



## ANNUAL FINANCIAL REPORT

**McNairy County, Tennessee**

*For the Year Ended June 30, 2025*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF  
LOCAL GOVERNMENT AUDIT**

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

**COMPTROLLER OF THE TREASURY**  
*JASON E. MUMPOWER*

**DIVISION OF LOCAL GOVERNMENT AUDIT**  
*JAMES R. ARNETTE*  
*Director*

**LEE ANN WEST, CPA, CGFM**  
**Audit Manager**

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov).

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## McNAIRY COUNTY, TENNESSEE

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# Summary of Audit Findings

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

## *Scope*

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

## *Results*

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

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

## *Findings*

The following are summaries of the audit findings:

### **OFFICE OF TRUSTEE**

- ◆ The office had accounting deficiencies.

### **OFFICE OF COUNTY CLERK**

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



## INTRODUCTORY SECTION

# McNAIRY COUNTY OFFICIALS

June 30, 2025

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## Officials

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

## Board of County Commissioners

Larry Smith, County Mayor, Chairman	Jeff Kelley
Chad Belton	Doug Knight
Kim Bienash	Terry McCormick
Pamela Carroll	David McCullar
Brenda Cauley	Nicky Moore
Rex Davis	Jimmy Ray
Clay Garner	Ryan Sisk
Aubrey Harris	Willie Tapp
Alex Hill	Adam Tull
Brad Hunt	Patricia Underwood
Keith Jernigan	James Weatherford

## Board of Education

Ricky Whitaker, Chairman  
Lynn Baker  
Channing Carroll  
Kevin Howell  
Kelcey Hutcherson  
Molly Moore  
Jarrell Stanfield

## Audit Committee

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

## FINANCIAL SECTION



JASON E. MUMPOWER  
*Comptroller*

## Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of McNairy County, Tennessee, as of and for the year ended June 30, 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 McNairy County, Tennessee, as of June 30, 2025, and the respective changes in financial position and the respective budgetary comparison for the General, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund of the McNairy County School Department (a discretely presented component unit), which represent 2.1 percent, 2.4 percent, and 3.5 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for the McNairy County School Department's Internal School Fund, is based solely on the report of the other auditors.

#### *Basis for Opinions*

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

## ***Changes in Accounting Principle***

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

## ***Emphasis of Matter***

We draw attention to Note I.D.10. to the financial statements, which describes a restatement to the beginning Governmental Activities net position totaling (\$3,253,566) for the discretely presented McNairy County School Department. This restatement was necessary because errors were identified in the depreciation of some assets in prior years. Our opinion is not modified with respect to this matter.

We draw attention to Note I.D.11. to the financial statements, which describes restatements to the beginning Governmental Activities net position totaling (\$13,714) for the primary government and (\$456,776) for the discretely presented McNairy County School Department. These restatements were necessary because of the transitional requirements of GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about McNairy County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of McNairy County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about McNairy County's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

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

### ***Supplementary Information***

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

of the McNairy County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### ***Other Information***

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

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

#### ***Other Reporting Requirements by *Government Auditing Standards****

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2025, on our consideration of McNairy County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of McNairy County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering McNairy County's internal control over financial reporting and compliance.

Very truly yours,

  
Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

October 23, 2025

JEM/gc

## **BASIC FINANCIAL STATEMENTS SECTION**

**McNAIRY COUNTY, TENNESSEE**  
**Statement of Net Position**  
**June 30, 2025**

	<b>Primary Government</b>	<b>Component Unit</b>
	Governmental Activities	McNairy County School Department
<b>ASSETS</b>		
Cash	\$ 1,386	\$ 1,255,784
Equity in Pooled Cash and Investments	12,847,146	7,935,994
Accounts Receivable	3,230,449	12,215
Allowance for Uncollectibles	(1,223,286)	0
Due from Other Governments	760,149	2,505,593
Due from Primary Government	0	1,054
Property Taxes Receivable	6,370,907	3,253,233
Allowance for Uncollectible Property Taxes	(349,339)	(186,016)
Prepaid Items	3,614	0
Lease Receivable - Long Term	266,671	0
Restricted Assets - Amounts Accumulated for Pension Benefits	0	569,264
Net Pension Asset - Agent Plan	1,002,484	1,040,484
Net Pension Asset - Teacher Retirement Plan	0	177,025
Net Pension Asset - Teacher Legacy Pension Plan	0	8,046,279
Capital Assets:		
Assets Not Depreciated:		
Land	1,475,432	1,291,479
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	7,806,722	27,880,942
Infrastructure	3,971,960	0
Other Capital Assets	4,264,216	6,625,773
Total Assets	<u>\$ 40,428,511</u>	<u>\$ 60,409,103</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Amount on Refunding	\$ 3,165	\$ 0
Pension Changes in Experience	238,750	2,408,152
Pension Changes in Assumptions	189,055	266,567
Pension Changes in Proportion	0	148,567
Pension Contributions after Measurement Date	292,546	1,488,179
OPEB Changes in Experience	0	1,205,752
OPEB Changes in Proportion	0	248,652
OPEB Changes in Assumptions	0	1,219,807
OPEB Contributions after Measurement Date	0	178,758
Total Deferred Outflows of Resources	<u>\$ 723,516</u>	<u>\$ 7,164,434</u>

(Continued)

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

	<b>Primary Government</b>	<b>Governmental Activities</b>	<b>Component Unit</b>
			McNairy County School Department
<b>LIABILITIES</b>			
Accounts Payable	\$ 307,053	\$ 0	
Payroll Deductions Payable	12,081	90,109	
Accrued Interest Payable	71,760	0	
Due to Component Units	1,054	0	
Due to State of Tennessee	74,960	702	
Noncurrent Liabilities:			
Due Within One Year - Debt	1,674,717	0	
Due Within One Year - Other	106,667	359,228	
Due in More Than One Year - Debt	25,709,838	0	
Due in More Than One Year - Other	421,636	6,776,043	
Total Liabilities	<u>\$ 28,379,766</u>	<u>\$ 7,226,082</u>	
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Current Property Taxes	\$ 5,853,539	\$ 2,973,502	
Deferred Lease Receivable	266,671	0	
Pension Changes in Experience	100,180	158,365	
Pension Changes in Investment Earnings	158,773	1,761,740	
Pension Changes in Proportion	0	75,505	
OPEB Changes in Experience	0	130,384	
OPEB Changes in Proportion	0	2,172,051	
OPEB Changes in Assumptions	0	651,740	
Total Deferred Inflows of Resources	<u>\$ 6,379,163</u>	<u>\$ 7,923,287</u>	
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 9,470,319	\$ 35,798,194	
Restricted for:			
General Government	1,512,607	0	
Finance	90,481	0	
Administration of Justice	186,711	0	
Public Safety	227,303	0	
Public Health & Welfare	2,383,459	0	
Social, Cultural, and Recreational Services	8,590	0	
Highway/Public Works	1,917,816	0	
Education	0	1,333,178	
Operation of Non-instructional Services	0	2,070,541	
Debt Service	3,748,318	0	
Hybrid Retirement Stabilization Funds	0	569,264	
Pensions	1,002,484	9,263,788	
Unrestricted	<u>(14,154,990)</u>	<u>3,389,203</u>	
Total Net Position	<u>\$ 6,393,098</u>	<u>\$ 52,424,168</u>	

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit	
Primary Government:							
Governmental Activities:							
General Government	\$ 2,047,856	\$ 436,378	\$ 493,522	\$ 7,579	\$ (1,110,377)	\$ 0	
Finance	1,067,415	643,274	0	0	(424,141)	0	
Administration of Justice	1,061,287	464,321	128,844	0	(468,122)	0	
Public Safety	5,013,568	487,943	796,512	46,943	(3,682,170)	0	
Public Health and Welfare	2,633,952	1,844,840	203,985	0	(585,127)	0	
Social, Cultural, and Rec Services	1,046,694	253,895	0	0	(792,799)	0	
Agriculture and Natural Resources	238,651	0	19,457	0	(219,194)	0	
Highways/Public Works	4,645,214	20,009	2,803,537	1,243,630	(578,038)	0	
Education	0	0	1,309,768	0	1,309,768	0	
Interest on Long-term Debt	881,536	0	27,652	0	(853,884)	0	
Total Primary Government	\$ 18,636,173	\$ 4,150,660	\$ 5,783,277	\$ 1,298,152	\$ (7,404,084)	\$ 0	
Component Unit:							
McNairy County School Department	\$ 51,961,920	\$ 161,799	\$ 12,264,188	\$ 704,566	\$ 0	\$ (38,831,367)	
Total Component Unit	\$ 51,961,920	\$ 161,799	\$ 12,264,188	\$ 704,566	\$ 0	\$ (38,831,367)	

(Continued)

## McNAIRY COUNTY, TENNESSEE

## Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Primary Government
						Component Unit
						McNairy County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 5,372,741	\$ 3,404,958
Property Taxes Levied for Debt Service					647,044	0
Local Option Sales Taxes					684,994	3,184,101
Litigation Tax					92,683	0
Business Tax					259,073	0
Mixed Drink Tax					1,089	0
Wholesale Beer Tax					30,286	0
Other Local Taxes					26,587	2,382
Grants and Contributions Not Restricted to Specific Programs					1,212,287	33,432,466
Unrestricted Investment Income					676,459	0
Miscellaneous					77,397	326,497
Total General Revenues					\$ 9,080,640	\$ 40,350,404
Change in Net Position						
Net Position, July 1, 2024					\$ 1,676,556	\$ 1,519,037
Restatement - See Note I.D.10.					4,730,256	54,615,473
Restatement - See Note I.D.11.					0	(3,253,566)
Net Position, June 30, 2025					(13,714)	(456,776)
					\$ 6,393,098	\$ 52,424,168

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

**McNAIRY COUNTY, TENNESSEE**  
**Balance Sheet - Governmental Funds**  
**June 30, 2025**

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds		
<b>ASSETS</b>							
Cash	\$ 400	\$ 0	\$ 0	\$ 0	\$ 986	\$ 1,386	
Equity in Pooled Cash and Investments	2,237,871	530,038	2,961,713	4,843,202	2,274,322	12,847,146	
Accounts Receivable	3,384	3,220,612	6,426	0	27	3,230,449	
Allowance for Uncollectibles	0	(1,223,286)	0	0	0	(1,223,286)	
Due from Other Governments	272,233	0	487,916	0	0	760,149	
Due from Other Funds	986	0	0	0	0	986	
Property Taxes Receivable	5,367,413	0	480,231	364,610	158,653	6,370,907	
Allowance for Uncollectible Property Taxes	(285,957)	0	(26,713)	(27,844)	(8,825)	(349,339)	
Prepaid Items	3,614	0	0	0	0	3,614	
Advances to Other Funds	0	0	0	500,000	0	500,000	
Leases Receivable - Long-term	0	0	0	0	266,671	266,671	
<b>Total Assets</b>	<b>\$ 7,599,944</b>	<b>\$ 2,527,364</b>	<b>\$ 3,909,573</b>	<b>\$ 5,679,968</b>	<b>\$ 2,691,834</b>	<b>\$ 22,408,683</b>	
<b>LIABILITIES</b>							
Accounts Payable	\$ 91,663	\$ 147,679	\$ 0	\$ 0	\$ 67,711	\$ 307,053	
Payroll Deductions Payable	11,520	252	309	0	0	12,081	
Due to Other Funds	0	0	0	0	986	986	
Due to Component Units	1,054	0	0	0	0	1,054	
Due to State of Tennessee	0	0	1,004	0	0	1,004	

(Continued)

**McNAIRY COUNTY, TENNESSEE****Balance Sheet - Governmental Funds (Cont.)****LIABILITIES (Cont.)**

	<b>Major Funds</b>				<b>Nonmajor Funds</b>		
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	Total Governmental Funds	
Advances Payable to Other Funds	\$ 0	\$ 0	\$ 500,000	\$ 0	\$ 0	\$ 0	\$ 500,000
Other Funds Due State	73,956	0	0	0	0	0	73,956
<b>Total Liabilities</b>	<b>\$ 178,193</b>	<b>\$ 147,931</b>	<b>\$ 501,313</b>	<b>\$ 0</b>	<b>\$ 68,697</b>	<b>\$ 0</b>	<b>\$ 896,134</b>

**DEFERRED INFLOWS OF RESOURCES**

Deferred Current Property Taxes	\$ 4,948,560	\$ 0	\$ 440,457	\$ 319,009	\$ 145,513	\$ 5,853,539
Deferred Delinquent Property Taxes	121,709	0	11,962	16,262	3,952	153,885
Deferred Leases Receivable	0	0	0	0	266,671	266,671
Other Deferred/Unavailable Revenue	61,679	1,826,751	243,869	0	0	2,132,299
<b>Total Deferred Inflows of Resources</b>	<b>\$ 5,131,948</b>	<b>\$ 1,826,751</b>	<b>\$ 696,288</b>	<b>\$ 335,271</b>	<b>\$ 416,136</b>	<b>\$ 8,406,394</b>

**FUND BALANCES**

Nonspendable:							
Prepaid Items	\$ 3,614	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,614
Restricted:							
Restricted for General Government	240,029	0	0	0	14,704	0	254,733
Restricted for General Government - American Rescue Plan Act	0	0	0	0	1,254,260	0	1,254,260
Restricted for Finance	90,481	0	0	0	0	0	90,481

(Continued)

**McNAIRY COUNTY, TENNESSEE****Balance Sheet - Governmental Funds (Cont.)****FUND BALANCES (Cont.)**

## Restricted (Cont.):

	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	Total Governmental Funds
Restricted for Administration of Justice	\$ 186,711	\$ 0	\$ 0	\$ 0	\$ 0	\$ 186,711
Restricted for Public Safety	114,145	0	0	0	113,158	227,303
Restricted for Public Health and Welfare	556,708	0	0	0	0	556,708
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	8,590	8,590
Restricted for Highways/Public Works	0	0	1,403,630	0	416,370	1,820,000
Restricted for Debt Service	0	0	0	3,800,651	0	3,300,650

## Committed:

Committed for General Government	338,705	0	0	0	234,097	572,802
Committed for Public Health and Welfare	0	552,682	0	0	0	552,682
Committed for Agriculture and Natural Resources	0	0	0	0	9,963	9,963
Committed for Highways/Public Works	0	0	1,308,342	0	155,859	1,464,201
Committed for Debt Service	0	0	0	1,544,046	0	1,544,047
Committed for Capital Projects	55,935	0	0	0	0	55,935
Unassigned	703,475	0	0	0	0	703,475
<b>Total Fund Balances</b>	<b>\$ 2,289,803</b>	<b>\$ 552,682</b>	<b>\$ 2,711,972</b>	<b>\$ 5,344,697</b>	<b>\$ 2,207,001</b>	<b>\$ 13,106,155</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 7,599,944</b>	<b>\$ 2,527,364</b>	<b>\$ 3,909,573</b>	<b>\$ 5,679,968</b>	<b>\$ 2,691,834</b>	<b>\$ 22,408,683</b>

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

**McNAIRY 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)	\$ 13,106,155
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Add: land	\$ 1,475,432
Add: buildings and improvements net of accumulated depreciation	7,806,722
Add: infrastructure net of accumulated depreciation	3,971,960
Add: other capital assets net of accumulated depreciation	<u>4,264,216</u> 17,518,330
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Less: notes payable	\$ (1,906,000)
Less: bonds payable	(24,580,000)
Less: other loans payable	(584,691)
Less: unamortized premium on debt	(313,864)
Add: deferred amount on refunding	3,165
Less: compensated absences payable	(408,463)
Less: landfill closure/postclosure care costs	(119,840)
Less: accrued interest payable	<u>(71,760)</u> (27,981,453)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.	
Add: deferred outflows of resources related to pensions	\$ 720,351
Less: deferred inflows of resources related to pensions	<u>(258,953)</u> 461,398
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.	1,002,484
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.	<u>2,286,184</u>
Net position of governmental activities (Exhibit A)	<u><u>\$ 6,393,098</u></u>

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

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

	<b>Major Funds</b>				<b>Nonmajor Funds</b>		<b>Total Governmental Funds</b>
	<b>General</b>	<b>Solid Waste / Sanitation</b>	<b>Highway / Public Works</b>	<b>General Debt Service</b>	<b>Other Governmental Funds</b>		
<b>Revenues</b>							
Local Taxes	\$ 5,825,797	\$ 0	\$ 474,877	\$ 653,654	\$ 157,034	\$ 7,111,362	
Licenses and Permits	41,428	0	0	0	0	41,428	
Fines, Forfeitures, and Penalties	119,313	0	0	0	54,413	173,726	
Charges for Current Services	360,286	1,679,720	0	0	4,828	2,044,834	
Other Local Revenues	744,613	36,191	111,221	67,804	135,713	1,095,542	
Fees Received From County Officials	1,052,508	0	0	0	0	1,052,508	
State of Tennessee	2,797,636	277,307	3,706,108	0	0	6,781,051	
Federal Government	81,352	0	343,001	0	0	424,353	
Other Governments and Citizens Groups	62,977	0	0	1,309,768	0	1,372,745	
<b>Total Revenues</b>	<b>\$ 11,085,910</b>	<b>\$ 1,993,218</b>	<b>\$ 4,635,207</b>	<b>\$ 2,031,226</b>	<b>\$ 351,988</b>	<b>\$ 20,097,549</b>	

**Expenditures**

Current:							
General Government	\$ 1,216,918	\$ 0	\$ 0	\$ 0	\$ 154,580	\$ 1,371,498	
Finance	745,316	0	0	0	0	745,316	
Administration of Justice	652,448	0	0	0	3,378	655,826	
Public Safety	4,053,759	0	0	0	81,346	4,135,105	
Public Health and Welfare	485,612	2,070,126	0	0	0	2,555,738	
Social, Cultural, and Recreational Services	1,509,801	0	0	0	3,333	1,513,134	
Agriculture and Natural Resources	140,301	0	0	0	5,370	145,671	

(Continued)

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

	<b>Major Funds</b>				<b>Nonmajor Funds</b>		<b>Total Governmental Funds</b>
	<b>General</b>	<b>Solid Waste / Sanitation</b>	<b>Highway / Public Works</b>	<b>General Debt Service</b>	<b>Other Govern- mental Funds</b>		
<b>Expenditures (Cont.)</b>							
Current (Cont.)							
Other Operations	\$ 2,065,797	\$ 75,072	\$ 0	\$ 0	\$ 130,613	\$ 2,271,482	
Highways	0	37,699	4,173,196	0	384,347	4,595,242	
Debt Service:							
Principal on Debt	83,658	0	0	1,544,252	0	1,627,910	
Interest on Debt	6,342	0	0	879,568	0	885,910	
Other Debt Service	0	0	0	15,430	0	15,430	
Total Expenditures	\$ 10,959,952	\$ 2,182,897	\$ 4,173,196	\$ 2,439,250	\$ 762,967	\$ 20,518,262	
Excess (Deficiency) of Revenues Over Expenditures	\$ 125,958	\$ (189,679)	\$ 462,011	\$ (408,024)	\$ (410,979)	\$ (420,713)	
<b>Other Financing Sources (Uses)</b>							
Insurance Recovery	\$ 8,742	\$ 118	\$ 0	\$ 0	\$ 2,199	\$ 11,059	
Transfers In	167,367	0	0	181,488	10,000	358,855	
Transfers Out	(10,000)	0	(181,488)	0	(167,367)	(358,855)	
Total Other Financing Sources (Uses)	\$ 166,109	\$ 118	\$ (181,488)	\$ 181,488	\$ (155,168)	\$ 11,059	
Net Change in Fund Balances	\$ 292,067	\$ (189,561)	\$ 280,523	\$ (226,536)	\$ (566,147)	\$ (409,654)	
Fund Balance, July 1, 2024	1,997,736	742,243	2,431,449	5,571,233	2,773,148	13,515,809	
Fund Balance, June 30, 2025	\$ 2,289,803	\$ 552,682	\$ 2,711,972	\$ 5,344,697	\$ 2,207,001	\$ 13,106,155	

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

**McNAIRY COUNTY, TENNESSEE****Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 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)	\$ (409,654)
(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	\$ 1,305,735
Less: current-year depreciation expense	<u>(1,056,094)</u> 249,641
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.	
Add: assets donated and capitalized	\$ 15,045
Less: proceeds received on disposal of capital assets	<u>(7,083)</u> 7,962
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Add: deferred delinquent property taxes and other deferred June 30, 2025	\$ 2,286,184
Less: deferred delinquent property taxes and other deferred June 30, 2024	<u>(2,106,618)</u> 179,566
(4) The issuance of long-term debt (e.g., bonds, notes, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.	
Add: change in premium on debt issuances	\$ 27,652
Less: change in deferred amount on refunding debt	<u>(2,118)</u>
Add: principal payments on bonds	1,160,000
Add: principal payments on notes	300,000
Add: principal payments on other loans	<u>167,910</u> 1,653,444
(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	\$ 4,374
Change in compensated absences payable	<u>(95,270)</u>
Change in landfill closure/postclosure care costs	36,202
Change in net pension asset	448,114
Change in deferred outflows related to pensions	<u>(309,280)</u>
Change in deferred inflows related to pensions	<u>(88,543)</u> (4,403)
Change in net position of governmental activities (Exhibit B)	<u>\$ 1,676,556</u>

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

**McNAIRY COUNTY, TENNESSEE****Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget**

General Fund

**For the Year Ended June 30, 2025**

	<b>Actual</b>	<b>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
		<b>Original</b>	<b>Final</b>	
<b>Revenues</b>				
Local Taxes	\$ 5,825,797	\$ 5,541,962	\$ 5,541,962	\$ 283,835
Licenses and Permits	41,428	20,900	20,900	20,528
Fines, Forfeitures, and Penalties	119,313	111,700	111,700	7,613
Charges for Current Services	360,286	376,400	376,400	(16,114)
Other Local Revenues	744,613	646,400	675,000	69,613
Fees Received From County Officials	1,052,508	960,000	960,000	92,508
State of Tennessee	2,797,636	2,297,915	2,309,938	487,698
Federal Government	81,352	85,000	527,740	(446,388)
Other Governments and Citizens Groups	62,977	0	62,977	0
<b>Total Revenues</b>	<b>\$ 11,085,910</b>	<b>\$ 10,040,277</b>	<b>\$ 10,586,617</b>	<b>\$ 499,293</b>
<b>Expenditures</b>				
<b>General Government</b>				
County Commission	\$ 47,154	\$ 47,347	\$ 55,707	\$ 8,553
Board of Equalization	1,500	1,800	1,800	300
Beer Board	0	400	400	400
Budget and Finance Committee	1,995	1,500	2,175	180
Other Boards and Committees	1,845	1,750	2,055	210
County Mayor/Executive	217,747	218,876	219,058	1,311
County Attorney	6,000	6,000	6,000	0
Election Commission	228,919	252,072	255,142	26,223
Register of Deeds	177,323	179,698	179,780	2,457
County Buildings	530,828	511,395	543,995	13,167
Preservation of Records	3,607	4,520	4,520	913
<b>Finance</b>				
Property Assessor's Office	209,218	228,839	228,839	19,621
County Trustee's Office	237,917	230,975	243,482	5,565
County Clerk's Office	298,181	308,099	313,669	15,488
<b>Administration of Justice</b>				
Circuit Court	197,891	232,165	232,165	34,274
General Sessions Court	222,943	223,279	223,788	845
Chancery Court	182,988	192,595	192,595	9,607
Juvenile Court	48,626	55,654	55,654	7,028
<b>Public Safety</b>				
Sheriff's Department	2,898,809	2,919,320	2,944,925	46,116
Jail	487,601	423,022	500,426	12,825
Fire Prevention and Control	392,589	380,206	427,833	35,244
Rural Fire Protection	35,778	42,000	42,000	6,222
Civil Defense	77,482	93,964	93,964	16,482
Inspection and Regulation	7,621	7,620	7,620	(1)
County Coroner/Medical Examiner	70,886	55,000	90,000	19,114
Other Public Safety	82,993	82,993	82,993	0

(Continued)

**McNAIRY COUNTY, TENNESSEE****Statement of Revenues, Expenditures, and Changes****in Fund Balance - Actual and Budget**

General Fund (Cont.)

	Actual	<b>Budgeted Amounts</b>		Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Expenditures (Cont.)</b>				
Public Health and Welfare				
Local Health Center	\$ 149,405	\$ 189,332	\$ 192,592	\$ 43,187
Ambulance/Emergency Medical Services	259,275	259,275	259,275	0
Alcohol and Drug Programs	76,932	78,796	80,069	3,137
Social, Cultural, and Recreational Services				
Libraries	130,398	155,203	155,203	24,805
Other Social, Cultural, and Recreational	1,379,403	332,300	1,410,886	31,483
Agriculture and Natural Resources				
Agricultural Extension Service	75,819	108,103	108,103	32,284
Soil Conservation	64,482	74,442	74,442	9,960
Other Operations				
Tourism	59,974	61,190	64,290	4,316
Other Economic and Community Development	118,138	136,192	118,278	140
Public Transportation	68,450	74,619	76,619	8,169
Airport	64,000	64,000	64,000	0
Veterans' Services	50,311	54,060	54,060	3,749
Other Charges	210,279	187,000	217,269	6,990
Contributions to Other Agencies	19,849	25,000	25,000	5,151
Employee Benefits	1,472,711	1,523,455	1,523,455	50,744
Miscellaneous	2,085	6,000	6,000	3,915
Principal on Debt				
General Government	83,658	0	83,658	0
Interest on Debt				
General Government	6,342	0	6,342	0
Total Expenditures	<u>\$ 10,959,952</u>	<u>\$ 10,030,056</u>	<u>\$ 11,470,126</u>	<u>\$ 510,174</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 125,958</u>	<u>\$ 10,221</u>	<u>\$ (883,509)</u>	<u>\$ 1,009,467</u>
<b>Other Financing Sources (Uses)</b>				
Insurance Recovery	\$ 8,742	\$ 15,000	\$ 15,000	\$ (6,258)
Transfers In	167,367	0	403,529	(236,162)
Transfers Out	(10,000)	0	(510,000)	500,000
Total Other Financing Sources	<u>\$ 166,109</u>	<u>\$ 15,000</u>	<u>\$ (91,471)</u>	<u>\$ 257,580</u>
Net Change in Fund Balance	\$ 292,067	\$ 25,221	\$ (974,980)	\$ 1,267,047
Fund Balance, July 1, 2024	<u>1,997,736</u>	<u>1,876,413</u>	<u>1,901,634</u>	<u>96,102</u>
Fund Balance, June 30, 2025	<u>\$ 2,289,803</u>	<u>\$ 1,901,634</u>	<u>\$ 926,654</u>	<u>\$ 1,363,149</u>

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

**McNAIRY COUNTY, TENNESSEE**

**Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget**  
Solid Waste/Sanitation Fund  
**For the Year Ended June 30, 2025**

	<b>Actual</b>	<b>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
		<b>Original</b>	<b>Final</b>	
<b>Revenues</b>				
Charges for Current Services	\$ 1,679,720	\$ 1,303,865	\$ 1,303,865	\$ 375,855
Other Local Revenues	36,191	30,500	30,500	5,691
State of Tennessee	277,307	314,900	314,900	(37,593)
<b>Total Revenues</b>	<b>\$ 1,993,218</b>	<b>\$ 1,649,265</b>	<b>\$ 1,649,265</b>	<b>\$ 343,953</b>
<b>Expenditures</b>				
Public Health and Welfare				
Sanitation Management	\$ 1,884,154	\$ 1,855,642	\$ 1,889,521	\$ 5,367
Recycling Center	133,448	136,734	143,734	10,286
Landfill Operation and Maintenance	52,524	69,961	99,961	47,437
Other Operations				
Employee Benefits	75,072	75,797	75,797	725
Highways				
Litter and Trash Collection	37,699	47,400	47,400	9,701
<b>Total Expenditures</b>	<b>\$ 2,182,897</b>	<b>\$ 2,185,534</b>	<b>\$ 2,256,413</b>	<b>\$ 73,516</b>
Excess (Deficiency) of Revenues Over Expenditures	<b>\$ (189,679)</b>	<b>\$ (536,269)</b>	<b>\$ (607,148)</b>	<b>\$ 417,469</b>
<b>Other Financing Sources (Uses)</b>				
Insurance Recovery	\$ 118	\$ 0	\$ 0	\$ 118
<b>Total Other Financing Sources</b>	<b>\$ 118</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 118</b>
Net Change in Fund Balance	<b>\$ (189,561)</b>	<b>\$ (536,269)</b>	<b>\$ (607,148)</b>	<b>\$ 417,587</b>
Fund Balance, July 1, 2024	742,243	733,387	733,387	8,856
Fund Balance, June 30, 2025	<b>\$ 552,682</b>	<b>\$ 197,118</b>	<b>\$ 126,239</b>	<b>\$ 426,443</b>

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

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

	<b>Actual</b>	<b>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
		<b>Original</b>	<b>Final</b>	
<b>Revenues</b>				
Local Taxes	\$ 474,877	\$ 468,034	\$ 468,034	\$ 6,843
Other Local Revenues	111,221	27,500	27,500	83,721
State of Tennessee	3,706,108	2,615,500	3,516,129	189,979
Federal Government	343,001	300,000	300,000	43,001
<b>Total Revenues</b>	<b>\$ 4,635,207</b>	<b>\$ 3,411,034</b>	<b>\$ 4,311,663</b>	<b>\$ 323,544</b>
<b>Expenditures</b>				
Highways				
Administration	\$ 241,242	\$ 237,836	\$ 249,923	\$ 8,681
Highway and Bridge Maintenance	1,368,510	1,636,747	1,624,196	255,686
Operation and Maintenance of Equipment	491,553	664,800	658,752	167,199
Other Charges	182,356	200,000	206,512	24,156
Employee Benefits	536,891	606,756	606,756	69,865
Capital Outlay	1,352,644	250,000	1,340,288	(12,356)
Principal on Debt				
Highways and Streets	0	847,376	847,376	847,376
Interest on Debt				
Highways and Streets	0	181,488	0	0
<b>Total Expenditures</b>	<b>\$ 4,173,196</b>	<b>\$ 4,625,003</b>	<b>\$ 5,533,803</b>	<b>\$ 1,360,607</b>
Excess (Deficiency) of Revenues Over Expenditures				
	\$ 462,011	\$ (1,213,969)	\$ (1,222,140)	\$ 1,684,151
<b>Other Financing Sources (Uses)</b>				
Transfers Out	\$ (181,488)	\$ 0	\$ (181,488)	\$ 0
<b>Total Other Financing Sources</b>	<b>\$ (181,488)</b>	<b>\$ 0</b>	<b>\$ (181,488)</b>	<b>\$ 0</b>
Net Change in Fund Balance Fund Balance, July 1, 2024				
	\$ 280,523	\$ (1,213,969)	\$ (1,403,628)	\$ 1,684,151
	2,431,449	2,614,540	2,614,540	(183,091)
<b>Fund Balance, June 30, 2025</b>	<b>\$ 2,711,972</b>	<b>\$ 1,400,571</b>	<b>\$ 1,210,912</b>	<b>\$ 1,501,060</b>

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

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

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash	\$ 1,360,334
Accounts Receivable	234
Due from Other Governments	<u>431,374</u>
Total Assets	<u>\$ 1,791,942</u>
<b>LIABILITIES</b>	
Due to Other Taxing Units	\$ 431,374
Total Liabilities	<u>\$ 431,374</u>
<b>NET POSITION</b>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,360,568</u>
Total Net Position	<u><u>\$ 1,360,568</u></u>

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

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

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Sales Tax Collections for Other Governments	\$ 2,506,219
Fines/Fees and Other Collections	7,312,464
Total Additions	<u>\$ 9,818,683</u>
<b>DEDUCTIONS</b>	
Payment of Sales Tax Collections to Other Governments	\$ 2,506,219
Payments to State	3,848,538
Payments to Cities, Individuals, and Others	3,386,927
Total Deductions	<u>\$ 9,741,684</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 76,999
Net Position, July 1, 2024	<u>1,283,569</u>
Net Position, June 30, 2025	<u>\$ 1,360,568</u>

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

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## McNAIRY COUNTY, TENNESSEE

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. *Reporting Entity***

McNairy County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present McNairy County (the primary government) and its component units. The financial statements of the McNairy County Airport Authority and the McNairy County Emergency Communications District, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of the omissions did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The McNairy County Airport Authority operates the county's only airport facility, and the McNairy County Commission appoints its governing body and approves its operating budget. The McNairy County Airport Authority is funded primarily through rentals and fuel sales. The financial statements of the McNairy County Airport Authority were not material to the component units' opinion unit and therefore have been omitted from this report.

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

The McNairy County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the McNairy County Airport Authority and the McNairy County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

McNairy County Airport Authority  
2281 Airport Road  
Selmer, TN 38375

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

***B. Government-wide and Fund Financial Statements***

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

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

McNairy County issues all debt for the discretely presented McNairy County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 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 McNairy County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/fund net position, revenues, and expenditures. Funds are organized into

three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. McNairy County has no proprietary funds to report.

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

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

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

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

McNairy County reports the following major governmental funds:

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

**Solid Waste/Sanitation Fund** – This special revenue fund accounts for the county's garbage collection operations. Residential waste collection charges are the foundational revenues of this fund.

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

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

Additionally, McNairy County reports the following fund types:

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

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

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

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

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. A more detailed reporting of the fund activities at each individual school may be found 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 McNairy County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. McNairy County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

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

latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

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

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.

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

Property taxes and solid waste receivables are shown with an allowance for uncollectibles. The solid waste receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.94 percent of total taxes levied.

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

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

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

Lease receivables and deferred inflows of resources are recognized in the governmental funds and government-wide financial statements. At the commencement of a lease, a lease receivable

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

### **3. Prepaid Items**

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

### **4. Restricted Assets**

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

### **5. Capital Assets**

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

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

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

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

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

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

## 6. Deferred Outflows/Inflows of Resources

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

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

## 7. Compensated Absences

### Primary Government

It is the county's policy to permit employees to accumulate up to 160 hours of unused vacation benefits, up to 240 hours of sick pay benefits, up to 80 hours of compensatory time for non-law enforcement personnel, and up to 480 hours of compensatory time for law enforcement personnel. All vacation and compensatory time 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. Since McNairy 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, or sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements and payable under the county's policies.

## **Discretely Presented McNairy County School Department**

It is the discretely presented school department's policy to permit employees to accumulate earned but unused sick pay benefits. The school department's policy does not provide for employees to receive compensation for unused accumulated vacation days. Only a portion of the unpaid accumulated sick leave is accrued. The criteria for accrual includes a "more likely than not," to be used or paid. Since the school department has a policy to pay \$10 per sick leave day when employees separate from service with the government, 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 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 department's policies.

### **8. Long-term Debt and Long-term Obligations**

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

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

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

### **9. Net Position and Fund Balance**

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

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

The government-wide Statement of Net Position reports \$11,077,769 of restricted net position, of which \$63,207 is restricted by enabling legislation.

As of June 30, 2025, McNairy County had \$19,221,850 in outstanding debt for capital purposes for the discretely presented McNairy County School Department. This debt is a liability of McNairy County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, McNairy County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

## 10. Restatement – Error Correction

In prior years, depreciation for three assets (two buildings and an oven) was omitted from the capital assets of the McNairy County School Department in the Government-wide financial statements. To correct this error, the beginning balance of the capital assets was restated by (\$3,253,566). For more information, see the table in Note I.D.11.

## 11. Restatements

With the implementation of GASB Statement 101, *Compensated Absences*, McNairy County must recognize restatements to the beginning net position in the Government-wide financial statements for the primary government and the discretely presented McNairy County School Department to record compensated absences liabilities. A restatement of (\$13,714) has been presented to reflect the beginning balance of the primary government and (\$456,776) for the discretely presented McNairy County School Department.

The following table reflects the restatements necessary for the implementation of GASB Statement 101 and the error correction reflected in Note I.D.10.

	Government Wide	
	Primary Government	Discretely Presented McNairy County School Department
Net Position, as previously reported	\$ 4,730,256	\$ 54,615,473
Adjustment for Error Correction:		
Capital Assets	0	(3,253,566)
Adjustments for GASB 101 Implementation:		
Compensated Absences Liability	(13,714)	(456,776)
Net Change in Beginning Net Position	<u>\$ (13,714)</u>	<u>\$ (3,710,342)</u>
Net Position, June 30, 2024, Restated	<u>\$ 4,716,542</u>	<u>\$ 50,905,131</u>

## 12. Changes To or Within the Financial Reporting Entity

### Changes in Major Fund Classification (Column A)

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

In the discretely presented McNairy County School Department, the School Federal Projects Fund no longer met the quantitative threshold and is presented as a nonmajor governmental fund. The prior-year amount has been restated to reflect the fund within the Nonmajor Governmental Funds column.

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

	7-1-24 As Previously Reported	Change To or Within the Financial Reporting Entity (A)	7-1-24 As Restated
<b>Discretely Presented</b>			
<b>McNairy County School Department</b>			
Major Fund:			
School Federal Projects	\$ 293,519	\$ (293,519)	0
Nonmajor Funds	1,223,952	293,519	1,517,471
Total Governmental Funds Discretely Presented McNairy County School Department	<u>\$ 1,517,471</u>	<u>0</u>	<u>\$ 1,517,471</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 McNairy County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from McNairy County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Pension Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Pension Plan of TCRS. Investments are reported at fair value.

**Discretely Presented McNairy County School Department**

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

**F. Other Postemployment Benefit (OPEB) Plan**

**Discretely Presented McNairy County School Department**

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

## II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

#### **Primary Government**

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

#### **Discretely Presented McNairy County School Department**

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

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

#### **Primary Government**

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

#### **Discretely Presented McNairy County School Department**

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

## III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### A. *Budgetary Information*

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

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

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

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

## ***B. Expenditures Exceeded Appropriations***

Expenditures exceeded appropriations in the Highways – Capital Outlay major appropriations category (the legal level of controls) in the Highway/Public Works Fund by \$12,356 and in the Highways – Other Charges major appropriation category of the Highway Capital Projects Fund by \$3,037. Expenditures that exceed appropriations are a violation of state statute. These expenditures in excess of appropriations were funded by available fund balances.

## **IV. DETAILED NOTES ON ALL FUNDS**

### ***A. Deposits and Investments***

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

#### **Deposits**

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

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

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

administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

### **Investments**

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

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

### **TCRS Stabilization Trust**

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

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

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

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 176,472
Developed Market International Equity	N/A	N/A	79,697
Emerging Market International Equity	N/A	N/A	22,771
U.S. Fixed Income	N/A	N/A	113,853
Real Estate	N/A	N/A	56,926
Short-term Securities	N/A	N/A	5,692
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>113,853</u>
Total			<u>\$ 569,264</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. Lease Receivable***

On January 8, 2017, McNairy County entered into a lease agreement with the University of Tennessee at Martin for their use of a higher education building. The remaining term is one year and seven months, and the county will be receiving yearly payments ranging from \$136,002 to \$138,722. The lease has an annual interest rate of two percent. As of June 30, 2025, the lease receivable balance was \$266,671.

The future receipts of the lease receivable include:

Year Ending June 30	Building Lease		
	Principal	Interest	Total
2026	\$ 130,669	\$ 5,333	\$ 136,002
2027	136,002	2,720	138,722
Total	<u>\$ 266,671</u>	<u>\$ 8,053</u>	<u>\$ 274,724</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	\$ 1,475,432	\$ 0	\$ 0	\$ 1,475,432
Construction in Progress	6,003,545	0	6,003,545	0
Total Capital Assets Not Depreciated	\$ 7,478,977	\$ 0	\$ 6,003,545	\$ 1,475,432
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,435,935	\$ 5,565,006	\$ 0	\$ 17,000,941
Infrastructure	6,994,902	754,675	0	7,749,577
Other Capital Assets	10,598,926	1,004,644	153,291	11,450,279
Total Capital Assets Depreciated	\$ 29,029,763	\$ 7,324,325	\$ 153,291	\$ 36,200,797
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 9,001,785	\$ 192,434	\$ 0	\$ 9,194,219
Infrastructure	3,513,826	263,791	0	3,777,617
Other Capital Assets	6,732,402	599,869	146,208	7,186,063
Total Accumulated Depreciation	\$ 19,248,013	\$ 1,056,094	\$ 146,208	\$ 20,157,899
Total Capital Assets Depreciated, Net	\$ 9,781,750	\$ 6,268,231	\$ 7,083	\$ 16,042,898
Governmental Activities Capital Assets, Net	\$ 17,260,727	\$ 6,268,231	\$ 6,010,628	\$ 17,518,330

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

**Governmental Activities:**

General Government	\$ 130,232
Finance	11,149
Administration of Justice	824
Public Safety	370,137
Public Health and Welfare	39,996
Social, Cultural, and Recreational Services	83,523
Highway/Public Works	<u>420,233</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 1,056,094</u>

**Net Investment in Capital Assets**

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Capital Assets	\$ 17,518,330
Less:	
Outstanding principal of capital debt and other capital borrowings	(7,848,841)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(199,170)</u>
 Net Investment in Capital Assets	 <u>\$ 9,470,319</u>

**Discretely Presented McNairy County School Department**

**Governmental Activities:**

	Balance*			Balance
	7-1-24	Increases	Decreases	6-30-25
Capital Assets Not Depreciated:				
Land	\$ 1,291,479	\$ 0	\$ 0	\$ 1,291,479
Construction in Progress	350,249	0	350,249	0
Total Capital Assets Not Depreciated	<u>\$ 1,641,728</u>	<u>\$ 0</u>	<u>\$ 350,249</u>	<u>\$ 1,291,479</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 54,663,107	\$ 1,896,444	\$ 0	\$ 56,559,551
Other Capital Assets	13,648,255	1,903,680	877,465	14,674,470
Total Capital Assets Depreciated	<u>\$ 68,311,362</u>	<u>\$ 3,800,124</u>	<u>\$ 877,465</u>	<u>\$ 71,234,021</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 27,315,875	\$ 1,362,734	\$ 0	\$ 28,678,609
Other Capital Assets	7,968,294	957,868	877,465	8,048,697
Total Accumulated Depreciation	<u>\$ 35,284,169</u>	<u>\$ 2,320,602</u>	<u>\$ 877,465</u>	<u>\$ 36,727,306</u>
Total Capital Assets Depreciated, Net	<u>\$ 33,027,193</u>	<u>\$ 1,479,522</u>	<u>\$ 0</u>	<u>\$ 34,506,715</u>
Governmental Activities Capital Assets, Net	<u>\$ 34,668,921</u>	<u>\$ 1,479,522</u>	<u>\$ 350,249</u>	<u>\$ 35,798,194</u>

\*Restated Balance - See Note I.D.10.

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

**Governmental Activities:**

Instruction	\$ 1,137,334
Support Services	1,056,762
Operation of Non-instructional Services	<u>126,506</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,320,602</u>

**D. Interfund Receivables, Payables, and Transfers**

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

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$    986

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

**Due to/from Primary Government and Component Unit:**

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

**Advances to/from Funds:**

Receivable Fund	Payable Fund	Amount
General Debt Service	Highway/Public Works	\$    500,000

**Interfund Transfers:**

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

**Primary Government**

Transfer Out	Transfers In				
	General		Nonmajor		
	General	Debt	Service	Governmental	Purpose
General Fund	\$ 0	\$ 0	\$ 10,000		Operations
Highway/Public Works Fund	0	181,488	0		Debt retirement
Nonmajor governmental funds	167,367	0	0		ARPA funds
Total	\$ 167,367	\$ 181,488	\$ 10,000		

## Discretely Presented McNairy County School Department

Transfers Out	Transfers In		
	General Fund	Purpose Fund	Purpose
School Federal Projects Fund	\$ 136,012		Indirect costs
"	<u>204,797</u>		ISM Funds
Total	<u><u>\$ 340,809</u></u>		

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

### *E. Long-term Debt*

#### **Primary Government**

##### **General Obligation Bonds, Notes and Other Loans**

**General Obligation Bonds** - McNairy County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 29 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The bonds included in long-term debt as of June 30, 2025, will be retired from the General Debt Service Fund.

**Direct Borrowing and Direct Placements** – McNairy County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 12 years for notes and up to 13 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2025, will be retired from the General and General Debt Service funds.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-25
General Obligation Bonds	2 to 5%	6-1-47	\$ 32,225,000	\$ 24,580,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	0 to 3.69	6-1-33	3,500,000	1,906,000
Other Loans - Fixed rate	0.75 to 5	3-1-31	1,107,946	584,691

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

During the 2023-24 year, McNairy County entered into financed purchase agreements for six patrol cars totaling \$257,372. The agreements have an interest rate of five percent. Title to the vehicles will pass to McNairy County upon completion of the agreements. Payments are being made from the General Fund.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	\$ 1,195,000	\$ 774,095	\$ 1,969,095
2027	1,230,000	684,725	1,914,725
2028	1,265,000	665,545	1,930,545
2029	1,300,000	644,262	1,944,262
2030	1,345,000	622,452	1,967,452
2031-2035	6,580,000	2,513,833	9,093,833
2036-2040	4,440,000	1,677,839	6,117,839
2041-2045	5,220,000	885,588	6,105,588
2046-2047	2,005,000	96,770	2,101,770
<b>Total</b>	<b>\$ 24,580,000</b>	<b>\$ 8,565,109</b>	<b>\$ 33,145,109</b>

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2026	\$ 307,000	\$ 61,106	\$ 368,106
2027	313,000	54,391	367,391
2028	195,000	47,453	242,453
2029	203,000	40,258	243,258
2030	210,000	32,767	242,767
2031-2033	678,000	50,627	728,627
<b>Total</b>	<b>\$ 1,906,000</b>	<b>\$ 286,602</b>	<b>\$ 2,192,602</b>

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2026	\$ 172,716	\$ 5,544	\$ 178,260
2027	85,524	2,736	88,260
2028	86,160	2,100	88,260
2029	86,808	1,452	88,260
2030	87,468	792	88,260
2031	66,015	164	66,179
<b>Total</b>	<b>\$ 584,691</b>	<b>\$ 12,788</b>	<b>\$ 597,479</b>

There is \$5,344,697 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$950, based on the 2020 federal census. Total debt per capita, including bonds, notes, other loans, and unamortized debt premiums, totaled \$1,059 based on the 2020 federal census.

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

Description of Indebtedness	Outstanding 6-30-25
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**Bonds Payable -**

**Contributions from the General Purpose School Fund**

General Obligation School Bonds, Series 2017	\$ 5,135,000
General Obligation School Bonds, Series 2018	13,590,000

**Other Loans Payable - Direct Placement -**

**Contributions from the General Purpose School Fund**

Energy Efficient School Initiative	<u>496,850</u>
<b>Total</b>	<b><u>\$ 19,221,850</u></b>

**Changes in Long-term Debt**

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

**Governmental Activities:**

	Bonds	Notes - Direct	Other Loans - Direct	Placement
Balance, July 1, 2024	\$ 25,740,000	\$ 2,206,000	\$ 752,601	
Reductions	(1,160,000)	(300,000)	(167,910)	
<b>Balance, June 30, 2025</b>	<b>\$ 24,580,000</b>	<b>\$ 1,906,000</b>	<b>\$ 584,691</b>	
<b>Balance Due Within One Year</b>	<b>\$ 1,195,000</b>	<b>\$ 307,000</b>	<b>\$ 172,717</b>	

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2025	\$ 27,070,691
Less: Balance Due Within One Year - Debt	(1,674,717)
Add: Unamortized Premium on Debt	<u>313,864</u>

Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	\$ <u>25,709,838</u>
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**F. *Long-term Obligations***

**Primary Government**

**Changes in Long-term Obligations**

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

Governmental Activities:	Landfill Closure/ Postclosure	
	Compensated Absences*	Care Costs
Balance, July 1, 2024	\$ 313,193	\$ 156,042
Additions	95,270	2,809
Reductions	0	(39,011)
 Balance, June 30, 2025	 <u>\$ 408,463</u>	 <u>\$ 119,840</u>
 Balance Due Within One Year	 <u>\$ 67,656</u>	 <u>\$ 39,011</u>

\*Restated beginning balance - see Note I.D.11. The change in compensated absences is presented as a net change.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other - June 30, 2025	\$ 528,303
Less: Balance Due Within One Year - Other	<u>(106,667)</u>

Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 421,636</u>
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Compensated absences will be paid from the employing funds, primarily the General and Highway/Public Works funds. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

**Discretely Presented McNairy County School Department**

**Changes in Long-term Obligations**

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

**Governmental Activities:**

	Compensated Absences*	Net OPEB Liability
Balance, July 1, 2024	\$ 456,776	\$ 6,622,892
Additions	0	1,163,148
Reductions	(18,783)	(1,088,762)
Balance, June 30, 2025	<u>\$ 437,993</u>	<u>\$ 6,697,278</u>
Balance Due Within One Year	<u>\$ 180,470</u>	<u>\$ 178,758</u>

\*Restated beginning balance - see Note I.D.11. The change in compensated absences is presented as a net change.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2025	\$ 7,135,271
Less: Balance Due Within One Year - Other	<u>(359,228)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 6,776,043</u>

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

**G. *On-Behalf Payments***

**Discretely Presented McNairy County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the McNairy County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2025, totaled \$108,233 and \$54,139, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**H. *Short-term Debt***

McNairy County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the General Fund. These notes were necessary because funds were not available to meet payments coming due before current tax collections. Short-term debt activity for the year ended June 30, 2025, was as follows:

	Balance 7-1-24	Issued	Paid	Balance 6-30-25
Tax Anticipation Notes	\$ 0	\$ 500,000	\$ (500,000)	\$ 0

## V. OTHER INFORMATION

### A. *Risk Management*

#### **Primary Government**

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

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

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

#### **Discretely Presented McNairy County School Department**

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

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

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

**D. *Landfill Closure/Postclosure Care Costs***

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. McNairy County closed its sanitary landfill in 1998. The \$119,840 reported as postclosure care liability on June 30, 2025, represents amounts based on what it would cost to perform all postclosure care in 2025. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**E. *Jointly Governed Organization***

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

**F. *Retirement Commitments***

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

***General Information About the Pension Plan***

***Plan Description.*** Employees of McNairy County and non-certified employees of the discretely presented McNairy County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 49.07 percent and the non-certified employees of the discretely presented school department comprised 50.93

percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained 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.

*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	217
Inactive Employees Entitled to But Not Yet Receiving Benefits	513
Active Employees	356
 Total	 <hr/> <hr/> 1,086

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. McNairy County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2025, the employer contribution for McNairy County was \$583,142 based on a rate of 5.25 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept McNairy County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

#### ***Net Pension Liability (Asset)***

McNairy County's net pension liability (asset) was measured as of June 30, 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

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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 McNairy County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be

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

***Changes in the Net Pension Liability (Asset)***

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2023	<u>\$ 26,998,373</u>	<u>\$ 28,110,673</u>	<u>\$ (1,112,300)</u>
<b>Changes for the Year:</b>			
Service Cost	\$ 846,088	\$ 0	\$ 846,088
Interest	1,840,643	0	1,840,643
Differences Between Expected and Actual Experience	134,910	0	134,910
Contributions-Employer	0	541,730	(541,730)
Contributions-Employees	0	515,932	(515,932)
Net Investment Income	0	2,737,594	(2,737,594)
Benefit Payments, Including Refunds of Employee Contributions	(1,151,356)	(1,151,356)	0
Administrative Expense	0	(42,947)	42,947
Net Changes	<u>\$ 1,670,285</u>	<u>\$ 2,600,953</u>	<u>\$ (930,668)</u>
Balance, June 30, 2024	<u>\$ 28,668,658</u>	<u>\$ 30,711,626</u>	<u>\$ (2,042,968)</u>

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

		Plan	Net
	Total Pension Liability	Fiduciary Net Position	Pension Liability (Asset)
Primary Government	49.07%	\$ 14,067,710	\$ 15,070,195
School Department	50.93%	<u>\$ 14,600,948</u>	<u>\$ 15,641,431</u>
Total		<u>\$ 28,668,658</u>	<u>\$ 30,711,626</u>

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

	1%	Current	1%
	Decrease	Discount Rate	Increase
McNairy County	5.75%	6.75%	7.75%
Net Pension Liability (Asset)		\$ (2,042,968)	\$ (5,011,302)

***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, McNairy County recognized (negative pension expense) of \$457,491.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 486,550	\$ 204,158
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	323,564
Changes in Assumptions	385,276	0
Contributions Subsequent to the Measurement Date of June 30, 2024 (1)	583,142	N/A
<b>Total</b>	<b>\$ 1,454,968</b>	<b>\$ 527,722</b>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 720,351	\$ 258,953
School Department	734,617	268,769
<b>Total</b>	<b>\$ 1,454,968</b>	<b>\$ 527,722</b>

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	\$ 75,070
2027	446,768
2028	(35,768)
2029	(141,965)
2030	0
Thereafter	0

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

### **Discretely Presented McNairy County School Department – Non-certified Employees**

#### *General Information About the Pension Plan*

*Plan Description.* As noted above under the primary government, employees of McNairy County and non-certified employees of the discretely presented McNairy County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 49.07 percent and the non-certified employees of the discretely presented school department comprised 50.93 percent of the plan based on contribution data.

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

#### *General Information About the Pension Plan*

*Plan Description.* Teachers of the McNairy County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained 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 \$188,659 which is three percent of covered payroll. In addition, employer contributions of \$62,161, which is one percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities (Assets).* On June 30, 2025, the school department reported a liability (asset) of (\$177,025) 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 .248419 percent. The proportion as of June 30, 2023, was .251209 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2025, the school department recognized pension expense of \$147,819.

*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	\$ 14,623	\$ 54,387
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	29,861
Changes in Assumptions	70,346	0
Changes in Proportion of Net Pension Liability (Asset)	16,472	18,864
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	188,659	N/A
<b>Total</b>	<b>\$ 290,100</b>	<b>\$ 103,112</b>

The school department's employer contributions of \$188,659 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	\$ (17,396)
2027	23,919
2028	(11,109)
2029	(10,945)
2030	3,421
Thereafter	10,439

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

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

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

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

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

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	4.88	%
Developed Market		31
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 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)	\$ 466,873	\$ (177,025)	\$ (656,220)

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

### **Discretely Presented McNairy County School Department - Certified Employees - Teacher Legacy Pension Plan**

#### *General Information About the Pension Plan*

*Plan Description.* Teachers of the McNairy County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained 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 McNairy County School Department for the year ended June 30, 2025, to the Teacher Legacy Pension Plan were \$1,008,924, which is 6.36 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

***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 (\$8,046,279) 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 .467030 percent. The proportion measured on June 30, 2023, was .472997 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2025, the school department recognized (negative pension expense) of \$1,768,749.

*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	\$ 2,145,729	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,567,088
Changes in Proportion of Net Pension Liability (Asset)	132,095	56,641
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	<u>1,008,924</u>	N/A
 Total	 <u>\$ 3,286,748</u>	 <u>\$ 1,623,729</u>

The school department's employer contributions of \$1,008,924 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) in net pension liability (asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2026	\$ (835,865)
2027	3,132,639
2028	(817,598)
2029	(825,081)
2030	0
Thereafter	0

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

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

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Net Pension Liability (Asset)	\$ 10,221,563	\$ (8,046,279)	\$ (23,196,962)

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

## 2. Deferred Compensation

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions

footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$312,649 and teachers contributed \$206,334 to this deferred compensation pension plan.

#### **G. Other Postemployment Benefits (OPEB)**

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

#### **OPEB Provided through State Administered Public Entity Risk Pools**

##### **Discretely Presented McNairy County School Department**

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

The school department's total OPEB liability for the plan was measured as of June 30, 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 an average rating of AA/Aa as shown on the Bond Buyers 20-Year Municipal GO AA index closest to but not later than the measurement date.

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

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2024, valuations were the same as those employed in the July 1, 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 McNairy County School Department**

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

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

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

Inactive Employees Currently Receiving Benefits	20
Inactive Employees Entitled To But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	<u>338</u>
Total	<u><u>358</u></u>

A state insurance committee, created in accordance with Section 8-27-301, *TCA*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$160,086 to the LEP for OPEB benefits as they came due.

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

	Share of Collective Liability			Total OPEB Liability
	McNairy County	State of		
	School Department	TN		
	63.052%	36.948%		
Balance July 1, 2023	\$ 5,974,585	\$ 3,396,329	\$ 9,370,914	
Changes for the Year:				
Service Cost	\$ 263,243	\$ 154,258	\$ 417,501	
Interest	221,780	129,962	351,742	
Change in Benefit Terms	(592,683)	(347,308)	(939,991)	
Difference between Expected and Actuarial Experience	521,740	305,736	827,476	
Changes in Proportion	(66,036)	66,036	0	
Changes in Assumption	129,820	76,073	205,893	
Benefit Payments	(192,969)	(113,079)	(306,048)	
Net Changes	\$ 284,894	\$ 271,679	\$ 556,573	
Balance June 30, 2024	\$ 6,259,479	\$ 3,668,008	\$ 9,927,487	

The McNairy County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The McNairy County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$185,426 in revenue for subsidies provided by non-employer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the McNairy County School Department's proportionate share of the collective OPEB liability was 63.052 percent and the State of Tennessee's share was 36.948 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 \$391,258, 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	\$ 1,196,832	\$ 42,943
Changes in Proportion	31,425	259,718
Changes of Assumptions	1,137,605	514,485
Benefits Paid After the Measurement Date of June 30, 2024	<u>160,086</u>	0
<b>Total</b>	<b><u>\$ 2,525,948</u></b>	<b><u>\$ 817,146</u></b>

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	\$ 313,492
2027	313,492
2028	323,709
2029	299,774
2030	123,899
Thereafter	174,350

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%	Current Discount Rate	1%
	Decrease 2.93%	Increase 3.93%	4.93%
Proportionate Share of the Collective Total OPEB Liability	\$ 6,729,133	\$ 6,259,479	\$ 5,810,173

*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the school department’s proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability

would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

Healthcare Cost Trend Rate	Current		
	1%	Trend	1%
	Decrease	Rates	Increase
9.68 to 3.5%	10.68 to 4.5%	11.68 to 5.5%	
Proportionate Share of the Collective Total OPEB Liability	\$ 5,605,781	\$ 6,259,479	\$ 7,013,340

### **Closed Tennessee Plan – Medicare – Discretely Presented McNairy County School Department**

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

*Benefits Provided.* The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with Section 8-27-209, *TCA*, benefits of the TNM are established and amended by cooperation of insurance committees created by Sections 8-27-201, 8-27-301 and 8-27-701, *TCA*. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receive a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The McNairy County School Department provides a subsidy of \$17 per month for retirees with 30 or more years of service, retirees with 20-29 years of service receive \$16, retirees with 15-19 years of service receive \$15, and retirees with less than 15 years of service receive \$18. The state, as a governmental non-employer contributing entity, contributes to the premiums of eligible retirees of local education agencies based on years of service. The State of Tennessee provides a subsidy of \$50 per month for retirees with 30 or more years of service, retirees with 20-29 years of service receive \$38, and retirees with 15-19 years of service receive \$25.

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

Inactive Employees Currently Receiving Benefits	110
Inactive Employees Entitled To But Not Yet Receiving Benefits	42
Active Employees Eligible for Benefits	273
 Total	 425

In accordance with Section 8-27-209, *TCA*, the state insurance committees established by Sections 8-27-201, 8-27-301 and 8-27-701, *TCA*, determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants.

Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2025, the school department paid \$18,672 to the TNM for OPEB benefits as they came due.

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

	Share of Collective Liability		
	McNairy County School Department 25.645%	State of TN 74.356%	Total OPEB Liability
Balance July 1, 2023	\$ 648,307	\$ 1,286,605	\$ 1,934,912
Changes for the Year:			
Service Cost	\$ 8,490	\$ 24,618	\$ 33,108
Interest	18,075	52,408	70,483
Difference between Expected and Actuarial Experience	(49,396)	(143,222)	(192,618)
Change in Proportion	(152,112)	152,112	0
Changes in Assumption	(16,435)	(47,652)	(64,087)
Benefit Payments	(19,131)	(55,469)	(74,600)
Net Changes	\$ (210,508)	\$ (17,206)	\$ (227,714)
Balance June 30, 2024	\$ 437,799	\$ 1,269,399	\$ 1,707,198

The McNairy County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retirees participating in the TNM. The McNairy County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$1,363,218 in revenue for subsidies provided by non-employer contributing entities for benefits paid by the TNM for school department retirees.

During the year, the McNairy County School Department's proportionate share of the collective OPEB liability was 25.645 percent and the State of Tennessee's share was 74.356 percent.

*OPEB Expense (Negative OPEB Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2025, the school department recognized (negative) OPEB expense of (\$224,194) including the state's share of the OPEB 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 Expected and Actual Experience	\$ 8,920	\$ 87,441
Changes in Proportionate Share	217,227	1,912,333
Changes of Assumptions	82,202	137,255
Benefits Paid After the Measurement Date of June 30, 2024	<u>18,672</u>	0
<b>Total</b>	<b><u>\$ 327,021</u></b>	<b><u>\$ 2,137,029</u></b>

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	\$ (1,608,728)
2027	(117,347)
2028	(21,558)
2029	(57,535)
2030	(23,512)
Thereafter	0

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

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

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

  

Proportionate Share of the Collective Total OPEB Liability	\$ 500,826	\$ 437,799	\$ 385,744
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*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

## *H. Purchasing Laws*

### **Office of County Mayor**

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

### **Office of Highway Commissioner**

Section 54-7-113, *TCA*, (Uniform Road Law), governs purchasing procedures for the highway department. This statute requires all purchases exceeding \$25,000 to be made on the basis of publicly advertised competitive bids.

### **Office of Director of Schools**

Purchasing procedures for the discretely presented McNairy County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires that competitive bids be solicited through newspaper advertisement on all purchases estimated to exceed \$20,000.

## **REQUIRED SUPPLEMENTARY INFORMATION SECTION**

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

Primary Government

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total Pension Liability (Asset)</b>										
Service Cost	\$ 523,449	\$ 562,697	\$ 581,519	\$ 589,490	\$ 588,963	\$ 602,188	\$ 656,135	\$ 776,018	\$ 768,161	\$ 846,088
Interest	1,059,743	1,136,026	1,193,154	1,279,976	1,371,882	1,453,122	1,523,088	1,652,805	1,707,092	1,840,643
Differences Between Actual and Expected Experience	(106,163)	(374,167)	18,203	167,299	51,407	(178,398)	322,429	(510,395)	523,563	134,910
Changes of Assumptions	0	0	614,108	0	0	0	1,926,384	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(486,255)	(512,088)	(651,243)	(686,441)	(850,688)	(959,152)	(972,483)	(1,167,582)	(1,045,058)	(1,151,356)
Net Change in Total Pension Liability (Asset)	\$ 990,774	\$ 812,468	\$ 1,755,741	\$ 1,350,324	\$ 1,161,564	\$ 917,760	\$ 3,455,553	\$ 750,846	\$ 1,953,758	\$ 1,670,285
Total Pension Liability (Asset), Beginning	13,849,585	14,840,359	15,652,827	17,408,568	18,758,892	19,920,456	20,838,216	24,293,769	25,044,615	26,998,373
Total Pension Liability (Asset), Ending (a)	\$ 14,840,359	\$ 15,652,827	\$ 17,408,568	\$ 18,758,892	\$ 19,920,456	\$ 20,838,216	\$ 24,293,769	\$ 25,044,615	\$ 26,998,373	\$ 28,668,658
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 397,514	\$ 403,328	\$ 412,547	\$ 408,406	\$ 406,188	\$ 427,832	\$ 456,566	\$ 448,738	\$ 503,695	\$ 541,730
Contributions - Employee	378,560	384,121	392,901	388,955	386,844	407,458	434,825	427,369	493,864	515,932
Net Investment Income	463,324	418,276	1,857,916	1,523,206	1,479,399	1,052,841	5,712,853	(1,057,393)	1,773,138	2,737,594
Benefit Payments, Including Refunds of Employee Contributions	(486,255)	(512,088)	(651,243)	(686,441)	(850,688)	(959,152)	(972,483)	(1,167,582)	(1,045,058)	(1,151,356)
Administrative Expense	(19,003)	(27,777)	(30,723)	(33,442)	(30,469)	(31,324)	(30,824)	(33,801)	(34,702)	(42,947)
Other	0	1,337	240	0	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 734,140	\$ 667,197	\$ 1,981,638	\$ 1,600,684	\$ 1,391,274	\$ 897,655	\$ 5,600,937	\$ (1,382,669)	\$ 1,690,937	\$ 2,600,953
Plan Fiduciary Net Position, Beginning	14,928,880	15,663,020	16,330,217	18,311,855	19,912,539	21,303,813	22,201,468	27,802,405	26,419,736	28,110,673
Plan Fiduciary Net Position, Ending (b)	\$ 15,663,020	\$ 16,330,217	\$ 18,311,855	\$ 19,912,539	\$ 21,303,813	\$ 22,201,468	\$ 27,802,405	\$ 26,419,736	\$ 28,110,673	\$ 30,711,626
Net Pension Liability (Asset), Ending (a - b)	\$ (822,661)	\$ (677,390)	\$ (903,287)	\$ (1,153,647)	\$ (1,383,357)	\$ (1,363,252)	\$ (3,508,636)	\$ (1,375,121)	\$ (1,112,300)	\$ (2,042,968)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.54%	104.33%	105.19%	106.15%	106.94%	106.54%	114.44%	105.49%	104.12%	107.13%
Covered Payroll	\$ 7,571,687	\$ 7,684,750	\$ 7,858,977	\$ 7,779,168	\$ 7,736,918	\$ 8,151,256	\$ 8,696,472	\$ 8,547,356	\$ 9,594,180	\$ 10,318,635
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(10.86)%	(8.81)%	(11.49)%	(14.83)%	(17.88)%	(16.72)%	(40.35)%	(16.09)%	(11.59)%	(19.80)%

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

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

Primary Government

**For the Fiscal Year Ended June 30**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Actuarially Determined Contribution	\$ 403,328	\$ 213,764	\$ 231,819	\$ 230,560	\$ 257,514	\$ 274,809	\$ 270,098	\$ 440,373	\$ 473,627	\$ 509,833
Less: Contributions in Relation to the Actuarially Determined Contribution	(403,328)	(412,547)	(408,406)	(406,188)	(427,832)	(456,566)	(448,738)	(503,695)	(541,730)	(583,142)
Contribution Deficiency (Excess)	\$ 0	\$ (198,783)	\$ (176,587)	\$ (175,628)	\$ (170,318)	\$ (181,757)	\$ (178,640)	\$ (63,322)	\$ (68,103)	\$ (73,309)
Covered Payroll	\$ 7,684,750	\$ 7,858,977	\$ 7,779,168	\$ 7,736,918	\$ 8,151,256	\$ 8,696,472	\$ 8,547,356	\$ 9,594,180	\$ 10,318,635	\$ 11,107,474
Contributions as a Percentage of Covered Payroll	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%

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

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

Discretely Presented McNairy County School Department

**For the Fiscal Year Ended June 30**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Contractually Required Contribution	\$ 39,880	\$ 74,511	\$ 80,380	\$ 50,404	\$ 59,053	\$ 69,645	\$ 79,600	\$ 143,404	\$ 172,154	\$ 188,659
Less: Contributions in Relation to the Contractually Required Contribution	(39,880)	(74,511)	(80,380)	(50,404)	(59,053)	(69,645)	(79,600)	(143,404)	(172,154)	(188,659)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 997,001	\$ 1,862,766	\$ 2,009,496	\$ 2,598,118	\$ 2,909,012	\$ 3,447,781	\$ 3,956,265	\$ 4,996,650	\$ 5,835,746	\$ 6,288,617
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%	2.95%	3.00%

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

2019: Pension - 1.94%, SRT - 2.02%

2020: Pension - 2.03%, SRT - 1.97%

2021: Pension - 2.02%, SRT - 1.98%

2022: Pension - 2.01%, SRT - 1.99%

2023: Pension - 2.87%, SRT - 1.13%

2024: Pension - 2.95%, SRT - 1.05%

2025: Pension - 3.00%, SRT - 1.00%

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

Discretely Presented McNairy County School Department

**For the Fiscal Year Ended June 30**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Contractually Required Contribution	\$ 1,459,059	\$ 1,414,531	\$ 1,425,666	\$ 1,640,994	\$ 1,622,321	\$ 1,617,718	\$ 1,584,200	\$ 1,333,826	\$ 1,053,168	\$ 1,008,924
Less: Contributions in Relation to the Contractually Required Contribution	(1,459,059)	(1,414,531)	(1,425,666)	(1,640,994)	(1,622,321)	(1,617,718)	(1,584,200)	(1,333,826)	(1,053,168)	(1,008,924)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 16,140,062	\$ 15,647,497	\$ 15,701,163	\$ 15,688,241	\$ 15,261,709	\$ 15,751,832	\$ 15,384,501	\$ 15,348,960	\$ 15,465,024	\$ 15,860,290
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%	6.81%	6.36%

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

Discretely Presented McNairy County School Department

**For the Fiscal Year Ended June 30**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.293138%	0.226590%	0.283812%	0.229951%	0.245525%	0.230523%	0.238895%	0.231901%	0.251209%	0.248419%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (12,041)	\$ (23,589)	\$ (74,880)	\$ (104,289)	\$ (138,595)	\$ (131,085)	\$ (258,774)	\$ (70,249)	\$ (106,521)	\$ (177,025)
Covered Payroll	\$ 621,907	\$ 997,001	\$ 1,862,766	\$ 2,009,496	\$ 2,598,118	\$ 2,909,012	\$ 3,447,781	\$ 3,956,265	\$ 4,996,650	\$ 5,835,746
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.33)%	(4.51)%	(7.51)%	(1.78)%	(2.13)%	(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%

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

Discretely Presented McNairy County School Department

**For the Fiscal Year Ended June 30**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.428261%	0.447117%	0.442650%	0.448390%	0.467868%	0.458550%	0.479923%	0.467362%	0.472997%	0.467030%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ 175,431	\$ 2,794,236	\$ (144,827)	\$ (1,577,848)	\$ (4,810,522)	\$ (3,496,780)	\$ (20,700,217)	\$ (5,731,747)	\$ (5,576,511)	\$ (8,046,279)
Covered Payroll	\$ 16,031,992	\$ 16,140,062	\$ 15,647,497	\$ 15,701,163	\$ 15,688,241	\$ 15,261,709	\$ 15,751,832	\$ 15,384,501	\$ 15,348,960	\$ 15,465,024
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	1.94253%	17.31%	(0.93)%	(10.05)%	(30.66)%	(22.91)%	(131.41)%	(37.26)%	(36.33)%	(52.03)%
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%

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

Discretely Presented McNairy County School Department

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total OPEB Liability</b>								
Service Cost	\$ 569,825	\$ 527,746	\$ 307,266	\$ 295,025	\$ 373,148	\$ 492,930	\$ 374,694	\$ 417,501
Interest	270,661	330,540	208,045	218,121	158,954	195,576	299,115	351,742
Changes in Benefit Terms	0	(6,822,040)	568,394	0	0	0	0	(939,991)
Differences Between Actual and Expected Experience	0	2,787,329	122,134	(104,391)	247,446	(33,686)	43,426	827,476
Changes in Assumptions or Other Inputs	(429,330)	181,006	(472,583)	746,029	1,238,192	(843,438)	736,608	205,893
Benefit Payments	(326,393)	(380,546)	(265,465)	(241,932)	(266,836)	(284,327)	(312,919)	(306,048)
Net Change in Total OPEB Liability	\$ 84,763	\$ (3,375,965)	\$ 467,791	\$ 912,852	\$ 1,750,904	\$ (472,945)	\$ 1,140,924	\$ 556,573
Total OPEB Liability, Beginning	8,862,590	8,947,353	5,571,388	6,039,179	6,952,031	6,952,031	8,702,935	8,229,990
Total OPEB Liability, Ending	\$ 8,947,353	\$ 5,571,388	\$ 6,039,179	\$ 6,952,031	\$ 8,702,935	\$ 8,229,990	\$ 9,370,914	\$ 9,927,487
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,878,632	\$ 1,872,521	\$ 2,002,972	\$ 2,184,016	\$ 2,866,113	\$ 2,836,278	\$ 3,396,329	\$ 3,668,008
Employer Proportionate Share of the Total OPEB Liability	6,068,721	3,698,867	4,036,207	4,768,015	5,836,822	5,393,712	5,974,585	6,259,479
Covered Employee Payroll	\$ 20,095,095	\$ 19,865,769	\$ 21,321,986	\$ 20,342,368	\$ 19,719,720	\$ 20,216,211	\$ 20,720,460	\$ 21,395,476
Net OPEB Liability as a Percentage of Covered Employee Payroll	30.20%	18.62%	18.93%	23.44%	29.60%	26.68%	28.83%	29.26%

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%
2024	3.93%

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

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

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

**McNAIRY COUNTY, TENNESSEE****Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare**

Discretely Presented McNairy County School Department

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total OPEB Liability</b>								
Service Cost	\$ 1,354,436	\$ 1,096,992	\$ 22,858	\$ 46,962	\$ 68,517	\$ 61,359	\$ 37,162	\$ 33,108
Interest	485,516	576,911	52,605	71,266	54,669	49,385	65,664	70,483
Changes in Benefit Terms	0	(14,467,321)	0	0	0	0	0	0
Differences Between Actual and Expected Experience	0	(740,374)	(106)	(66,749)	(64,457)	(49,796)	52,621	(192,618)
Changes in Assumptions or Other Inputs	(1,821,928)	(19,867)	544,023	438,905	(172,200)	(400,887)	(3,607)	(64,087)
Benefit Payments	(178,700)	(186,235)	(63,097)	(69,564)	(67,404)	(66,040)	(68,771)	(74,600)
Net Change in Total OPEB Liability	\$ (160,676)	\$ (13,739,894)	\$ 556,283	\$ 420,820	\$ (180,875)	\$ (405,979)	\$ 83,069	\$ (227,714)
Total OPEB Liability, Beginning	\$ 15,362,164	\$ 15,201,488	\$ 1,461,594	\$ 2,017,877	\$ 2,438,697	\$ 2,438,697	\$ 2,257,822	\$ 1,851,843
Total OPEB Liability, Ending	\$ 15,201,488	\$ 1,461,594	\$ 2,017,877	\$ 2,438,697	\$ 2,257,822	\$ 1,851,843	\$ 1,934,912	\$ 1,707,198
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,575,953	\$ 1,273,446	\$ 1,348,842	\$ 1,621,944	\$ 1,494,268	\$ 1,214,772	\$ 1,286,605	\$ 1,269,399
Employer Proportionate Share of the Total OPEB Liability	13,625,535	188,148	669,035	816,753	763,554	637,071	648,307	437,799
Covered Employee Payroll	\$ 20,095,095	\$ 19,865,769	\$ 21,321,986	\$ 20,342,368	\$ 19,719,720	\$ 20,216,211	\$ 20,720,460	\$ 21,395,476
Net OPEB Liability as a Percentage of Covered Employee Payroll	67.81%	0.95%	3.14%	4.02%	3.87%	3.15%	3.13%	2.05%

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%
2024	3.93%

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

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

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

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

Methods and assumptions used to determine contribution rates:

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

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

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## COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

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

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

**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

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*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.*

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

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

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

	Special Revenue Funds						Constitu - tional Officers - Fees	Total
	Law Library	Special Purpose	Drug Control	Other General Government				
<b>ASSETS</b>								
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 986	\$ 986		
Equity in Pooled Cash and Investments	8,590	312,332	113,158	1,258,440	0	1,692,520		
Accounts Receivable	0	0	0	0	0	0		
Property Taxes Receivable	0	0	0	0	0	0		
Allowance for Uncollectible Property Taxes	0	0	0	0	0	0		
Leases Receivable - Long-term	0	266,671	0	0	0	266,671		
<b>Total Assets</b>	<b>\$ 8,590</b>	<b>\$ 579,003</b>	<b>\$ 113,158</b>	<b>\$ 1,258,440</b>	<b>\$ 986</b>	<b>\$ 1,960,177</b>		
<b>LIABILITIES</b>								
Accounts Payable	\$ 0	\$ 63,531	\$ 0	\$ 4,180	\$ 0	\$ 67,711		
Due to Other Funds	0	0	0	0	986	986		
<b>Total Liabilities</b>	<b>\$ 0</b>	<b>\$ 63,531</b>	<b>\$ 0</b>	<b>\$ 4,180</b>	<b>\$ 986</b>	<b>\$ 68,697</b>		

(Continued)

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

	Special Revenue Funds					
	Law Library	Special Purpose	Drug Control	Other General Government	Constitu - tional Officers - Fees	Total
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Deferred Delinquent Property Taxes	0	0	0	0	0	0
Deferred Leases Receivable	0	266,671	0	0	0	266,671
Total Deferred Inflows of Resources	\$ 0	\$ 266,671	\$ 0	\$ 0	\$ 0	266,671

**FUND BALANCES**

## Restricted:

Restricted for General Government	\$ 0	\$ 14,704	\$ 0	\$ 0	\$ 0	\$ 14,704
Restricted for General Government - American Rescue Plan Act	0	0	0	1,254,260	0	1,254,260
Restricted for Public Safety	0	0	113,158	0	0	113,158
Restricted for Social, Cultural, and Recreational Services	8,590	0	0	0	0	8,590
Restricted for Highways/Public Works	0	0	0	0	0	0

## Committed:

Committed for General Government	0	234,097	0	0	0	234,097
Committed for Agriculture and Natural Resources	0	0	0	0	0	0
Committed for Highways/Public Works	0	0	0	0	0	0
Total Fund Balances	\$ 8,590	\$ 248,801	\$ 113,158	\$ 1,254,260	\$ 0	\$ 1,624,809

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

\$ 8,590	\$ 579,003	\$ 113,158	\$ 1,258,440	\$ 986	\$ 1,960,177
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(Continued)

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

	<b>Capital Projects Funds</b>			<b>Total Nonmajor Governmental Funds</b>
	<b>Community Development/ Industrial Park</b>	<b>Highway Capital Projects</b>	<b>Total</b>	
<b>ASSETS</b>				
Cash	\$ 0	\$ 0	\$ 0	\$ 986
Equity in Pooled Cash and Investments	9,963	571,839	581,802	2,274,322
Accounts Receivable	0	27	27	27
Property Taxes Receivable	0	158,653	158,653	158,653
Allowance for Uncollectible Property Taxes	0	(8,825)	(8,825)	(8,825)
Leases Receivable - Long-term	0	0	0	266,671
<b>Total Assets</b>	<b>\$ 9,963</b>	<b>\$ 721,694</b>	<b>\$ 731,657</b>	<b>\$ 2,691,834</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 67,711
Due to Other Funds	0	0	0	986
<b>Total Liabilities</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 68,697</b>

(Continued)

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

	<b>Capital Projects Funds</b>			Total
	Community Development/ Industrial Park	Highway Capital Projects	Total	Nonmajor Governmental Funds
Deferred Current Property Taxes	\$ 0	\$ 145,513	\$ 145,513	\$ 145,513
Deferred Delinquent Property Taxes	0	3,952	3,952	3,952
Deferred Leases Receivable	0	0	0	266,671
Total Deferred Inflows of Resources	\$ 0	\$ 149,465	\$ 149,465	\$ 416,136

**FUND BALANCES**

## Restricted:

Restricted for General Government	\$ 0	\$ 0	\$ 0	\$ 14,704
Restricted for General Government - American Rescue Plan Act	0	0	0	1,254,260
Restricted for Public Safety	0	0	0	113,158
Restricted for Social, Cultural, and Recreational Services	0	0	0	8,590
Restricted for Highways/Public Works	0	416,370	416,370	416,370

## Committed:

Committed for General Government	0	0	0	234,097
Committed for Agriculture and Natural Resources	9,963	0	9,963	9,963
Committed for Highways/Public Works	0	155,859	155,859	155,859
Total Fund Balances	\$ 9,963	\$ 572,229	\$ 582,192	\$ 2,207,001
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,963	\$ 721,694	\$ 731,657	\$ 2,691,834

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

<b>Special Revenue Funds</b>						
	Law Library	Special Purpose	Drug Control	Other General Government	Constitu - tional Officers - Fees	Total
<b>Revenues</b>						
Local Taxes	\$ 1,955	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,955
Fines, Forfeitures, and Penalties	0	0	54,413	0	0	54,413
Charges for Current Services	1,450	0	0	0	3,378	4,828
Other Local Revenues	0	133,336	0	2,377	0	135,713
Total Revenues	\$ 3,405	\$ 133,336	\$ 54,413	\$ 2,377	\$ 3,378	\$ 196,909
<b>Expenditures</b>						
Current:						
General Government	\$ 0	\$ 154,580	\$ 0	\$ 0	\$ 0	\$ 154,580
Administration of Justice	0	0	0	0	3,378	3,378
Public Safety	0	0	81,346	0	0	81,346
Social, Cultural, and Recreational Services	3,333	0	0	0	0	3,333
Agriculture and Natural Resources	0	0	0	0	0	0
Other Operations	0	1,736	0	128,877	0	130,613
Highways	0	0	0	0	0	0
Total Expenditures	\$ 3,333	\$ 156,316	\$ 81,346	\$ 128,877	\$ 3,378	\$ 373,250

(Continued)

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

	<b>Special Revenue Funds</b>					<b>Constitu - tional Officers - Fees</b>	<b>Total</b>
	<b>Law Library</b>	<b>Special Purpose</b>	<b>Drug Control</b>	<b>Other General Government</b>			
Excess (Deficiency) of Revenues Over Expenditures	\$ 72	\$ (22,980)	\$ (26,933)	\$ (126,500)	\$ 0	\$ (176,341)	
<b>Other Financing Sources (Uses)</b>							
Insurance Recovery	\$ 0	\$ 2,199	\$ 0	\$ 0	\$ 0	\$ 2,199	
Transfers In	0	0	0	0	0	0	
Transfers Out	0	0	0	(167,367)	0	(167,367)	
Total Other Financing Sources (Uses)	\$ 0	\$ 2,199	\$ 0	\$ (167,367)	\$ 0	\$ (165,168)	
Net Change in Fund Balances	\$ 72	\$ (20,781)	\$ (26,933)	\$ (293,867)	\$ 0	\$ (341,509)	
Fund Balance, July 1, 2024	8,518	269,582	140,091	1,548,127	0	1,966,318	
Fund Balance, June 30, 2025	\$ 8,590	\$ 248,801	\$ 113,158	\$ 1,254,260	\$ 0	\$ 1,624,809	

(Continued)

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

<b>Capital Projects Funds</b>				<b>Total Nonmajor Governmental Funds</b>
<b>Community Development/ Industrial Park</b>	<b>Highway Capital Projects</b>	<b>Total</b>		
<b>Revenues</b>				
Local Taxes	\$ 0	\$ 155,079	\$ 155,079	\$ 157,034
Fines, Forfeitures, and Penalties	0	0	0	54,413
Charges for Current Services	0	0	0	4,828
Other Local Revenues	0	0	0	135,713
<b>Total Revenues</b>	<b>\$ 0</b>	<b>\$ 155,079</b>	<b>\$ 155,079</b>	<b>\$ 351,988</b>
<b>Expenditures</b>				
Current:				
General Government	\$ 0	\$ 0	\$ 0	\$ 154,580
Administration of Justice	0	0	0	3,378
Public Safety	0	0	0	81,346
Social, Cultural, and Recreational Services	0	0	0	3,333
Agriculture and Natural Resources	5,370	0	5,370	5,370
Other Operations	0	0	0	130,613
Highways	0	384,347	384,347	384,347
<b>Total Expenditures</b>	<b>\$ 5,370</b>	<b>\$ 384,347</b>	<b>\$ 389,717</b>	<b>\$ 762,967</b>

(Continued)

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

	<b>Capital Projects Funds</b>			<b>Total</b>
	<b>Community Development/ Industrial Park</b>	<b>Highway Capital Projects</b>	<b>Total</b>	<b>Nonmajor Governmental Funds</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,370)	\$ (229,268)	\$ (234,638)	\$ (410,979)
<b>Other Financing Sources (Uses)</b>				
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 2,199
Transfers In	10,000	0	10,000	10,000
Transfers Out	0	0	0	(167,367)
Total Other Financing Sources (Uses)	\$ 10,000	\$ 0	\$ 10,000	\$ (155,168)
Net Change in Fund Balances	\$ 4,630	\$ (229,268)	\$ (224,638)	\$ (566,147)
Fund Balance, July 1, 2024	5,333	801,497	806,830	2,773,148
Fund Balance, June 30, 2025	\$ 9,963	\$ 572,229	\$ 582,192	\$ 2,207,001

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

Law Library Fund

**For the Year Ended June 30, 2025**

	<b>Actual</b>	<b>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
		<b>Original</b>	<b>Final</b>	
<b>Revenues</b>				
Local Taxes	\$ 1,955	\$ 3,400	\$ 3,400	\$ (1,445)
Charges for Current Services	1,450	0	0	1,450
Total Revenues	<u>\$ 3,405</u>	<u>\$ 3,400</u>	<u>\$ 3,400</u>	<u>5</u>
<b>Expenditures</b>				
Social, Cultural, and Recreational Services				
Libraries	\$ 3,333	\$ 3,400	\$ 3,400	\$ 67
Total Expenditures	<u>\$ 3,333</u>	<u>\$ 3,400</u>	<u>\$ 3,400</u>	<u>67</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 72	\$ 0	\$ 0	\$ 72
Net Change in Fund Balance				
Fund Balance, July 1, 2024	\$ 8,518	\$ 8,753	\$ 8,753	\$ (235)
Fund Balance, June 30, 2025	<u>\$ 8,590</u>	<u>\$ 8,753</u>	<u>\$ 8,753</u>	<u>(163)</u>

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

Special Purpose Fund

**For the Year Ended June 30, 2025**

	<b>Actual</b>	<b>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
		<b>Original</b>	<b>Final</b>	
<b>Revenues</b>				
Other Local Revenues	\$ 133,336	\$ 133,336	\$ 133,336	\$ 0
Total Revenues	\$ 133,336	\$ 133,336	\$ 133,336	\$ 0
<b>Expenditures</b>				
General Government				
Other Facilities	\$ 154,580	\$ 114,218	\$ 189,216	\$ 34,636
Other Operations				
Employee Benefits	1,736	1,736	1,738	2
Total Expenditures	\$ 156,316	\$ 115,954	\$ 190,954	\$ 34,638
Excess (Deficiency) of Revenues Over Expenditures	\$ (22,980)	\$ 17,382	\$ (57,618)	\$ 34,638
<b>Other Financing Sources (Uses)</b>				
Insurance Recovery	\$ 2,199	\$ 0	\$ 0	\$ 2,199
Total Other Financing Sources	\$ 2,199	\$ 0	\$ 0	\$ 2,199
Net Change in Fund Balance	\$ (20,781)	\$ 17,382	\$ (57,618)	\$ 36,837
Fund Balance, July 1, 2024	269,582	445,221	445,221	(175,639)
Fund Balance, June 30, 2025	\$ 248,801	\$ 462,603	\$ 387,603	\$ (138,802)

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

Drug Control Fund

**For the Year Ended June 30, 2025**

	<b>Actual</b>	<b>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
		<b>Original</b>	<b>Final</b>	
<b>Revenues</b>				
Fines, Forfeitures, and Penalties	\$ 54,413	\$ 32,000	\$ 32,000	\$ 22,413
Other Local Revenues	0	50,000	50,000	(50,000)
<b>Total Revenues</b>	<b>\$ 54,413</b>	<b>\$ 82,000</b>	<b>\$ 82,000</b>	<b>\$ (27,587)</b>
<b>Expenditures</b>				
Public Safety				
Drug Enforcement	\$ 81,346	\$ 70,000	\$ 84,000	\$ 2,654
<b>Total Expenditures</b>	<b>\$ 81,346</b>	<b>\$ 70,000</b>	<b>\$ 84,000</b>	<b>\$ 2,654</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (26,933)	\$ 12,000	\$ (2,000)	\$ (24,933)
Net Change in Fund Balance	\$ (26,933)	\$ 12,000	\$ (2,000)	\$ (24,933)
Fund Balance, July 1, 2024	140,091	138,540	138,540	1,551
<b>Fund Balance, June 30, 2025</b>	<b>\$ 113,158</b>	<b>\$ 150,540</b>	<b>\$ 136,540</b>	<b>\$ (23,382)</b>

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

Other General Government Fund

**For the Year Ended June 30, 2025**

	<b>Actual</b>	<b>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
		<b>Original</b>	<b>Final</b>	
<b>Revenues</b>				
Other Local Revenues	\$ 2,377	\$ 0	\$ 0	\$ 2,377
Total Revenues	<u>\$ 2,377</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,377</u>
<b>Expenditures</b>				
Other Operations				
Other Economic and Community Development	\$ 128,877	\$ 1,500,000	\$ 1,500,000	\$ 1,371,123
Total Expenditures	<u>\$ 128,877</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,371,123</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (126,500)</u>	<u>\$ (1,500,000)</u>	<u>\$ (1,500,000)</u>	<u>\$ 1,373,500</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	\$ (167,367)	\$ 0	\$ (167,367)	\$ 0
Total Other Financing Sources	<u>\$ (167,367)</u>	<u>\$ 0</u>	<u>\$ (167,367)</u>	<u>\$ 0</u>
Net Change in Fund Balance Fund Balance, July 1, 2024	<u>\$ (293,867)</u>	<u>\$ (1,500,000)</u>	<u>\$ (1,667,367)</u>	<u>\$ 1,373,500</u>
Fund Balance, June 30, 2025	<u>\$ 1,254,260</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,254,260</u>

**McNAIRY COUNTY, TENNESSEE**

**Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget**  
Highway Capital Projects Fund  
**For the Year Ended June 30, 2025**

	<b>Actual</b>	<b>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
		<b>Original</b>	<b>Final</b>	
<b>Revenues</b>				
Local Taxes	\$ 155,079	\$ 156,124	\$ 156,124	\$ (1,045)
Total Revenues	\$ 155,079	\$ 156,124	\$ 156,124	\$ (1,045)
<b>Expenditures</b>				
Highways				
Other Charges	\$ 3,037	\$ 0	\$ 0	\$ (3,037)
Capital Outlay	381,310	798,629	798,629	417,319
Total Expenditures	\$ 384,347	\$ 798,629	\$ 798,629	\$ 414,282
Excess (Deficiency) of Revenues Over Expenditures	\$ (229,268)	\$ (642,505)	\$ (642,505)	\$ 413,237
Net Change in Fund Balance Fund Balance, July 1, 2024	\$ (229,268)	\$ (642,505)	\$ (642,505)	\$ 413,237
Fund Balance, June 30, 2025	\$ 801,497	\$ 642,505	\$ 642,505	\$ 158,992
	<b>\$ 572,229</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 572,229</b>

## MAJOR GOVERNMENTAL FUND

### GENERAL DEBT SERVICE FUND

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*The General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.*

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

General Debt Service Fund

**For the Year Ended June 30, 2025**

	<b>Actual</b>	<b>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
		<b>Original</b>	<b>Final</b>	
<b>Revenues</b>				
Local Taxes	\$ 653,654	\$ 611,280	\$ 611,280	\$ 42,374
Other Local Revenues	67,804	0	0	67,804
Other Governments and Citizens Groups	1,309,768	0	1,309,768	0
<b>Total Revenues</b>	<b>\$ 2,031,226</b>	<b>\$ 611,280</b>	<b>\$ 1,921,048</b>	<b>\$ 110,178</b>
<b>Expenditures</b>				
Principal on Debt				
General Government	\$ 300,000	\$ 321,000	\$ 300,000	\$ 0
Highways and Streets	565,000	565,000	565,000	0
Education	679,252	679,252	679,602	350
Interest on Debt				
General Government	67,564	67,563	67,563	(1)
Highways and Streets	181,488	181,488	181,488	0
Education	630,516	630,866	630,516	0
Other Debt Service				
General Government	13,880	1,000	20,450	6,570
Education	1,550	0	1,550	0
<b>Total Expenditures</b>	<b>\$ 2,439,250</b>	<b>\$ 2,446,169</b>	<b>\$ 2,446,169</b>	<b>\$ 6,919</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (408,024)	\$ (1,834,889)	\$ (525,121)	\$ 117,097
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$ 181,488	\$ 2,338,982	\$ 1,029,214	\$ (847,726)
<b>Total Other Financing Sources</b>	<b>\$ 181,488</b>	<b>\$ 2,338,982</b>	<b>\$ 1,029,214</b>	<b>\$ (847,726)</b>
Net Change in Fund Balance Fund Balance, July 1, 2024	\$ (226,536)	\$ 504,093	\$ 504,093	\$ (730,629)
	5,571,233	5,172,961	5,172,961	398,272
<b>Fund Balance, June 30, 2025</b>	<b>\$ 5,344,697</b>	<b>\$ 5,677,054</b>	<b>\$ 5,677,054</b>	<b>\$ (332,357)</b>

## CUSTODIAL FUNDS

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

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

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

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

	<b>Custodial Funds</b>			
	Constitu -	tional	Officers -	Tax Custodial
	Cities -	Sales	Officers -	Total
<b>ASSETS</b>				
Cash	\$ 0	\$ 1,360,334	\$ 1,360,334	
Accounts Receivable	0	234	234	
Due from Other Governments	431,374	0	431,374	
<b>Total Assets</b>	<b>\$ 431,374</b>	<b>\$ 1,360,568</b>	<b>\$ 1,791,942</b>	
<b>LIABILITIES</b>				
Due to Other Taxing Units	\$ 431,374	\$ 0	\$ 431,374	
<b>Total Liabilities</b>	<b>\$ 431,374</b>	<b>\$ 0</b>	<b>\$ 431,374</b>	
<b>NET POSITION</b>				
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 1,360,568	\$ 1,360,568	
<b>Total Net Position</b>	<b>\$ 0</b>	<b>\$ 1,360,568</b>	<b>\$ 1,360,568</b>	

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

		<b>Custodial Funds</b>		
		Constitu -	tional	
Cities -	Sales	Officers -	Custodial	Total
Tax				
<b>Additions</b>				
Sales Tax Collections for Other Governments	\$ 2,506,219	\$ 0	\$ 2,506,219	
Fines/Fees and Other Collections	0	7,312,464	7,312,464	
<b>Total Additions</b>	<b>\$ 2,506,219</b>	<b>\$ 7,312,464</b>	<b>\$ 9,818,683</b>	
<b>Deductions</b>				
Payment of Sales Tax Collections for Other Governments	\$ 2,506,219	\$ 0	\$ 2,506,219	
Payments to State	0	3,848,538	3,848,538	
Payments to Cities, Individuals and Others	0	3,386,927	3,386,927	
<b>Total Deductions</b>	<b>\$ 2,506,219</b>	<b>\$ 7,235,465</b>	<b>\$ 9,741,684</b>	
Change in Net Position	\$ 0	\$ 76,999	\$ 76,999	
Net Position July 1, 2024	0	1,283,569	1,283,569	
<b>Net Position June 30, 2025</b>	<b>\$ 0</b>	<b>\$ 1,360,568</b>	<b>\$ 1,360,568</b>	

# McNAIRY COUNTY SCHOOL DEPARTMENT

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

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

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

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

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

**MCNAIRY COUNTY, TENNESSEE****Statement of Activities**

Discretely Presented McNairy 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	\$ 33,001,202	\$ 85,538	\$ 5,893,510	\$ 704,566	\$	(26,317,588)
Support Services	13,267,052	63,050	1,970,522	0		(11,233,480)
Operation of Non-instructional Services	5,693,666	13,211	4,400,156	0		(1,280,299)
<b>Total Governmental Activities</b>	<b>\$ 51,961,920</b>	<b>\$ 161,799</b>	<b>\$ 12,264,188</b>	<b>\$ 704,566</b>	<b>\$</b>	<b>(38,831,367)</b>
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$	3,404,958
Local Option Sales Taxes						3,184,101
Other Local Taxes						2,382
Grants and Contributions Not Restricted to Specific Programs						33,432,466
Miscellaneous						326,497
<b>Total General Revenues</b>					<b>\$</b>	<b>40,350,404</b>
Change in Net Position						
Net Position, July 1, 2024					\$	1,519,037
Restatement - See Note I.D.10.						54,615,473
Restatement - See Note I.D.11.						(3,253,566)
						(456,776)
<b>Net Position, June 30, 2025</b>					<b>\$</b>	<b>52,424,168</b>

**McNAIRY COUNTY, TENNESSEE****Balance Sheet - Governmental Funds**Discretely Presented McNairy County School Department  
June 30, 2025

	<b>Major Funds</b>			<b>Nonmajor Funds</b>	
	General Purpose School	Central Cafeteria	Other Governmental Funds	Total Governmental Funds	
<b>ASSETS</b>					
Cash	\$ 0	\$ 0	\$ 1,255,784	\$ 1,255,784	
Equity in Pooled Cash and Investments	5,854,428	2,044,717	36,849	7,935,994	
Accounts Receivable	6,515	121	5,579	12,215	
Due from Other Governments	2,471,725	33,761	107	2,505,593	
Due from Primary Government	1,054	0	0	1,054	
Property Taxes Receivable	3,253,233	0	0	3,253,233	
Allowance for Uncollectible Property Taxes	(186,016)	0	0	(186,016)	
Restricted Assets	569,264	0	0	569,264	
<b>Total Assets</b>	<b>\$ 11,970,203</b>	<b>\$ 2,078,599</b>	<b>\$ 1,298,319</b>	<b>\$ 15,347,121</b>	
<b>LIABILITIES</b>					
Payroll Deductions Payable	\$ 82,051	\$ 8,058	\$ 0	\$ 90,109	
Due to State of Tennessee	0	0	702	702	
<b>Total Liabilities</b>	<b>\$ 82,051</b>	<b>\$ 8,058</b>	<b>\$ 702</b>	<b>\$ 90,811</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Current Property Taxes	\$ 2,973,502	\$ 0	\$ 0	\$ 2,973,502	
Deferred Delinquent Property Taxes	85,826	0	0	85,826	
Other Deferred/Unavailable Revenue	272,927	0	0	272,927	
<b>Total Deferred Inflows of Resources</b>	<b>\$ 3,332,255</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,332,255</b>	
<b>FUND BALANCES</b>					
Restricted:					
Restricted for Education	\$ 70,561	\$ 0	\$ 1,262,617	\$ 1,333,178	
Restricted for Operation of Non-instructional Services	0	2,070,541	0	2,070,541	
Restricted for Hybrid Retirement Stabilization Funds	569,264	0	0	569,264	
Assigned:					
Assigned for Education	0	0	35,000	35,000	
Unassigned	7,916,072	0	0	7,916,072	
<b>Total Fund Balances</b>	<b>\$ 8,555,897</b>	<b>\$ 2,070,541</b>	<b>\$ 1,297,617</b>	<b>\$ 11,924,055</b>	
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 11,970,203</b>	<b>\$ 2,078,599</b>	<b>\$ 1,298,319</b>	<b>\$ 15,347,121</b>	

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

Discretely Presented McNairy County School Department

**June 30, 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)		\$ 11,924,055
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,291,479	
Add: buildings and improvements net of accumulated depreciation	27,880,942	
Add: other capital assets net of accumulated depreciation	<u>6,625,773</u>	35,798,194
(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	\$ (437,993)	
Less: net OPEB liability	<u>(6,697,278)</u>	(7,135,271)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 4,311,465	
Less: deferred inflows of resources related to pensions	(1,995,610)	
Add: deferred outflows of resources related to OPEB	2,852,969	
Less: deferred inflows of resources related to OPEB	<u>(2,954,175)</u>	2,214,649
(4) Net pension assets are not current financial resources and therefore are not reported in governmental funds.		
Add: net pension asset - agent plan	\$ 1,040,484	
Add: net pension asset - teacher retirement plan	177,025	
Add: net pension asset - teacher legacy pension plan	<u>8,046,279</u>	9,263,788
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		
Net position of governmental activities (Exhibit A)		<u>\$ 52,424,168</u>

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

	<b>Major Funds</b>			<b>Nonmajor Funds</b>		<b>Total Governmental Funds</b>
	<i>Formerly Major School</i>	<i>Federal Projects</i>	<i>Central Cafeteria</i>	<i>Other Govern- mental Funds</i>		
	General Purpose School					
<b>Revenues</b>						
Local Taxes	\$ 6,639,027	\$ 0	\$ 0	\$ 0	\$ 6,639,027	
Licenses and Permits	1,796	0	0	0	1,796	
Charges for Current Services	26,084	0	98,749	0	124,833	
Other Local Revenues	375,168	0	19,212	1,876,572	2,270,952	
State of Tennessee	34,525,012	0	19,827	0	34,544,839	
Federal Government	160,027	0	2,493,296	5,122,463	7,775,786	
Other Governments and Citizens Groups	734,292	0	0	0	734,292	
<b>Total Revenues</b>	<b>\$ 42,461,406</b>	<b>\$ 0</b>	<b>\$ 2,631,084</b>	<b>\$ 6,999,035</b>	<b>\$ 52,091,525</b>	
<b>Expenditures</b>						
Current:						
Instruction	\$ 28,205,426	\$ 0	\$ 0	\$ 2,434,926	\$ 30,640,352	
Support Services	12,241,705	0	0	1,541,196	13,782,901	
Operation of Non-Instructional Services	638,747	0	2,783,667	2,333,587	5,756,001	
Capital Outlay	962,075	0	0	568,371	1,530,446	
Debt Service:						
Other Debt Service	1,309,768	0	0	0	1,309,768	
<b>Total Expenditures</b>	<b>\$ 43,357,721</b>	<b>\$ 0</b>	<b>\$ 2,783,667</b>	<b>\$ 6,878,080</b>	<b>\$ 53,019,468</b>	

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

	<b>Major Funds</b>			<b>Nonmajor Funds</b>		<b>Total Governmental Funds</b>
	<i>Formerly Major</i>	General School	Central Cafeteria	Other Governmental Funds		
	General Purpose School	Federal Projects				
Excess (Deficiency) of Revenues Over Expenditures	\$ (896,315)	\$ 0	\$ (152,583)	\$ 120,955	\$ (927,943)	
<b>Other Financing Sources (Uses)</b>						
Insurance Recovery	\$ 379,091	\$ 0	\$ 0	\$ 0	\$ 379,091	
Transfers In	340,809	0	0	0	340,809	
Transfers Out	0	0	0	(340,809)	(340,809)	
Total Other Financing Sources (Uses)	\$ 719,900	\$ 0	\$ 0	\$ (340,809)	\$ 379,091	
Net Change in Fund Balances	\$ (176,415)	\$ 0	\$ (152,583)	\$ (219,854)	\$ (548,852)	
Change to or Within the Reporting Entity	0	(293,519)	0	293,519	0	
Fund Balance, July 1, 2024	8,732,312	293,519	2,223,124	1,223,952	12,472,907	
Fund Balance, June 30, 2025	\$ 8,555,897	\$ 0	\$ 2,070,541	\$ 1,297,617	\$ 11,924,055	

**McNAIRY COUNTY, TENNESSEE****Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities**  
Discretely Presented McNairy County School Department  
**For the Year Ended June 30, 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)		\$ (548,852)
(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	\$ 3,449,875	
Less: current-year depreciation expense	<u>(2,320,602)</u>	1,129,273
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2025	\$ 358,753	
Less: deferred delinquent property taxes and other deferred June 30, 2024	<u>(355,593)</u>	3,160
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued compensated absences	\$ 18,783	
Change in net OPEB liability	(74,386)	
Change in deferred outflows related to OPEB	(60,914)	
Change in deferred inflows related to OPEB	1,695,638	
Change in net pension asset - agent plan	482,554	
Change in net pension asset - teacher retirement plan	70,504	
Change in net pension asset - teacher legacy pension plan	2,469,768	
Change in deferred outflows related to pensions	(2,305,099)	
Change in deferred inflows related to pensions	<u>(1,361,392)</u>	935,456
		\$ 1,519,037

Change in net position of governmental activities (Exhibit B)

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

Discretely Presented McNairy County School Department

**June 30, 2025**

	<b>Special Revenue Funds</b>			
	School Federal Projects	Internal School		Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash	\$ 0	\$ 1,255,784	\$ 1,255,784	
Equity in Pooled Cash and Investments	36,849	0	36,849	
Accounts Receivable	0	5,579	5,579	
Due from Other Governments	107	0	107	
<b>Total Assets</b>	<b>\$ 36,956</b>	<b>\$ 1,261,363</b>	<b>\$ 1,298,319</b>	
<b>LIABILITIES</b>				
Due to State of Tennessee	\$ 702	\$ 0	\$ 702	
<b>Total Liabilities</b>	<b>\$ 702</b>	<b>\$ 0</b>	<b>\$ 702</b>	
<b>FUND BALANCES</b>				
Restricted:				
Restricted for Education	\$ 1,254	\$ 1,261,363	\$ 1,262,617	
Assigned:				
Assigned for Education	35,000	0	35,000	
<b>Total Fund Balances</b>	<b>\$ 36,254</b>	<b>\$ 1,261,363</b>	<b>\$ 1,297,617</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$ 36,956</b>	<b>\$ 1,261,363</b>	<b>\$ 1,298,319</b>	

**McNAIRY COUNTY, TENNESSEE**

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

<b>Special Revenue Funds</b>					
	<i>Formerly</i>	<i>Major</i>	<i>School</i>	<i>Federal</i>	<i>Total</i>
				<i>Internal</i>	<i>Nonmajor</i>
				<i>School</i>	<i>Governmental</i>
					<i>Funds</i>
<b>Revenues</b>					
Other Local Revenues	\$ 0	\$ 1,876,572	\$ 1,876,572		
Federal Government	\$ 5,122,463	0	0		\$ 5,122,463
Total Revenues	<u>\$ 5,122,463</u>	<u>\$ 1,876,572</u>	<u>\$ 1,876,572</u>		<u>\$ 6,999,035</u>
<b>Expenditures</b>					
Current:					
Instruction	\$ 2,434,926	\$ 0	\$ 0		\$ 2,434,926
Support Services	1,541,196		0		1,541,196
Operation of Non-Instructional Services	494,426		1,839,161		2,333,587
Capital Outlay	568,371		0		568,371
Total Expenditures	<u>\$ 5,038,919</u>	<u>\$ 1,839,161</u>	<u>\$ 1,839,161</u>		<u>\$ 6,878,080</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 83,544</u>	<u>\$ 37,411</u>	<u>\$ 37,411</u>		<u>\$ 120,955</u>
<b>Other Financing Sources (Uses)</b>					
Transfers Out	\$ (340,809)	\$ 0	\$ 0		\$ (340,809)
Total Other Financing Sources (Uses)	<u>\$ (340,809)</u>	<u>\$ 0</u>	<u>\$ 0</u>		<u>\$ (340,809)</u>
Net Change in Fund Balances	\$ (257,265)	\$ 37,411	\$ 37,411		\$ (219,854)
Change to or Within the Reporting Entity	293,519		0		293,519
Fund Balance, July 1, 2024	0		1,223,952		1,223,952
Fund Balance, June 30, 2025	<u>\$ 36,254</u>	<u>\$ 1,261,363</u>	<u>\$ 1,261,363</u>		<u>\$ 1,297,617</u>

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

	<b>Actual</b>	<b>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
		<b>Original</b>	<b>Final</b>	
<b>Revenues</b>				
Local Taxes	\$ 6,639,027	\$ 6,688,600	\$ 6,689,600	\$ (50,573)
Licenses and Permits	1,796	2,000	2,000	(204)
Charges for Current Services	26,084	18,000	28,000	(1,916)
Other Local Revenues	375,168	106,600	448,409	(73,241)
State of Tennessee	34,525,012	32,019,576	36,284,766	(1,759,754)
Federal Government	160,027	0	169,320	(9,293)
Other Governments and Citizens Groups	734,292	0	734,292	0
<b>Total Revenues</b>	<b>\$ 42,461,406</b>	<b>\$ 38,834,776</b>	<b>\$ 44,356,387</b>	<b>\$ (1,894,981)</b>
<b>Expenditures</b>				
<b>Instruction</b>				
Regular Instruction Program	\$ 23,012,265	\$ 22,222,865	\$ 23,184,127	\$ 171,862
Special Education Program	2,998,527	2,945,002	3,037,980	39,453
Career and Technical Education Program	2,125,228	1,255,319	3,505,682	1,380,454
Adult Education Program	69,406	69,418	69,418	12
<b>Support Services</b>				
Attendance	96,718	95,159	96,874	156
Health Services	519,839	473,192	527,222	7,383
Other Student Support	1,352,169	666,365	1,356,807	4,638
Regular Instruction Program	778,532	849,603	780,513	1,981
Special Education Program	380,172	394,565	381,865	1,693
Career and Technical Education Program	279,142	101,024	418,902	139,760
Technology	654,984	585,696	655,986	1,002
Other Programs	162,372	0	162,372	0
Board of Education	446,744	476,357	473,292	26,548
Director of Schools	211,023	220,624	213,504	2,481
Office of the Principal	1,422,758	1,407,025	1,422,988	230
Fiscal Services	212,430	212,480	212,480	50
Operation of Plant	2,758,587	2,421,689	2,789,603	31,016
Maintenance of Plant	550,041	767,613	586,577	36,536
Transportation	2,416,194	1,662,137	2,456,922	40,728
<b>Operation of Non-Instructional Services</b>				
Food Service	3,302	0	3,300	(2)

(Continued)

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

	<b>Actual</b>	<b>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
		<b>Original</b>	<b>Final</b>	
<b>Expenditures (Cont.)</b>				
Operation of Non-Instructional Services (Cont.)				
Early Childhood Education	\$ 635,445	\$ 695,015	\$ 635,517	\$ 72
Capital Outlay		962,075	0	1,025,035
Regular Capital Outlay				62,960
Other Debt Service				
Education	1,309,768	1,309,768	1,310,118	350
Total Expenditures	\$ 43,357,721	\$ 38,830,916	\$ 45,307,084	\$ 1,949,363
Excess (Deficiency) of Revenues Over Expenditures	\$ (896,315)	\$ 3,860	\$ (950,697)	\$ 54,382
<b>Other Financing Sources (Uses)</b>				
Insurance Recovery	\$ 379,091	\$ 0	\$ 500,000	\$ (120,909)
Transfers In	340,809	0	455,966	(115,157)
Total Other Financing Sources	\$ 719,900	\$ 0	\$ 955,966	\$ (236,066)
Net Change in Fund Balance	\$ (176,415)	\$ 3,860	\$ 5,269	\$ (181,684)
Fund Balance, July 1, 2024	8,732,312	14,154,140	14,154,140	(5,421,828)
Fund Balance, June 30, 2025	\$ 8,555,897	\$ 14,158,000	\$ 14,159,409	\$ (5,603,512)

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

Discretely Presented McNairy County School Department

School Federal Projects Fund

**For the Year Ended June 30, 2025**

	<b>Actual</b>	<b>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
		<b>Original</b>	<b>Final</b>	
<b>Revenues</b>				
Federal Government	\$ 5,122,463	\$ 4,970,950	\$ 5,619,539	\$ (497,076)
<b>Total Revenues</b>	<b>\$ 5,122,463</b>	<b>\$ 4,970,950</b>	<b>\$ 5,619,539</b>	<b>\$ (497,076)</b>
<b>Expenditures</b>				
<b>Instruction</b>				
Regular Instruction Program	\$ 1,531,928	\$ 1,430,709	\$ 1,689,548	\$ 157,620
Special Education Program	834,045	724,427	884,421	50,376
Career and Technical Education Program	68,953	66,639	68,952	(1)
<b>Support Services</b>				
Attendance	1,140	1,140	1,140	0
Health Services	1,140	4,144	4,230	3,090
Other Student Support	143,419	94,328	157,483	14,064
Regular Instruction Program	311,661	266,004	354,147	42,486
Special Education Program	204,597	241,164	230,042	25,445
Career and Technical Education Program	4,966	3,600	4,966	0
Technology	41,344	48,356	41,344	0
Director of Schools	4,538	4,538	4,538	0
Maintenance of Plant	291,007	213,200	291,007	0
Transportation	537,384	540,934	543,828	6,444
<b>Operation of Non-Instructional Services</b>				
Food Service	1,128	1,128	1,128	0
Community Services	493,298	630,097	630,097	136,799
<b>Capital Outlay</b>				
Regular Capital Outlay	568,371	568,371	568,371	0
<b>Total Expenditures</b>	<b>\$ 5,038,919</b>	<b>\$ 4,838,779</b>	<b>\$ 5,475,242</b>	<b>\$ 436,323</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 83,544	\$ 132,171	\$ 144,297	\$ (60,753)
<b>Other Financing Sources (Uses)</b>				
Transfers Out	\$ (340,809)	\$ (132,166)	\$ (349,091)	\$ 8,282
<b>Total Other Financing Sources</b>	<b>\$ (340,809)</b>	<b>\$ (132,166)</b>	<b>\$ (349,091)</b>	<b>\$ 8,282</b>
Net Change in Fund Balance	\$ (257,265)	\$ 5	\$ (204,794)	\$ (52,471)
Changes to or Within the Financial Reporting Entity	293,519	0	0	293,519
Fund Balance, July 1, 2024	0	248,378	248,378	(248,378)
Fund Balance, June 30, 2025	<b>\$ 36,254</b>	<b>\$ 248,383</b>	<b>\$ 43,584</b>	<b>\$ (7,330)</b>

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

Discretely Presented McNairy County School Department

Central Cafeteria Fund

**For the Year Ended June 30, 2025**

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<b>Revenues</b>						
Charges for Current Services	\$ 98,749	\$ 0	\$ 98,749	\$ 178,000	\$ 178,000	\$ (79,251)
Other Local Revenues	19,212	0	19,212	22,000	25,000	(5,788)
State of Tennessee	19,827	0	19,827	20,000	20,000	(173)
Federal Government	2,493,296	0	2,493,296	2,545,000	2,545,000	(51,704)
<b>Total Revenues</b>	<b>\$ 2,631,084</b>	<b>\$ 0</b>	<b>\$ 2,631,084</b>	<b>\$ 2,765,000</b>	<b>\$ 2,768,000</b>	<b>\$ (136,916)</b>
<b>Expenditures</b>						
Operation of Non-Instructional Services						
Food Service	\$ 2,783,667	\$ (35,122)	\$ 2,748,545	\$ 2,765,000	\$ 2,811,760	\$ 63,215
<b>Total Expenditures</b>	<b>\$ 2,783,667</b>	<b>\$ (35,122)</b>	<b>\$ 2,748,545</b>	<b>\$ 2,765,000</b>	<b>\$ 2,811,760</b>	<b>\$ 63,215</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (152,583)	\$ 35,122	\$ (117,461)	\$ 0	\$ (43,760)	\$ (73,701)
Net Change in Fund Balance	\$ (152,583)	\$ 35,122	\$ (117,461)	\$ 0	\$ (43,760)	\$ (73,701)
Fund Balance, July 1, 2024	2,223,124	(35,122)	2,188,002	2,262,997	2,262,997	(74,995)
<b>Fund Balance, June 30, 2025</b>	<b>\$ 2,070,541</b>	<b>\$ 0</b>	<b>\$ 2,070,541</b>	<b>\$ 2,262,997</b>	<b>\$ 2,219,237</b>	<b>\$ (148,696)</b>

## **MISCELLANEOUS SCHEDULES**

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

<b>Description of Indebtedness</b>	<b>Original Amount of Issue</b>	<b>Interest Rate</b>	<b>Date of Issue</b>	<b>Last Maturity Date</b>	<b>Outstanding 7-1-24</b>	<b>Paid and/or Matured During Period</b>	<b>Outstanding 6-30-25</b>
<b>NOTES PAYABLE</b>							
Payable through General Debt Service Fund							
County Office Building	\$ 1,500,000	0 %	1-27-15	3-1-27	\$ 375,000	\$ 125,000	\$ 250,000
Ag Center Capital Outlay Notes, Series 2022	2,000,000	3.69	12-16-22	6-1-33	1,831,000	175,000	1,656,000
Total Notes Payable					\$ 2,206,000	\$ 300,000	\$ 1,906,000
<b>OTHER LOANS PAYABLE</b>							
Payable through the General Fund							
Patrol Cars	257,372	5	12-5-23	12-4-26	\$ 171,499	\$ 83,658	\$ 87,841
Payable through General Debt Service Fund							
Energy Efficient School Initiative	850,574	0.75	12-10-18	3-1-31	581,102	84,252	496,850
Total Other Loans Payable					\$ 752,601	\$ 167,910	\$ 584,691
<b>BONDS PAYABLE</b>							
Payable through General Debt Service Fund							
General Obligation School Bonds, Series 2017	7,750,000	2 to 3.5	6-9-17	6-1-46	\$ 5,315,000	\$ 180,000	\$ 5,135,000
General Obligation School Bonds, Series 2018	15,475,000	3 to 5	3-1-18	6-1-47	14,005,000	415,000	13,590,000
General Obligation Bonds, Series 2019	9,000,000	2.5 to 3	5-30-19	6-1-34	6,420,000	565,000	5,855,000
Total Bonds Payable					\$ 25,740,000	\$ 1,160,000	\$ 24,580,000

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

<b>Year Ending June 30</b>	<b>Notes</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 307,000	\$ 61,106	\$ 368,106
2027	313,000	54,391	367,391
2028	195,000	47,453	242,453
2029	203,000	40,258	243,258
2030	210,000	32,767	242,767
2031	218,000	25,018	243,018
2032	226,000	16,974	242,974
2033	234,000	8,635	242,635
<b>Total</b>	<b>\$ 1,906,000</b>	<b>\$ 286,602</b>	<b>\$ 2,192,602</b>

<b>Year Ending June 30</b>	<b>Other Loans</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 172,717	\$ 5,544	\$ 178,261
2027	85,524	2,736	88,260
2028	86,160	2,100	88,260
2029	86,808	1,452	88,260
2030	87,468	792	88,260
2031	66,014	164	66,178
<b>Total</b>	<b>\$ 584,691</b>	<b>\$ 12,788</b>	<b>\$ 597,479</b>

(Continued)

**McNAIRY COUNTY, TENNESSEE****Schedule of Long-term Debt Requirements by Year (Cont.)**

<b>Year Ending June 30</b>	<b>Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 1,195,000	\$ 774,095	\$ 1,969,095
2027	1,230,000	684,725	1,914,725
2028	1,265,000	665,545	1,930,545
2029	1,300,000	644,262	1,944,262
2030	1,345,000	622,452	1,967,452
2031	1,380,000	584,627	1,964,627
2032	1,420,000	545,812	1,965,812
2033	1,465,000	505,765	1,970,765
2034	1,510,000	461,815	1,971,815
2035	805,000	415,814	1,220,814
2036	835,000	390,946	1,225,946
2037	860,000	364,793	1,224,793
2038	885,000	337,087	1,222,087
2039	915,000	307,700	1,222,700
2040	945,000	277,313	1,222,313
2041	975,000	245,419	1,220,419
2042	1,005,000	212,512	1,217,512
2043	1,045,000	178,594	1,223,594
2044	1,080,000	142,950	1,222,950
2045	1,115,000	106,113	1,221,113
2046	1,155,000	68,082	1,223,082
2047	850,000	28,688	878,688
<b>Total</b>	<b>\$ 24,580,000</b>	<b>\$ 8,565,109</b>	<b>\$ 33,145,109</b>

**McNAIRY COUNTY, TENNESSEE****Schedule of Lease Receivable**

Primary Government

**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
<b>PRIMARY GOVERNMENT</b>								
Special Purpose Fund Higher Education Building	UTM Selmer	\$ 1,043,873	1-8-17	1-31-27	2 %	\$ 392,163	\$ 125,492	\$ 266,671
Total Lease Receivable						\$ 392,163	\$ 125,492	\$ 266,671

**MCNAIRY COUNTY, TENNESSEE****Schedule of Transfers**

Primary Government and Discretely Presented McNairy County School Department  
**For the Year Ended June 30, 2025**

<b>From Fund</b>	<b>To Fund</b>	<b>Purpose</b>	<b>Amount</b>
<b>PRIMARY GOVERNMENT</b>			
General	Community Development/Industrial Park	Operations	\$ 10,000
Highway/Public Works	General Debt Service	Debt retirement	181,488
Other General Government	General	American Rescue Plan Act funds	<u>167,367</u>
Total Transfers Primary Government			<u>\$ 358,855</u>
<b>DISCRETELY PRESENTED MCNAIRY COUNTY SCHOOL DEPARTMENT</b>			
School Federal Projects	General Purpose School	Indirect costs	\$ 136,012
"	"	Innovative School Model funds	<u>204,797</u>
Total Transfers Discretely Presented McNairy County School Department			<u>\$ 340,809</u>

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

Primary Government and Discretely Presented McNairy County School Department  
**For the Year Ended June 30, 2025**

<b>Official</b>	<b>Salary</b>	<b>Authorization</b>	<b>Bond</b>	<b>Surety</b>
<b>County Mayor</b> Base salary/Total compensation	<u><u>\$ 110,015</u></u>	Section 8-24-102, <i>TCA</i>	\$ 100,000	Ohio Casualty Insurance Company
<b>Highway Commissioner</b> Base salary/Total compensation	<u><u>\$ 104,776</u></u>	Section 8-24-102, <i>TCA</i>	100,000	Western Surety Company
<b>Director of Schools</b> Base salary CEO supplement/teacher bonus Travel allowance Career ladder Total compensation	\$ 109,428 2,896 4,800 1,000 <u><u>\$ 118,124</u></u>	State Board of Education and County Board of Education	(1) 400,000	Tennessee Risk Management Trust
<b>Trustee</b> Base salary/Total compensation	<u><u>\$ 95,251</u></u>	Section 8-24-102, <i>TCA</i>	1,408,298	Ohio Casualty Insurance Company
<b>Assessor of Property</b> Base salary/Total compensation	<u><u>\$ 95,251</u></u>	Section 8-24-102, <i>TCA</i>	100,000	Ohio Casualty Insurance Company
<b>County Clerk</b> Base salary/Total compensation	<u><u>\$ 95,251</u></u>	Section 8-24-102, <i>TCA</i>	100,000	Auto-Owners Mutual Insurance Company
<b>Circuit and General Sessions Courts Clerk</b> Base salary/Total compensation	<u><u>\$ 95,251</u></u>	Section 8-24-102, <i>TCA</i>	100,000	Auto-Owners Mutual Insurance Company
<b>Clerk and Master</b> Base salary Special commissioner fees Total compensation	\$ 95,251 3,378 <u><u>\$ 98,629</u></u>	Section 8-24-102, <i>TCA</i>	115,000	Ohio Casualty Insurance Company
<b>Register of Deeds</b> Base salary/Total compensation	<u><u>\$ 95,251</u></u>	Section 8-24-102, <i>TCA</i>	100,000	Ohio Casualty Insurance Company
<b>Sheriff</b> Base salary Law enforcement training supplement Total compensation	\$ 104,776 1,600 <u><u>\$ 106,376</u></u>	Section 8-24-102, <i>TCA</i>	100,000	Ohio Casualty Insurance Company
<b>Administrator of Elections</b> Base salary/Total compensation	<u><u>\$ 85,726</u></u>	Section 2-12-208, <i>TCA</i>	(1) 400,000	Local Government Property and Casualty Fund
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Local Government Property and Casualty Fund
Employee Fidelity - School Department			400,000	Tennessee Risk Management Trust

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

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

<b>Special Revenue Funds</b>						
	General	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Other General Government
<b>Local Taxes</b>						
County Property Taxes						
Current Property Tax	\$ 4,331,679	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	177,291	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	175,839	0	0	0	0	0
Interest and Penalty	23,596	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	2,506	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	842	0	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	680,016	0	0	0	0	0
Hotel/Motel Tax	26,081	0	0	0	0	0
Litigation Tax - General	90,728	0	0	0	0	0
Litigation Tax - Special Purpose	0	1,955	0	0	0	0
Business Tax	23,336	0	0	0	0	0
Mixed Drink Tax	1,089	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	26,771	0	0	0	0	0
Wholesale Beer Tax	30,286	0	0	0	0	0

(Continued)

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

<b>Special Revenue Funds</b>						
	General	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Other General Government
<b>Local Taxes (Cont.)</b>						
City Local Option Taxes						
Business Tax	\$ 235,737	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Local Taxes	\$ 5,825,797	\$ 1,955	\$ 0	\$ 0	\$ 0	\$ 0
<b>Licenses and Permits</b>						
Licenses						
Cable TV Franchise	\$ 40,858	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Permits						
Beer Permits	570	0	0	0	0	0
Total Licenses and Permits	\$ 41,428	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Fines, Forfeitures, and Penalties</b>						
Circuit Court						
Fines	\$ 8,689	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	8,436	0	0	0	0	0
Drug Control Fines	570	0	0	0	5,523	0
Drug Court Fees	3,050	0	0	0	0	0
Jail Fees	1,194	0	0	0	0	0
DUI Treatment Fines	282	0	0	0	0	0

(Continued)

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

<b>Special Revenue Funds</b>							
	General	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Other General Government	
<b>Fines, Forfeitures, and Penalties (Cont.)</b>							
Circuit Court (Cont.)							
Data Entry Fee - Circuit Court	\$ 1,170	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Victims Assistance Assessments	5,885	0	0	0	0	0	0
Criminal Court							
DUI Treatment Fines	1,662	0	0	0	0	0	0
General Sessions Court							
Fines	21,236	0	0	0	0	0	0
Officers Costs	12,179	0	0	0	0	0	0
Game and Fish Fines	90	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	15,182	0	0
Drug Court Fees	5,065	0	0	0	0	0	0
Jail Fees	19,121	0	0	0	0	0	0
DUI Treatment Fines	4,560	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	8,543	0	0	0	0	0	0
Courtroom Security Fee	2	0	0	0	0	0	0
Victims Assistance Assessments	10,459	0	0	0	0	0	0
Juvenile Court							
Fines	1,141	0	0	0	0	0	0

(Continued)

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

<b>Special Revenue Funds</b>						
	General	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Other General Government
<b>Fines, Forfeitures, and Penalties (Cont.)</b>						
Chancery Court						
Data Entry Fee - Chancery Court	\$ 5,979	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	0	0	33,708	0
Total Fines, Forfeitures, and Penalties	<b>\$ 119,313</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 54,413</b>	<b>\$ 0</b>
<b>Charges for Current Services</b>						
General Service Charges						
Residential Waste Collection Charge	\$ 0	\$ 0	\$ 1,675,247	\$ 0	\$ 0	\$ 0
Tipping Fees	0	0	4,473	0	0	0
Other General Service Charges	216,793	0	0	0	0	0
Fees						
Recreation Fees	31,750	0	0	0	0	0
Copy Fees	585	0	0	0	0	0
Library Fees	3,902	1,450	0	0	0	0
Telephone Commissions	38,383	0	0	0	0	0
Tourism Fees	7,515	0	0	0	0	0
Additional Fees - Titling and Registration	22,467	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0

(Continued)

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

<b>Special Revenue Funds</b>						
	General	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Other General Government
<b>Charges for Current Services (Cont.)</b>						
Fees (Cont.)						
Special Commissioner Fees/Special Master Fees	\$ 27	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - Register	8,510	0	0	0	0	0
Data Processing Fee - Sheriff	1,324	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	6,450	0	0	0	0	0
Data Processing Fee - County Clerk	6,298	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	5,135	0	0	0	0	0
Education Charges						
Transportation from Individuals	3,611	0	0	0	0	0
Other Charges for Services	7,536	0	0	0	0	0
Total Charges for Current Services	<u>\$ 360,286</u>	<u>\$ 1,450</u>	<u>\$ 1,679,720</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Other Local Revenues</b>						
Recurring Items						
Investment Income	\$ 606,278	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,377
Lease/Rentals/PPP	56,415	0	0	125,493	0	0
Lease/PPP Interest	0	0	0	7,843	0	0
Sale of Materials and Supplies	0	0	0	0	0	0
Commissary Sales	19,040	0	0	0	0	0

(Continued)

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

<b>Special Revenue Funds</b>						
	General	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Other General Government
<b>Other Local Revenues (Cont.)</b>						
Recurring Items (Cont.)						
Sale of Gasoline	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Maps	165	0	0	0	0	0
Sale of Recycled Materials	0	0	33,405	0	0	0
Miscellaneous Refunds	46,215	0	811	0	0	0
Nonrecurring Items						
Sale of Equipment	0	0	1,975	0	0	0
Sale of Property	3,000	0	0	0	0	0
Contributions and Gifts	13,500	0	0	0	0	0
Total Other Local Revenues	<u>\$ 744,613</u>	<u>\$ 0</u>	<u>\$ 36,191</u>	<u>\$ 133,336</u>	<u>\$ 0</u>	<u>\$ 2,377</u>

**Fees Received From County Officials****Excess Fees**

## Juvenile Court Clerk

\$ 4,937	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
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**Fees In-Lieu-of Salary**

## County Clerk

264,356	0	0	0	0	0	0
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## Circuit Court Clerk

57,775	0	0	0	0	0	0
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## General Sessions Court Clerk

132,560	0	0	0	0	0	0
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## Clerk and Master

129,031	0	0	0	0	0	0
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(Continued)

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

<b>Special Revenue Funds</b>						
	General	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Other General Government
<b>Fees Received From County Officials (Cont.)</b>						
Fees In-Lieu-of Salary (Cont.)						
Register	\$ 115,853	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sheriff	3,140	0	0	0	0	0
Trustee	344,856	0	0	0	0	0
Total Fees Received From County Officials	<b>\$ 1,052,508</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>State of Tennessee</b>						
General Government Grants						
Juvenile Services Program	\$ 13,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other General Government Grants	115,344	0	0	0	0	0
Public Safety Grants						
School Resource Officer Grants	601,044	0	0	0	0	0
Other Public Safety Grants	40,500	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	138,594	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	0	0	0
Litter Program	0	0	45,533	0	0	0

(Continued)

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

	<b>Special Revenue Funds</b>					
	General	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Other General Government
<b>State of Tennessee (Cont.)</b>						
Other State Revenues						
Beer Tax	\$ 17,752	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vehicle Certificate of Title Fees	2,750	0	0	0	0	0
Alcoholic Beverage Tax	89,362	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	86,958	0	0	0	0	0
State Revenue Sharing - T.V.A.	627,558	0	211,916	0	0	0
State Revenue Sharing - Telecommunications	39,445	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	33,903	0	0	0	0	0
Contracted Prisoner Boarding	375,519	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Other State Grants	515,717	0	0	0	0	0
Other State Revenues	99,690	0	19,858	0	0	0
<b>Total State of Tennessee</b>	<b>\$ 2,797,636</b>	<b>\$ 0</b>	<b>\$ 277,307</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Federal Government</b>						
Federal Through State						
Community Development	\$ 2,835	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

<b>Special Revenue Funds</b>						
	General	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Other General Government
<b>Federal Government (Cont.)</b>						
Federal Through State (Cont.)						
Civil Defense Reimbursement	\$ 31,898	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	0	0	0	0	0	0
American Rescue Plan Act Grant A	7,579	0	0	0	0	0
Direct Federal Revenue						
Other Direct Federal Revenue	39,040	0	0	0	0	0
Total Federal Government	<u>\$ 81,352</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Other Governments and Citizens Groups</b>						
Other Governments						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other						
Opioid Settlement Funds - Past Remediation	62,977	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 62,977</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 11,085,910</u>	<u>\$ 3,405</u>	<u>\$ 1,993,218</u>	<u>\$ 133,336</u>	<u>\$ 54,413</u>	<u>\$ 2,377</u>

(Continued)

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

	<b>Special Revenue Funds</b>		<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Highway Capital Projects	
<b>Local Taxes</b>					
County Property Taxes					
Current Property Tax	\$ 0	\$ 438,746	\$ 576,244	\$ 144,973	\$ 5,491,642
Trustee's Collections - Prior Year	0	8,019	32,491	2,389	220,190
Circuit Clerk/Clerk and Master Collections - Prior Years	0	20,419	34,678	6,800	237,736
Interest and Penalty	0	2,792	4,247	917	31,552
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	2,506
Payments in-Lieu-of Taxes - Other	0	0	0	0	842
County Local Option Taxes					
Local Option Sales Tax	0	0	0	0	680,016
Hotel/Motel Tax	0	0	0	0	26,081
Litigation Tax - General	0	0	0	0	90,728
Litigation Tax - Special Purpose	0	0	0	0	1,955
Business Tax	0	0	0	0	23,336
Mixed Drink Tax	0	0	0	0	1,089
Mineral Severance Tax	0	506	0	0	506
Statutory Local Taxes					
Bank Excise Tax	0	4,395	5,994	0	37,160
Wholesale Beer Tax	0	0	0	0	30,286

(Continued)

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

	<b>Special Revenue Funds</b>		<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Highway Capital Projects	Total
<b>Local Taxes (Cont.)</b>					
City Local Option Taxes					
Business Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 235,737
Total Local Taxes	\$ 0	\$ 474,877	\$ 653,654	\$ 155,079	\$ 7,111,362
<b>Licenses and Permits</b>					
Licenses					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,858
Permits					
Beer Permits	0	0	0	0	570
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 41,428
<b>Fines, Forfeitures, and Penalties</b>					
Circuit Court					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,689
Officers Costs	0	0	0	0	8,436
Drug Control Fines	0	0	0	0	6,093
Drug Court Fees	0	0	0	0	3,050
Jail Fees	0	0	0	0	1,194
DUI Treatment Fines	0	0	0	0	282

(Continued)

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

	<b>Special Revenue Funds</b>		<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Highway Capital Projects	
<b>Fines, Forfeitures, and Penalties (Cont.)</b>					
Circuit Court (Cont.)					
Data Entry Fee - Circuit Court	\$ 0	\$ 0	\$ 0	\$ 0	1,170
Victims Assistance Assessments	0	0	0	0	5,885
Criminal Court					
DUI Treatment Fines	0	0	0	0	1,662
General Sessions Court					
Fines	0	0	0	0	21,236
Officers Costs	0	0	0	0	12,179
Game and Fish Fines	0	0	0	0	90
Drug Control Fines	0	0	0	0	15,182
Drug Court Fees	0	0	0	0	5,065
Jail Fees	0	0	0	0	19,121
DUI Treatment Fines	0	0	0	0	4,560
Data Entry Fee - General Sessions Court	0	0	0	0	8,543
Courtroom Security Fee	0	0	0	0	2
Victims Assistance Assessments	0	0	0	0	10,459
Juvenile Court					
Fines	0	0	0	0	1,141

(Continued)

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

	<b>Special Revenue Funds</b>		<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Highway Capital Projects	
<b>Fines, Forfeitures, and Penalties (Cont.)</b>					
Chancery Court					
Data Entry Fee - Chancery Court	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,979
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	0	0	0	0	33,708
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 173,726
<b>Charges for Current Services</b>					
General Service Charges					
Residential Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,675,247
Tipping Fees	0	0	0	0	4,473
Other General Service Charges	0	0	0	0	216,793
Fees					
Recreation Fees	0	0	0	0	31,750
Copy Fees	0	0	0	0	585
Library Fees	0	0	0	0	5,352
Telephone Commissions	0	0	0	0	38,383
Tourism Fees	0	0	0	0	7,515
Additional Fees - Titling and Registration	0	0	0	0	22,467
Constitutional Officers' Fees and Commissions	3,378	0	0	0	3,378

(Continued)

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

	<b>Special Revenue Funds</b>		<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Highway Capital Projects	
<b>Charges for Current Services (Cont.)</b>					
Fees (Cont.)					
Special Commissioner Fees/Special Master Fees	\$ 0	\$ 0	\$ 0	\$ 0	27
Data Processing Fee - Register	0	0	0	0	8,510
Data Processing Fee - Sheriff	0	0	0	0	1,324
Sexual Offender Registration Fee - Sheriff	0	0	0	0	6,450
Data Processing Fee - County Clerk	0	0	0	0	6,298
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	5,135
Education Charges					
Transportation from Individuals	0	0	0	0	3,611
Other Charges for Services	0	0	0	0	7,536
Total Charges for Current Services	\$ 3,378	\$ 0	\$ 0	\$ 0	2,044,834

**Other Local Revenues****Recurring Items**

Investment Income	\$ 0	\$ 0	\$ 67,804	\$ 0	\$ 676,459
Lease/Rentals/PPP	0	0	0	0	181,908
Lease/PPP Interest	0	0	0	0	7,843
Sale of Materials and Supplies	0	1,731	0	0	1,731
Commissary Sales	0	0	0	0	19,040

(Continued)

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

	<b>Special Revenue Funds</b>		<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Highway Capital Projects	Total
<b>Other Local Revenues (Cont.)</b>					
Recurring Items (Cont.)					
Sale of Gasoline	\$ 0	\$ 18,278	\$ 0	\$ 0	\$ 18,278
Sale of Maps	0	0	0	0	165
Sale of Recycled Materials	0	96	0	0	33,501
Miscellaneous Refunds	0	30,371	0	0	77,397
Nonrecurring Items					
Sale of Equipment	0	60,745	0	0	62,720
Sale of Property	0	0	0	0	3,000
Contributions and Gifts	0	0	0	0	13,500
Total Other Local Revenues	\$ 0	\$ 111,221	\$ 67,804	\$ 0	\$ 1,095,542

**Fees Received From County Officials****Excess Fees**

Juvenile Court Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,937
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**Fees In-Lieu-of Salary**

County Clerk	0	0	0	0	264,356
Circuit Court Clerk	0	0	0	0	57,775
General Sessions Court Clerk	0	0	0	0	132,560
Clerk and Master	0	0	0	0	129,031

(Continued)

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

	<b>Special Revenue Funds</b>		<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Highway Capital Projects	
<b>Fees Received From County Officials (Cont.)</b>					
Fees In-Lieu-of Salary (Cont.)					
Register	\$ 0	\$ 0	\$ 0	\$ 0	\$ 115,853
Sheriff	0	0	0	0	3,140
Trustee	0	0	0	0	344,856
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,052,508
<b>State of Tennessee</b>					
General Government Grants					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,500
Other General Government Grants	0	0	0	0	115,344
Public Safety Grants					
School Resource Officer Grants	0	0	0	0	601,044
Other Public Safety Grants	0	0	0	0	40,500
Health and Welfare Grants					
Health Department Programs	0	0	0	0	138,594
Public Works Grants					
State Aid Program	0	900,629	0	0	900,629
Litter Program	0	0	0	0	45,533

(Continued)

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

	<b>Special Revenue Funds</b>		<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Highway Capital Projects		
<b>State of Tennessee (Cont.)</b>						
<b>Other State Revenues</b>						
Beer Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,752	
Vehicle Certificate of Title Fees	0	0	0	0	2,750	
Alcoholic Beverage Tax	0	0	0	0	89,362	
Opioid Settlement Funds - TN Abatement Council	0	0	0	0	86,958	
State Revenue Sharing - T.V.A.	0	0	0	0	839,474	
State Revenue Sharing - Telecommunications	0	0	0	0	39,445	
State Shared Sports Gaming Privilege Tax	0	0	0	0	33,903	
Contracted Prisoner Boarding	0	0	0	0	375,519	
Gasoline and Motor Fuel Tax	0	2,699,961	0	0	2,699,961	
Hybrid/Electric Vehicle Registration Fee	0	32,543	0	0	32,543	
Petroleum Special Tax	0	17,138	0	0	17,138	
Other State Grants	0	55,837	0	0	571,554	
Other State Revenues	0	0	0	0	119,548	
<b>Total State of Tennessee</b>	<b>\$ 0</b>	<b>\$ 3,706,108</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 6,781,051</b>	
<b>Federal Government</b>						
<b>Federal Through State</b>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,835	

(Continued)

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

	<b>Special Revenue Funds</b>		<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>		<b>Total</b>
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Highway Capital Projects		
<b>Federal Government (Cont.)</b>						
Federal Through State (Cont.)						
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,898	
Disaster Relief	0	343,001	0	0	343,001	
American Rescue Plan Act Grant A	0	0	0	0	7,579	
Direct Federal Revenue						
Other Direct Federal Revenue	0	0	0	0	39,040	
Total Federal Government	\$ 0	\$ 343,001	\$ 0	\$ 0	\$ 424,353	
<b>Other Governments and Citizens Groups</b>						
Other Governments						
Contributions	\$ 0	\$ 0	\$ 1,309,768	\$ 0	\$ 1,309,768	
Other						
Opioid Settlement Funds - Past Remediation	0	0	0	0	62,977	
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 1,309,768	\$ 0	\$ 1,372,745	
Total	\$ 3,378	\$ 4,635,207	\$ 2,031,226	\$ 155,079	\$ 20,097,549	

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

Discretely Presented McNairy County School Department  
**For the Year Ended June 30, 2025**

<b>Special Revenue Funds</b>						
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<b>Local Taxes</b>						
County Property Taxes						
Current Property Tax	\$ 3,161,844	\$ 0	\$ 0	\$ 0	\$ 3,161,844	
Trustee's Collections - Prior Year	44,772	0	0	0	44,772	
Circuit Clerk/Clerk and Master Collections - Prior Years	175,802	0	0	0	175,802	
Interest and Penalty	22,315	0	0	0	22,315	
County Local Option Taxes						
Local Option Sales Tax	3,181,166	0	0	0	3,181,166	
Mixed Drink Tax	2,382	0	0	0	2,382	
Statutory Local Taxes						
Bank Excise Tax	50,746	0	0	0	50,746	
Total Local Taxes	<u>\$ 6,639,027</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,639,027</u>	
<b>Licenses and Permits</b>						
Licenses						
Marriage Licenses	\$ 1,796	\$ 0	\$ 0	\$ 0	\$ 1,796	
Total Licenses and Permits	<u>\$ 1,796</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,796</u>	

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

<b>Special Revenue Funds</b>						
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		Total
<b>Charges for Current Services</b>						
Education Charges						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 22,276	\$ 0	\$ 0	\$ 22,276
A la Carte Sales	0	0	63,262	0	0	63,262
Receipts from Individual Schools	26,084	0	0	0	0	26,084
Other Charges for Services	0	0	13,211	0	0	13,211
Total Charges for Current Services	\$ 26,084	\$ 0	\$ 98,749	\$ 0	\$ 0	\$ 124,833
<b>Other Local Revenues</b>						
Recurring Items						
Investment Income	\$ 49,683	\$ 0	\$ 9,468	\$ 0	\$ 0	\$ 59,151
Lease/Rentals/PPP	36,966	0	0	0	0	36,966
Miscellaneous Refunds	65,596	0	9,744	0	0	75,340
Nonrecurring Items						
Contributions and Gifts	21,449	0	0	0	0	21,449
Other Local Revenues						
Other Local Revenues	201,474	0	0	1,876,572	0	2,078,046
Total Other Local Revenues	\$ 375,168	\$ 0	\$ 19,212	\$ 1,876,572	\$ 0	\$ 2,270,952

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

<b>Special Revenue Funds</b>						
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<b>State of Tennessee</b>						
General Government Grants						
On-behalf Contributions for OPEB	\$ 162,372	\$ 0	\$ 0	\$ 0	\$ 162,372	
State Education Funds						
Tennessee Investment in Student Achievement	31,145,467	0	0	0	31,145,467	
TISA - On-behalf Payments	71,294	0	0	0	71,294	
Early Childhood Education	724,019	0	0	0	724,019	
School Food Service	0	0	19,827	0	19,827	
Driver Education	12,783	0	0	0	12,783	
Other State Education Funds	414,957	0	0	0	414,957	
Paid Parental Leave	18,273	0	0	0	18,273	
Career Ladder Program	65,454	0	0	0	65,454	
Other Vocational	1,895,006	0	0	0	1,895,006	
Other State Revenues						
Other State Grants	15,000	0	0	0	15,000	
Other State Revenues	387	0	0	0	387	
Total State of Tennessee	<u>\$ 34,525,012</u>	<u>\$ 0</u>	<u>\$ 19,827</u>	<u>\$ 0</u>	<u>\$ 34,544,839</u>	

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

<b>Special Revenue Funds</b>						
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<b>Federal Government</b>						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,492,152	\$ 0	\$ 0	\$ 1,492,152
USDA - Commodities	0	0	196,244	0	0	196,244
Breakfast	0	0	722,455	0	0	722,455
USDA - Other	0	0	82,445	0	0	82,445
Vocational Education - Basic Grants to States	0	87,738	0	0	0	87,738
Title I Grants to Local Education Agencies	0	1,417,695	0	0	0	1,417,695
Special Education - Grants to States	15,707	1,099,236	0	0	0	1,114,943
Special Education Preschool Grants	0	38,727	0	0	0	38,727
Rural Education	0	123,411	0	0	0	123,411
Eisenhower Professional Development State Grants	0	140,546	0	0	0	140,546
American Rescue Plan Act Grant #1	0	1,696,757	0	0	0	1,696,757
American Rescue Plan Act Grant #4	0	8,673	0	0	0	8,673
Other Federal through State	144,320	509,680	0	0	0	654,000
Total Federal Government	<u>\$ 160,027</u>	<u>\$ 5,122,463</u>	<u>\$ 2,493,296</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,775,786</u>
<b>Other Governments and Citizens Groups</b>						
Other Governments						
Contributions	\$ 734,292	\$ 0	\$ 0	\$ 0	\$ 734,292	
Total Other Governments and Citizens Groups	<u>\$ 734,292</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 734,292</u>	
Total	<u><u>\$ 42,461,406</u></u>	<u><u>\$ 5,122,463</u></u>	<u><u>\$ 2,631,084</u></u>	<u><u>\$ 1,876,572</u></u>	<u><u>\$ 52,091,525</u></u>	

**McNAIRY 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	\$ 7,140
Accounting Services	4,339
Audit Services	11,381
Dues and Memberships	3,192
Legal Services	19,520
Periodicals	1,582
Total County Commission	\$ 47,154

**Board of Equalization**

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

**Budget and Finance Committee**

Board and Committee Members Fees	\$ 1,995
Total Budget and Finance Committee	1,995

**Other Boards and Committees**

Board and Committee Members Fees	\$ 1,845
Total Other Boards and Committees	1,845

**County Mayor/Executive**

County Official/Administrative Officer	\$ 110,015
Accountants/Bookkeepers	37,973
Salary Supplements	2,000
Secretary(ies)	33,268
Communication	3,564
Dues and Memberships	2,197
Maintenance Agreements	1,650
Postal Charges	1,737
Printing, Stationery, and Forms	1,098
Travel	1,106
Other Contracted Services	20,160
Office Supplies	2,179
Other Charges	800
Total County Mayor/Executive	217,747

(Continued)

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

**General Fund (Cont.)**

General Government (Cont.)

**County Attorney**

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

**Election Commission**

County Official/Administrative Officer	\$ 85,726	
Other Salaries and Wages	20,025	
Election Commission	3,123	
Election Workers	29,500	
In-service Training	1,056	
Communication	4,373	
Legal Notices, Recording, and Court Costs	2,330	
Maintenance Agreements	7,315	
Postal Charges	3,039	
Printing, Stationery, and Forms	2,797	
Rentals	960	
Travel	1,037	
Other Contracted Services	18,575	
Office Supplies	3,219	
Periodicals	60	
Software	11,583	
Liability Insurance	2,900	
Office Equipment	31,301	
Total Election Commission		228,919

**Register of Deeds**

County Official/Administrative Officer	\$ 95,251	
Deputy(ies)	36,303	
Secretary(ies)	30,069	
In-service Training	539	
Communication	2,252	
Data Processing Services	9,493	
Dues and Memberships	982	
Maintenance Agreements	568	
Postal Charges	129	
Printing, Stationery, and Forms	605	
Travel	859	
Office Supplies	273	
Total Register of Deeds		177,323

(Continued)

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

**General Fund (Cont.)**

General Government (Cont.)

**County Buildings**

Custodial Personnel	\$ 25,580
Maintenance Personnel	12,582
Maintenance Agreements	4,491
Maintenance and Repair Services - Buildings	92,347
Maintenance and Repair Services - Vehicles	609
Pest Control	1,100
Custodial Supplies	1,826
Electricity	114,569
Gasoline	5,240
Natural Gas	9,400
Water and Sewer	32,496
Other Supplies and Materials	2,420
Building and Contents Insurance	204,646
Other Charges	2,850
Other Equipment	20,672
Total County Buildings	\$ 530,828

**Preservation of Records**

Postal Charges	\$ 2
Other Supplies and Materials	3,605
Total Preservation of Records	3,607

**Finance**

**Property Assessor's Office**

County Official/Administrative Officer	\$ 95,251
Deputy(ies)	54,221
Data Processing Personnel	20,963
Part-time Personnel	7,203
In-service Training	100
Audit Services	9,838
Communication	1,586
Contracts with Private Agencies	1,170
Data Processing Services	11,379
Dues and Memberships	1,650
Maintenance Agreements	1,241
Maintenance and Repair Services - Vehicles	98

(Continued)

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

**General Fund (Cont.)**

Finance (Cont.)

**Property Assessor's Office (Cont.)**

Postal Charges	\$	887
Printing, Stationery, and Forms		315
Travel		505
Gasoline		899
Office Supplies		612
Premiums on Corporate Surety Bonds		1,300
Total Property Assessor's Office	\$	209,218

**County Trustee's Office**

County Official/Administrative Officer	\$	95,251
Deputy(ies)		36,304
Clerical Personnel		28,050
Part-time Personnel		13,916
Communication		1,826
Data Processing Services		21,143
Dues and Memberships		872
Maintenance Agreements		7,624
Postal Charges		8,421
Printing, Stationery, and Forms		1,821
Travel		1,197
Office Supplies		80
Periodicals		7,405
Office Equipment		14,007
Total County Trustee's Office		237,917

**County Clerk's Office**

County Official/Administrative Officer	\$	95,251
Deputy(ies)		33,928
Secretary(ies)		19,552
Clerical Personnel		99,795
Communication		5,108
Data Processing Services		4,800
Dues and Memberships		872
Maintenance Agreements		1,104
Postal Charges		7,144
Printing, Stationery, and Forms		4,791

(Continued)

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

**General Fund (Cont.)**

Finance (Cont.)

**County Clerk's Office (Cont.)**

Travel	\$ 750
Data Processing Equipment	<u>25,086</u>
Total County Clerk's Office	\$ 298,181

Administration of Justice

**Circuit Court**

County Official/Administrative Officer	\$ 95,251
Deputy(ies)	51,238
Jury and Witness Expense	6,684
Other Per Diem and Fees	1,109
Communication	7,857
Contracts with Government Agencies	19,547
Dues and Memberships	957
Maintenance Agreements	1,772
Postal Charges	5,705
Printing, Stationery, and Forms	658
Duplicating Supplies	368
Office Supplies	4,424
Periodicals	216
Other Charges	1,122
Data Processing Equipment	<u>983</u>
Total Circuit Court	197,891

**General Sessions Court**

Judge(s)	\$ 139,010
Deputy(ies)	21,830
Accountants/Bookkeepers	25,758
Secretary(ies)	27,709
Contracts with Government Agencies	6,052
Travel	2,009
Other Charges	<u>575</u>
Total General Sessions Court	222,943

**Chancery Court**

County Official/Administrative Officer	\$ 95,251
Deputy(ies)	31,151

(Continued)

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

**General Fund (Cont.)**

Administration of Justice (Cont.)

**Chancery Court (Cont.)**

Clerical Personnel	\$ 26,268
Communication	1,586
Data Processing Services	12,376
Dues and Memberships	1,057
Maintenance Agreements	1,650
Postal Charges	7,939
Printing, Stationery, and Forms	627
Travel	1,320
Office Supplies	1,357
Periodicals	540
Premiums on Corporate Surety Bonds	599
Data Processing Equipment	<u>1,267</u>
Total Chancery Court	\$ 182,988

**Juvenile Court**

Youth Service Officer(s)	\$ 43,754
Clerical Personnel	3,521
Travel	214
Other Charges	<u>1,137</u>
Total Juvenile Court	48,626

Public Safety

**Sheriff's Department**

County Official/Administrative Officer	\$ 104,776
Deputy(ies)	1,232,517
Accountants/Bookkeepers	34,341
Salary Supplements	91,183
Guards	630,278
Secretary(ies)	51,874
Part-time Personnel	13,514
Overtime Pay	27,237
In-service Training	18,800
Communication	31,680
Dues and Memberships	2,458
Maintenance Agreements	188
Maintenance and Repair Services - Equipment	55

(Continued)

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

**General Fund (Cont.)**

Public Safety (Cont.)

**Sheriff's Department (Cont.)**

Maintenance and Repair Services - Vehicles	\$ 38,168
Postal Charges	336
Printing, Stationery, and Forms	986
Towing Services	4,125
Travel	22,385
Other Contracted Services	37
Gasoline	110,503
Office Supplies	3,053
Tires and Tubes	18,329
Uniforms	17,552
Other Supplies and Materials	6,973
Indirect Cost	128,535
Vehicle and Equipment Insurance	152,251
Workers' Compensation Insurance	51,170
Data Processing Equipment	12,130
Law Enforcement Equipment	38,025
Motor Vehicles	49,124
Office Equipment	310
Other Equipment	5,916
Total Sheriff's Department	\$ 2,898,809

**Jail**

Custodial Personnel	\$ 38,022
In-service Training	1,360
Maintenance Agreements	7,994
Maintenance and Repair Services - Buildings	23,931
Medical and Dental Services	222,681
Pest Control	600
Travel	617
Custodial Supplies	24,827
Food Supplies	142,179
Office Supplies	1,926
Prisoners Clothing	633
Other Supplies and Materials	10,126
Law Enforcement Equipment	1,401
Other Equipment	11,304
Total Jail	487,601

(Continued)

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

**General Fund (Cont.)**

Public Safety (Cont.)

**Fire Prevention and Control**

Supervisor/Director	\$ 63,166
Laborers	24,135
Firefighters	56,731
In-service Training	1,904
Maintenance and Repair Services - Buildings	143
Maintenance and Repair Services - Equipment	12,520
Maintenance and Repair Services - Vehicles	8,769
Travel	813
Electricity	16,500
Gasoline	11,217
Office Supplies	2,129
Tires and Tubes	2,570
Other Supplies and Materials	1,779
Liability Insurance	47,500
Workers' Compensation Insurance	60,735
Other Equipment	81,978
<b>Total Fire Prevention and Control</b>	<b>\$ 392,589</b>

**Rural Fire Protection**

Contracts with Government Agencies	\$ 35,778
<b>Total Rural Fire Protection</b>	<b>35,778</b>

**Civil Defense**

Supervisor/Director	\$ 67,014
In-service Training	450
Communication	1,572
Dues and Memberships	155
Maintenance and Repair Services - Vehicles	343
Gasoline	1,804
Office Supplies	367
Uniforms	173
Other Supplies and Materials	3,372
Other Equipment	2,232
<b>Total Civil Defense</b>	<b>77,482</b>

(Continued)

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

**General Fund (Cont.)**

Public Safety (Cont.)

**Inspection and Regulation**

Supervisor/Director	\$ 7,621	
Total Inspection and Regulation		\$ 7,621

**County Coroner/Medical Examiner**

Other Contracted Services	\$ 70,886	
Total County Coroner/Medical Examiner		70,886

**Other Public Safety**

Contracts with Other Public Agencies	\$ 82,993	
Total Other Public Safety		82,993

Public Health and Welfare

**Local Health Center**

Social Workers	\$ 52,262	
Clerical Personnel	38,405	
Custodial Personnel	14,718	
Communication	3,939	
Maintenance and Repair Services - Buildings	12,491	
Pest Control	390	
Travel	3,810	
Custodial Supplies	296	
Drugs and Medical Supplies	59	
Electricity	11,556	
Natural Gas	4,828	
Office Supplies	2,656	
Water and Sewer	3,995	
Total Local Health Center		149,405

**Ambulance/Emergency Medical Services**

Contracts with Other Public Agencies	\$ 259,275	
Total Ambulance/Emergency Medical Services		259,275

**Alcohol and Drug Programs**

Supervisor/Director	\$ 31,933	
Clerical Personnel	16,379	
In-service Training	2,338	

(Continued)

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

**General Fund (Cont.)**

Public Health and Welfare (Cont.)

**Alcohol and Drug Programs (Cont.)**

Communication	\$	451
Travel		539
Other Supplies and Materials		4,293
Other Charges		20,999
Total Alcohol and Drug Programs	\$	76,932

Social, Cultural, and Recreational Services

**Libraries**

County Official/Administrative Officer	\$	34,171
Custodial Personnel		1,500
Other Salaries and Wages		64,647
Communication		3,061
Maintenance and Repair Services - Buildings		58
Pest Control		190
Travel		461
Custodial Supplies		409
Electricity		4,663
Library Books/Media		5,040
Natural Gas		1,634
Office Supplies		2,993
Water and Sewer		2,164
Other Supplies and Materials		3,353
Data Processing Equipment		6,054
Total Libraries		130,398

**Other Social, Cultural, and Recreational**

Supervisor/Director	\$	46,887
Laborers		23,359
Clerical Personnel		27,598
Maintenance Personnel		17,254
Advertising		4,102
Communication		4,904
Maintenance Agreements		2,076
Maintenance and Repair Services - Buildings		32,328
Printing, Stationery, and Forms		13
Travel		32

(Continued)

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

**General Fund (Cont.)**

Social, Cultural, and Recreational Services (Cont.)

**Other Social, Cultural, and Recreational (Cont.)**

Disposal Fees	\$ 3,992
Permits	710
Other Contracted Services	218,147
Electricity	43,454
Fertilizer, Lime, and Seed	489
Food Preparation Supplies	222
Food Supplies	23,202
Gasoline	545
Natural Gas	17,130
Office Supplies	2,247
Water and Sewer	4,898
Gravel and Chert	1,875
Other Supplies and Materials	61,094
Building and Contents Insurance	1,109
Other Equipment	419,546
Other Capital Outlay	422,190
<b>Total Other Social, Cultural, and Recreational</b>	<b>\$ 1,379,403</b>

Agriculture and Natural Resources

**Agricultural Extension Service**

Salary Supplements	\$ 68,605
Maintenance Agreements	1,442
Travel	246
Other Contracted Services	4,497
Other Supplies and Materials	221
Office Equipment	808
<b>Total Agricultural Extension Service</b>	<b>75,819</b>

**Soil Conservation**

County Official/Administrative Officer	\$ 38,915
Secretary(ies)	24,767
Contributions	800
<b>Total Soil Conservation</b>	<b>64,482</b>

(Continued)

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

**General Fund (Cont.)**

Other Operations

**Tourism**

Supervisor/Director	\$ 25,290
Communication	998
Dues and Memberships	732
Travel	619
Contracts for Development Costs	22,442
Office Supplies	1,185
Other Supplies and Materials	8,708
<b>Total Tourism</b>	<b>\$ 59,974</b>

**Other Economic and Community Development**

Contracts with Other Public Agencies	\$ 75,191
Contributions	12,800
Contracts for Development Costs	24,125
Other Charges	6,022
<b>Total Other Economic and Community Development</b>	<b>118,138</b>

**Public Transportation**

County Official/Administrative Officer	\$ 29,484
Part-time Personnel	28,305
Communication	1,531
Maintenance and Repair Services - Vehicles	1,271
Gasoline	2,452
Office Supplies	289
Software	5,000
Other Charges	118
<b>Total Public Transportation</b>	<b>68,450</b>

**Airport**

Other Charges	\$ 64,000
<b>Total Airport</b>	<b>64,000</b>

**Veterans' Services**

Supervisor/Director	\$ 45,417
Communication	1,298
Postal Charges	90
Travel	1,076

(Continued)

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

**General Fund (Cont.)**

Other Operations (Cont.)

**Veterans' Services (Cont.)**

Office Supplies	\$ 780
Periodicals	535
Other Charges	890
Data Processing Equipment	225
Total Veterans' Services	\$ 50,311

**Other Charges**

Liability Insurance	\$ 91,032
Trustee's Commission	119,247
Total Other Charges	210,279

**Contributions to Other Agencies**

Contributions	\$ 19,849
Total Contributions to Other Agencies	19,849

**Employee Benefits**

Longevity Pay	\$ 16,650
Social Security	282,775
Pensions	228,177
Life Insurance	19,401
Medical Insurance	856,908
Employer Medicare	68,436
Workers' Compensation Insurance	364
Total Employee Benefits	1,472,711

**Miscellaneous**

Other Supplies and Materials	\$ 335
Other Charges	500
Site Development	1,250
Total Miscellaneous	2,085

**Principal on Debt**

**General Government**

Principal on Other Loans	\$ 83,658
Total General Government	83,658

(Continued)

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

**General Fund (Cont.)**

Interest on Debt

**General Government**

Interest on Other Loans

\$ 6,342

Total General Government

\$ 6,342

Total General Fund

\$ 10,959,952

**Law Library Fund**

Social, Cultural, and Recreational Services

**Libraries**

Clerical Personnel

\$ 1,800

Library Books/Media

1,524

Trustee's Commission

9

Total Libraries

\$ 3,333

Total Law Library Fund

3,333

**Solid Waste/Sanitation Fund**

Public Health and Welfare

**Sanitation Management**

Supervisor/Director

\$ 56,700

Data Processing Personnel

29,829

Board and Committee Members Fees

375

Advertising

240

Communication

3,866

Contracts with Government Agencies

1,700,508

Dues and Memberships

297

Legal Services

58,475

Maintenance and Repair Services - Buildings

146

Postal Charges

18,190

Travel

151

Other Contracted Services

3,521

Office Supplies

1,090

Other Supplies and Materials

931

Refunds

2,167

Trustee's Commission

2,122

Vehicle and Equipment Insurance

4,467

Data Processing Equipment

1,079

Total Sanitation Management

\$ 1,884,154

(Continued)

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

**Solid Waste/Sanitation Fund (Cont.)**

Public Health and Welfare (Cont.)

**Recycling Center**

Laborers	\$ 112,959
Maintenance and Repair Services - Buildings	584
Maintenance and Repair Services - Equipment	2,791
Maintenance and Repair Services - Vehicles	2,820
Electricity	2,371
Gasoline	5,985
Propane Gas	604
Small Tools	20
Tires and Tubes	1,850
Uniforms	994
Water and Sewer	381
Other Supplies and Materials	2,089
<b>Total Recycling Center</b>	<b>\$ 133,448</b>

**Landfill Operation and Maintenance**

Evaluation and Testing	\$ 25,070
Contracts for Landfill Facilities	16,738
Electricity	438
Water and Sewer	228
Landfill Closure/Postclosure Care Costs	10,050
<b>Total Landfill Operation and Maintenance</b>	<b>52,524</b>

Other Operations

**Employee Benefits**

Longevity Pay	\$ 1,250
Social Security	13,621
Pensions	7,650
Life Insurance	1,041
Medical Insurance	48,325
Employer Medicare	3,185
<b>Total Employee Benefits</b>	<b>75,072</b>

Highways

**Litter and Trash Collection**

Part-time Personnel	\$ 21,815
Gasoline	2,495

(Continued)

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

**Solid Waste/Sanitation Fund (Cont.)**

Highways (Cont.)

**Litter and Trash Collection (Cont.)**

Instructional Supplies and Materials	\$ 12,252
Other Supplies and Materials	1,137
Total Litter and Trash Collection	<u>\$ 37,699</u>

Total Solid Waste/Sanitation Fund

\$ 2,182,897

**Special Purpose Fund**

General Government

**Other Facilities**

Custodial Personnel	\$ 13,458
Communication	3,734
Maintenance and Repair Services - Buildings	90,117
Pest Control	360
Other Contracted Services	1,698
Custodial Supplies	3,117
Electricity	24,963
Gasoline	783
Natural Gas	2,681
Water and Sewer	3,545
Building and Contents Insurance	9,500
Other Charges	624
Total Other Facilities	<u>\$ 154,580</u>

Other Operations

**Employee Benefits**

Social Security	\$ 834
Pensions	707
Employer Medicare	195
Total Employee Benefits	<u>1,736</u>

Total Special Purpose Fund

156,316

**Drug Control Fund**

Public Safety

**Drug Enforcement**

Confidential Drug Enforcement Payments	\$ 18,000
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(Continued)

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

**Drug Control Fund (Cont.)**

Public Safety (Cont.)

**Drug Enforcement (Cont.)**

Other Supplies and Materials	\$ 15,000
Motor Vehicles	40,000
Other Equipment	8,346
Total Drug Enforcement	<u>\$ 81,346</u>

Total Drug Control Fund

\$ 81,346

**Other General Government Fund**

Other Operations

**Other Economic and Community Development**

Contracts with Government Agencies	\$ 128,877
Total Other Economic and Community Development	<u>\$ 128,877</u>

Total Other General Government Fund

128,877

**Constitutional Officers - Fees Fund**

Administration of Justice

**Chancery Court**

Special Commissioner Fees	\$ 3,378
Total Chancery Court	<u>\$ 3,378</u>

Total Constitutional Officers - Fees Fund

3,378

**Highway/Public Works Fund**

Highways

**Administration**

County Official/Administrative Officer	\$ 104,776
Accountants/Bookkeepers	48,435
Clerical Personnel	38,762
Board and Committee Members Fees	405
Communication	9,364
Dues and Memberships	3,783
Maintenance and Repair Services - Buildings	3,225
Postal Charges	303
Printing, Stationery, and Forms	1,382
Travel	546

(Continued)

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

**Highway/Public Works Fund (Cont.)**

Highways (Cont.)

**Administration (Cont.)**

Electricity	\$ 9,224
Office Supplies	1,281
Water and Sewer	593
Office Equipment	19,163
Total Administration	\$ 241,242

**Highway and Bridge Maintenance**

Equipment Operators	\$ 367,998
Truck Drivers	261,409
Laborers	186,470
Other Contracted Services	12,691
Concrete	10
Crushed Stone	351,324
Pipe - Metal	45,350
Road Signs	9,006
Chemicals	50,252
Other Charges	84,000
Total Highway and Bridge Maintenance	1,368,510

**Operation and Maintenance of Equipment**

Mechanic(s)	\$ 92,269
Licenses	102
Diesel Fuel	141,269
Equipment and Machinery Parts	121,561
Garage Supplies	32,397
Gasoline	51,101
Lubricants	3,762
Propane Gas	148
Tires and Tubes	48,944
Total Operation and Maintenance of Equipment	491,553

**Other Charges**

Other Contracted Services	\$ 2,322
Building and Contents Insurance	27,844
Trustee's Commission	45,678
Vehicle and Equipment Insurance	106,512
Total Other Charges	182,356

(Continued)

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

**Highway/Public Works Fund (Cont.)**

Highways (Cont.)

**Employee Benefits**

Social Security	\$ 83,082
Pensions	56,013
Employee and Dependent Insurance	299,183
Unemployment Compensation	6,654
Workers' Compensation Insurance	<u>91,959</u>
Total Employee Benefits	\$ 536,891

**Capital Outlay**

Bridge Construction	\$ 42,318
Highway Construction	<u>1,310,326</u>
Total Capital Outlay	<u>1,352,644</u>

Total Highway/Public Works Fund

\$ 4,173,196

**General Debt Service Fund**

Principal on Debt

**General Government**

Principal on Notes	\$ 300,000
Total General Government	\$ 300,000

**Highways and Streets**

Principal on Bonds	\$ 565,000
Total Highways and Streets	565,000

**Education**

Principal on Bonds	\$ 595,000
Principal on Other Loans	<u>84,252</u>
Total Education	679,252

Interest on Debt

**General Government**

Interest on Notes	\$ 67,564
Total General Government	67,564

**Highways and Streets**

Interest on Bonds	\$ 181,488
Total Highways and Streets	181,488

(Continued)

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

**General Debt Service Fund (Cont.)**

Interest on Debt (Cont.)

**Education**

Interest on Bonds	\$ 626,508
Interest on Other Loans	<u>4,008</u>
Total Education	\$ 630,516

Other Debt Service

**General Government**

Trustee's Commission	\$ 13,880
Total General Government	13,880

**Education**

Other Debt Service	\$ 1,550
Total Education	<u>1,550</u>

Total General Debt Service Fund

\$ 2,439,250

**Community Development/Industrial Park Fund**

Agriculture and Natural Resources

**Other Agriculture and Natural Resources**

Other Charges	\$ 5,370
Total Other Agriculture and Natural Resources	<u>5,370</u>

Total Community Development/Industrial Park Fund

5,370

**Highway Capital Projects Fund**

Highways

**Other Charges**

Trustee's Commission	\$ 3,037
Total Other Charges	<u>3,037</u>

**Capital Outlay**

Highway Equipment	\$ 381,310
Total Capital Outlay	<u>381,310</u>

Total Highway Capital Projects Fund

384,347

Total Governmental Funds - Primary Government

\$ 20,518,262

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

Discretely Presented McNairy County School Department  
**For the Year Ended June 30, 2025**

**General Purpose School Fund**

## Instruction

**Regular Instruction Program**

Teachers	\$ 16,305,488
Career Ladder Program	42,425
Educational Assistants	325,461
Certified Substitute Teachers	39,025
Non-certified Substitute Teachers	104,982
Social Security	965,817
Pensions	1,093,181
Medical Insurance	3,192,076
Dental Insurance	83,725
Unemployment Compensation	7,209
Employer Medicare	228,749
Retirement - Hybrid Stabilization	10,118
Travel	16,136
Instructional Supplies and Materials	192,109
TISA - On-behalf Payments	71,294
Other Charges	25,612
Right-of-Way	308,858
<b>Total Regular Instruction Program</b>	<b>\$ 23,012,265</b>

**Special Education Program**

Teachers	\$ 1,487,670
Career Ladder Program	4,000
Homebound Teachers	40,000
Clerical Personnel	80,991
Educational Assistants	156,126
Speech Pathologist	143,178
Certified Substitute Teachers	4,270
Non-certified Substitute Teachers	13,224
Social Security	112,294
Pensions	126,087
Medical Insurance	715,541
Dental Insurance	9,777
Employer Medicare	26,304
Contracts with Other Public Agencies	11,953
Contracts with Private Agencies	2,608

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

**General Purpose School Fund (Cont.)**

## Instruction (Cont.)

**Special Education Program (Cont.)**

Evaluation and Testing	\$ 12,207
Instructional Supplies and Materials	2,680
Other Supplies and Materials	29,021
Special Education Equipment	20,596
Total Special Education Program	\$ 2,998,527

**Career and Technical Education Program**

Teachers	\$ 965,147
Career Ladder Program	1,000
Educational Assistants	3,641
Certified Substitute Teachers	560
Non-certified Substitute Teachers	4,292
Social Security	51,266
Pensions	61,397
Medical Insurance	187,625
Dental Insurance	5,069
Employer Medicare	11,990
Travel	2,819
Instructional Supplies and Materials	147,938
Other Supplies and Materials	4,203
Vocational Instruction Equipment	678,281
Total Career and Technical Education Program	2,125,228

**Adult Education Program**

Teachers	\$ 25,000
Travel	1,136
Other Supplies and Materials	40,541
In Service/Staff Development	2,729
Total Adult Education Program	69,406

## Support Services

**Attendance**

Supervisor/Director	\$ 72,287
Social Security	4,225
Pensions	4,597

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

**General Purpose School Fund (Cont.)**

## Support Services (Cont.)

**Attendance (Cont.)**

Medical Insurance	\$ 10,989
Dental Insurance	338
Employer Medicare	988
Travel	<u>3,294</u>
Total Attendance	\$ 96,718

**Health Services**

Supervisor/Director	\$ 14,471
Other Salaries and Wages	284,585
Social Security	14,788
Pensions	17,793
Medical Insurance	128,005
Employer Medicare	3,651
Postal Charges	50
Travel	144
Contracts for Substitute Teachers - Non-certified	145
Other Supplies and Materials	46,860
In Service/Staff Development	4,608
Other Charges	<u>4,739</u>
Total Health Services	519,839

**Other Student Support**

Guidance Personnel	\$ 420,573
Social Security	27,595
Pensions	31,454
Medical Insurance	108,076
Dental Insurance	2,650
Employer Medicare	6,454
Evaluation and Testing	21,075
Internet Connectivity	<u>734,292</u>
Total Other Student Support	1,352,169

**Regular Instruction Program**

Supervisor/Director	\$ 98,515
Career Ladder Program	2,000

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

**General Purpose School Fund (Cont.)**

## Support Services (Cont.)

**Regular Instruction Program (Cont.)**

Librarians	\$ 415,297
Materials Supervisor	12,516
Secretary(ies)	33,317
Social Security	32,925
Pensions	35,618
Medical Insurance	106,617
Dental Insurance	2,732
Employer Medicare	7,700
Travel	7,505
Other Contracted Services	6,100
In Service/Staff Development	250
Other Charges	17,440
Total Regular Instruction Program	\$ 778,532

**Special Education Program**

Supervisor/Director	\$ 79,902
Psychological Personnel	71,327
Secretary(ies)	33,317
Clerical Personnel	35,994
Other Salaries and Wages	40,176
Social Security	14,654
Pensions	13,942
Medical Insurance	62,205
Dental Insurance	809
Employer Medicare	3,551
Contracts with Other Public Agencies	15,585
Travel	1,084
Other Supplies and Materials	2,739
In Service/Staff Development	4,887
Total Special Education Program	380,172

**Career and Technical Education Program**

Supervisor/Director	\$ 74,058
Social Security	4,119
Pensions	4,710

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

**General Purpose School Fund (Cont.)**

## Support Services (Cont.)

**Career and Technical Education Program (Cont.)**

Medical Insurance	\$ 17,240
Dental Insurance	338
Employer Medicare	963
Other Equipment	<u>177,714</u>
Total Career and Technical Education Program	\$ 279,142

**Technology**

Supervisor/Director	\$ 90,029
Computer Programmer(s)	155,996
Instructional Computer Personnel	130,935
Social Security	21,579
Pensions	20,355
Medical Insurance	117,521
Dental Insurance	338
Employer Medicare	5,047
Internet Connectivity	<u>113,184</u>
Total Technology	654,984

**Other Programs**

On-behalf Payments to OPEB	\$ 162,372
Total Other Programs	162,372

**Board of Education**

Secretary to Board	\$ 600
Board and Committee Members Fees	4,675
Social Security	327
Pensions	32
Employer Medicare	76
Audit Services	20,000
Dues and Memberships	22,814
Legal Services	12,260
Travel	5,476
Other Contracted Services	3,833
Trustee's Commission	149,681
Workers' Compensation Insurance	<u>226,970</u>
Total Board of Education	446,744

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

**General Purpose School Fund (Cont.)**

## Support Services (Cont.)

**Director of Schools**

County Official/Administrative Officer	\$ 109,428
Career Ladder Program	1,000
Secretary(ies)	44,100
Social Security	9,660
Pensions	9,644
Medical Insurance	17,967
Dental Insurance	338
Employer Medicare	2,259
Other Fringe Benefits	4,800
Communication	2,131
Travel	3,256
Office Supplies	6,440
<b>Total Director of Schools</b>	<b>\$ 211,023</b>

**Office of the Principal**

Principals	\$ 719,660
Career Ladder Program	7,000
Secretary(ies)	356,209
Social Security	64,184
Pensions	66,971
Medical Insurance	191,358
Dental Insurance	2,365
Employer Medicare	15,011
<b>Total Office of the Principal</b>	<b>1,422,758</b>

**Fiscal Services**

Accountants/Bookkeepers	\$ 105,000
Secretary(ies)	33,600
Social Security	8,028
Pensions	7,277
Medical Insurance	34,619
Employer Medicare	1,878
Travel	1,133
Other Contracted Services	16,929
Office Supplies	3,966
<b>Total Fiscal Services</b>	<b>212,430</b>

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

**General Purpose School Fund (Cont.)**

## Support Services (Cont.)

**Operation of Plant**

Custodial Personnel	\$ 690,796
Social Security	40,302
Pensions	35,004
Medical Insurance	226,645
Employer Medicare	9,425
Communication	40,322
Custodial Supplies	122,945
Electricity	730,656
Natural Gas	167,159
Water and Sewer	199,919
Building and Contents Insurance	495,414
Total Operation of Plant	\$ 2,758,587

**Maintenance of Plant**

Supervisor/Director	\$ 75,102
Maintenance Personnel	80,453
Social Security	9,539
Pensions	8,167
Medical Insurance	21,175
Employer Medicare	2,231
Communication	248
Maintenance and Repair Services - Buildings	211,309
Maintenance and Repair Services - Equipment	43,236
Maintenance and Repair Services - Vehicles	144
Other Contracted Services	431
Other Supplies and Materials	56,160
Other Charges	24,679
Administration Equipment	117
Building Improvements	17,050
Total Maintenance of Plant	550,041

**Transportation**

Supervisor/Director	\$ 52,500
Mechanic(s)	111,400
Bus Drivers	495,982

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

**General Purpose School Fund (Cont.)**

## Support Services (Cont.)

**Transportation (Cont.)**

Clerical Personnel	\$ 30,902
Other Salaries and Wages	223,287
Social Security	55,532
Pensions	49,271
Medical Insurance	46,197
Employer Medicare	12,987
Communication	933
Maintenance and Repair Services - Vehicles	263,265
Medical and Dental Services	3,996
Other Contracted Services	175,980
Diesel Fuel	162,911
Gasoline	27,009
Lubricants	7,819
Tires and Tubes	38,909
Other Supplies and Materials	27,275
Other Charges	2,326
Transportation Equipment	627,713
Total Transportation	\$ 2,416,194

## Operation of Non-Instructional Services

**Food Service**

Other Salaries and Wages	\$ 3,302
Total Food Service	3,302

**Early Childhood Education**

Supervisor/Director	\$ 80,497
Teachers	324,521
Educational Assistants	93,197
Certified Substitute Teachers	420
Non-certified Substitute Teachers	13,398
Social Security	29,106
Pensions	32,027
Medical Insurance	45,011
Dental Insurance	1,681
Employer Medicare	6,809

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

**General Purpose School Fund (Cont.)**

## Operation of Non-Instructional Services (Cont.)

**Early Childhood Education (Cont.)**

Maintenance and Repair Services - Equipment	\$ 2,000
Travel	1,260
Other Supplies and Materials	4,736
In Service/Staff Development	782
Total Early Childhood Education	\$ 635,445

## Capital Outlay

**Regular Capital Outlay**

Architects	\$ 30,206
Other Contracted Services	727,040
Building Construction	197,114
Building Improvements	7,715
Total Regular Capital Outlay	962,075

## Other Debt Service

**Education**

Contributions	\$ 1,309,768
Total Education	1,309,768

Total General Purpose School Fund

\$ 43,357,721

**School Federal Projects Fund**

## Instruction

**Regular Instruction Program**

Teachers	\$ 720,709
Educational Assistants	74,438
Certified Substitute Teachers	700
Non-certified Substitute Teachers	2,784
Social Security	41,815
Pensions	44,615
Medical Insurance	160,903
Dental Insurance	3,362
Employer Medicare	10,951
Instructional Supplies and Materials	175,896
Software	141,517

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

**School Federal Projects Fund (Cont.)**

## Instruction (Cont.)

**Regular Instruction Program (Cont.)**

Other Supplies and Materials	\$ 12,571
Regular Instruction Equipment	141,667
Total Regular Instruction Program	\$ 1,531,928

**Special Education Program**

Teachers	\$ 12,850
Educational Assistants	602,852
Speech Pathologist	104,708
Social Security	40,912
Pensions	39,892
Employer Medicare	9,568
Instructional Supplies and Materials	4,983
Other Supplies and Materials	16,183
Special Education Equipment	2,097
Total Special Education Program	834,045

**Career and Technical Education Program**

Instructional Supplies and Materials	\$ 24,103
Software	3,721
Other Supplies and Materials	5,027
Vocational Instruction Equipment	36,102
Total Career and Technical Education Program	68,953

## Support Services

**Attendance**

Bonus Payments	\$ 1,000
Social Security	62
Pensions	64
Employer Medicare	14
Total Attendance	1,140

**Health Services**

Bonus Payments	\$ 1,000
Social Security	62
Pensions	64
Employer Medicare	14
Total Health Services	1,140

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

**School Federal Projects Fund (Cont.)**

## Support Services (Cont.)

**Other Student Support**

Guidance Personnel	\$ 64,574
Part-time Personnel	31,334
Bonus Payments	16,000
Social Security	992
Pensions	992
Employer Medicare	681
Other Supplies and Materials	8,355
In Service/Staff Development	6,174
Other Charges	14,317
<b>Total Other Student Support</b>	<b>\$ 143,419</b>

**Regular Instruction Program**

Supervisor/Director	\$ 77,618
Secretary(ies)	27,962
Instructional Coaches	26,908
Bonus Payments	2,000
Other Salaries and Wages	8,200
Social Security	6,379
Pensions	7,160
Medical Insurance	29,554
Dental Insurance	329
Employer Medicare	1,882
Lease/SBITA Payments	660
Postal Charges	20
Software	3,950
Other Supplies and Materials	1,788
In Service/Staff Development	114,429
Other Charges	267
Other Equipment	2,555
<b>Total Regular Instruction Program</b>	<b>311,661</b>

**Special Education Program**

Medical Personnel	\$ 50,000
Other Salaries and Wages	49,377
Social Security	6,124

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

**School Federal Projects Fund (Cont.)**

Support Services (Cont.)

**Special Education Program (Cont.)**

Pensions	\$ 5,217
Employer Medicare	1,432
Contracts with Other Public Agencies	50,000
Other Contracted Services	<u>42,447</u>
Total Special Education Program	\$ 204,597

**Career and Technical Education Program**

In Service/Staff Development	\$ 4,966
Total Career and Technical Education Program	4,966

**Technology**

Bonus Payments	\$ 1,000
Social Security	62
Pensions	64
Employer Medicare	14
Software	<u>40,204</u>
Total Technology	41,344

**Director of Schools**

Bonus Payments	\$ 4,000
Social Security	248
Pensions	232
Employer Medicare	58
Total Director of Schools	4,538

**Maintenance of Plant**

Bonus Payments	\$ 1,000
Social Security	62
Pensions	52
Employer Medicare	14
Maintenance and Repair Services - Buildings	<u>289,879</u>
Total Maintenance of Plant	291,007

**Transportation**

Bus Drivers	\$ 31,111
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(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

**School Federal Projects Fund (Cont.)**

## Support Services (Cont.)

**Transportation (Cont.)**

Bonus Payments	\$ 1,000
Other Salaries and Wages	38,066
Social Security	4,351
Pensions	3,633
Employer Medicare	1,018
Other Contracted Services	1,911
Transportation Equipment	456,294
Total Transportation	\$ 537,384

## Operation of Non-Instructional Services

**Food Service**

Bonus Payments	\$ 1,000
Social Security	62
Pensions	52
Employer Medicare	14
Total Food Service	1,128

**Community Services**

Supervisor/Director	\$ 2,070
Teachers	290,096
Clerical Personnel	35,994
Educational Assistants	60,878
Social Security	23,731
Pensions	20,966
Employer Medicare	5,640
Other Contracted Services	13,211
Instructional Supplies and Materials	38,459
Other Supplies and Materials	691
Other Charges	1,562
Total Community Services	493,298

## Capital Outlay

**Regular Capital Outlay**

Building Improvements	\$ 568,371
Total Regular Capital Outlay	\$ 568,371

Total School Federal Projects Fund \$ 5,038,919

(Continued)

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

Discretely Presented McNairy County School Department (Cont.)

**Central Cafeteria Fund**

## Operation of Non-Instructional Services

**Food Service**

Supervisor/Director	\$ 47,008
Accountants/Bookkeepers	34,734
Clerical Personnel	23,205
Cafeteria Personnel	695,807
Maintenance Personnel	7,143
Other Salaries and Wages	16,018
Social Security	46,084
Pensions	39,924
Medical Insurance	265,200
Unemployment Compensation	2,218
Employer Medicare	10,875
Maintenance and Repair Services - Equipment	37,640
Transportation - Other than Students	13,966
Travel	373
Other Contracted Services	38,162
Food Supplies	1,129,776
Office Supplies	1,470
Uniforms	6,142
USDA - Commodities	196,244
Other Supplies and Materials	90,742
Refund to Applicant for Criminal Investigation	409
Other Charges	1,983
Food Service Equipment	78,544
Total Food Service	\$ 2,783,667
Total Central Cafeteria Fund	\$ 2,783,667
<b>Internal School Fund</b>	
Operation of Non-Instructional Services	
<b>Community Services</b>	
Other Charges	\$ 1,839,161
Total Community Services	\$ 1,839,161
Total Internal School Fund	1,839,161
Total Governmental Funds - McNairy County School Department	\$ 53,019,468

## **SINGLE AUDIT SECTION**



JASON E. MUMPOWER  
*Comptroller*

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of McNairy County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise McNairy County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated October 23, 2025. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the McNairy County School Department (a discretely presented component unit), as described in our report on McNairy County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified the following 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 McNairy County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### McNairy County's Responses to the Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on McNairy County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. McNairy County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### Purpose of this Report

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

Very truly yours,

  
Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

October 23, 2025

JEM/gc



JASON E. MUMPOWER  
*Comptroller*

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

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited McNairy County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of McNairy County's major federal programs for the year ended June 30, 2025. McNairy County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, McNairy County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of McNairy County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of McNairy County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to McNairy County's federal programs.

### *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on McNairy County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for noncompliance resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about McNairy County's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding McNairy County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of McNairy County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of McNairy County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal

control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of McNairy County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise McNairy County's basic financial statements. We issued our report thereon dated October 23, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,  
  
Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

October 23, 2025

JEM/gc

**McNAIRY COUNTY, TENNESSEE, AND THE McNAIRY COUNTY SCHOOL DEPARTMENT**  
**Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8)**  
**For the Year-Ended June 30, 2025**

<b>Federal/Pass-through Agency/State Grantor Program Title</b>	<b>Assistance Listing Number</b>	<b>Passed-through Entity Identifying Number</b>	<b>Expenditures</b>
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	\$ 722,455
National School Lunch Program	10.555	N/A	1,565,354 (7)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	196,244 (7)
Rebate of Storage and Distribution Fees	10.555	N/A	9,243 (7)
Passed-through State Department of Health:			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-25-83555-01	11,499
Total U.S. Department of Agriculture			<u>\$ 2,504,795</u>
U.S. Department of Transportation:			
Passed-through State Department of Safety and Homeland Security:			
Alcohol Open Container Requirements	20.607	(5)	\$ 17,420
Total U.S. Department of Transportation			<u>\$ 17,420</u>
U.S. Department of the Treasury:			
Passed-through State Department of Tourist Development:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds	21.027	(6)	\$ 7,579 (7)
Passed-through State Department of Education:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds	21.027	N/A	91,325 (7)
Total U.S. Department of the Treasury			<u>\$ 98,904</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,417,695
Special Education Cluster (IDEA): (4)			
Special Education - Grants to States	84.027	N/A	1,034,539
Special Education - Preschool Grants	84.173	N/A	118,477
Career and Technical Education - Basic Grants to States	84.048	N/A	87,738
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	144,320
Twenty-first Century Community Learning Centers	84.287	N/A	522,397
Rural Education	84.358	N/A	122,811
Supporting Effective Instruction State Grants	84.367	N/A	140,546
Student Support and Academic Enrichment Program	84.424	N/A	38,506
COVID 19 - Education Stabilization Fund - Elementary and Secondary			
School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	1,901,554 (7)
COVID 19 - Education Stabilization Fund - Elementary and Secondary			
School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	N/A	8,673 (7)
Total U.S. Department of Education			<u>\$ 5,537,256</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
Public Health Emergency Response: Cooperative Agreement for Emergency			
Response: Public Health Crisis Response	93.354	N/A	\$ 2,499
Passed-through State Department of Health:			
Maternal and Child Health Services Block Grant to the States	93.994	GG-25-83555-01	12,919
Total U.S. Department of Health and Human Services			<u>\$ 15,418</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(6)	\$ 343,001
Emergency Management Performance Grants	97.042	45857-1	31,898
Direct Program:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	39,040
Total U.S. Department of Homeland Security			<u>\$ 413,939</u>
Total Expenditures of Federal Grants			<u>\$ 8,587,732</u>

(Continued)

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

<b>State Grants</b>	<b>Assistance Listing Number</b>	<b>Contract Number</b>	<b>Expenditures</b>
Juvenile Court State Supplement Funds - State Department of Children's Services	N/A	(6)	\$ 13,500
Recruitment and Retention Grant - State Department of Commerce and Insurance	N/A	(6)	25,500
Tennessee Law Enforcement Training Academy Cost Sharing			
Grant - State Department of Commerce and Insurance	N/A	(6)	15,000
Three Star Grant Program - State Department of Economic and Community Development	N/A	(6)	50,000
Statewide School Resource Officer Grant Program - State Department of Safety and Homeland Security	N/A	(6)	601,044
Cybersecurity Grant - State Department of Education	N/A	N/A	15,000
Early Childhood Education - State Department of Education	N/A	N/A	724,019
Innovative School Model - State Department of Education	N/A	N/A	1,895,006
COVID 19 - Learning Camp Transportation - State Department of Education	N/A	N/A	40,090
School Bus Seat Restraint Grant - State Department of Education	N/A	N/A	15,000
COVID 19 - Summer Learning Camps - State Department of Education	N/A	N/A	262,922
Local Parks and Recreation Fund (LPRF) - State Department of Environment and Conservation	N/A	(6)	413,647
Health Department Grant - State Department of Health	N/A	GG-25-83555-01	114,176
Tennessee Certified Recovery Court Program - State Department of Mental Health and Substance Abuse Services	N/A	(6)	115,344
Disaster Grants - Public Assistance - State Department of Military	N/A	(6)	55,837
Volunteer Firefighter Equipment and Training Grant - State Department of Commerce and Insurance	N/A	(6)	83,703
Litter Program - State Department of Transportation	N/A	(6)	45,533
 Total State Grants			 <u>\$ 4,485,321</u>

ALN = Assistance Listing Number

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) McNairy County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.

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

(4) Child Nutrition Cluster total \$2,493,296; Special Education Cluster (IDEA) total \$1,153,016.

(5) Z24THS186: \$7,026; Z25THS194: \$10,394.

(6) Information not available.

(7) Total for ALN 10.555 is \$1,770,841; Total for ALN 21.027 is \$98,904; Total for ALN 84.425 is \$1,910,227.

(8) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	ALN	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 134,092
Supporting Effective Instruction State Grant	84.367	12,000
Student Support and Academic Enrichment Program	84.424	190
Rural Education	84.358	9,788
Total amounts consolidated for administration purposes		<u>\$ 156,070</u>

**McNAIRY 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 McNairy County, Tennessee, for the year ended June 30, 2025.

**Prior-year Financial Statement Findings**

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
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**OFFICE OF COUNTY MAYOR**

2024	185	2024-001	Amounts withheld from contractor payments were not deposited into an escrow account.	N/A	Corrected
2024	185	2024-002	Insurance recovery funds were not deposited within three days of collection.	N/A	Corrected
2024	186	2024-003	A lease financing agreement was not properly approved.	N/A	Corrected

**OFFICE OF HIGHWAY COMMISSIONER**

2024	186	2024-004	The Highway Capital Projects Fund did not have a budget approved by the county commission.	N/A	Corrected
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**OFFICE OF COUNTY CLERK**

2024	187	2024-005	The office did not review its software audit logs.	N/A	Not Corrected - See Explanation on Corrective Action Plan
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**Prior-year Federal Awards Findings**

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

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

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the financial statements of McNairy County is unmodified.
2. Internal Control Over Financial Reporting:

\* Material weakness identified? **NO**

\* Significant deficiency identified? **YES**

3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:

\* Material weakness identified? **NO**

\* Significant deficiency identified? **NONE REPORTED**

5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**

7. Identification of Major Federal Programs:

\* Assistance Listing Number: 84.010 Title I Grants to Local Education Agencies

\* Assistance Listing Numbers: 84.027 and 84.173 Special Education (IDEA) Cluster

\* Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund

8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**

9. Auditee qualified as low-risk auditee? **NO**

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for the findings are paraphrased and presented following the findings and recommendations. Management's corrective action plan, whether related to the financial statements or federal awards, is presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

### OFFICE OF TRUSTEE

FINDING 2025-001

#### THE OFFICE HAD ACCOUNTING DEFICIENCIES

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The following deficiencies were noted during our examination of the office's accounting records. These deficiencies can be attributed to a lack of understanding of internal controls, generally accepted accounting principles, state statutes, and sound business practices.

- A. Bank statements for one of the trustee's bank accounts were not reconciled with the general ledger during the period from July 2024 through June 2025. Sound business practices dictate that bank statements should be reconciled with the general ledger monthly to ensure errors are identified and corrected promptly. The failure to regularly reconcile the bank accounts with accounting records is a significant deficiency that increases the risk that errors will not be discovered and corrected in a timely manner.
- B. Certain transactions of the Highway/Public Works Fund were posted twice each month during the period January 2025 through June 2025, which resulted in an overstatement of disbursements and an understatement of cash totaling \$54,059. The office failed to identify these errors due to the deficiency noted in Part A. of this finding.

### RECOMMENDATION

Bank accounts should be reconciled with the general ledger monthly, and errors should be identified and corrected promptly. The trustee should ensure that transactions are posted correctly, and amounts are accurately stated in the financial statements.

### MANAGEMENT'S RESPONSE – TRUSTEE

I concur with the finding.

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### OFFICE OF COUNTY CLERK

FINDING 2025-002

#### THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The software application used by the office generated four audit logs that displayed changes made by users. Because these logs provided the only audit trail of these changes, they should be routinely reviewed for inappropriate activity. Although the official was aware of the importance of these logs, one of the logs was not reviewed. This deficiency exists because management failed to correct the finding noted in the prior-year audit report and failed to implement its corrective action plan. When the importance of the report was brought to management's attention again in January 2025, the review process was resumed. Procedures for reviewing the report are currently in place.

## **RECOMMENDATION**

Management should continue to review the audit logs on a routine basis, and documentation proving the review should be maintained. Any unusual transactions should be investigated.

## **MANAGEMENT'S RESPONSE – COUNTY CLERK**

I am writing to respectfully respond to and provide clarification regarding Finding 2025-002, which concerns the timely review of daily audit reports. While we acknowledge the documentation gap noted by the auditor, we respectfully disagree with the conclusion that the required internal control was not performed. The internal control requiring the county clerk, chief deputy, or secretary to review and sign the daily audit reports was consistently followed throughout the fiscal year in question. The specific deficiency identified in the finding relates entirely to the inability to produce the original, signed documentation for a few selected days. Upon internal review, we determined that the original reviewed reports for those days were inadvertently misplaced by a staff member during routine filing. When the audit request was made, the existing review had already been completed. To fulfill the documentation request quickly, the missing reports were immediately reprinted, but they naturally lacked the original date stamp proving the prior review. It was this lack of original documentation, rather than a failure of the daily review process itself, that led to the finding.

## **AUDITOR'S COMMENT**

Management's response indicates that audit log reviews were performed but not always documented. However, at the time of the review, the audit log in question, the Audit Listing of Dates Closed, for November and December 2024 had not been printed, and the logs for July through September 2024 were all printed together on October 18, 2024. Because documentation is the only proof that a review occurred, its absence at the time of review, combined with bulk printing of multiple months after the fact, points to a weakness in the control. As a result, management could not demonstrate that the audit log was reviewed consistently throughout the period.

### **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.

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

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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**OFFICE OF TRUSTEE**

2025-001	The office had accounting deficiencies.	199
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**OFFICE OF COUNTY CLERK**

2025-002	The office did not review its software audit logs.	200
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# **McNairy County Trustee**

McNairy County Courthouse  
Selmer, TN 38375

**Stanley Mitchell, Trustee**

Phone: (731) 645-5476

## ***Corrective Action Plan***

### **FINDING**

**THE OFFICE HAD ACCOUNTING DEFICIENCIES**

**Response and Corrective Action Plan Prepared by:**  
Stanley Mitchell, Trustee

**Person Responsible for Implementing the Corrective Action:**  
Stanley Mitchell, Trustee

**Anticipated Completion Date of Corrective Action:**  
December 31, 2025

**Repeat Finding:**  
No

**Reason Corrective Action was Not Taken in the Prior Year:**  
N/A

**Planned Corrective Action:**  
In the future, bank accounts will be promptly and accurately reconciled to ensure that errors are identified and corrected in a timely manner.



Ross McNatt  
McNairy County Clerk

## **Corrective Action Plan**

### **Finding 2025-001:**

The Office did not review its software audit logs

### **Response and Corrective Action Plan Prepared by:**

Ross McNatt, County Clerk

### **Person Responsible for Implementing the Corrective Action Plan:**

Ross McNatt, County Clerk

### **Anticipated Completion Date of Corrective Action:**

January 2025

### **Repeat Finding:**

Yes

### **Planned Corrective Action:**

The office will continue to routinely review its software audit logs.

Signature: \_\_\_\_\_

## **BEST PRACTICE**

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

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

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

McNairy County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.