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**TATE COUNTY, MISSISSIPPI**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2020**

TATE COUNTY  
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TATE COUNTY

FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Tate County, Mississippi

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tate County, Mississippi as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tate County, Mississippi, as of September 30, 2020, and the respective changes in

financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability and the Schedule of County Contributions be presented to supplement the basic financial statements. Such 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. 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 and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Tate County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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. Such 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.

The Schedule of Surety Bonds for County Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2022, on our consideration of Tate County, Mississippi'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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tate County, Mississippi'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 Tate County, Mississippi's internal control over financial reporting and compliance.

*F.O. Givens & Co*

F.O. Givens & Co.  
Senatobia, MS  
March 28, 2022

## MANAGEMENT'S DISCUSSION AND ANALYSIS

TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2020

## INTRODUCTION

The discussion and analysis of Tate County's financial performance provides an overall narrative review of the County's financial activities for the year ended September 30, 2020. The intent of this discussion and analysis is to look at the County's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the County's financial performance. Information contained in this section is qualified by more detailed information contained elsewhere in the County's financial statements, notes to the financial statements and accompanying materials. To the extent that this discussion contains any forward looking statements of the County's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

This discussion and analysis is an element of required supplementary information specified in the "Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" issued June, 1999.

Tate County is located in northwestern Mississippi. The population, according to the 2020 census, is 28,064. The local economic base is driven mainly by agriculture. Tate County's economy is also bolstered by being the home of Northwest Mississippi Community College.

## FINANCIAL HIGHLIGHTS

Tate County's total property tax levy for the year ended September 30, 2020, was 151.20 mills, down from 152.52. Of this amount, the mills levied for the Tate County School District were 66.83, down from 68.15 in 2019.

Total net position increased \$4,772,293, an increase of 18.9% from the prior year. The County's ending cash balance went from \$10,280,977 to \$13,830,965.

The County had \$20,744,040 in total revenues, compared to \$19,205,055 in the previous year. Property taxes of \$12,410,884 comprised approximately 60% of total revenues.

Total operating expenses were \$15,971,747 compared to \$16,031,453 in the prior year.

Among major funds, the General Fund had \$11,999,077 in operating revenues and \$9,826,923 in operating expenditures with other financial uses of (\$340,865). The General Fund's fund balance increased by \$1,831,289.

Long-term debt for governmental activities decreased this year from \$8,651,721 to 8,442,652, a decrease of approximately 2.4%.

Tate County received and spent federal funds in the amount of \$861,646 during the fiscal year. Of that amount, \$446,048 was a reimbursement through MEMA (Mississippi Emergency Management Agency) with federal funds through the CARES ACT (2020). Since the expenditure of federal funds exceeded \$750,000, a single audit was conducted to ensure adequate internal controls were in place, and the county complied with program requirements.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.



TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2020

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the County finances, in a manner similar to private-sector businesses and accrual basis accounting.

The statement of net position presents information on all County assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or part of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development, and interest on long term debt. The business-type activities of the County include solid waste management and garbage collection. The Government-wide Financial Statements can be found on pages 13 and 14 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a County's near-term financing requirements. Governmental funds are reported using modified accrual accounting. This method of accounting measures cash and other assets that can be easily converted to cash, which provides a detailed short-term view of the County's operations. Governmental funds include the general, special revenue, debt service, and capital projects funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented with governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the "Governmental Funds Balance Sheet" and the "Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances" provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 16 and 18, respectively.

The County maintains individual governmental funds in accordance with the *Mississippi County Financial Accounting Manual*. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental funds. The basic governmental funds financial statements can be found on pages 15 through 18 of this report.

**Proprietary funds** are maintained to account for enterprise activities. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for solid waste management and garbage disposal.

TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2020

Fund financial statements for the proprietary funds provide the same type and basis of information as the business-type activities in the government-wide financial statements, only in more detail. The Solid Waste Management Fund is considered to be a major fund of the County. Data from the other enterprise fund is combined into a single, aggregated presentation. The proprietary funds financial statements can be found on pages 19 through 21 of this report.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the County government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accrual basis of accounting is used for fiduciary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The County's fiduciary financial statement can be found on page 22 of this report.

**Notes to the financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 23 through 43 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents Required Supplementary Information concerning the County's budget process. The County adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the general fund. This required supplementary information can be found on pages 44 through 51 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Net Position** - Net Position may serve over time as a useful indicator of government's financial position. In the case of Tate County, assets and deferred outflows exceeded liabilities and deferred inflows by \$29,973,806 as of September 30, 2020.

By far, the largest portion of the County's net position (103%) reflects its investment in capital assets (e.g. roads, bridges, land, buildings, mobile equipment, furniture and equipment, leased property under capital lease and construction in progress) less related outstanding debt used to acquire such assets. The County uses these capital assets to provide services to its citizens.

The County's financial position is a product of several financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The following table presents a summary of the County's net position for the fiscal years ended September 30, 2020 and 2019.

(See table on next page).

TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2020

	2020		2019	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Current Assets	\$ 26,566,087	505,303	\$ 22,935,318	358,713
Capital Assets, Net	38,239,955	698,887	37,658,124	358,344
Total Assets	<u>\$ 64,806,042</u>	<u>1,204,190</u>	<u>\$ 60,593,442</u>	<u>717,057</u>
Total Deferred Outflows of Resources	<u>\$ 2,065,935</u>	<u>87,749</u>	<u>\$ 1,112,831</u>	<u>25,139</u>
Current Liabilities	\$ 1,040,578	116,948	\$ 1,099,792	114,550
Long-term Debt Outstanding:				
Due Within One Year	799,936	147,068	692,970	434,227
Due In More Than One Year	7,642,716	445,566	7,958,751	4,739
Net Pension Liability	14,574,887	912,189	14,024,585	928,592
Total Liabilities	<u>\$ 24,058,117</u>	<u>1,621,771</u>	<u>\$ 23,776,098</u>	<u>1,482,108</u>
Total Deferred Inflows of Resources	<u>\$ 12,467,833</u>	<u>42,389</u>	<u>\$ 11,968,872</u>	<u>19,878</u>
Net Investment in Capital Assets	\$ 30,682,835	122,594	\$ 29,864,737	(75,883)
Restricted	6,504,237		4,837,918	
Unrestricted	(6,841,045)	(494,815)	(8,741,352)	(683,907)
Total Net Position	<u>\$ 30,346,027</u>	<u>(372,221)</u>	<u>\$ 25,961,303</u>	<u>(759,790)</u>

**Changes in Net Position** - Tate County's total revenue for the fiscal year ended September 30, 2020 was \$19,116,218 for governmental activities and \$1,627,822 for business-type activities. The total cost for all services provided was \$14,731,494 for governmental activities and \$1,240,253 for business-type activities. The change in net position was \$4,384,724 for governmental activities and \$387,569 for business-type activities. The following table presents a summary of the changes in net position for the fiscal year ended September 30, 2020 and 2019:

(See table on next page.)

TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2020

	<u>2020</u>	<u>2019</u>
Governmental Activities:		
Revenues:		
Program Revenues		
Charges for Services	\$ 1,918,328	\$ 1,793,602
Operating Grants & Contributions	1,667,450	760,482
Capital Grants & Contributions	1,376,063	416,560
General Revenues		
Property Taxes	12,410,884	12,074,443
Other	1,743,493	2,627,832
Total Revenue	<u>\$ 19,116,218</u>	<u>\$ 17,672,919</u>
Expenses:		
General Government	\$ 4,349,688	\$ 3,863,507
Public Safety	4,952,219	4,897,525
Public Works	3,801,965	3,754,421
Health and Welfare	216,694	250,032
Culture and Recreation	168,000	168,000
Other Expenses	187,241	207,534
Interest and other expense on long-term debt	313,710	218,342
Pension Expense	741,977	1,740,789
Total Expenses	<u>14,731,494</u>	<u>15,100,150</u>
Changes in Net Position	<u>\$ 4,384,724</u>	<u>\$ 2,572,769</u>
Business-Type Activities:		
Revenues:		
Program Revenues		
Charges for Services	\$ 1,404,068	\$ 1,360,823
Other	223,754	171,313
Total Revenues	<u>1,627,822</u>	<u>1,532,136</u>
Expenses:		
Solid Waste Disposal	1,189,006	1,035,818
Garbage Disposal	51,247	(104,515)
Total Expenses	<u>1,240,253</u>	<u>931,303</u>
Changes in Net Position	<u>\$ 387,569</u>	<u>\$ 600,833</u>

TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2020

**Governmental Activities** - The following table presents the cost of nine major functional activities of the County: General Government, Public Safety, Public Works, Health and Welfare, Culture and Recreation, Conservation of Natural Resources, Economic Development, Interest and Other Expenses on Long-term Debt, and Pension Expense. The table also shows each function's net cost (total cost less charges for services generated by the activity and intergovernmental aid provided for that activity.) The net cost shows the financial burden that was placed on Tate County's taxpayers by each of these functions.

	2020		2019	
	Total Costs	Net Costs	Total Costs	Net Costs
General Government	\$ 4,349,688	\$ 2,867,966	\$ 3,863,507	\$ 2,529,994
Public Safety	\$ 4,952,219	\$ 4,100,105	\$ 4,897,525	\$ 4,201,318
Public Works	\$ 3,801,965	\$ 1,193,745	\$ 3,754,421	\$ 2,825,749
Health and Welfare	\$ 216,694	\$ 196,909	\$ 250,032	\$ 237,780
Culture and Recreation	\$ 168,000	\$ 168,000	\$ 168,000	\$ 168,000
Conservation of Natural Resources	\$ 76,441	\$ 76,441	\$ 80,534	\$ 80,534
Economic Development	\$ 110,800	\$ 110,800	\$ 127,000	\$ 127,000
Interest and Other Expenses on Long-Term Debt	\$ 313,710	\$ 313,710	\$ 218,342	\$ 218,342
Pension Expense	\$ 741,977	\$ 741,977	\$ 1,740,789	\$ 1,740,789

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

**Governmental funds** - At the close of the fiscal year, Tate County's governmental funds reported a combined fund balance of \$12,988,538 an increase from the previous year's balance of \$9,509,357.

The General Fund is the principal operating fund of the County. The increase in the fund balance of the General Fund for the fiscal year was \$1,831,289.

**Business-type funds** - The Enterprise Funds showed a profit for the year of \$387,569.

## BUDGETARY HIGHLIGHTS OF MAJOR FUNDS

Over the course of the year, Tate County revised its annual operating budget to more closely reflect actual revenues and expenses. A schedule showing the original and final budget amounts compared to the County's actual financial activity for the General Fund is provided in this report as required supplementary information.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets** - As of September 30, 2020, Tate County's total capital assets were \$102,207,368. This includes roads, bridges, other infrastructure, land, buildings, mobile equipment, furniture and equipment, and leased property under capital lease. This amount represents an increase from the previous year of \$1,734,251.

Total accumulated depreciation as of September 30, 2020, was \$63,268,526, including \$1,115,490 of depreciation expense for the year. The balance in total net capital assets was \$38,938,842 at year-end.

Additional information on Tate County's capital assets can be found in Note 5 on pages 32 through 34 of this report.

TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2020

**Debt Administration** - At September 30, 2020, Tate County had \$9,035,287 of long-term debt outstanding. This includes general obligation bonds, loans, capital leases, and accrued vacation pay. This total was down from \$9,090,687 the previous year.

The State of Mississippi limits the amount of debt a county can issue to generally 15% of total assessed value. The County's outstanding debt is currently well below the debt limit.

Additional information on Tate County's long-term debt can be found in Note 10 on pages 38 through 40 of this report.

## **CURRENT AND FUTURE ITEMS OF IMPACT**

Tate County has no major items of impact that would materially affect these financial statements.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives.

If you have questions about this report or need additional financial information, please contact the County Administrator's/Chancery Clerk's office at P.O. Box 309, Senatobia, MS 38668.

## FINANCIAL STATEMENTS

TATE COUNTY  
Statement of Net Position  
September 30, 2020

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 13,639,197	191,768	13,830,965
Property tax receivable	11,790,545	-	11,790,545
Accounts receivable, net of allowance for uncollectible accounts of \$604,361	266	448,169	448,435
Fines receivable, net of allowance for uncollectible accounts of \$932,744	761,409	-	761,409
Intergovernmental receivable	198,495	17,744	216,239
Internal balances	153,231	(153,231)	-
Prepaid items	22,944	853	23,797
Capital assets:			
Land and construction in progress	1,283,727	-	1,283,727
Other capital assets, net	36,956,228	698,887	37,655,115
Total Assets	64,806,042	1,204,190	66,010,232
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred loss on bond refunding	663,882	-	663,882
Deferred outflows related to pensions	1,402,053	87,749	1,489,802
Total Deferred Outflows of Resources	2,065,935	87,749	2,153,684
<u>LIABILITIES</u>			
Claims payable	286,786	25,342	312,128
Intergovernmental payables	557,738	-	557,738
Accrued interest payable	37,925	-	37,925
Unearned revenue	-	91,606	91,606
Amounts held in custody for others	158,129	-	158,129
Long-term liabilities:			
Due within one year:			
Capital debt	799,936	147,068	947,004
Due in more than one year:			
Capital debt	7,421,066	429,225	7,850,291
Non-capital debt	221,650	16,341	237,991
Net pension liability	14,574,887	912,189	15,487,076
Total Liabilities	24,058,117	1,621,771	25,679,888
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	677,288	42,389	719,677
Property tax for future reporting periods	11,790,545	-	11,790,545
Total Deferred Inflows of Resources	12,467,833	42,389	12,510,222
<u>NET POSITION</u>			
Net investment in capital assets	30,682,835	122,594	30,805,429
Restricted for:			
Expendable:			
General government	3,353,994	-	3,353,994
Public works	2,769,515	-	2,769,515
Debt service	357,418	-	357,418
Unemployment compensation	23,310	-	23,310
Unrestricted	(6,841,045)	(494,815)	(7,335,860)
Total Net Position	\$ 30,346,027	(372,221)	29,973,806

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



TATE COUNTY  
Statement of Activities  
For the Year Ended September 30, 2020

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Capital	Primary Government		
		Services	Grants and	Grants and	Governmental	Business-Type	Total
			Contributions	Contributions	Activities	Activities	
Primary government:							
Governmental activities:							
General government	\$ 4,349,688	1,455,484	26,238	-	(2,867,966)	-	(2,867,966)
Public safety	4,952,219	435,413	416,701	-	(4,100,105)	-	(4,100,105)
Public works	3,801,965	27,431	1,204,726	1,376,063	(1,193,745)	-	(1,193,745)
Health and welfare	216,694	-	19,785	-	(196,909)	-	(196,909)
Culture and recreation	168,000	-	-	-	(168,000)	-	(168,000)
Conservation of natural resources	76,441	-	-	-	(76,441)	-	(76,441)
Economic development and assistance	110,800	-	-	-	(110,800)	-	(110,800)
Interest and other expenses on							
long-term debt	313,710	-	-	-	(313,710)	-	(313,710)
Pension expense	741,977	-	-	-	(741,977)	-	(741,977)
Total governmental activities	<u>14,731,494</u>	<u>1,918,328</u>	<u>1,667,450</u>	<u>1,376,063</u>	<u>(9,769,653)</u>	<u>-</u>	<u>(9,769,653)</u>
Business-type activities:							
Solid waste disposal	1,189,006	1,374,555	-	-	-	185,549	185,549
Garbage disposal	51,247	29,513	-	-	-	(21,734)	(21,734)
Total business-type activities	<u>1,240,253</u>	<u>1,404,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,815</u>	<u>163,815</u>
Total primary government	<u>\$ 15,971,747</u>	<u>3,322,396</u>	<u>1,667,450</u>	<u>1,376,063</u>	<u>(9,769,653)</u>	<u>163,815</u>	<u>(9,605,838)</u>
General Revenues:							
Property taxes					\$ 12,410,884	-	12,410,884
Road and bridge privilege taxes					49,064	-	49,064
Grants and contributions not restricted to specific programs					620,134	-	620,134
Unrestricted interest income					181,803	-	181,803
Miscellaneous					883,607	80,116	963,723
Gain (Loss) on disposal of capital assets					8,885	143,638	152,523
Total General Revenues					<u>14,154,377</u>	<u>223,754</u>	<u>14,378,131</u>
Changes in Net Position					<u>4,384,724</u>	<u>387,569</u>	<u>4,772,293</u>
Net Position-Beginning					<u>25,961,303</u>	<u>(759,790)</u>	<u>25,201,513</u>
Net Position-Ending					<u>\$ 30,346,027</u>	<u>(372,221)</u>	<u>29,973,806</u>

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

TATE COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2020

Exhibit 3

	Major Fund		
	General	Other	Total
	Fund	Governmental	Governmental
		Funds	Funds
<u>ASSETS</u>			
Cash and cash equivalents	7,365,026	6,274,171	13,639,197
Property tax receivable	8,665,433	3,125,112	11,790,545
Fines receivable, net allowance for uncollectibles of \$932,744	761,409	-	761,409
Other Receivable	266	-	266
Intergovernmental receivables	133,461	-	133,461
Due from other funds	41,487	121,231	162,718
Advances to other funds	116,707	-	116,707
Total Assets	17,083,789	9,520,514	26,604,303
<u>LIABILITIES</u>			
Claims payable	\$ 125,705	161,080	286,785
Intergovernmental payables	557,738	-	557,738
Due to other funds	61,159	-	61,159
Amounts held in custody for others	158,129	-	158,129
Total Liabilities	\$ 902,731	161,080	1,063,811
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - property taxes	8,665,433	3,125,112	11,790,545
Unavailable revenue - fines	761,409	-	761,409
Total deferred inflows of resources	\$ 9,426,842	3,125,112	12,551,954
<u>FUND BALANCES</u>			
Nonspendable:			
Advances	116,707	-	116,707
Restricted for:			
General government	646,110	2,707,884	3,353,994
Public safety		167,480	167,480
Public works	-	2,769,515	2,769,515
Debt service	-	395,343	395,343
Unemployment compensation	-	23,310	23,310
Assigned:			
Public safety	-	170,790	170,790
Unassigned	5,991,399	-	5,991,399
Total Fund Balances	\$ 6,754,216	6,234,322	12,988,538
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,083,789	9,520,514	26,604,303

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

## TATE COUNTY

Exhibit 3-1

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
September 30, 2020

	Amount
Total Fund Balance - Governmental Funds	\$ 12,988,538
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$62,929,768.	38,239,955
Other long-term assets are not available for current period expenditures and, therefore, are unearned in the funds.	761,409
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	1,402,053
Net pension liabilities are not due and payable in the current period, and therefore are not reported in the funds	(14,574,887)
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(677,288)
Long-term liabilities not due and payable in the current period and, therefore, not reported in the funds.	(7,778,772)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(37,925)
Prepaid items, such as prepaid insurance, are accounted for as expenditures in the period of acquisition and, therefore, are not reported in the funds.	22,944
Total Net Position - Governmental Activities	<u>\$30,346,027</u>

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

## TATE COUNTY

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Year Ended September 30, 2020

Exhibit 4

	Major Fund	Other	Total
	General	Governmental	Governmental
	Fund	Funds	Funds
<u>REVENUES</u>			
Property taxes	\$ 9,087,253	3,323,631	12,410,884
Road and bridge privilege taxes	47,001	2,063	49,064
Licenses, commissions, and other revenues	995,232	27,431	1,022,663
Fines and forfeitures	357,066	876	357,942
Intergovernmental revenues	648,630	3,108,550	3,757,180
Charges for services	139,875	279,358	419,233
Interest	123,438	58,365	181,803
Miscellaneous	600,582	205,672	806,254
Total Revenues	11,999,077	7,005,946	19,005,023
<u>EXPENDITURES</u>			
Current:			
General government	5,008,456	502,477	5,510,933
Public safety	4,150,699	902,954	5,053,653
Public works	-	3,923,045	3,923,045
Health and welfare	179,038	-	179,038
Culture and recreation	168,000	-	168,000
Conservation of natural resources	84,009	-	84,009
Economic development and assistance	110,800	-	110,800
Debt service:			
Principal	52,026	686,908	738,934
Interest and fees	73,895	143,919	217,814
Total Expenditures	9,826,923	6,159,303	15,986,226
Excess of Revenues Over (Under)			
Expenditures	2,172,154	846,643	3,018,797
<u>OTHER FINANCING SOURCES (USES)</u>			
Loan Proceeds	-	442,186	442,186
Proceeds from sale of capital assets	2,876	15,322	18,198
Compensation for loss of assets	-	-	-
Transfers in	-	363,616	363,616
Transfers out	(343,741)	(19,875)	(363,616)
Total Other Financing Sources (Uses)	(340,865)	801,249	460,384
Net Change in Fund Balances	1,831,289	1,647,892	3,479,181
Fund Balance - Beginning	4,922,927	4,586,430	9,509,357
Fund Balance - Ending	\$ 6,754,216	6,234,322	12,988,538

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

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended September 30, 2020

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Net Changes in Fund Balances - Total Governmental Funds

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\$ 3,479,181

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the  
Statements of Activities, the cost of those assets is allocated over their  
estimated useful lives as depreciation expense. This is the amount by which  
capital outlays of \$1,522,342 exceeded depreciation of \$931,198 in the  
current period.

591,144

In the Statement of Activities, only gains and losses from the sale of capital assets are  
reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase  
financial resources. Thus the change in net position differs from the change in fund balances  
by the amount of the net gain of \$ 8,885 and the proceeds from the sale of \$ 18,198 in the  
current period.

(9,313)

Fine revenue recognized on the modified accrual basis in the funds during the current  
year is reduced because prior year recognition would have been required on the  
Statement of Activities using the full accrual basis of accounting.

102,310

Debt proceeds provide current financial resources to governmental funds,  
but issuing debt increases long-term liabilities in the Statement of Net Position.  
Repayment of debt principal is an expenditure in the governmental funds,  
but the repayment reduces long-term liabilities in the Statement of Net Position.  
This is the amount by which repayments of \$738,934 in the current period  
exceeded proceeds of \$442,186

296,748

Under the modified accrual basis of accounting used in the Governmental Funds, expenditures  
are not recognized for transactions that are not normally paid with expendable available financial  
resources. However, in the Statement of Activities, which is presented on the accrual basis,  
expenses and liabilities are reported regardless of when financial resources are available.  
In addition, interest on long-term debt is recognized under the modified accrual basis of accounting  
when due, rather than as it accrues. Thus, the change in net position differs from the change in fund  
balances by a combination of the following items:

Accrued interest on debt	(35,414)
Prepaid insurance	22,017
Compensated absences	(96,473)
Bond premium and deferred loss amortization	(60,482)

Some items reported in the Statement of Activities relating to the implementation of GASB 68  
are not reported in the governmental funds. These activities include:

Recording of pension expense for the current period	(741,977)
Recording of contributions made during the year	836,983

Change in Net Position of Governmental Activities

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\$ 4,384,724

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

TATE COUNTY  
Statement of Net Position - Proprietary Funds  
September 30, 2020

Exhibit 5

	Business-type Activities- Enterprise Funds		
	Major Fund- Solid Waste Management Fund	Other Fund	Total
<u>ASSETS</u>			
Current Assets			
Cash	\$ 162,552	29,216	191,768
Accounts receivable, net of allowance for doubtful accounts \$604,361	448,169	-	448,169
Due from other funds	20,260	2,447	22,707
Prepaid Items	853	-	853
Total Current Assets	631,834	31,663	663,497
Noncurrent Assets			
Capital assets, net of accumulated depreciation	698,887	-	698,887
Total Noncurrent Assets	698,887	-	698,887
Total Assets	1,330,721	31,663	1,362,384
Deferred Outflows of Resources			
Deferred Outflows-Pensions	87,749	-	87,749
Total Deferred Outflows of Resources	87,749	-	87,749
<u>LIABILITIES</u>			
Current Liabilities			
Claims payable	25,031	311	25,342
Due to other funds	-	41,487	41,487
Advances from other funds	116,707	-	116,707
Unearned revenue	91,606	-	91,606
Capital debt			
Capital lease payable	147,068	-	147,068
Total Current Liabilities	380,412	41,798	422,210
Noncurrent Liabilities			
Capital debt			
Capital lease payable	429,225	-	429,225
Non-capital debt			
Compensated absences payable	16,341	-	16,341
Net Pension Liability	912,189	-	912,189
Total Noncurrent Liabilities	1,357,755	-	1,357,755
Total Liabilities	1,738,167	41,798	1,779,965
Deferred Inflows of Resources			
Deferred Inflows - Pensions	42,389	-	42,389
Total Deferred Inflows of Resources	42,389	-	42,389
<u>NET POSITION</u>			
Net investment in capital assets	122,594	-	122,594
Unrestricted	(484,680)	(10,135)	(494,815)
Total Net Position	\$ (362,086)	(10,135)	(372,221)

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

TATE COUNTY  
Statement of Revenues Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended September 30, 2020

Exhibit 6

	Business-type Activities - Enterprise Funds		
	Major Fund- Solid Waste Management Fund	Other Fund	Total
<u>OPERATING REVENUES</u>			
Charges for services	\$ 1,374,555	-	1,374,555
Charges for sales	-	29,513	29,513
Total Operating Revenues	1,374,555	29,513	1,404,068
<u>OPERATING EXPENSES</u>			
Personnel services	449,243	-	449,243
Contractual services	237,132	55,289	292,421
Pension expense	(3,050)	-	(3,050)
Repairs and maintenance	76,848	(1,363)	75,485
Other supplies and expenses	96,050	(2,680)	93,370
Insurance	9,180	1	9,181
Depreciation	184,292	-	184,292
Total Operating Expenses	1,049,695	51,247	1,100,942
Operating Income (Loss)	324,860	(21,734)	303,126
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Gain (loss) on sale of capital assets	143,638	-	143,638
Interest expense	(139,311)	-	(139,311)
Other income (expense)	25,224	54,892	80,116
Net Nonoperating Revenues (Expenses)	29,551	54,892	84,443
Change in Net Position	354,411	33,158	387,569
Net Position - Beginning	(716,497)	(43,293)	(759,790)
Net Position - Ending	\$ (362,086)	(10,135)	(372,221)

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

TATE COUNTY  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2020

Exhibit 7

	Business-type Activities - Enterprise Funds		
	Major Fund- Solid Waste Management Fund	Other Fund	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash received from customers	\$ 1,353,524	29,523	1,383,047
Cash payments for goods and services	(407,465)	(55,299)	(462,764)
Cash payments to employees	(438,604)	-	(438,604)
Payments for insurance premiums	(10,005)	-	(10,005)
Other income (expense)	(53,453)	-	(53,453)
Net Cash Provided By (Used In) Operating Activities	443,997	(25,776)	418,221
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Cash received from other funds:			
Loans from other funds	963	-	963
Miscellaneous receipts (expense)	17,556	54,892	72,448
Net Cash Provided By (Used In) Noncapital Financing Activities	18,519	54,892	73,411
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Proceeds from the sale of capital assets	143,638	-	143,638
Principal paid on long-term debt	(487,200)	-	(487,200)
Interest paid on debt	(15,276)	-	(15,276)
Net Cash Provided By (Used In) Capital and Related Financing Activities	(358,838)	-	(358,838)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest on deposits	-	-	-
Net Cash Provided By (Used In) Investing Activities	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	103,678	29,116	132,794
Cash and Cash Equivalents-Beginning of Year	58,874	100	58,974
Cash and Cash Equivalents-End of Year	\$ 162,552	29,216	191,768
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:			
Operating Income (Loss)	\$ 324,860	(21,734)	303,126
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	184,292	-	184,292
Change in assets and liabilities:			
(Increase) decrease in accounts receivable, net	(12,017)	10	(12,007)
(Increase) decrease in other receivable	(963)	-	(963)
(Increase) decrease in prepaid items	(825)	1	(824)
(Increase) decrease in deferred outflows of resources	(62,610)	-	(62,610)
Increase (decrease) in unearned revenue	(9,014)	-	(9,014)
Increase (decrease) in claims payable	2,565	(4,053)	(1,488)
Increase (decrease) in compensated absences	11,602	-	11,602
Increase (decrease) in net pension liability	(16,403)	-	(16,403)
Increase (decrease) in deferred inflows of resources	22,510	-	22,510
Total adjustments	119,137	(4,042)	115,095
Net Cash Provided By (Used In) Operating Activities	\$ 443,997	(25,776)	418,221

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



TATE COUNTY  
Statement of Fiduciary Assets and Liabilities  
September 30, 2020

Exhibit 8

	Agency Funds
<u>ASSETS</u>	
Cash	\$ 187,437
Total Assets	<u>\$ 187,437</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 104,659
Due to other funds	82,778
Total Liabilities	<u>\$ 187,437</u>

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

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2020

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Tate County, Mississippi (the County) is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require Tate County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County. There are no outside organizations that should be included as component units of the County's reporting entity.

State law pertaining to county government provides for the independent election of county officials. The following elected and appointed officials are all part of the County legal entity and therefore are reported as part of the primary government financial statements.

- Board of Supervisors
- Chancery Clerk
- Circuit Clerk
- Justice Court Clerk
- Purchase Clerk
- Tax Assessor/Collector
- Sheriff

B. Basis of Presentation.

The County's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, fund financial statements and accompanying note disclosures which provide a detailed level of financial information.

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support.

The Statement of Net Position presents the financial condition of the governmental activities and business-type activities of the County at year end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general revenues of the County.

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2020

Fund Financial Statements:

Fund financial statements of the 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, liabilities, deferred inflows, fund balances, revenues and expenditures/expenses. Funds are organized into governmental, proprietary and fiduciary. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column as Other Governmental Funds.

C. Measurement Focus and Basis of Accounting.

The Government-wide, Proprietary Funds and Fiduciary Funds (excluding agency funds) financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the county. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied. Agency funds have no measurement focus, but use the accrual basis of accounting.

The revenues and expenses of Proprietary Funds are classified as operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's primary operations. All other revenues and expenses are reported as nonoperating.

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year-end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The County reports the following major Governmental Fund:

General Fund – This fund is used to account for and report all financial resources not accounted for and reported in another fund.

The County reports the following major Enterprise Fund:

Solid Waste Management Fund – This fund is used to account for the County's activities of disposal of solid waste within the County.

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2020

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

Capital Projects Funds – These 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.

PROPRIETARY FUND TYPE

Enterprise Funds – These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

FIDUCIARY FUND TYPE

Agency Funds – These funds account for various taxes, deposits and other monies collected or held by the County, acting in the capacity of an agent, for the distribution to other governmental units or designated beneficiaries.

D. Account Classifications.

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

E. Deposits and Investments.

State law authorizes the county to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any county, municipality or school district of this state. Further, the County may invest in certain repurchase agreements.

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value. However, the County did not invest in any governmental securities during the fiscal year.

F. Receivables.

Receivables are reported net of allowances for uncollectible accounts, where applicable.

G. Interfund Transactions and Balances.

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2020

Transactions between funds that are representative of short-term lending /borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as “due to/from other funds.” Noncurrent portions of interfund receivables and payables are reported as “advances to/from other funds.” Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in the General Fund, if applicable, to indicate that they are not available for appropriation and are not expendable available financial resources. However, this is not applicable to advances reported in other governmental funds, which are reported, by definition, as restricted, committed, or assigned. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

H. Prepaid Items.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items, such as prepaid insurance, are not reported for Governmental Fund Types since the cost of such items are accounted for as expenditures in the period of acquisition.

I. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the applicable governmental or business-type activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets’ costs have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

Capital assets acquired or constructed for Proprietary Fund operations are capitalized at cost in the respective funds in which they are utilized. No interest is capitalized on self-constructed assets because non-capitalization of interest does not have a material effect on the County’s financial statements. Donated capital assets are recorded at their fair value at the time of donation.

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives are used to report capital assets in the government –wide statements and Proprietary funds. Depreciation is calculated on the straight-line basis for all assets, except land. A full year’s depreciation expense is taken for all purchases and sales of capital assets during the year. The following schedule details those thresholds and estimated useful lives:

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2020

	Capitalization Thresholds	Estimated Useful Life
Land	\$ -	N/A
Infrastructure	-	20-50 years
Buildings	50,000	40 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5-10 years
Furniture and equipment	5,000	3-7 years
Leased property under capital assets	*	*

\* Leased property capitalization policy and estimated useful life will correspond with the amounts for the asset classification, as listed above.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred amount of refunding – For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, 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 old debt or the life of the new debt, whichever is shorter.

Deferred outflows related to pensions – This amount represents the County's proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 9 for additional details.

In addition to liabilities, the statement of financial 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Property tax for future reporting period/unavailable revenue – property taxes – Deferred inflows of resources should be reported when resources associated with imposed nonexchange revenue transactions are received or reported as a receivable before the period for which property taxes are levied.

Unavailable revenue – fines – When an asset is recorded in the governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue becomes available.

Deferred inflows related to pensions – This amount represents the County's proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 9 for additional details.

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K. Pensions.

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

L. Long-Term Liabilities.

Long-term liabilities are the unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances but may also include liabilities on lease-purchase agreements and other commitments.

In the government-wide financial statements and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or Proprietary Funds Statement of Net Position.

In the fund financial statements, the face amount of the debt issued is reported as other financing sources.

M. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as Net Position and displayed in three components:

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, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position not meeting the definition of "restricted" or "net investment in capital assets."

Net Position Flow Assumption:

When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the County's general policy to use restricted resources first. When expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based

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primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Government fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the County:

*Nonspendable fund balance* includes amounts that cannot be spent. This includes amounts that are either not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds from the collection of those receivables or from the sale of those properties are restricted, committed or assigned) or amounts that are legally or contractually required to be maintained intact, such as a principal balance of a permanent fund.

*Restricted fund balance* includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

*Assigned fund balance* includes amounts that are constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the General Fund, this is the residual amount within the fund that is not classified as nonspendable and is neither restricted nor committed. Assignments of fund balance are created by the County Administrator pursuant to authorization established by board of supervisors.

*Unassigned fund balance* is the residual classification for the General Fund. 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 Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fund Balance Flow Assumption:

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the County's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general policy to spend committed resources first, followed by assigned amounts and then unassigned amounts.

N. Property Tax Revenues.

Numerous statutes exist under which the Board of Supervisors may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the County. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The Board of Supervisors, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins October 1. Real Property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.



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Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measureable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectability criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

O. Intergovernmental Revenues in Governmental Funds.

Intergovernmental revenues, consisting of grants, entitlements and shared revenues, are usually recorded in Governmental Funds when measureable and available. However, the “available” criterion applies for certain federal grants and shared revenues when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

P. Compensated Absences

The County has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements and the Proprietary Fund financial statements. In fund financial statements, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

Q. Changes in Accounting Standards.

The Governmental Accounting Standards Board issued GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020. The objective of this Statement was to provide temporary relief to governments in light of the COVID-19 pandemic by postponing effective dates of certain Statements and Implementation Guides. The effective dates of GASB 83-84, GASB 88-93, and Implementation Guides No. 2017-3, 2018-1, 2019-1, and 2019-2 were postponed one year. The effective dates of GASB 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, were postponed eighteen months.

(2) Deposits.

The carrying amount of the county’s total deposits with financial institutions at September 30, 2020, was \$14,015,802, which includes \$2,600 of petty cash and the bank balance was \$14,361,010. The collateral for public entities’ deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-05, Miss. Code Ann. (1972). Under this program, the entity’s funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of failure of a financial institution, the County will not be able to recover deposits or collateral securities that are in possession of an outside party. The County does not have a formal policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to

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replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC). Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the County.

(3) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2020:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Enterprise Fund	41,487
Other Governmental Funds	General Fund	56,197
Other Governmental Funds	Agency Fund	65,034
Solid Waste Management	Agency Fund	15,297
Other Enterprise Fund	Agency Fund	2,447
Solid Waste Management	General Fund	4,963
Rounding	General Fund	(1)
Total		<u>\$ 185,424</u>

All interfund loans were made to prevent borrowing from outside sources or due to tax revenue collected but not settled until October 2020. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Solid Waste Management	\$ 116,707
Total		<u>\$ 116,707</u>

These funds represent unpaid indirect cost.

C. Transfers In/Out

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 343,741
Other Governmental Funds	Other Governmental Funds	19,875
Total		<u>\$ 363,616</u>

All interfund transfers were made to prevent borrowing from an outside source. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

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For the Year Ended September 30, 2020

(4) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2020 consist of the following:

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative Tax Credit	\$ 133,461
Due from Agency Funds	<u>65,034</u>
Total	<u>\$ 198,495</u>
Business-type Activities:	
Due from Agency Funds	\$ <u>17,744</u>
Total	<u>\$ 17,744</u>

(5) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2020:

(See table on next page.)

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Governmental Activities:

	Balance at 10/1/2019	Additions	Deletions	Transfers	Balance at 9/30/2020
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,283,727	-	-	-	\$ 1,283,727
Construction in progress	1,239,790	902,592	-	(2,142,382)	-
Total non-depreciable capital assets	2,523,517	902,592	-	(2,142,382)	1,283,727
<u>Depreciable capital assets:</u>					
Infrastructure	74,446,127	-	-	-	74,446,127
Buildings	15,509,484	130,894	-	2,142,382	17,782,760
Improvements other than buildings	155,317	-	-	-	155,317
Mobile Equipment	5,541,287	103,563	(82,064)	245,000	5,807,786
Furniture and equipment	918,444	-	(1,196)	-	917,248
Leased equipment	636,465	385,293	-	(245,000)	776,758
Total depreciable capital assets	97,207,124	619,750	(83,260)	2,142,382	99,885,996
<u>Less accumulated depreciation for:</u>					
Infrastructure	51,286,169	198,121	-	-	51,484,290
Buildings	5,178,139	332,518	-	-	5,510,657
Improvements other than buildings	91,344	6,212	-	-	97,556
Mobile Equipment	4,480,124	239,278	(73,858)	220,500	4,866,044
Furniture and equipment	717,868	40,405	(89)	-	758,184
Leased equipment	318,873	114,664	-	(220,500)	213,037
Total accumulated depreciation	62,072,517	931,198	(73,947)	-	62,929,768
Total depreciable capital assets, net	35,134,607	(311,448)	(9,313)	2,142,382	36,956,228
Governmental activities capital assets, net	\$ 37,658,124	591,144	(9,313)	-	\$ 38,239,955

Business-type Activities:

	Balance at 10/1/2019	Additions	Deletions	Transfers	Balance at 9/30/2020
<u>Depreciable capital assets:</u>					
Mobile Equipment	\$ 136,809	-	(136,809)	394,578	\$ 394,578
Furniture and equipment	13,800	-	-	-	13,800
Leased equipment	591,867	629,267	(197,289)	(394,578)	629,267
Total depreciable capital assets	742,476	629,267	(334,098)	-	1,037,645
<u>Less accumulated depreciation for:</u>					
Mobile Equipment	123,128	71,024	(123,130)	142,049	213,071
Furniture and equipment	12,420	-	-	-	12,420
Leased equipment	248,584	113,268	(106,536)	(142,049)	113,267
Total accumulated depreciation	384,132	184,292	(229,666)	-	338,758
Total depreciable capital assets, net	\$ 358,344	444,975	(104,432)	-	\$ 698,887

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Depreciation expense was charged to the following functions:

Governmental activities:	Amount
General government	\$143,227
Public safety	422,775
Public works	327,540
Health and welfare	37,656
Total depreciation expense, governmental activities	<u>\$931,198</u>
 Business-type activities:	
Solid Waste	<u>\$184,292</u>
Total depreciation expense, business-type activities	<u>\$184,292</u>

(6) Claims and Judgments.

Risk Financing.

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2020, to January 1, 2021. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

(7) Capital Leases.

As Lessee:

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2020:

Property acquired through capital leases:

Classes of Property	Governmental Activities	Business-type Activities
Mobile equipment	\$ 776,758	\$ 629,267
Total	776,758	629,267
Less: Accumulated Depreciation	213,037	113,267
Leased property under capital leases	<u>\$ 563,721</u>	<u>\$ 516,000</u>

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The following is a schedule by years of the total payments due as of September 30, 2020:

Year Ending September 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	126,194	10,672	147,068	12,046
2022	259,569	10,011	429,225	5,448
2023	37,601	2,486	-	-
2024	37,955	1,593	-	-
2025	33,404	703	-	-
Total	\$ 494,723	\$ 25,465	\$ 576,293	\$ 17,494

(8) Short-term Debt and Liquidity.

There was no short-term borrowing during the fiscal year.

(9) Defined Benefit Pension Plan.

*General Information about the Pension Plan*

**Plan Description.** Tate County, Mississippi, contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005, or by calling 1-800-444 PERS.

**Benefits Provided.** Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the state of Mississippi Legislature.

**Contributions.** At September 30, 2020, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2020 was 17.40% of annual covered payroll. The contribution requirements of PERS

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members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the year ending September 30, 2020, 2019, and 2018 were \$918,851, \$889,418, and \$911,909, respectively, equal to the required contributions for each year.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.*

At September 30, 2020, the County reported a liability of \$15,487,076 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2020 net pension liability was .080 percent, which was based on a measurement date of June 30, 2020. This was a decrease of .005 percent from its proportionate share used to calculate the September 30, 2019 net pension liability, which was based on a measurement date of June 30, 2019.

For the year ended September 30, 2020, the County recognized pension expense of \$738,927. At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 134,873	\$ -
Net difference between projected and actual earnings on pension plan investments	1,018,017	-
Changes of assumptions	92,050	-
Changes in the County's proportion and differences between the County's contributions and proportionate share of contributions	-	719,677
County contributions subsequent to the measurement date	244,862	-
Total	\$ 1,489,802	\$ 719,677

\$244,862 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2021. 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 September 30,	
2021	\$ 332,669
2022	(46,665)
2023	34,269
2024	204,990
	\$ 525,263

Actuarial Assumptions. The total pension liability as of June 30, 2020 was determined by an actuarial valuation prepared as of June 30, 2019 using the following actuarial assumptions applied to all periods in the measurement:

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Inflation	2.75 percent
Salary Increases	3.00 – 18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 112% of the male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119. For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the four-year period July 1, 2014 to June 30, 2018. The experience report is dated April 2, 2019.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges 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. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00%	4.90%
International Equity	22.00%	4.75%
Global Equity	12.00%	5.00%
Fixed Income	20.00%	0.50%
Real Estate	10.00%	4.00%
Private Equity	8.00%	6.25%
Cash	1.00%	0.00%
Total	100.00%	

Discount rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan 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 to the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.75 percent) or 1 percentage point higher (8.75 percent) than the current rate.



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	1% Decrease 6.75%	Present Discount Rate 7.75%	1% Increase 8.75%
County's proportionate share of the net pension liability	\$20,046,110	\$15,487,076	\$11,724,031

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

(10) Long-term Debt.

Debt outstanding as of September 30, 2020, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds			
Refunding Bond - 2016	\$ 5,425,000	2.00-3.00	3/1/2029
Health Department Bond	60,000	4.00	10/1/2021
Total General Obligation Bonds	<u>\$ 5,485,000</u>		
B. Capital Leases			
John Deere Tractor	\$ 18,790	3.79	2/25/2021
John Deere Tractor	12,473	2.49	9/15/2021
Dodge Truck	21,273	3.97	1/15/2024
John Deere Backhoes (3)	279,480	2.81	8/8/2022
Fire Rescue Tools	162,707	2.10	11/15/2024
Total Capital Leases	<u>\$ 494,723</u>		
C. Other Loans			
Courthouse Energy Saving Project	\$ 2,130,723	3.33	11/30/2035
Fire Truck CAP Loan	26,288	2.00	5/1/2022
Total Other Loans	<u>\$ 2,157,011</u>		

Business-type Activities:

A. Capital Leases			
Garbage Truck	\$ 261,659	3.14	1/18/2022
Garbage Truck	314,634	1.73	9/30/2022
Total Capital Leases	<u>\$ 576,293</u>		

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Annual debt service requirements to maturity for the following debt reported in the Statement of Net Position are as follows:

Governmental Activities:

Year Ending September 30	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2021	600,000	119,925	64,949	70,923
2022	680,000	104,675	61,910	68,963
2023	630,000	89,425	52,832	67,168
2024	645,000	76,675	54,606	65,394
2025	655,000	62,856	111,273	63,107
2026-2030	2,275,000	97,606	710,145	254,577
2031-2035	-	-	992,708	111,239
2036-2040	-	-	108,588	1,808
Total	\$ 5,485,000	\$ 551,162	\$ 2,157,011	\$ 703,179

Legal Debt Margin – The amount of debt, excluding specific exempt debt that can be incurred by the county is limited by state statute. Total outstanding debt during the year can be no greater than 15% of assessed value of the taxable property within the county, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2020, the amount of outstanding debt was equal to 2.93 percentage of the latest property assessments.

Prior Year Defeasance of Debt – In prior years, the County defeased certain certificates of participation by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old notes. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On September 30, 2020, \$5,565,000 of notes outstanding were considered defeased.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2020:

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	Balance 10/1/2019	Additions	Reductions	Balance 9/30/2020	Amount due within one year
Governmental Activities:					
Compensated Absences	\$ 125,177	\$ 96,473	\$ -	221,650	\$ -
General Obligation Bonds	6,125,000	-	640,000	5,485,000	600,000
Add:					
Premiums	93,063	-	8,795	84,268	8,793
Capital Leases	88,181	442,188	35,646	494,723	126,194
Other Loans	2,220,300	-	63,289	2,157,011	64,949
Net Pension Liability	14,024,585	550,302		14,574,887	-
Total	\$ <u>22,676,306</u>	\$ <u>1,088,963</u>	\$ <u>747,730</u>	\$ <u>23,017,539</u>	\$ <u>799,936</u>

Business-type Activities:

Compensated Absences	\$ 4,739	\$ 11,602	\$ -	\$ 16,341	\$ -
Capital Leases	434,227	629,266	487,200	576,293	147,068
Net Pension Liability	928,592		16,403	912,189	-
Total	\$ <u>1,367,558</u>	\$ <u>640,868</u>	\$ <u>503,603</u>	\$ <u>1,504,823</u>	\$ <u>147,068</u>

Compensated absences will be paid from the fund from which the employees' salaries were paid which are generally the General Fund, each District Road Fund, and the Solid Waste Management Fund.

(11) Deficit Fund Balances of Individual Funds.

The following funds reported deficits in net position at September 30, 2020:

Fund	Deficit Amount
Solid Waste Fund	362,086
Garbage Disposal Fund	<u>10,135</u>
Total	<u>\$ 372,221</u>

(12) Contingencies.

Federal Grants – The County has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional on compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the county. No provision for any liability that may result has been recognized in the County's financial statements.

Litigation – The County is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the County with respect to the various proceedings. However, the County's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the County.

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2020

(13) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of (\$6,841,045) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$230,430 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. The \$1,171,623 balance of the deferred outflows of resources related to pensions at September 30, 2020, will be recognized in pension expense over the next 4 years. The \$677,288 balance of the deferred inflows of resources related to pensions at September 30, 2020, will be recognized in pension expense over the next 3 years.

The governmental activities' net investment in capital assets net position amount of \$ 30,682,835 includes the effect of deferring the recognition of expenditures resulting from an advance refunding of County debt. \$663,882 of the \$2,065,936 balance of deferred outflows of resources at September 30, 2020 will be recognized as an expense and will decrease the net investment in capital assets net position over the next 12 years.

The business-type activities' unrestricted net position of (\$494,815) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$14,432 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. The \$73,317 balance of the deferred outflows of resources related to pensions at September 30, 2020 will be recognized in pension expense over the next 4 years. The \$42,389 balance of the deferred inflows of resources related to pension at September 30, 2020 will be recognized in pension expense over the next 3 years.

(14) Related Organizations.

The Tate County Board of Supervisors is responsible for appointing one member of the board of the Tate County Economic Development Foundation, but the county's accountability for this organization does not extend beyond making appointments. During the year, the county appropriated \$83,800 to this organization.

(15) Joint Ventures.

The County participates in the following joint venture:

The County is a participant with DeSoto, Lafayette, Panola, and Tunica counties in a joint venture authorized by Section 39-3-9, Miss. Code Ann. (1972), to operate the First Regional Library. The joint venture was created to provide free public library services to the citizens of the respective counties. The First Regional Library is governed by a five-member board appointed by the board of supervisors of the participating counties. By contractual agreement, the County's appropriations from the general fund this year to the joint venture amounted to \$168,000. Complete financial statements for the First Regional Library can be obtained from the main library office in Hernando or from the Tate County Chancery Clerk's office.

(16) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Northwest Mississippi Community College operates in a district composed of the counties of Benton, Calhoun, DeSoto, Lafayette, Marshall, Panola, Quitman, Tallahatchie, Tate, Tunica, and Yalobusha. The Tate County Board of Supervisors appoints two of the 23 members of the college board of trustees. The County appropriated approximately \$973,004 for support and maintenance of the college in the 2020 fiscal year.

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2020

North Delta Planning and Development District operates in a district composed of the counties of Coahoma, DeSoto, Panola, Quitman, Tallahatchie, Tate, and Tunica. The Tate County Board of Supervisors appoints four of the 30 members of the board of directors, with two being appointed from the business community. The County appropriated \$27,000 for support of the district in the 2020 fiscal year.

Yazoo-Mississippi Water Management District operates in a district composed of the counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington, and Yazoo. The Tate County Board of Supervisors appoints one of the 21 members of the district board of commissioners. The County levied a .75 mill tax for the maintenance and support of the district in the 2020 fiscal year.

Mid-State Opportunity, Inc. operates in a district composed of the counties of DeSoto, Panola, Quitman, Tallahatchie, Tate, and Tunica. The Tate County Board of Supervisors appoints one of the 30 members of the governing board. The County did not appropriate any funds for the support of the agency in the 2020 fiscal year.

Communicare operates in a district composed of the counties of Calhoun, Lafayette, Marshall, Panola, Tate, and Yalobusha. The Tate County Board of Supervisors appoints one of the seven members of the Board of Commissioners. The County appropriated \$30,000 for support of the district in the 2020 fiscal year.

(17) Tax Abatements.

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement 77, *Tax Abatement Disclosures*. This statement requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Tate County Board of Supervisors negotiates property tax abatements on an individual basis. All abatements are for ten years and are for economic development purposes. The County had tax abatement agreements with three entities as of September 30, 2020.

Section 27-31-105, Miss. Code (Ann.) 1972

All allowable property tax levies

Category	% of Taxes Abated	Amount of Taxes Abated During the Year
Additions to or expansions of a manufacturing facility	46.70%	\$ 870,479

(18) Subsequent Events.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition of disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Tate County evaluated the activity of the County through March 28, 2022, (the date the financial statements were

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2020

available to be issued), and determined that the following subsequent events have occurred that require disclosure in the notes to the financial statements:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
10/30/2020	3.14%	\$ 314,634	Capital Lease	Ad valorem tax
11/2/2020	2.59%	\$ 525,804	Capital Lease	Ad valorem tax
5/27/2021	1.74%	\$ 13,400,000	GO Bonds	Ad valorem tax
10/13/2021	2.18%	\$ 69,777	Capital Lease	Ad valorem tax
10/13/2021	2.18%	\$ 95,207	Capital Lease	Ad valorem tax
10/13/2021	2.18%	\$ 64,724	Capital Lease	Ad valorem tax
2/15/2022	2.03%	\$ 912,510	Capital Lease	Ad valorem tax

TATE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

TATE COUNTY  
 Budgetary Comparison Schedule  
 Budget and Actual (Non-GAAP Basis)  
 General Fund  
 For the Year Ended September 30, 2020  
 UNAUDITED

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget</b>
<b><u>REVENUES</u></b>				
Property taxes	\$ 8,865,198	9,081,189	9,081,282	93
Licenses, commissions and other revenue	952,000	1,151,328	989,852	(161,476)
Fines and forfeitures	181,000	356,129	356,036	(93)
Intergovernmental revenue	532,355	646,208	695,477	49,269
Charges for services	-	-	139,990	139,990
Use of money and property	133,500	161,884	171,722	9,838
Miscellaneous	197,561	575,960	556,098	(19,862)
Total Revenues	10,861,614	11,972,698	11,990,457	17,759
<b><u>EXPENDITURES</u></b>				
General government	4,585,549	4,341,391	5,109,534	(768,143)
Public safety	4,241,936	4,173,989	4,142,581	31,408
Health and welfare	210,024	182,835	179,038	3,797
Culture and recreation	168,000	168,000	168,000	-
Conservation of natural resources	95,732	86,205	84,009	2,196
Economic development and assistance	107,000	110,800	110,800	-
Total Expenditures	9,408,241	9,063,220	9,793,962	(730,742)
Excess of Revenues Over (Under) Expenditures	1,453,373	2,909,478	2,196,495	(712,983)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer in	-	-	-	-
Transfer out	(215,000)	(343,741)	(343,741)	-
Total Other Financing Sources (Uses)	(215,000)	(343,741)	(343,741)	-
Net Changes in Fund Balances	\$ 1,238,373	2,565,737	1,852,754	(712,983)
Fund Balance - Beginning of Year			5,954,373	
Fund Balance - End of Year			\$ 7,807,127	

The accompanying notes are an integral part of this schedule.



TATE COUNTY  
Schedule of County's Proportionate Share of the Net Pension Liability  
Last 10 Fiscal Years\*  
For the Year Ended September 30, 2020

	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.080%	0.085%	0.089%	0.084%	0.083%	0.085%	0.087%
County's proportionate share of the net pension liability (asset)	\$15,487,076	\$14,953,177	\$14,803,344	\$13,963,654	14,825,873	13,139,324	10,560,207
County's covered payroll	\$ 5,280,753	\$ 5,324,782	\$ 5,784,819	\$ 5,534,851	5,305,397	5,322,093	5,305,246
County's proportionate share of the net pension liability as a percentage of its covered payroll	293.27%	280.82%	255.90%	252.29%	279.45%	246.88%	199.05%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

\*The amounts for each fiscal year were determined as of the measurement date of June 30 of the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No .68 was implemented for the fiscal year ended September 30, 2015, and, until a full 10-year trend is compiled, the County has only presented information for the years in which information is available.

The accompanying notes to the Required Supplementary Information are an integral part of this schedule.

TATE COUNTY  
Schedule of County Contributions  
Last 10 Fiscal Years\*  
For the Year Ended September 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 918,851	\$ 889,418	\$ 911,109	\$ 871,739	829,673	838,209
Contributions in relation to the contractually required contribution	<u>918,851</u>	<u>889,418</u>	<u>911,109</u>	<u>871,739</u>	<u>829,673</u>	<u>838,209</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 5,280,753	\$ 5,324,782	\$ 5,784,819	\$ 5,534,851	5,267,765	5,322,093
Contributions as a percentage of covered payroll	17.40%	16.70%	15.75%	15.75%	15.75%	15.75%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until a full 10-year trend is compiled, the County has only presented information for the years in which information is available.

The accompanying notes to the Required Supplementary Information are an integral part of this schedule.

Tate County  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2020

UNAUDITED

Budgetary Comparison Schedule

A. Budgetary Information.

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff, Tax Assessor/Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that the budgetary estimates will not be met, it may make revisions to the budget.

The County's budget is prepared principally on the cash basis of accounting. All appropriations lapse at year end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

B. Basis of Presentation.

The Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (Non-GAAP Basis) and variances between the final budget and the actual amounts. The schedule is presented for the General Fund. The Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) is a part of required supplementary information.

C. Budget/GAAP Reconciliation.

The major differences between the budgetary basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund:

	<u>General Fund</u>
Budget (Cash Basis)	\$ 1,852,754
Increase (Decrease)	
Net adjustments for revenue accruals	11,496
Net adjustments for expenditure accruals	<u>(32,961)</u>
Net Change Fund Basis	<u>\$ 1,831,289</u>

Tate County  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2020

UNAUDITED

D. Unbudgeted Funds.

None

Pension Schedules

A. Changes of Assumptions

- 2015
  - The expectation of retired life Mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
  - The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
  - Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
  - Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
  - The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.
- 2016
  - The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.
- 2017
  - The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the mortality Table for disabled lives.
  - The wage inflation assumption was reduced from 3.75% to 3.25%
  - Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
  - The percentage of active member disabilities assumed to be in the line of duty was increased from 6.00% to 7.00%.

Tate County  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2020

UNAUDITED

- 2019
  - The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
    - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
    - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
    - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
  - The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
    - For males, 137% of male rates at all ages.
    - For females, 115% of female rates at all ages.
    - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
  - The price inflation assumption was reduced from 3.00% to 2.75%.
  - The wage inflation assumption was reduced from 3.25% to 3.00%.
  - Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
  - The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

B. Change in Benefit Provisions

- 2016
  - Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2018 valuation for the June 30, 2020 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30.9 years
Asset valuation method	5-year smoothed market
Price Inflation	3.00 percent

Tate County  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2020

UNAUDITED

Salary increase	3.25 percent to 18.50 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

## SUPPLEMENTARY INFORMATION

TATE COUNTY  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2020

Federal Grantor Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Number	Federal Expenditures
<b>U.S. Department of Transportation</b>			
Passed through Mississippi Deptment of Transportation			
Highway planning and construction cluster:			
Highway planning and construction	20.205	STPBR-0069-29-BO	257,639
Total U.S. Department of Transportation			<u>\$ 257,639</u>
<b>U.S. Department of Treasury</b>			
Passed through Mississippi Emergency Management Agency			
Coronavirus relief fund	21.019	N/A	446,048
Emergency Watershed Protection Program	10.923	N/A	35,912
Total U.S. Department of Treasury			<u>\$ 481,960</u>
<b>U.S. Department of Homeland Security</b>			
Passed through Mississippi Emergency Management Agency			
Emergency management performance grants	97.042	EMA-2020-EP-00013	27,543
Total U.S. Department of Homeland Security			<u>\$ 27,543</u>
<b>U.S. Department of the Interior</b>			
Passed through Mississippi Dept. of Revenue			
Payments in Lieu of Taxes	15.226	N/A	54,911
Total U.S. Department of the Interior			<u>\$ 54,911</u>
<b>U.S. Corp. of Engineers</b>			
Passed through Mississippi Office of the State Treasurer			
Flood control acts lands	15.433	N/A	28,084
Total U.S. Corp. of Engineers			<u>\$ 28,084</u>
<b>U.S. Election Assistance Commission</b>			
Passed through Mississippi Office of the Secretary of State			
2008 HAVA Election security grants	90.404	MS2010001-01	11,509
Total U.S. Election Assistance Commission			<u>\$ 11,509</u>
Total Expenditures of Federal Awards			<u>\$ 861,646</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Tate County under programs of the federal government for the year ended September 30, 2020. The information in this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Tate County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Tate County.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note C - Indirect Cost Rate

Tate County has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



## OTHER INFORMATION

TATE COUNTY  
Schedule of Surety Bonds for County Officials  
For the Year Ended September 30, 2020  
UNAUDITED

<b>Name</b>	<b>Position</b>	<b>Ins. Company</b>	<b>Amount</b>
Eddie Branan	Supervisor District 1	RLI Insurance Co.	\$100,000
Cliff O'Conner	Supervisor District 2	Travelers Insurance Co.	\$100,000
Tony Sandridge	Supervisor District 3	CNA Surety	\$100,000
William Saunders	Supervisor District 4	Travelers Insurance Co.	\$100,000
Daryl Ricks	Supervisor District 5	Travelers Insurance Co.	\$100,000
Cole Massie	County Administrator	Travelers Insurance Co.	\$100,000
Tim Hale	Chancery Clerk	RLI Insurance Co.	\$100,000
Junior Flippo	Purchase Clerk	Travelers Insurance Co.	\$75,000
Cole Massie	Assitstant Purchasing Clerk	Travelers Insurance Co.	\$50,000
Stephanie Huddleston	Assitstant Purchasing Clerk	Travelers Insurance Co.	\$50,000
Sherra Stricklen	Receiving Clerk	Travelers Insurance Co.	\$75,000
Mamie Irby	Assitant Receiving Clerk	Travelers Insurance Co.	\$50,000
James Holts	Assitant Receiving Clerk	Travelers Insurance Co.	\$50,000
Tim Hale	Assitant Receiving Clerk	Travelers Insurance Co.	\$50,000
Todd Latham	Inventory Clerk	Travelers Insurance Co.	\$75,000
Larry Britt	County Engineer	Travelers Insurance Co.	\$50,000
Robert Brownlee, Jr.	Constable District 1	Travelers Insurance Co.	\$50,000
Michael Jones	Constable District 2	Travelers Insurance Co.	\$50,000
Pat Kizziah	Coroner	Travelers Insurance Co.	\$10,000
Edward Hadskey	Circuit Clerk	RLI Insurance Co.	\$100,000
William Lance	Sheriff	Travelers Insurance Co.	\$100,000
Malcolm Manning	Justice Court Judge	RLI Insurance Co.	\$50,000
Robert Taylor	Justice Court Judge	RLI Insurance Co.	\$50,000
Stacy Suddoth	Justice Court Clerk	Travelers Insurance Co.	\$50,000
Christy Loveberry	Justice Deputy Clerk	Travelers Insurance Co.	\$50,000
Mandalyn Hartsfield	Justice Deputy Clerk	Travelers Insurance Co.	\$50,000
Joyce Collins	Tax Collector/Assessor	RLI Insurance Co.	\$100,000
Michael Cathey	Tax Collector Deputy Clerk	RLI Insurance Co.	\$50,000
Linda Weatherly	Tax Collector Deputy Clerk	RLI Insurance Co.	\$50,000
George Michael Dickson	Tax Collector Deputy Clerk	RLI Insurance Co.	\$50,000
Kellye Phelps Weeks	Tax Collector Deputy Clerk	RLI Insurance Co.	\$50,000
Shelly Robinson	Tax Collector Deputy Clerk	RLI Insurance Co.	\$50,000
Heather Johnson	Tax Collector Deputy Clerk	RLI Insurance Co.	\$50,000
Natalie Sowell	Tax Collector Deputy Clerk	RLI Insurance Co.	\$50,000
Gwendolyn Meeks	Tax Collector Deputy Clerk	RLI Insurance Co.	\$50,000
Felicia Harris	Tax Collector Deputy Clerk	RLI Insurance Co.	\$50,000
Michael Cathey	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
Linda Weatherly	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
George Michael Dickson	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
Kellye Phelps Weeks	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
Shelly Robinson	Deputy Tax Assessor	RLI Insurance Co.	\$50,000
Heather Johnson	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
Natalie Sowell	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
Gwendolyn Meeks	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
Felicia Harris	Deputy Tax Assessor	RLI Insurance Co.	\$10,000

## SPECIAL REPORTS

# F. O. GIVENS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

212 SOUTH WARD ST. SENATOBIA, MS 38668    PHONE 662/562-6721  
5699 GETWELL ROAD, BUILDING E, SUITE 5 SOUTHAVEN, MS 38672    PHONE 662/349-3798

FRANK O. GIVENS, III  
Certified Public Accountant

W. BUFORD GIVENS  
Certified Public Accountant

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Board of Supervisors  
Tate County, Mississippi

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 business-type activities, each major fund, and the aggregate remaining fund information of Tate County, Mississippi, (The County) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 28, 2022.

### Internal Control Over Financial Reporting

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

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

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tate County, Mississippi'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 determination of financial statement amounts. 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*.

We noted certain matters that we reported to the management of Tate County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated March 28, 2022, included within this document.

**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 the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "F.O. Givens & Co".

F.O. Givens & Co.

Senatobia, MS

March 28, 2022

# F. O. GIVENS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

212 SOUTH WARD ST. SENATOBIA, MS 38668    PHONE 662/562-6721  
5699 GETWELL ROAD, BUILDING E, SUITE 5 SOUTHAVEN, MS 38672    PHONE 662/349-3798

FRANK O. GIVENS, III  
Certified Public Accountant

W. BUFORD GIVENS  
Certified Public Accountant

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Members of the Board of Supervisors  
Tate County, Mississippi

### Report on Compliance for the Major Federal Program

We have audited Tate County, Mississippi's (The County's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended September 30, 2020. The County's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

### Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2020.

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## Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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. However, this report is a matter of public record and its distribution is not limited.



F.O Givens & Co.  
Certified Public Accountants  
March 28, 2022

# F.O. GIVENS & COMPANY

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W. BUFORD GIVENS  
Certified Public Accountant

## INDEPENDENT ACCOUNTANT'S REPORT ON CENTRAL PURCHASING SYSTEM, INVENTORY CONTROL SYSTEM AND PURCHASING CLERK SCHEDULES (REQUIRED BY SECTION 31-7-115, MISS. CODE ANN. (1972))

Members of the Board of Supervisors  
Tate County, Mississippi

We have examined Tate County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2020. The Board of Supervisors of Tate County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Tate County, Mississippi, has established centralized purchasing for all funds of the county and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to risk that procedures may become inadequate because of changes in conditions or the degree of compliance with the procedures may deteriorate.

In our opinion, Tate County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2020.

The accompanying schedules (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases, and (3) Purchases Made Noncompetitively from a Sole Source are presented in accordance with Section 31-7-115, Miss. Code Ann. (1972). The information contained on these schedules has been subjected to procedures performed in connection with the aforementioned examination of the purchasing system and, in our opinion, is fairly presented when considered in relation to that examination.

This report is intended for the use in evaluating Tate County, Mississippi's compliance with the aforementioned requirements and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.

*F.O. Givens & Co*  
F.O. Givens & Co.  
Senatobia, MS  
March 28, 2022



TATE COUNTY  
Schedule of Purchases Not Made From the Lowest Bidder  
For the Year Ended September 30, 2020

Schedule 1

<u>Date</u>	<u>Item Purchased</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for Accepting Other Than the Lowest Bid</u>
9/2/20	Face masks & cartridges	\$ 26,300	Sunbelt Fire	\$ 24,625	Higher bid had Better quality Product
9/24/20	Face masks & cartridges	\$ 5,192	Sunbelt Fire	\$ 4,186	Higher bid had Better quality Product

TATE COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2020

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Financed</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
3/16/20	Fire Rescue Tools	\$ 162,492	Emergency Vehicle Specialist	Delay could be detrimental to the citizens' safety

TATE COUNTY  
Schedule of Purchases Made Noncompetitively  
From a Sole Source  
For the Year Ended September 30, 2020

Schedule 3

Our tests did not identify any purchases made noncompetitively from a sole source.

# F. O. GIVENS & COMPANY

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W. BUFORD GIVENS  
Certified Public Accountant

## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Tate County, Mississippi

In planning and performing our audit of the financial statements of Tate County, Mississippi for the year ended September 30, 2020, we considered Tate County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Tate County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the county's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated March 28, 2022, on the financial statements of Tate County, Mississippi.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within internal control that might be a weakness. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

The results of our review procedures and compliance tests identified certain immaterial instances of noncompliance with state laws and regulations that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

### Chancery Clerk

1. County signed warrants without sufficient money.

#### Finding

Section 19-13-43, Miss. Code Ann. (1972), prohibits the signing of warrants or the delivery of warrants until there is sufficient money in the fund upon which it is drawn to pay the same. Warrants were issued on a fund

that did not have sufficient money to pay the warrants. At various times during the year, the Garbage Disposal Fund had a negative cash balance.

Failure to have a sufficient cash balance in county funds prior to writing checks on this fund results in other funds' cash being used for purposes other than their intended purpose. As of September 30, 2020 the Garbage Disposal Fund had a positive balance.

#### Recommendation

The Chancery Clerk should ensure that no warrants are signed or delivered until there is sufficient money in the fund upon which it is drawn to pay the same, as required by law.

#### Chancery Clerk's Response

As of September 30, 2020 all funds have positive balances and the County intends for them to stay that way.

Tate County's responses to the findings included in this report were not audited and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the entity and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.

*F.O. Givens & Co*

F.O. Givens & Co.  
Senatobia, MS  
March 28, 2022

TATE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

TATE COUNTY  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2020

Section 1: Summary of Auditor's Results

Financial Statements:

- |   |               |
|---|---------------|
| 1. Type of auditors' report issued on the financial statements:                           | Unmodified    |
|   |               |
| 2. Internal control over financial reporting:   |               |
| a. Material weaknesses identified?  | No            |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to the financial statements noted?                              | No            |

Federal Awards:

- |  |               |
|--|---------------|
| 4. Internal control over major federal programs:   |               |
| a. Material weaknesses identified?   | No            |
| b. Significant deficiencies identified?  | None Reported |
| 5. Type of auditor's report issued on compliance for major federal 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 program:  |               |
| a. CFDA #21.019              Coronavirus Relief Fund   |               |
| 8. Dollar threshold used to distinguish between type A and type B programs   | \$750,000     |
| 9. Auditee qualified as low-risk auditee?  | No            |
| 10. Prior year audit findings and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? | Yes           |

Section 2: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by Government Auditing Standards.

Section 3: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to federal awards.

TATE COUNTY

AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS



Summary Schedule of Prior Audit Findings

March 28, 2022

Office of the State Auditor  
P.O. Box 956  
Jackson, MS 39205

Tate County respectfully submits the following Summary Schedule of Prior Audit Findings for the year ended September 30, 2020.

The findings from the prior year's Schedule of Findings and Questioned Costs are discussed below. The findings are numbered with the numbers assigned in the first year of issuance. Section 1: Summary of Auditor's Results does not include findings and is not addressed.

**SECTION 2: FINANCIAL STATEMENT FINDINGS**

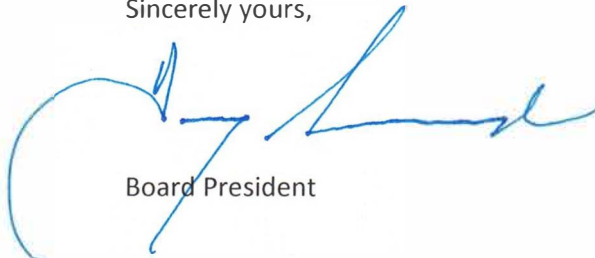
2019-001 All bank accounts should be reconciled.

All bank accounts are now being reconciled.

**SECTION 3: FEDERAL AWARD FINDINGS**

There were no prior year findings and questioned costs related to federal awards.

Sincerely yours,

A handwritten signature in blue ink, appearing to be "D. L. ...", is written over the text "Board President".

Board President