oversight, the failure of management to correct the audit finding noted in prior-year audit report, and the failure to implement their corrective action plan.

RECOMMENDATION

General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors discovered should be corrected promptly.

MANAGEMENT'S RESPONSE

I concur with this finding. Action is being taken to reconcile the liability accounts.

FINDING 2025-002

APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDS IN THE SPECIAL PURPOSE (AMERICAN RESCUE PLAN) FUND

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

The budget and subsequent amendments approved by the county commission for the Special Purpose (American Rescue Plan) Fund resulted in appropriations exceeding estimated available funds by \$91,925. Sound budgetary practices dictate that appropriations be held within estimated available funds. This deficiency exists due to a lack of management oversight.

RECOMMENDATION

Appropriations that exceed estimated available funds should not be submitted to the county commission, and the county commission should not approve such appropriations.

MANAGEMENT'S RESPONSE

I concur with this finding. Accurate budgetary fund balances will be presented to the county commission to avoid excess appropriations.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

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

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

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
-------------------	------------------	---------------------------------------

OFFICE OF FINANCE DIRECTOR

2025-001	General ledger payroll liability accounts were not reconciled monthly.	229
2025-002	Appropriations exceeded estimated available funds in the Special Purpose (American Rescue Plan) Fund.	229



Fentress County

101 Main Street • P.O. Box 800
Jamestown, Tennessee 38556

Finance Department

Phone No. 931-752-8971 • Fax No. 931-752-8970

Corrective Action Plan

FINDING: GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE
NOT RECONCILED MONTHLY

Response and Corrective Action Plan Prepared by:
Tyler Arms, Finance Director

Person Responsible for Implementing the Corrective Action:
Tyler Arms, Finance Director

Anticipated Completion Date of Corrective Action:
6/30/2026

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Action has been taken to correct this issue. We have this issue to the point that we need some approvals to continue correcting and get the liability accounts cleared.

Planned Corrective Action:
We plan to take necessary documentation to the appropriate boards in order to get the liability accounts cleared on and back on track.

FINDING: APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE
FUNDS IN THE SPECIAL PURPOSE (AMERICAN RESCUE
PLAN) FUND

Response and Corrective Action Plan Prepared by:
Tyler Arms, Finance Director

Person Responsible for Implementing the Corrective Action:
Tyler Arms, Finance Director

Anticipated Completion Date of Corrective Action:
6/30/2026

Repeat Finding:
No

We Are Fentress County ~ Open For Business



Fentress County

101 Main Street • P.O. Box 800
Jamestown, Tennessee 38556

Finance Department

Phone No. 931-752-8971 • Fax No. 931-752-8970

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

This issue specifically will not be an issue any longer. This is from ARPA funds and those will be taken care of by end of year. However, I will report audited ending fund balances to the commission.

A blue ink signature is written over a horizontal line. The signature is stylized and appears to be "J. D. A." followed by a flourish.

Official

The date "2/2/2026" is handwritten in blue ink over a horizontal line.

Date