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TUNICA COUNTY, MISSISSIPPI
Audited Financial Statements and Special Reports
For the Year Ended September 30, 2020



**TUNICA COUNTY
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TUNICA COUNTY

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Tunica County, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Tunica 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 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 did not audit the financial statements of the Tunica County Airport Commission component unit, which represents 62 percent, 76 percent, and 10 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aforementioned component unit, are based solely on the report of the other auditors. However, we did audit the Tunica County Utility District, the Tunica County Tourism Commission, the Tunica County Public Projects, Inc., the Tunica County Healthcare Authority and the Diamond Lakes Utility District component units, which represent 38 percent, 24 percent, and 90 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Our audit and the component unit audits were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we and the component unit auditors plan and perform the audits 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, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tunica County, Mississippi, as of September 30, 2020, and the respective changes in financial position, 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 Schedules and corresponding notes, the Schedule of the County's and Component Units' Proportionate Share of the Net Pension Liability, and the Schedule of the County and Component Units' 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 (GASB) 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 and other auditors have applied certain limited procedures to this 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.

Other Information

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 November 5, 2021, on our consideration of Tunica 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 control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tunica 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 Tunica County Mississippi's internal control over financial reporting and compliance.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi

November 5, 2021

TUNICA COUNTY, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

TUNICA COUNTY, MISSISSIPPI
Management's Discussion and Analysis
UNAUDITED

Our discussion and analysis of Tunica County, Mississippi's (the County) financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2020. Readers should also review the basic financial statements and disclosures to enhance their understanding of the County's financial performance.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the 2020 fiscal year by \$74,831,513 (net position). Of this amount the unrestricted net position showed a deficit balance of (\$37,388,000).
- The remaining net position of the County includes: \$104,206,898 invested in capital assets, net of related debt; and \$8,012,615 restricted (for public safety, public works and debt service).
- Total assets increased \$3,880,172 from 2019.
- Total deferred outflows of resources increased \$955,144 from 2019.
- Total liabilities increased \$28,114,234 from 2019.
- Total deferred inflows of resources increased \$4,456,032 from 2019.
- The County's total net position decreased \$27,734,950 from 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Figure 1: Required Components of the County's Annual Report

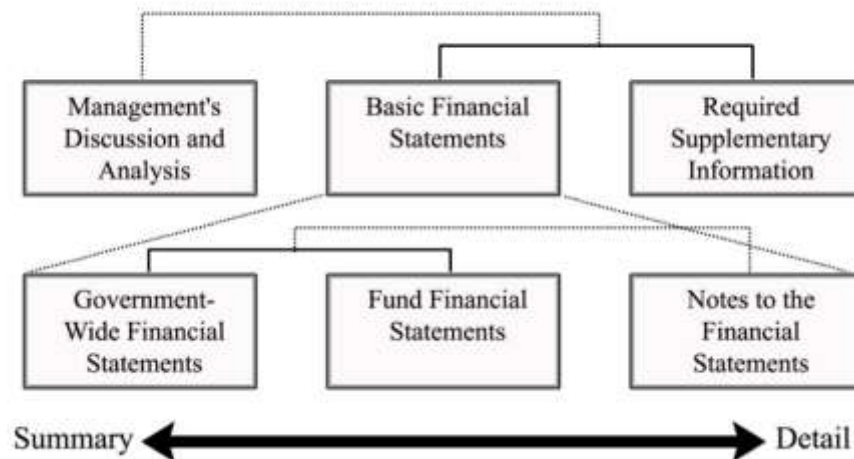


Figure 1 shows how required parts of this annual report are arranged and relate to one another.

TUNICA COUNTY, MISSISSIPPI
Management's Discussion and Analysis
UNAUDITED

Figure 2 summarizes the major features of the County's financial statements, including the portion of the County's government they cover and the types of information they contain. The remainder of this section of Management's Discussion and Analysis explains the structure and content of each of the statements.

Figure 2: Major Features of the County's Government-Wide and Fund Financial Statements

Government-Wide Financial Statements		Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds)	All activities of the County that are not business-type or fiduciary in nature	Activities of the County that operate similar to private businesses	The County is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, deferred outflow, liability, deferred inflow information	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital and short and long term	Only assets and deferred outflows expected to be used up and liabilities and deferred inflows that come due during the year or soon thereafter; no capital assets included	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital, and short and long term	All assets, deferred outflows, liabilities, and deferred inflows, both short and long term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

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1) Government-wide Financial Statements. The government-wide financial statements, beginning on page 16, are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business.

The **statement of net position** presents information on all the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between reported as net position. Over time, increases or 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 periods.

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 (roads and bridges); health and welfare; culture and recreation; conservation of natural resources; economic development; pension expense and interest on long-term debt.

2) Fund Financial Statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: (1) governmental funds and (2) fiduciary funds.

Governmental 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 fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. 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 for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains individual governmental funds in accordance with the *Mississippi County Financial Accounting Manual*. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road Maintenance Fund, and General Obligation Bond Fund, which are considered to be

TUNICA COUNTY, MISSISSIPPI
Management's Discussion and Analysis
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major funds. All other funds are considered non-major and are presented in a single column as Other Governmental Funds. The governmental funds financial statements are presented beginning on page 20.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement 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 activities are presented in a separate Statement of Fiduciary Net Position, which can be found on page 24 of this report.

3) Notes to the Financial Statements. The notes, beginning on page 26, provide additional narrative and tabular information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budgetary control and pensions beginning on page 56.

The County adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the major funds, which are the General Fund and each major special revenue fund. The budget comparison schedules can be found beginning at page 56.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position – Net position may serve over time as a useful indicator of a government's financial position. In the case of Tunica County, assets and deferred outflows exceeded liabilities and deferred inflows by \$74,831,513 as of September 30, 2020.

By far, the largest portions of the County's net position, \$104,206,898 (139%) reflects its accumulation of funds invested in capital assets (e.g. roads, bridges, land, buildings, mobile equipment, furniture & equipment, and construction in progress) less related outstanding debt used to acquire such assets. The County uses these capital assets to provide services to citizens.

TUNICA COUNTY, MISSISSIPPI
Management's Discussion and Analysis
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(Table 1)
Net Position

	Governmental Activities		Increase	Percentage
	2020	2019	(Decrease)	change
Current and other assets	\$ 40,939,531	\$ 12,319,440	\$ 28,620,091	232.32%
Capital assets, net	128,552,910	153,292,829	(24,739,919)	-16.14%
Total Assets	169,492,441	165,612,269	3,880,172	2.34%
Deferred outflows	2,447,502	1,492,358	955,144	64.00%
Current and other liabilities	13,637,706	1,639,573	11,998,133	731.78%
Net pension liability	31,012,852	30,135,043	877,809	2.91%
Long-term debt	39,206,255	23,967,963	15,238,292	63.58%
Total Liabilities	83,856,813	55,742,579	28,114,234	50.44%
Deferred inflows	13,251,617	8,795,585	4,456,032	50.66%
<u>Net Position:</u>				
Invested in capital assets, net of related debt	104,206,898	130,252,866	(26,045,968)	-20.00%
Restricted	8,012,615	6,716,448	1,296,167	19.30%
Unrestricted	(37,388,000)	(34,402,851)	(2,985,149)	-8.68%
Total Net Position	\$ 74,831,513	\$ 102,566,463	\$ (27,734,950)	-27.04%

The County's total assets increased to \$169,492,441 during 2020 primarily due to the increase in property held for resale and decrease in capital assets.

The County's total liabilities increased to \$83,856,813. The increase in liabilities is \$28,114,234. It is primarily attributable to short term debt and the issuance of limited obligation bonds.

The County's net position decreased by \$27,734,950 from 2019.

Additional information on unrestricted net position:

In connection with the implementation of new standards on accounting and financial reporting for pensions, management presents the following additional information:

Total unrestricted net position (deficit)	\$ (37,388,000)
Less: unrestricted deficit in net position resulting from recognition of GASB 68 & 71	30,387,826
Unrestricted net position, exclusive of the net pension liability effect	<u>\$ (7,000,174)</u>

TUNICA COUNTY, MISSISSIPPI
Management's Discussion and Analysis
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Changes in Net Position – The County's total revenues and transfers for the fiscal year ended September 30, 2020 and 2019 were \$28,781,335 and \$32,877,523, respectively. This reflects a decrease of \$4,096,188. The total cost for all services provided were \$56,516,285 and \$36,261,224, respectively. This reflects an increase of \$20,255,061. The decrease in the change in net position was \$24,351,249. The following table presents a summary of the changes in net position for the fiscal years ended September 30, 2020 and 2019.

(Table 2)
Changes in Net Position

	Governmental Activities		Increase	Percentage
	2020	2019	(Decrease)	Change
Total Revenues and Transfers				
Program Revenues:				
Charges for services	\$ 1,685,081	\$ 1,883,850	\$ (198,769)	-10.55%
Federal and state grants	981,615	1,869,080	(887,465)	-47.48%
General Revenues:				
Property taxes	10,294,378	9,576,077	718,301	7.50%
Gaming revenue	14,512,536	17,781,407	(3,268,871)	-18.38%
Other taxes and other	8,016,924	1,767,109	6,249,815	353.67%
Transfers out - component units	(6,709,199)		(6,709,199)	N/A
Total Revenues and Transfers	28,781,335	32,877,523	(4,096,188)	-12.46%
Expenses:				
General government	\$ 8,547,638	\$ 9,095,280	(547,642)	-6.02%
Public safety	7,527,845	9,375,469	(1,847,624)	-19.71%
Public Works	4,271,370	5,690,366	(1,418,996)	-24.94%
Health and welfare	1,733,330	1,560,804	172,526	11.05%
Culture and recreation	3,416,957	5,565,988	(2,149,031)	-38.61%
Conservation of natural resources	139,893	169,269	(29,376)	-17.35%
Economic development and assistance	25,897,926	892,039	25,005,887	2803.23%
Interest on long-term debt	2,420,107	777,606	1,642,501	211.23%
Pension expense	2,561,219	3,134,403	(573,184)	-18.29%
Total Expenses	56,516,285	36,261,224	20,255,061	55.86%
Increase (Decrease) in Net Position	\$(27,734,950)	\$ (3,383,701)	\$ (24,351,249)	-719.66%

The County's governmental activities continue to be funded primarily by gaming revenue, which made up 40.89% of the total revenues. The other major revenue sources were property taxes 29.01%, federal and state grants 2.76%, charges for services 4.75%, and other taxes and other revenue 22.59%. The major expense activities were general government, public safety, public works, health and welfare, culture and recreation, economic development and assistance and pension expense, which comprise 15.12%, 13.32%, 7.56%, 3.07%, 6.05%, 45.82% and 4.53% of total expenses, respectively. The County remains committed to providing the services its residents expect and need.

Governmental Activities – The following table presents the cost of major functional activities of the County: General government, Public safety, Public works, Health and welfare, Culture and recreation, Conservation of natural resources, Economic development and assistance, Interest on long-term debt and Pension expense.

TUNICA COUNTY, MISSISSIPPI
Management's Discussion and Analysis
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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.)

Functions:	Total Costs	Net Costs
General government	\$ 8,547,638	\$ 7,320,671
Public safety	7,527,845	6,677,771
Public Works	4,271,370	3,813,961
Health and welfare	1,733,330	1,719,848
Culture and recreation	3,416,957	3,298,193
Conservation of natural resources	139,893	139,893
Economic development and assistance	25,897,926	25,897,926
Interest on long-term debt	2,420,107	2,420,107
Pension expense	2,561,219	2,561,219

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental funds – At the close of the fiscal year, the County's governmental funds reported a combined fund balance of \$10,298,337, an increase of \$8,558,029.

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 \$6,341,973.

BUDGETARY HIGHLIGHTS OF MAJOR FUNDS

Over the course of the year, the County revised its annual operating budget on several occasions. These revisions are reflected in the budgetary schedules beginning at page 56.

A schedule showing the original and final budget amounts compared to the County's actual financial activity for the General Fund and major special revenue funds is provided in this report as required supplementary information.

TUNICA COUNTY, MISSISSIPPI
Management's Discussion and Analysis
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CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2020, the County had \$128,552,910 invested in a broad range of capital assets, including land, construction in progress, infrastructure, buildings and improvements, mobile equipment, and furniture and equipment. (See Table 3 below). This amount represents a net decrease (including additions, deletions, and adjustments) of approximately \$24,739,919 or 16.14% under the prior year. The following table is a summary of changes in capital assets, net of accumulated depreciation.

(Table 3)
CAPITAL ASSETS AT YEAR-END

	Government Activities		Increase (Decrease)	Percentage Change
	2020	2019		
Land	\$ 7,358,508	\$ 7,358,508	\$ -	0.00%
Construction in progress	71,997	243,138	(171,141)	-70.39%
Infrastructure	50,227,342	51,232,143	(1,004,801)	-1.96%
Buildings & improvements	67,546,613	90,629,516	(23,082,903)	-25.47%
Mobile equipment	2,687,649	3,129,251	(441,602)	-14.11%
Furniture & equipment	660,801	700,273	(39,472)	-5.64%
Totals	<u>\$ 128,552,910</u>	<u>153,292,829</u>	<u>\$ (24,739,919)</u>	<u>-16.14%</u>

Total accumulated depreciation as of September 30, 2020 was \$147,125.803, including \$4,798,388 of depreciation expense for the year. The balance in total net capital assets was \$128,552,910 at year-end.

Additional information on the County's capital assets can be found in note 7 on page 37 of this report.

TUNICA COUNTY, MISSISSIPPI
Management's Discussion and Analysis
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Debt Administration – At September 30, 2020, the County had \$39,206,255 in long term debt outstanding compared to \$23,967,963 last year, an increase of \$15,238,292. Of this debt, \$4,736,328 is due within one year.

The following table illustrates the total Long-term Debt of the County as of September 30, 2020 and September 30, 2019:

(Table 4)
LONG-TERM DEBT
Outstanding at Year-end

	Governmental Activities		Increase	Percentage
	2020	2019	(Decrease)	Change
General obligation bonds	\$ 11,975,000	\$ 14,670,000	\$ (2,695,000)	-18.37%
Less: Discounts	(49,491)	(59,403)	9,912	16.69%
Add: Premiums	267,871	324,319	(56,448)	-17.41%
Net General obligation bonds	12,193,380	14,934,916	(2,741,536)	-18.36%
Limited obligation bonds	14,385,000		14,385,000	N/A
Less: Discounts	(268,403)		(268,403)	N/A
Net Limited obligation bonds	14,116,597	-	14,116,597	N/A
Other loans	12,395,580	8,421,712	3,973,868	47.19%
Capital Leases	59,685	86,864	(27,179)	-31.29%
Compensated absences	441,013	524,471	(83,458)	-15.91%
Totals	\$ 39,206,255	\$ 23,967,963	\$ 15,238,292	63.58%

Additional information on the County's long-term debt can be found in note 13 on page 47 of this report.

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 Tunica County Administrator or the Chancery Clerk's office at P.O. Box 639, Tunica, Mississippi 38676.

TUNICA COUNTY

FINANCIAL STATEMENTS

TUNICA COUNTY
Statement of Net Position
September 30, 2020

Exhibit 1

	Primary Government	Component Units						Total Component Units
		Tunica County Utility District	Tunica County Airport Commission	Tunica County Public Projects, Inc.	Tunica County Tourism Commission	Tunica County Healthcare Authority	Diamond Lakes Utility District	
ASSETS	Governmental Activities							
Cash	\$ 5,222,037	684,344	192,483	258,374	1,819,902	812,139		3,767,242
Investments	1,986,002							-
Property tax receivable	10,542,784							
Accounts receivable, (net of allowance for uncollectibles of \$169,998 \$0, \$6,825 & \$231,489)		155,277	11,834	1,966		53,223		222,300
Fines receivable, (net of allowance for uncollectibles of \$4,163,633)	956,666							
Loans receivable	2,083,559							
Intergovernmental receivables	1,793,653		164,024		280,229	13,385		457,638
Other receivables/assets	-		79,798					79,798
Capital lease receivable	6,354,830							
Inventories and prepaid items		64,419	23,566	106,660	265,520			460,165
Property held for resale	12,000,000							
Capital assets:								
Land and construction in progress	7,430,505	526,673						526,673
Other capital assets, net	121,122,405	12,842,964	29,803,012	113,698	487,377			43,247,051
Restricted cash		1,681	5,674					7,355
Total Assets	169,492,441	14,275,358	30,280,391	480,698	2,853,028	878,747	-	48,768,222
DEFERRED OUTFLOWS OF RESOURCES								
Deferred amount on refunding	302,633							
Deferred outflows related to pension	2,144,869		51,608		109,846			161,454
Total Deferred Outflows of Resources	2,447,502	-	51,608	-	109,846	-	-	161,454

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

TUNICA COUNTY
Statement of Net Position
September 30, 2020

Exhibit 1
continued

	Primary Government	Component Units						Total Component Units
		Tunica County Utility District	Tunica County Airport Commission	Tunica County Public Projects, Inc.	Tunica County Tourism Commission	Tunica County Healthcare Authority	Diamond Lakes Utility District	
LIABILITIES	Governmental Activities							
Claims payable and accrued expenses	51,971	202,258	212,390	107,972	305	44,834		567,759
Intergovernmental payables	170,995	2,083,559						2,083,559
Amounts held in custody for others	142,474	38,880		214,507				253,387
Accrued interest payable	850,792	26,212						26,212
Unearned revenue				65,695	834,825			900,520
Other payables	421,474		27,075					27,075
Short-term debt	12,000,000							
Long-term liabilities								
Due within one year:								
Capital related debt	4,736,428	609,381	30,502	31,172				671,055
Due in more than one year:								
Capital related debt	19,912,217	3,303,536	206,318	61,352				3,571,206
Non-capital debt	14,557,610							
Net pension liability	31,012,852		864,953		1,664,859			2,529,812
Total Liabilities	83,856,813	6,263,826	1,341,238	480,698	2,499,989	44,834	-	10,630,585
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows related to pension	1,519,843		124,687		126,607			251,294
Deferred revenues- property taxes	10,542,784							
Deferred revenue - interest on capital leases	1,188,990							
Total Deferred Inflows of Resources	13,251,617	-	124,687	-	126,607	-	-	251,294
NET POSITION								
Net investment in capital assets	104,206,898	9,456,720	29,597,934	21,174	487,377			39,563,205
Restricted for:								
Expendable:								
Public safety	252,653							
Public works	6,624,752							
Health & welfare						833,913		833,913
Debt Service	1,135,210							-
Airport - unemployment compensation			5,674					5,674
Unrestricted	(37,388,000)	(1,445,188)	(737,534)	(21,174)	(151,099)			(2,354,995)
Total Net Position	\$ 74,831,513	8,011,532	28,866,074	-	336,278	833,913	-	38,047,797

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

TUNICA COUNTY
Statement of Activities – Primary Government
For the Year Ended September 30, 2020

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 8,547,638	949,680	277,287		(7,320,671)
Public safety	7,527,845	291,041	559,033		(6,677,771)
Public works	4,271,370	325,596	61,215	70,598	(3,813,961)
Health and welfare	1,733,330		13,482		(1,719,848)
Culture and recreation	3,416,957	118,764			(3,298,193)
Conservation of natural resources	139,893				(139,893)
Economic development and assistance	25,897,926				(25,897,926)
Interest on long-term debt	2,420,107				(2,420,107)
Pension Expense	2,561,219				(2,561,219)
Total Primary Government	\$ 56,516,285	1,685,081	911,017	70,598	(53,849,589)
General revenues:					
Property taxes				\$	10,294,378
Gaming revenue					14,512,536
Road & bridge privilege taxes					105,939
Grants and contributions not restricted to specific programs					988,334
Rental income					265,213
Unrestricted interest income					179,934
Miscellaneous					6,477,504
Transfer out - component units					(6,709,199)
Total General Revenues and Transfers					26,114,639
Changes in Net Position					(27,734,950)
Net Position - Beginning					102,566,463
Net Position - Ending				\$	74,831,513

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

TUNICA COUNTY
Statement of Activities – Component Units
For the Year Ended September 30, 2020

Exhibit 2
continued

Component Units											
Component	Expenses	Program Revenues			Tunica County Utility District	Tunica County Airport Commission	Tunica County Public Projects, Inc.	Tunica County Tourism Commission	Tunica County Healthcare Authority	Diamond Lakes Utility District	Total Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions							
Tunica County Utility District	\$ 5,121,185	2,731,616			(2,389,569)						(2,389,569)
Tunica County Airport Commission	3,103,530	837,575	246,500	636,901		(1,382,554)					(1,382,554)
Tunica County Public Projects, Inc.	1,699,140	1,115,015					(584,125)				(584,125)
Tunica County Tourism Commission	1,580,103	55,961	166,690					(1,357,452)			(1,357,452)
Tunica County Healthcare Authority	2,181,962	900,064							(1,281,898)		(1,281,898)
Diamond Lakes Utility District	209,789									(209,789)	(209,789)
Total Component Units	\$ 13,895,709	5,640,231	413,190	636,901							(7,205,387)
General revenues:											
Property taxes					\$						-
Tourism taxes								1,156,383			1,156,383
Grants and contributions not restricted to specific programs					1,035,668		584,125		1,848,925		3,468,718
Unrestricted interest income					1,020	578		7,372	554		9,524
Miscellaneous										5,670,119	5,670,119
Total General Revenues					1,036,688	578	584,125	1,163,755	1,849,479	5,670,119	10,304,744
Changes in Net Position					(1,352,881)	(1,381,976)	-	(193,697)	567,581	5,460,330	3,099,357
Net Position - Beginning, as previously reported					9,370,460	30,248,050	-	791,538	266,332	(5,460,330)	35,216,050
Prior period adjustment					(6,047)			(261,563)			(267,610)
Net Position - Beginning, as restated					9,364,413	30,248,050	-	529,975	266,332	(5,460,330)	34,948,440
Net Position - Ending	\$				8,011,532	28,866,074	-	336,278	833,913	-	38,047,797

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

TUNICA COUNTY
Balance Sheet – Governmental Funds
September 30, 2020

Exhibit 3

	Major Funds				
	General Fund	Road Maintenance Fund	General Obligation Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 4,430,614	791,423			5,222,037
Investments				1,986,002	1,986,002
Property tax receivable	5,084,421		4,683,363	775,000	10,542,784
Fines receivable, (net of allowance or uncollectibles of \$4,163,633)	956,666				956,666
Loan receivable	2,030,525		53,034		2,083,559
Capital lease receivable				6,354,830	6,354,830
Intergovernmental receivables	1,587,205	206,448			1,793,653
Due from other funds	1,360,096	5,944,903	15,232	425	7,320,656
Property held for resale				12,000,000	12,000,000
Total Assets	<u>15,449,527</u>	<u>6,942,774</u>	<u>4,751,629</u>	<u>21,116,257</u>	<u>48,260,187</u>
LIABILITIES					
Claims payable	47,027			4,944	51,971
Intergovernmental payables	170,995				170,995
Due to other funds	5,963,595		906,904	453,192	7,323,691
Amounts held in custody for others	96,693				96,693
Other payables	4,304	275,276	109,525	32,369	421,474
Short-term debt				12,000,000	12,000,000
Advances from other funds		42,746			42,746
Total Liabilities	<u>6,282,614</u>	<u>318,022</u>	<u>1,016,429</u>	<u>12,490,505</u>	<u>20,107,570</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	5,084,421		4,683,363	775,000	10,542,784
Unavailable revenue- capital lease				6,354,830	6,354,830
Unavailable revenue-fines	956,666				956,666
Total Deferred Inflows of Resources	<u>6,041,087</u>	<u>-</u>	<u>4,683,363</u>	<u>7,129,830</u>	<u>17,854,280</u>
FUND BALANCE					
Restricted for:					
Public safety				252,653	252,653
Public works		6,624,752			6,624,752
Debt Service				1,986,002	1,986,002
Unassigned	3,125,826		(948,163)	(742,733)	1,434,930
Total Fund Balances	<u>3,125,826</u>	<u>6,624,752</u>	<u>(948,163)</u>	<u>1,495,922</u>	<u>10,298,337</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>15,449,527</u>	<u>6,942,774</u>	<u>4,751,629</u>	<u>21,116,257</u>	<u>48,260,187</u>

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

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

	<u>Amount</u>
Total fund balance - Governmental Funds	\$ 10,298,337
Amounts reported for governmental services 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 \$147,125,803.	128,552,910
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	956,666
Deferred amount on refunding	302,633
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(39,206,255)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(850,792)
Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds.	5,165,840
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(31,012,852)
Deferred outflows and inflows of resources related to pension are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions	2,144,869
Deferred inflows of resources related to pensions	<u>(1,519,843)</u>
	625,026
Total Net Position - Governmental Activities	\$ <u><u>74,831,513</u></u>

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

TUNICA COUNTY

Exhibit 4

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

	Major Funds				
	General Fund	Road Maintenance Fund	General Obligation Bond Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 6,447,135	7,768	3,220,533	618,942	10,294,378
Gaming revenue	12,785,373	1,727,163			14,512,536
Road and bridge privilege taxes		105,939			105,939
Licenses, commissions and other revenue	880,340			6,001	886,341
Fines and forfeitures	224,780				224,780
Intergovernmental revenues	1,357,417	550,796		61,735	1,969,948
Charges for services	422,867	4,103		90,474	517,444
Interest income	42,139	13,781	1,098	122,916	179,934
Rental income	264,632			581	265,213
Miscellaneous revenues	1,090,396	1,837		3,901	1,096,134
Total Revenues	23,515,079	2,411,387	3,221,631	904,550	30,052,647
EXPENDITURES					
Current:					
General government	7,085,430			46,834	7,132,264
Public safety	7,306,871			925,423	8,232,294
Public works	459,632	2,402,556			2,862,188
Health and welfare	1,723,268				1,723,268
Culture and recreation	2,984,495				2,984,495
Conservation of natural resources	139,949				139,949
Economic development and assistance	235,069			5,478,563	5,713,632
Debt service:					
Principal	194,902		2,695,000	239,779	3,129,681
Interest	68,910		532,650	513,217	1,114,777
Bond issue cost				614,617	614,617
Total Expenditures	20,198,526	2,402,556	3,227,650	7,818,433	33,647,165
Excess of Revenues over (under) Expenditures	3,316,553	8,831	(6,019)	(6,913,883)	(3,594,518)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	88,590	78,956			167,546
Proceeds of long-term debt	4,000,000			14,766,370	18,766,370
Discount on bonds issued				(287,700)	(287,700)
Lease principal payments				215,530	215,530
Transfers in	1,089,475		1,433,363	719,282	3,242,120
Transfers out	(2,152,645)		(1,089,475)		(3,242,120)
Transfers out - component units				(6,709,199)	(6,709,199)
Total Other Financing Sources and Uses	3,025,420	78,956	343,888	8,704,283	12,152,547
Net Changes in Fund Balances	6,341,973	87,787	337,869	1,790,400	8,558,029
Fund Balances - Beginning	(3,216,147)	6,536,965	(1,286,032)	(294,478)	1,740,308
Fund Balances - Ending	\$ 3,125,826	6,624,752	(948,163)	1,495,922	10,298,337

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
For the Year Ended September 30, 2020**

	<u>Amount</u>
Net Change in Fund Balances - Governmental Funds	\$ 8,558,029
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that depreciation of \$4,798,388 exceeded capital outlays of \$445,150 in the current period.	(4,353,238)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, while in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the net loss of \$20,219,135 and the proceeds from the sale of \$167,546 in the current period.	(20,386,681)
Fine revenue recognized on the modified accrual basis in the funds during the current year is decreased because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	56,516
Debt proceed 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. Thus, the change in net position differs from the change in fund balances by the amount that debt proceeds of \$18,766,370 exceeded debt repayments of \$3,129,681.	(15,636,689)
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:	
Change in compensated absences	83,458
Change in accrued interest payable	(617,055)
Recognition of capital lease receivable	5,381,370
Discount on bonds issued	287,700
The amortization of:	
Deferred amount on refunding bonds	(100,896)
Premiums on bonds	56,448
Discounts on bonds	(29,209)
In the Statement of Activities, only interest income from payments received on capital leases are reported, whereas in the governmental funds, both principal and interest payments received increase financial resources. Thus the change in net position differs from change in funds balances by the principal collections on the capital leases.	(215,530)
Items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recognition of pension expense for the current year	(2,561,219)
Recognition of contributions made for the current year	1,742,046
Change in Net Position of Governmental Activities	\$ <u>(27,734,950)</u>

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

TUNICA COUNTY
Statement of Fiduciary Net Position
September 30, 2020

Exhibit 5

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash	\$ 31,435	685,578
Due from other funds		3,035
Advances to other funds		<u>42,746</u>
Total Assets	\$ <u>31,435</u>	<u>731,359</u>
LIABILITIES		
Amounts held in custody for others	\$	95,595
Intergovernmental payables		145,952
Other payables		<u>489,812</u>
Total Liabilities	\$ <u>-</u>	<u>731,359</u>
NET POSITION		
Held in trust for:		
Individuals, organizations, and other governments	<u>31,435</u>	
Total Net Position	\$ <u>31,435</u>	

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

TUNICA COUNTY
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2020

Exhibit 6

	<u>Private Purpose Trust Fund</u>
ADDITIONS	
Contributions	\$ 582
Investment income	
Total Additions	<u>582</u>
DEDUCTIONS	
Administrative expense	
Total Deductions	<u>-</u>
Change in Net Position held in trust for:	
Individuals, organizations, and other governments	<u>582</u>
NET POSITION - BEGINNING	30,853
NET POSITION - ENDING	\$ <u><u>31,435</u></u>

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

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

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. Financial Reporting Entity.

Tunica 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 Tunica County to present these financial statements on the primary government and its component units, which have significant operational or financial relationships with the County.

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. Independent Component Unit Disclosures.

Discretely Presented Component Units

The component units' columns in the financial statements include the financial data of the following component units of the County. They are reported in a separate column to emphasize that they are legally separate from the County. The majority of the members of the governing bodies of these component units are appointed by the County Board of Supervisors.

- Tunica County Utility District is a body politic organized pursuant to the provisions of House Bill No. 1707. Its purpose is to provide water and sewer to the unincorporated areas of the County. House Bill 1870 authorized the District to levy ad valorem taxes for any bonds issued by the District. It is primarily funded by fees paid by service subscribers.
- Tunica County Airport Commission was established in 1960 under Municipal Airport Law Section 61-5-1 and operates a general aviation airport in the County. It is governed by five commissioners, four of whom are appointed by the Board of Supervisors of Tunica County and one appointed by the Town of Tunica. Funding is derived from operations, the County, the Town, and state and federal grants.
- Tunica County Public Projects, Inc. is a Mississippi nonprofit corporation formed to operate and lease the Tunica National Golf and Tennis Complex and to promote and support economic development and tourism in and for Tunica County, Mississippi. The entity operates the Golf and Tennis Complex, which provides its primary funding from memberships, fees, and concession sales, with the County funding any shortfall authorized by House Bill 1621.
- Tunica County Tourism Commission is a body politic created pursuant to House Bill 1691 to promote conventions and tourism within the County. It is governed by six commissioners, five of

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

whom are appointed by the Board of Supervisors of Tunica County and one appointed by the Town of Tunica. The organization is primarily funded by a three percent tourism tax imposed by the County on the gross proceeds of certain sales by bars, restaurants, and room rentals by hotels.

- Tunica County Healthcare Authority, located in Tunica, Mississippi is organized under the laws of the State of Mississippi pursuant to Miss. Code Ann. § 41-13-10 et seq., as amended. The Tunica County Healthcare Authority is owned by Tunica County, Mississippi, and operated by the Board of Trustees. The Board of Trustees consists of five (5) members and are appointed by the Board of Supervisors, each of which appoints one member from his or her district. The Board provides and manages two healthcare clinics, namely the Tunica Clinic and the Tunica Resorts Clinic (together the “Clinic” or “Clinics”) and is charged with promoting and making provision for the delivery of health care services to meet the needs of Tunica County, Mississippi consistent with applicable health planning and licensure laws and regulations.
- Diamond Lakes Utility and Improvement District is a body politic organized pursuant to the provisions of Senate Bill 3256. Its purpose is to provide infrastructure, including water and sewer, to an unincorporated area of the County as described by Senate Bill 3256. Senate Bill 3256 authorized the District to levy ad valorem taxes for any bonds issued by the District.

C. 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 the Statement of Activities display information concerning the County as a whole. The statements include all non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Net Position presents the financial condition of the governmental 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. 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 governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of

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

resources, fund balances/net position, revenues, and expenditures. Funds are organized into governmental and fiduciary. Major individual Governmental 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.

D. Measurement Focus and Basis of Accounting.

The Government-wide 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.

Governmental Fund 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 sixty 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 Funds:

- General Fund – This fund is used to account for and report all financial resources not accounted for and reported in another fund.
- Road Maintenance Fund – This fund is used to account for monies from specific revenue sources that are restricted for road maintenance.
- General Obligation Bond Fund – This fund is used to account for resources accumulated and used for the payment of long-term debt, principal, interest, and related costs of borrowing.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

- Special Revenue Funds – These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures 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 expenditures 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 expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

FIDUCIARY FUND TYPES

- 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 distribution to other governmental units or designated beneficiaries.
- Private-purpose Trust Funds – These funds are used to report all trust arrangements, other than those properly reported elsewhere, under which the principal and income benefit individuals, private organizations, or other governments.

E. 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.

F. 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.

G. Receivables.

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

H. Inter-fund Transactions and Balances.

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. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

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 governmental 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

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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, other than infrastructure, 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.

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. 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.

	<u>Capitalization Thresholds</u>	<u>Estimated Useful Life</u>
Land	\$ 0	N/A
Infrastructure	0	20 to 50 years
Buildings	50,000	40 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5 to 10 years
Furniture and equipment	5,000	3 to 7 years
Leased property under capital leases	*	*

*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 and thus will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred amount on 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 12 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 and thus will not be recognized as an inflow of resources (revenue) until that time.

Deferred revenues - property taxes/unavailable revenue – property taxes – Deferred inflows of resources should be reported when resources associated with imposed nonexchange revenue transactions are

TUNICA COUNTY
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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 12 for additional details.

Deferred revenue – interest on capital leases/unavailable revenue – capital lease – When an asset is recorded in the financial statements, but the revenue is not available, the government should report a deferred inflow of resources until the revenue becomes available.

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, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

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.

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- *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 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 non-spendable, restricted, committed, assigned, or unassigned.

The following are descriptions of fund classifications used by the County:

- *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.
- *Unassigned fund balance* – 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 a specific purpose 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.

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

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 on 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 vehicle and mobile homes become a lien and are due in the month that coincides with the month of the original purchase.

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable 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 the 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 measurable 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. In fund financial statements, Government 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.

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

Note 2 – PRIOR PERIOD ADJUSTMENTS.

A summary of the significant net position adjustments is as follows:

Exhibit 2 – Statement of Activities – Governmental Activities.

Component Unit - Tunica County Utility District	
Explanation	Amount
To correct long-term debt	\$ 2,366
To correct prior year errors	(8,413)
Total prior period adjustments	<u>\$ (6,047)</u>
 Component Unit - Tunica County Tourism Commission	
Explanation	Amount
To correct net pension liability and the related inflows and outflows	\$ (189,274)
To correct prior year accruals	(72,289)
Total prior period adjustments	<u>\$ (261,563)</u>

NOTE 3 – DEPOSITS and Investments.

Deposits – The carrying amount of the County's total deposits with financial institutions at September 30, 2020, was \$5,939,050 and the bank balance was \$6,966,370. The collateral for public entities' deposits in financial institutions is held in the name of the Mississippi State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, 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 the failure of a financial institution, the County will not be able to recover deposits or collateral securities that are in the 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 Mississippi State Treasurer to 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.

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

Investments:

As provided in Section 91-13-8, Miss. Code Ann. (1972), the following investments of the County are handled through a trust indenture between the County and the trustee related to the Urban Renewal Revenue Bonds.

Investments balances at September 30, 2020, are as follows:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value Level</u>	<u>Fair Value</u>
Morgan Stanley Institutional Liquidity Funds Government Portfolio	Less than 1 year	Level 1	\$ 1,986,002
Total			\$ <u>1,986,002</u>

Interest Rate Risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, Section 19-9-29, Miss. Code Ann. (1972) limits the maturity period of any investment to no more than one year.

Credit Risk. State law limits investments to those authorized by Sections 19-9-29 and 91-13-8, Miss. Code Ann. (1972). The county does not have a formal investment policy that would further limit its investments choices or one that addresses credit risk.

Custodial Credit Risk - Investments. Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The county does not have a formal policy for custodial credit risk. The County's investments were held in trust accounts on behalf of the County.

NOTE 4- INTER-FUND TRANSACTIONS AND BALANCES.

The following is a summary of inter-fund balances at September 30, 2020:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	General Obligation Bond Fund	906,904
General Fund	Other Governmental Funds	453,192
Road Maintenance Fund	General Fund	5,944,903
General Obligation Bond Fund	General Fund	15,232
Other Governmental Funds	General Fund	425
Agency Funds	General Fund	3,035
Total		\$ <u>7,323,691</u>

The receivables due to the General Fund represent loans to cover deficit cash balances. The receivables due to the Road Maintenance Fund represent loans to General Fund of \$5,900,000 and gaming revenues of \$44,903. The remaining amounts due from General Fund to General Obligation Bond Fund, Other

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

Governmental Funds and Agency Funds consists of tax revenues collected in September 2020, 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>
Agency Funds	Road Maintenance Fund	\$ 42,746
Total		<u>\$ 42,746</u>

The amount due to the Agency Funds is for insurance that has not been paid.

C. Transfers in/out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	General Obligation Fund	\$ 1,089,475
General Obligation Fund	General Fund	1,433,363
Other Governmental Funds	General Fund	719,282
Total		<u>\$ 3,242,120</u>

The transfer from the General Obligation Fund to the General Fund was to pay bonded debt. The transfer from the General Fund to the General Obligation Fund was to open bank account. The transfer from the General Fund to Other Governmental Funds was to transfer in lieu money.

NOTE 5 - INTERGOVERNMENTAL RECEIVABLES.

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

Governmental Activities:

<u>Description</u>	<u>Amount</u>
Gaming Revenue	\$ 1,437,544
Legislative tax credit	43,342
Cares Act	277,287
Other	35,480
Total	<u>\$ 1,793,653</u>

NOTE 6 – LOANS RECEIVABLE.

Loans receivable balances at September 30, 2020, are as follows:

<u>Description</u>	<u>Date of Loan</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Receivable Balance</u>
Tunica County Utility District	Various	0%	Unknown	\$ 2,083,559

Per Board order dated March 20, 2017 (MB 179 Page 88), any and all future financial help to TCUD should be made by loan agreements between the County and TCUD. The loan receivable above represents payments made on behalf of TCUD by the County subsequent to March 20, 2017.

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

NOTE 7 - CAPITAL ASSETS.

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

Tunica County - Governmental Activities:	Balance Oct. 1, 2019	Additions	Deletions	Adjustments	Balance Sept. 30, 2020
Non-depreciable capital assets:					
Land	\$ 7,358,508				7,358,508
Construction in progress	243,138	70,598		(241,739)	71,997
Total non-depreciable capital assets	7,601,646	70,598	-	(241,739)	7,430,505
Depreciable capital assets:					
Infrastructure	133,643,252			241,739	133,884,991
Buildings	114,334,008		20,764,484		93,569,524
Improvements other than buildings	22,074,608				22,074,608
Mobile equipment	13,177,467	248,705	265,892		13,160,280
Furniture and equipment	5,432,958	125,847			5,558,805
Total depreciable capital assets	288,662,293	374,552	21,030,376	241,739	268,248,208
Less accumulated depreciation for:					
Infrastructure	82,411,109	1,246,540			83,657,649
Buildings	32,458,519	1,935,246	415,290		33,978,475
Improvements other than buildings	13,320,581	798,463			14,119,044
Mobile equipment	10,048,216	652,820	228,405		10,472,631
Furniture and equipment	4,732,685	165,319			4,898,004
Total accumulated depreciation	142,971,110	4,798,388	643,695	-	147,125,803
Total depreciable capital assets, net	145,691,183	(4,423,836)	20,386,681	241,739	121,122,405
Total capital assets, net	\$ 153,292,829	(4,353,238)	20,386,681	-	128,552,910

Depreciation expense was charged to the following functions:

Governmental Activities:	Amount
General government	\$ 2,077,107
Public safety	185,005
Public works	2,028,497
Health and welfare	2,266
Culture and recreation	505,513
Total	\$ 4,798,388

Commitments with respect to unfinished capital projects at September 30, 2020, consisted of the following:

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
State Aid Project BR NBIS 72	Unknown	Unknown

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

CAPITAL ASSETS – COMPONENT UNITS

Tunica County Utility District	Balance Oct. 1, 2019	Additions	Deletions	Adjustments	Balance Sept. 30, 2020
Non-depreciable capital assets:					
Land	\$ 526,673				526,673
Construction in progress	183,757			(183,757)	-
Total non-depreciable capital assets	710,430	-	-	(183,757)	526,673
Depreciable capital assets:					
Infrastructure	\$ 70,204,055			183,757	70,387,812
Buildings	125,372				125,372
Mobile equipment	2,114,482				2,114,482
Furniture and equipment	51,830				51,830
Total depreciable capital assets	72,495,739	-	-	183,757	72,679,496
Less accumulated depreciation for:					
Infrastructure	\$ 55,101,550	2,601,054			57,702,604
Buildings	70,529	3,134			73,663
Mobile equipment	1,977,447	30,988			2,008,435
Furniture and equipment	51,830				51,830
Total accumulated depreciation	57,201,356	2,635,176	-	-	59,836,532
Total depreciable capital assets, net	15,294,383	(2,635,176)	-	183,757	12,842,964
Total capital assets, net	\$ 16,004,813	(2,635,176)	-	-	13,369,637
Tunica County Airport Commission					
Non-depreciable capital assets:					
Land	\$ 3,142,788				3,142,788
Construction in progress	213,259	825,573		(439,643)	599,189
Total non-depreciable capital assets	3,356,047	825,573	-	(439,643)	3,741,977
Depreciable capital assets:					
Infrastructure	43,746,097			386,514	44,132,611
Buildings	13,322,235	10,156		(137,049)	13,195,342
Mobile equipment	750,606			53,129	803,735
Furniture and equipment	1,760,530				1,760,530
Total depreciable capital assets	59,579,468	10,156	-	302,594	59,892,218
Less accumulated depreciation for:					
Infrastructure	25,470,702	1,656,257			27,126,959
Buildings	3,905,098	352,880			4,257,978
Mobile equipment	740,485	3,377			743,862
Furniture and equipment	1,679,931	22,453			1,702,384
Total accumulated depreciation	31,796,216	2,034,967	-	-	33,831,183
Total depreciable capital assets, net	27,783,252	(2,024,811)	-	302,594	26,061,035
Total capital assets, net	\$ 31,139,299	(1,199,238)	-	(137,049)	29,803,012
Tunica County Public Projects, Inc.					
	Balance Oct. 1, 2019	Additions	Deletions	Adjustments	Balance Sept. 30, 2020
Depreciable capital assets:					
Furniture and equipment	659,675	2,810			662,485
Total depreciable capital assets	659,675	2,810	-	0	662,485
Less accumulated depreciation for:					
Furniture and equipment	511,359	37,428			548,787
Total accumulated depreciation	511,359	37,428	-	-	548,787
Total depreciable capital assets, net	148,316	(34,618)	-	0	113,698

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

Tunica County Tourism Commission

Depreciable capital assets:

Buildings and improvements	889,680		50,302		839,378
Mobile equipment	77,009				77,009
Furniture and equipment	78,388		11,166		67,222
Total depreciable capital assets	1,045,077	-	61,468	0	983,609

Less accumulated depreciation for:

Buildings and improvements	400,273	24,268	37,892		386,649
Mobile equipment	46,735	4,658			51,393
Furniture and equipment	64,921	3,202	9,933		58,190
Total accumulated depreciation	511,929	32,128	47,825	-	496,232
Total depreciable capital assets, net	533,148	(32,128)	13,643	0	487,377

NOTE 8 – 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.

NOTE 9 – OPERATING LEASES.

As Lessee:

On January 25, 2017, Tunica County entered into a non-cancellable operating lease agreement with PNC Equipment Finance, LLC for the lease of equipment owned by PNC Equipment Finance, LLC for the purpose of providing golf carts to patrons of Tunica National Golf & Tennis Complex. The operating lease stipulated that the County would pay approximately \$5,077 per month in lease payments commencing on June 16, 2017, for a term of five years.

The County has entered into a certain operating lease which does not give rise to property rights. Total costs for such leases were \$60,921 for the year ended September 30, 2020. The future minimum lease payments for these leases are as follows:

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

Year Ending September 30:	Amount
2021	\$ 60,921
2022	40,614
Total Minimum Payments Required	<u>\$ 101,535</u>

Tunica County Airport Commission

The Commission leases farmland, office and hangar space. Rental revenue under these leases for the year ended September 30, 2020, was \$229,460. Future minimum payments are as follows:

Tunica County Airport Commission

Year Ending September 30:	Amount
2021	\$ 92,282
2022	21,051
Total Minimum Payments Required	<u>\$ 113,333</u>

NOTE 10 – CAPITAL LEASES.

As Lessor:

On September 24, 2020, Tunica County (the “County”) entered into a capital lease agreement with Feuer Powertrain North America, Inc. (the “Company”) for the lease of a manufacturing facility, office complex and training facility, and related improvements (the “Facilities”). The capital lease stipulated that the lessee would pay approximately \$37,163 per month in lease payments commencing on or about January 1, 2020, for an initial term of fifteen (15) years. At the end of the lease term, the Company has the option to 1) renew/extend the lease in one (1) year intervals up to ninety-nine (99) years or 2) purchase the Facilities at anytime for \$100 and any amounts remaining unpaid under the County’s total debt service.

The County leases the following property with varying terms and options as of September 30, 2020:

Classes of Property	Amount
Buldings and improvements	\$ 20,764,484

The future minimum lease receivables and the present value of the net minimum lease receivables as of September 30, 2020, are as follows:

Year Ending September 30:	Principal	Interest
2021	\$ 295,012	\$ 150,941
2022	303,985	141,968
2023	313,231	132,722
2024	322,759	123,194
2025	332,576	113,377
2026-2030	1,820,908	408,857
2031-2035	1,777,369	117,931
Total	<u>\$ 5,165,840</u>	<u>\$ 1,188,990</u>

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

NOTE 11 – SHORT-TERM DEBT.

The following is a summary of short-term debt activity for the year ended September 30, 2020:

	Balance Oct. 1, 2019	Additions	Reductions	Adjustments	Balance Sept. 30, 2020
Promissory Note Urban Renewal Plan Property	\$ -			12,000,000	12,000,000
Total	\$ -	-	-	12,000,000	12,000,000

During the month of May 2018, the County issued a promissory note of \$12,000,000 to TJM, LLC with an interest rate of 0.00% and maturity date that was contingent on the County entering into a “Development Sales Agreement” with Tunica Hospitality & Entertainment, LLC. The original closing date was August 30, 2018.

NOTE 12 – DEFINED BENEFIT PENSION PLAN.

General Information about the Pension Plan

Plan Description. Tunica 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 sixty or those who retire regardless of age with at least thirty years of creditable service (twenty-five 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 thirty years (twenty-five 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 thirty years or the number of years in age that the member is below sixty-five, 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

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

which the retired member reaches age sixty (fifty-five 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 percent 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 percent of annual covered payroll. The contribution requirements of PERS 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 years ending September 30, 2020, 2019, and 2018 were \$1,742,046, \$1,793,408, and \$1,767,306, 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 \$31,012,852 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 0.1602 percent, which was based on a measurement date of June 30, 2020. This was a decrease of 0.0111 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 \$2,561,219. At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 269,785	
Net difference between projected and actual earnings on pension plan investments	1,250,893	
Changes of assumptions	185,507	
Changes in the proportion and differences between contributions and proportionate share of contributions	80,559	1,519,843
Contributions subsequent to the measurement date	358,125	
Total	\$ 2,144,869	1,519,843

The \$358,125 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:

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

<u>Year ending September 30:</u>	<u>Amount</u>
2021	\$ (424,172)
2022	23,642
2023	256,945
2024	410,486
Total	<u>\$ 266,901</u>

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

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 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 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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 Equivalents	1.00	-
	<u>100.00 %</u>	

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 percent) and that employer contributions will be made at the current employer 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.

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

Sensitivity to the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following 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:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$ 40,142,334	31,012,852	23,477,372

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

DEFINED BENEFIT PENSION PLAN – COMPONENT UNITS

Tunica County Airport Commission

Plan Description. The Airport Commission contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan.

Contributions. The Airport Commission's contributions (employer share only) to PERS for the years ending September 30, 2020, 2019, and 2018 were \$44,911, \$54,194, and \$53,622, 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 Airport Commission reported a liability of \$864,953 for its proportionate share of the net pension liability. At June 30, 2019, the Airport Commission's proportion was 0.004468 percent, which was a decrease of 0.00062 percent from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the Airport Commission recognized pension expense of \$15,244. At September 30, 2020, the Airport Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,558	
Net difference between projected and actual earnings on pension plan investments	31,031	
Changes of assumptions	5,816	
Changes in the proportion and differences between contributions and proportionate share of contributions		124,687
Contributions subsequent to the measurement date	7,203	
Total	\$ 51,608	124,687

The \$7,203 reported as deferred outflows of resources related to pensions resulting from 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:	Amount
2021	\$ (62,601)
2022	(26,803)
2023	(2,326)
2024	11,448
Total	\$ (80,282)

Sensitivity to the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$ 1,119,575	864,953	654,787

Tunica County Tourism Commission

Plan Description. The Tourism Commission contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan.

Contributions. The Tourism Commission's contributions (employer share only) to PERS for the years ending September 30, 2020, 2019, and 2018 were \$101,065, \$91,063, \$98,551, 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 Tourism Commission reported a liability of \$1,664,859 for its proportionate share of the net pension liability. At June 30, 2020, the Tourism Commission's proportion was 0.0086 percent, which is a decrease of 0.000094 percent from its proportion measured as of June 30, 2019.

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

For the year ended September 30, 2020, the Tourism Commission recognized pension expense of \$86,385. At September 30, 2020, the Tourism Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,264	
Net difference between projected and actual earnings on pension plan investments	60,925	
Changes of assumptions	9,422	
Changes in the proportion and differences between contributions and proportionate share of contributions		126,607
Contributions subsequent to the measurement date	25,235	
Total	\$ 109,846	126,607

The \$25,235 reported as deferred outflows of resources related to pensions resulting from 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:	Amount
2021	\$ (71,779)
2022	(21,467)
2023	29,214
2024	22,036
Total	\$ (41,996)

Sensitivity to the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$ 2,154,957	1,664,859	1,260,333

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

NOTE 13 - LONG TERM DEBT.

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

Tunica County

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
A. General Obligation Bonds:			
Airport Improvement Bond, Series 2005	\$ 845,000	3.60-5.125%	05/2025
Special Obligation Bonds, Series 2010A	2,255,000	2.60-6.25%	06/2030
Special Obligation Bonds, Series 2010B	955,000	3.00-4.50%	06/2030
Special Obligation Bonds, Series 2010	3,425,000	3.00-4.00%	12/2023
General Obligation Refunding Bonds, Series 2012	1,560,000	1.125-2.00%	09/2023
General Obligation Refunding Bonds, Series 2013	2,935,000	2.00-3.00%	07/2026
Total General Obligation Bonds	<u>\$ 11,975,000</u>		
B. Limited Obligation Bonds:			
Urban Renewal Revenue Bonds	14,385,000	6.00%	10/2040
Total General Obligation Bonds	<u>\$ 14,385,000</u>		
C. Other Loans:			
Capital Projects Promissory Note	\$ 718,453	Variable	05/2030
MS Green Tech Loan	1,275,536	3.44%	01/2032
CAP Loan - \$1.26M - Feuer Project	1,260,000	3.00%	06/2034
CAP Loan - \$5M - Feuer Project	5,141,591	3.00%	06/2034
Shortfall Note	4,000,000	4.50%	06/2023
Total Other Loans	<u>\$ 12,395,580</u>		
D. Capital Lease:			
Equipment Lease	\$ 59,685	6.06%	07/2022
	<u>\$ 59,685</u>		

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

Year Ending September 30:	General Obligation Bonds		Limited Obligation Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 2,800,000	445,039		731,237
2022	2,130,000	354,279		863,100
2023	2,215,000	280,524	390,000	863,100
2024	1,745,000	202,398	415,000	839,700
2025	880,000	150,648	435,000	814,800
2026-2030	2,205,000	332,808	2,610,000	3,648,300
2031-2035			3,495,000	2,766,000
2036-2040			4,675,000	1,583,400
2041-2045			2,365,000	141,900
Total \$	<u>11,975,000</u>	<u>1,765,696</u>	<u>14,385,000</u>	<u>12,251,537</u>

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

Year Ending September 30:	Other Loans		Capital Lease	
	Principal	Interest	Principal	Interest
2021	\$ 1,907,510	484,842	28,918	3,817
2022	1,880,826	356,197	30,767	1,968
2023	1,948,875	279,703		
2024	564,985	199,993		
2025	580,412	182,402		
2026-2030	3,135,478	628,124		
2031-2035	2,377,494	152,766		
Total	\$ 12,395,580	2,284,027	59,685	5,785

Legal Debt Margin – The amount of debt, excluding specific exempted debt that can be incurred by the County, is limited by state statute. Total outstanding debt during a year can be no greater than 15 percent 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 percent 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 5.21 percent of the latest property assessments.

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

	Balance Oct. 1, 2019	Additions	Reductions	Adjustments	Balance Sept. 30, 2020	Amount due within one year
Compensated absences	\$ 524,471		83,458		441,013	
General obligation bonds	14,670,000	-	2,695,000		11,975,000	2,800,000
Less:						
Discounts	(59,403)	-	(9,912)		(49,491)	
Add:						
Premiums	324,319		56,448		267,871	
Limited obligation bonds		14,385,000			14,385,000	-
Less:						
Discounts		(287,700)	(19,297)		(268,403)	
Other loans	8,421,712	4,381,370	407,502		12,395,580	1,907,510
Capital lease	86,864		27,179		59,685	28,918
Total	\$ 23,967,963	18,478,670	3,240,378	-	39,206,255	4,736,428

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund and Road Maintenance Fund.

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

LONG TERM DEBT-COMPONENT UNITS

Tunica County Utility District

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
A. General Obligation Bonds:			
Utility System Refunding	\$ 1,680,000	Variable	2/1/24
Total General Obligation Bonds	<u>\$ 1,680,000</u>		
B. Other Loans:			
MDEQ SRF Loan (01-3)	\$ 655,842	1.75%	5/18/25
MDEQ SRF Loan (02-2)	96,248	1.75%	5/10/34
Truck Note #2	7,138	5.45%	3/7/21
USDA Loan	652,228	1.875%	11/3/51
BOH Loan	368,427	1.95%	10/1/36
BOH Loan #2	453,034	1.95%	2/1/37
Total Other Loans	<u>\$ 2,232,917</u>		

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

Year Ending September 30:	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2021 \$	405,000	64,969	204,381	38,897
2022	405,000	47,757	201,856	35,117
2023	430,000	29,475	205,564	31,409
2024	440,000	9,900	209,322	27,651
2025			168,487	24,019
2026-2030			360,134	97,958
2031-2035			377,277	64,771
2036-2040			240,173	47,182
2041-2045			120,175	20,605
2046-2050			131,977	8,803
2051-2052			13,571	244
Total \$	<u>1,680,000</u>	<u>152,101</u>	<u>2,232,917</u>	<u>396,656</u>

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

	Balance Oct. 1, 2019	Additions	Reductions	Adjustments	Balance Sept. 30, 2020	Amount due within one year
General obligation bonds	2,983,938		1,303,938		1,680,000	405,000
Other loans	2,434,145		198,862	(2,366)	2,232,917	204,381
Total	<u>\$ 5,418,083</u>	<u>-</u>	<u>1,502,800</u>	<u>(2,366)</u>	<u>3,912,917</u>	<u>609,381</u>

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

Tunica County Airport Commission

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

	Balance Oct. 1, 2019	Additions	Reductions	Adjustments	Balance Sept. 30, 2020	Amount due within one year
MDA Airport Revitalization Loan		236,820			236,820	30,502
Total	\$ -	236,820	-	-	236,820	30,502

In August 2020, the Commission entered into a loan agreement under the MDA Airport Revitalization Loan Program. Terms of the agreement are for a \$400,000 loan commitment with proceeds to be used to construct a 10-unit T-hangar. A total of \$236,820 was funded as of September 30, 2020, and a total of \$349,675 was ultimately funded before the project was completed and the loan was finalized in 2021. The loan is not collateralized and will be paid primarily from lease revenues generated by the T-hangar.

No principal payments were made during 2020.

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

	Year Ending September 30:	General Obligation Bonds	
		Principal	Interest
	2021 \$	30,502	10,490
	2022	31,417	9,575
	2023	32,360	8,633
	2024	33,331	7,662
	2025	34,331	6,662
	2026-2030	187,734	17,229
Total maturities	Total \$	349,675	60,251
Less than proceeds not funded as of September 30, 2020		(112,855.00)	
Total maturities of long-term debt outstanding as of September 30, 2020		\$ 236,820	

Tunica County Public Projects, Inc.

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Other Loans:			
Equipment loan	\$ 92,524	5.00%	07/2023
Total Other Loans	\$ 92,524		

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

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

Year Ending September 30:	Other Loans	
	Principal	Interest
2021	\$ 31,172	3,918
2022	32,768	2,322
2023	28,584	658
Total	<u>\$ 92,524</u>	<u>6,898</u>

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

	Balance Oct. 1, 2019	Additions	Reductions	Adjustments	Balance Sept. 30, 2020	Amount due within one year
Other loans	122,163		29,639		92,524	31,172
Total	<u>\$ 122,163</u>	<u>-</u>	<u>29,639</u>	<u>-</u>	<u>92,524</u>	<u>31,172</u>

Diamond Lakes Utility District

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

	Balance Oct. 1, 2019	Additions	Reductions	Adjustments	Balance Sept. 30, 2020	Amount due within one year
Special Obligation Bonds, Series 2010	5,508,569		5,508,569		-	
Total	<u>\$ 5,508,569</u>	<u>-</u>	<u>5,508,569</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTE 14 – DEFICIT FUND BALANCES OF INDIVIDUAL FUNDS.

The following funds reported a deficit in fund balance at September 30, 2020:

Fund	Amount
General Obligation Bond Fund	\$ (948,163)
Volunteer Fire Protection	(19,539)
North Tunica Fire Grading District	(313,370)
Homeland Security	(2,569)
North Tunica Fire Protection Fund	(31,074)
Feuer Powertrain Project Fund	(376,181)
Total	<u>\$ (1,690,896)</u>

NOTE 15- 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 upon compliance with the 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.

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

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.

NOTE 16 – NO COMMITMENT DEBT (NOT INCLUDED IN FINANCIAL STATEMENTS).

No commitment debt is repaid only by the entities for whom the debt was issued and includes debt that either bears the County's name or for which a moral responsibility may exist that is not an enforceable promise to pay. No commitment debt explicitly states the absence of obligation by the County other than possibly an agreement to assist creditors in exercising their rights in the event of default. Because a default may adversely affect the County's own ability to borrow the principal amount of such debt outstanding at year end is disclosed as follows:

<u>Description</u>	<u>Balance</u> <u>September 30, 2020</u>
Tax increment financing bonds	\$ 850,000

NOTE 17 – JOINT VENTURE.

The County is a participant along with DeSoto, Lafayette, Panola, and Tate 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 library service to the citizens of the respective counties. First Regional Library is governed by a five-member board appointed by the Board of Supervisors of the participating counties, one from each county. Each county appropriates annually as determined by each Board of Supervisors for the ongoing support of the First Regional Library. Tunica County, Mississippi's appropriations to the joint venture for the year ended September 30, 2020, were \$252,059. Complete financial statements for the First Regional Library can be obtained from the Library website, FirstRegional.org.

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS.

The County participates in the following jointly governed organizations:

North Delta Planning and Development District operates in a district composed of the counties of Coahoma, DeSoto, Panola, Quitman, Tallahatchie, Tate, and Tunica. The Tunica County Board of Supervisors appoints two of the thirty members of the Board of Directors. The County appropriated \$15,000 for the support of the district in fiscal year 2020.

Yazoo-Mississippi Water Management District operates in a district composed of the counties of Coahoma, Desoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington, and Yazoo. The Tunica County Board of Supervisors appoints one of the twenty-one members of the Board of Commissioners. The County levied \$129,107 in taxes for maintenance and support in fiscal year 2020.

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 Tunica County Board of Supervisors appoints two of the twenty-three members the College Board of

TUNICA COUNTY
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Trustees. The County levied \$180,332 in taxes for maintenance and support of the College in fiscal year 2020.

Coahoma Community College operates in a district composed of the counties of Bolivar, Coahoma, Quitman, Tallahatchie, and Tunica. The Tunica County Board of Supervisors appoints one of the twelve members of the College Board of Trustees. The County levied \$180,332 in taxes for the maintenance and support of the College in fiscal year 2020.

The Region One Mental Health Center operates in a district composed of the counties of Coahoma, Quitman, Tallahatchie, and Tunica. The Tunica County Board of Supervisors appoints one of the four members of the Board of Commissioners. The County appropriated \$50,000 for support of the Center in fiscal year 2020.

NOTE 19 – EFFECT OF DEFERRED AMOUNTS ON NET POSITION.

The governmental activities deficit unrestricted net position amount of (\$37,388,000) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pensions in the amount of \$358,125 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 remaining \$1,786,744 balance of deferred outflow of resources related to pensions at September 30, 2020, will be recognized in pension expense over the next four years. The \$1,519,843 balance of deferred inflow of resources related to pension at September 30, 2020, will be recognized in pension expense over the next three years.

The governmental activities net investment in capital assets net position amount of \$104,206,898 includes the effect of deferring the recognition of expenditures resulting from an advance refunding of County debt. \$302,633 of the 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 four years.

The governmental activities' unrestricted net position amount of \$(37,388,000) includes the effect of recognition of deferring the recognition of revenue resulting from capital leases receivable. The \$1,188,990 balance of deferred inflows of resources at September 30, 2020, will be recognized as revenue and will increase the unrestricted net position over the next 14 years.

NOTE 20 – TAX ABATEMENTS.

The Governmental Accounting Standards Board (GASB) Statement 77, *Tax Abatement Disclosures* 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 Tunica County Board of Supervisors negotiates property tax abatements on an individual or entity basis with varying abatement periods. These abatements contribute to the economic development and citizenry of the County. The County had tax abatement agreements with two entities as of September 30, 2020.

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

The County had abatements under the following statute, which does not provide for the abatement of school or state tax levies:

27-31-105, Miss. Code Ann. (1972) – All allowable property tax levies

Category	Fiscal Year 2020	
	% of Taxes Abated	Amount of Taxes Abated
Additions, expansions or equipment replacment	100.00%	\$ 529,395

The companies were not required to comply with any special provisions in order to receive the abatements and the County made no commitments as part of the agreements other than to reduce taxes.

NOTE 21 – 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 or 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 Tunica County evaluated the activity of the County through November 5, 2021, (the date the financial statements were available to be issued), and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements:

Subsequent to September 30, 2020, Tunica County has acquired the following debt:

Issue Date	Interest Rate	Issue Amount	Type of Financing	Source of Financing
November 5, 2021	2.65%	\$ 443,395	Lease purchase	Advalorem taxes

Tunica County has entered into a settlement agreement concerning litigation in which the Board of Supervisors and the Tax Assessor/Tax Collector were named as Defendants/Appellees. By order of the circuit court judge March 5, 2021, the Parties entered into an “Agreed Order of Installment Payments in the Form of Credit Towards Future Ad Valorem Taxes and Dismissal Upon Final Installment Credit”. By order in the compromise and settlement of this action/appeal, the Board shall authorize ad valorem tax refunds in the total sum of One Million and 00/100 Dollars (\$1,000,000.00), of which \$668,275.43 is to the benefit of HWCC-Tunica, LLC, its successors in interest and/or assigns ("HWCC"), and of which \$331,724.57 is to the benefit of RIH Acquisitions MS II, LLC, its successors in interest and/or assigns ("RIH II"). The said amount is to be paid in six (6) equal, consecutive, annual installments, in the form of ad valorem tax credits, to be applied to the ad valorem taxes to be owed by HWCC and RIH II, beginning with HWCC's and RIH II's 2021 ad valorem taxes, which become due and payable on January 1, 2022.

TUNICA COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 5,180,330	6,213,358	6,213,358	-
Licenses, commissions and other revenue	1,213,948	882,131	882,131	-
Fines and forfeitures	307,000	225,865	225,865	-
Intergovernmental revenues	15,028,811	13,732,133	13,732,133	-
Charges for services	424,250	422,867	422,867	-
Interest income	13,000	42,139	42,139	-
Miscellaneous revenues	1,364,500	1,355,028	1,355,028	-
Total Revenues	23,531,839	22,873,521	22,873,521	-
EXPENDITURES				
General government	7,839,684	7,096,009	7,096,009	-
Public safety	6,783,294	7,408,305	7,408,305	-
Public works	710,050	459,632	459,632	-
Health and welfare	1,993,549	1,723,919	1,723,919	-
Culture and recreation	4,799,163	3,005,834	3,005,834	-
Conservation of natural resources	204,350	139,599	139,599	-
Economic development and assistance	429,000	265,569	265,569	-
Debt service:				
Principal	659,750	194,902	194,902	-
Interest	283,999	68,910	68,910	-
Total Expenditures	23,702,839	20,362,679	20,362,679	-
Excess of Revenues over (under) Expenditures	(171,000)	2,510,842	2,510,842	-
OTHER FINANCING SOURCES (USES)				
Other sources	225,000	5,178,065	5,178,065	-
Transfers out	(204,000)	(2,152,644)	(2,152,644)	-
Total Other Financing Sources and Uses	21,000	3,025,421	3,025,421	-
Net Change in Fund Balance	(150,000)	5,536,263	5,536,263	-
Fund Balance - Beginning	(2,176,100)	(3,263,969)	(3,263,969)	-
Fund Balance - Ending	\$ (2,326,100)	2,272,294	2,272,294	-

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

TUNICA COUNTY
Budgetary Comparison Schedule-
Budget and Actual (Non-GAAP Basis)
Road Maintenance Fund
For the Year Ended September 30, 2020
“UNAUDITED”

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 235,834	12,075	12,075	-
Road and bridge privilege taxes	115,000	114,123	114,123	-
Intergovernmental revenues	2,792,046	2,224,550	2,224,550	-
Interest	12,000	13,781	13,781	-
Miscellaneous revenues	327,000	5,940	5,940	-
Total Revenues	3,481,880	2,370,469	2,370,469	-
EXPENDITURES				
Public works	5,048,102	2,447,106	2,447,106	-
Total Expenditures	5,048,102	2,447,106	2,447,106	-
Excess of Revenues over (under) Expenditures	(1,566,222)	(76,637)	(76,637)	-
OTHER FINANCING SOURCES (USES)				
Sources		78,956	78,956	-
Total Other Financing Sources (Uses)	-	78,956	78,956	-
Net Change in Fund Balance	(1,566,222)	2,319	2,319	-
Fund Balance - Beginning	(499,002)	6,969,313	6,969,313	-
Fund Balance - Ending	\$ (2,065,224)	6,971,632	6,971,632	-

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

TUNICA COUNTY**Schedule of the County's and Component Units' Proportionate Share of the Net Pension Liability****Last 10 Fiscal Years*****For the Year Ended September 30, 2020****"UNAUDITED"****Tunica County**

	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.1602%	0.1713%	0.1722%	0.1701%	0.1633%	0.1696%	0.1835%
County's proportionate share of the net pension liability (asset)	\$ 31,012,852	30,135,043	28,641,976	28,276,396	29,169,456	26,216,815	22,273,540
County's covered payroll	\$ 10,666,834	11,153,344	10,993,702	10,911,911	10,454,952	10,593,670	11,214,883
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	290.74%	270.19%	260.53%	259.13%	279.00%	247.48%	198.61%
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%

COMPONENT UNIT**Tunica County Airport Commission**

Commission's proportion of the net pension liability (asset)	0.004468%	0.005088%	0.005491%	0.005857%	0.005993%	0.008677%	0.009502%
Commission's proportionate share of the net pension liability (asset)	\$ 864,953	895,080	913,321	973,632	1,070,496	1,341,293	1,153,369
Commission's covered payroll	\$ 297,534	331,358	350,660	375,748	383,398	542,089	580,644
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	290.71%	270.12%	260.46%	259.12%	279.21%	247.43%	198.64%
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%

Tunica County Tourism Commission

Commission's proportion of the net pension liability (asset)	0.0086%	0.0087%	0.0101%	0.0103%	0.0099%	0.0105%	
Commission's proportionate share of the net pension liability (asset)	\$ 1,664,859	1,530,502	1,679,930	1,712,210	1,768,387	1,623,093	
Commission's covered payroll	\$ 575,450	566,233	642,960	662,146	634,327	655,626	
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	289.31%	270.30%	261.28%	258.58%	278.78%	247.56%	
Plan fiduciary net position as a percentage of the total pension liability	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	

* The amounts presented for each fiscal year were determined as of the twelve months ended at 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.

TUNICA COUNTY
Schedule of County and Component Unit Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2020
“UNAUDITED”

Tunica County

	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,742,046	1,793,408	1,767,306	1,682,081	1,650,222	1,658,337
Contributions in relation to the contractually required contribution	<u>1,742,046</u>	<u>1,793,408</u>	<u>1,767,306</u>	<u>1,682,081</u>	<u>1,650,222</u>	<u>1,658,337</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 10,011,869	11,102,644	11,220,989	10,679,878	10,477,603	10,529,115
Contributions as a percentage of covered payroll	17.40%	16.15%	15.75%	15.75%	15.75%	15.75%

COMPONENT UNITS

Tunica County Airport Commission

Contractually required contribution	\$ 44,911	54,194	53,619	58,848	59,801	76,852
Contributions in relation to the contractually required contribution	<u>44,911</u>	<u>54,194</u>	<u>53,619</u>	<u>58,848</u>	<u>59,801</u>	<u>76,852</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Commission's covered payroll	\$ 258,109	335,620	340,438	373,638	379,689	487,949
Contributions as a percentage of covered payroll	17.40%	16.15%	15.75%	15.75%	15.75%	15.75%

Tunica County Tourism Commission

Contractually required contribution	\$ 101,065	91,063	98,551	103,399	100,854	100,238
Contributions in relation to the contractually required contribution	<u>101,065</u>	<u>91,063</u>	<u>98,551</u>	<u>103,399</u>	<u>100,854</u>	<u>100,238</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Commission's covered payroll	\$ 580,832	563,549	625,722	656,501	640,341	636,430
Contributions as a percentage of covered payroll	17.40%	16.16%	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.

TUNICA COUNTY
Notes to the Required Supplementary Information
For the Year Ended September 30, 2020
"UNAUDITED"

BUDGETARY COMPARISON SCHEDULES

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 and the 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 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 and each major Special Revenue Fund. The Budget 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 and each major Special Revenue Fund:

	Governmental Fund Types	
	General Fund	Road Maintenance Fund
Budget (Cash Basis)	5,536,263	2,319
Increase (Decrease)		
Net adjustments for revenue accruals	641,515	40,918
Net adjustments for expenditure accruals	164,195	44,550
GAAP Basis	<u>6,341,973</u>	<u>87,787</u>

TUNICA COUNTY
Notes to the Required Supplementary Information
For the Year Ended September 30, 2020
"UNAUDITED"

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 percent to 3.00 percent and 8.00 percent to 7.75 percent, respectively.

2016

The assumed rate of interest credited to employee contributions was changed from 3.50 percent to 2.00 percent.

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 percent to 3.25 percent.

Withdrawal rates, pre-retirement mortality rates, disability rates, and service retirement rates were also adjusted to more closely reflect actual and anticipated experience.

The percentage of active member disabilities assumed to be in the line of duty was increased from 6 percent to 7 percent.

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.

TUNICA COUNTY
Notes to the Required Supplementary Information
For the Year Ended September 30, 2020
“UNAUDITED”

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. Changes in Benefit Provisions.

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
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

TUNICA COUNTY

OTHER INFORMATION

TUNICA COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2020
“Unaudited”

Name	Position	Surety Company	Amount
James E. Dunn	Supervisor, District 1	Western Surety	\$ 100,000
Michael E. Johnson, Jr.	Supervisor, District 2	RLI Insurance Company	100,000
Phyllis V. Williams	Supervisor, District 3	Western Surety	100,000
Henry Nickson, Jr.	Supervisor, District 4	Western Surety	100,000
McKinley Daley	Supervisor, District 5	RLI Insurance Company	100,000
Adrian McKay	County Administrator	Western Surety	100,000
Billy Willis	County Administrator	Western Surety	100,000
Rechelle Siggers	Chancery Clerk	RLI Insurance Company	100,000
Marnetha Gordon	Deputy Chancery Clerk	RLI Insurance Company	50,000
Cindy Fields	Deputy Chancery Clerk	RLI Insurance Company	50,000
Sarah Katherine Hughey	Purchase Clerk	RLI Insurance Company	75,000
Sheila McKay Johnson	Receiving Clerk	Western Surety	75,000
Marilyn Davis	Assistant Receiving Clerk	RLI Insurance Company	50,000
Rechelle Siggers	Inventory Control Clerk	Western Surety	75,000
Joe Eddie Hawkins	Road Manager	Western Surety	50,000
Eugene Bridges	Constable	RLI Insurance Company	50,000
Dennis Hopson, Jr.	Constable	Western Surety	50,000
Sharon Reynolds	Circuit Clerk	Western Surety	100,000
Cynthia Bullock	Deputy Circuit Clerk	Western Surety	50,000
Mia Rush	Deputy Circuit Clerk	Western Surety	50,000
Neffie Gatewood	Deputy Circuit Clerk	RLI Insurance Company	50,000
Martini A. McNeal	Deputy Circuit Clerk	Western Surety	50,000
Calvin Kasey Hamp	Sheriff	RLI Insurance Company	100,000
Richard W. Ryals II	Justice Court Judge	RLI Insurance Company	50,000
Rodney Hibbler	Justice Court Judge	RLI Insurance Company	50,000
Tomaka Henderson	Justice Court Clerk	Western Surety	50,000
Brenda Grandberry	Deputy Justice Court Clerk	Western Surety	50,000
Terrica Gordon	Deputy Justice Court Clerk	RLI Insurance Company	50,000
Jessica Jones	Deputy Justice Court Clerk	RLI Insurance Company	50,000
Jazzmine Mitchell	Deputy Justice Court Clerk	Western Surety	50,000
Lemetta Grant	Deputy Justice Court Clerk	Western Surety	50,000
Pamela Pryor	Deputy Justice Court Clerk	Western Surety	50,000
Norma Anderson	Tax Assessor-Collector	Western Surety	100,000
Nancy Purvis	Deputy Tax Assessor	Western Surety	50,000
Lashundra Ware	Deputy Tax Collector	Western Surety	50,000
Rosie Byrd	Deputy Tax Collector	Western Surety	50,000
Janet Lee	Deputy Tax Collector	Western Surety	50,000
Diane Richardson-Harris	Deputy Tax Collector	RLI Insurance Company	50,000

TUNICA COUNTY

SPECIAL REPORTS

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**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
Tunica 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 aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Tunica 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 November 5, 2021. Other auditors audited the financial statements of the Tunica County Airport Commission, as described in our report on Tunica County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting and on compliance and other matters that are reported separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tunica 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 Tunica County Mississippi'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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Responses as 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tunica 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2020-001.

We also noted certain matters which we have reported to the management of Tunica County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated November 5, 2021, included within this document.

Tunica County's Response to Finding

Tunica County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Tunica County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi

November 5, 2021



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

Members of the Board of Supervisors
Tunica County, Mississippi

We have examined Tunica County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Section 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 Tunica 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 Tunica 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 the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

In our opinion, Tunica 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 of (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 our aforementioned examination and, in our opinion, is fairly presented in relation to that examination.

This report is intended for use in evaluating Tunica 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.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi

November 5, 2021

TUNICA COUNTYSchedule 1**Schedule of Purchases Not Made from the Lowest Bidder
For the Year Ended September 30, 2020**

<u>Date</u>	<u>Item</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for accepting other than Lowest Bid</u>
11/8/2019	Diesel	\$2.25 per gallon	Best Wade	\$2.24 per gallon	Could not deliver

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

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
10/7/2019	Repair Garbage Truck	\$ 16,045	TN State Mack	Cost could not be predetermine on garbage truck which being out of commission created an emergency to county services. Board had to approve due to 'election year' rule, as well.
11/6/2019	Repair Traffic Light	\$ 440	Shelby Electric	Malfunction happened on a weekend so the purchase order was not obtained timely.

TUNICA COUNTY**Schedule 3****Schedule of Purchases Made Noncompetitively from a Sole Source
For the Year Ended September 30, 2020**

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
11/13/2019	Event Uniform	\$ 8,120	Memphis Grizzlies
12/2/2019	Boiler Repair	7,265	Johnson Controls
12/11/2019	Dectron Repair	8,380	Golding Mechanical
12/11/2019	Dectron Repair	7,909	Golding Mechanical



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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Tunica County, Mississippi

In planning and performing our audit of the financial statements of Tunica County, Mississippi for the year ended September 30, 2020, we considered Tunica 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 Tunica 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 November 5, 2021, on the financial statements of Tunica 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 the internal control that might be weaknesses. 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:

Board of Supervisors

1. The Board of Supervisors should ensure compliance with State Law over the Interlocal Agreement with the Town of Tunica for Commissions on Land Redemptions

Repeat Finding No

Criteria Section 17-13-7(4), Miss. Code Ann. (1972), provides that “Any two (2) or more local government units may enter into written contractual agreements with one another for joint or cooperative action to provide services and facilities...” Section 17-13-7(4) supports Section 27-41-2 which allows inter-local agreements for collection by county of ad valorem taxes, both current and past due, due to a municipality.

Condition During our testing, we noted the County entered into an inter-local contractual agreement with the Town of Tunica for collections of taxes, but it has not addressed the collection of commission for land redemption for properties within the Town.

Cause The inter-local agreement between the County and the Town of Tunica has not been updated to cover all collections and commissions including those for land redemptions.

Effect Failure to enter into appropriate and sufficient contractual agreements could result in the loss or misappropriation of public funds.

Recommendation The Board of Supervisors should enter into an inter-local agreement with the Town of Tunica to cover all services provided by the County and all commissions paid by the Town.

Response The Board of Supervisors will reconsider entering into an inter-local agreement with the Town of Tunica to cover all services provided by the County/Tax Assessor and all commissions paid by the Town concerning Land Redemptions.

2. The Board of Supervisors should ensure compliance with State Law over the Renewal of the Interlocal Agreement with the Town of Tunica at the Beginning of Board Member’s New Office Terms.

Repeat Finding No

Criteria Section 17-13-7(4), Miss. Code Ann. (1972), provides that “Any two (2) or more local government units may enter into written contractual agreements with one another for joint or cooperative action to provide services and facilities...” Section 17-13-7(4) supports Section 27-41-2 which allows inter-local agreements for collection by county of ad valorem taxes due to municipality.

Condition During our testing, we noted the County entered into an inter-local contractual agreement with the Town of Tunica for the collection of its taxes. The written contractual agreement was originally executed in 2015 and has not been re-executed each term of office.

Cause	The interlocal agreement has not been renewed between the Town of Tunica and Tunica County since 2015.
Effect	Failure to renew contractual agreements could result in the loss or misappropriation of public funds. Successor board members may not be bound to a contract of previous boards.
Recommendation	The Board of Supervisors should renew the inter-local agreement with the Town of Tunica at the beginning of each new term of office.
Response	The Board of Supervisors will review and possibly renew inter-local agreement with the Town of Tunica at the beginning of each new term of office.
3.	<u>Public Officials and Employees should ensure compliance with state law over surety bonding requirements.</u>
Repeat Finding	No
Criteria	<p>§25-1-15(2), Miss. Code Ann. (1972), requires public employees that are required to give individual bond to obtain a new bond at least every four years concurrent with the County's normal election cycle.</p> <p>§31-7-124, Miss. Code Ann. (1972), requires that all assistance purchasing, receiving and inventory control clerks shall be bonded in a penalty not less than \$50,000.</p>
Condition	<p>During the course of our testing we noted the following non-compliance:</p> <ul style="list-style-type: none"> • Nine (9) employees were bonded with a bond issued for an indefinite time. • Two (2) employees were not bonded under their legal name. • Three (3) employees were bonded with an incorrect description of their position. • Two (2) employees are bonded as Deputy Tax Collector/Tax Assessor, two positions are held so two bonds are needed.
Cause	Public Officials and the Board of Supervisors have insufficient control over the requirements for bonding officials and employees.
Effect	Failure to have a bond in place for a specific term could limit the amount available for recovery if a loss occurred over multiple terms, as well as the current terms.
Recommendation	We recommend the Board of Supervisors implement procedures to ensure that County officials and employees' bonds meet the requirements of State Laws.
Response	The Board of Supervisors will ensure the County officials and employees' bond meet the requirement of State Laws.

4.	<u>Employee File Documentation.</u>
Repeat Finding	No
Criteria	The County is responsible for establishing and maintaining an effective system of internal controls pertaining to the documentation in employee files.
Condition	<p>During the course of our test work, we noted the following:</p> <ul style="list-style-type: none"> • Two (2) employees had no I-9 forms • One (1) employee's I-9 form was not completed and the certification was completed by the employee • Four (4) instances of pay rates in the file not matching those in the system • One (1) instance of no board approved pay rate in the file
Cause	The employee files are not being reviewed regularly to identify any files without proper documentation.
Effect	County employees could be paid at the wrong rates without prior documentation of the correct rates.
Recommendation	The County should maintain a complete employee file system that would ensure that the County is in compliance with State and Federal employee documentation laws.
Response	The Board of Supervisors will strengthen its personnel internal controls to ensure all employee files are in compliance with all federal and state laws. The internal controls include reviewing each file with an audit checklist for each personnel file.

Tunica 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.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
 Certified Public Accountants
 Vicksburg, Mississippi

November 5, 2021

TUNICA COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

TUNICA COUNTY
Schedule of Findings and Responses
For the Year Ended September 30, 2020

Section 1: Summary of Auditor's Results

Financial Statements:

1. Type of auditor's report issued on the financial statements:

Governmental Activities	Unmodified
Aggregate discretely presented component units	Unmodified
General Fund	Unmodified
Road Maintenance Fund	Unmodified
General Obligation Bond Fund	Unmodified
Aggregate remaining fund information	Unmodified

2. Internal control over financial reporting:

a. Material weakness identified?	Yes
b. Significant deficiencies identified?	None reported

3. Noncompliance material to the financial statements noted? Yes

Section 2: Financial Statement Findings

Board of Supervisors.

Material Weakness

Material Noncompliance

2020-001. County signed warrants without sufficient money.

Repeat Finding: Yes

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

Condition: Warrants were issued on funds that did not have sufficient money to pay the warrants. As of September 30, 2020, the following funds had deficit cash balances:

General Obligation Bond Fund	\$ 906,904
Other Governmental Funds	\$ 453,192

Cause: The County has failed to establish and maintain an adequate internal control system to ensure that expenditures are not incurred in funds for which money is not available and that warrants are only issued when there is sufficient money in the funds upon which they are drawn in compliance with state law.

TUNICA COUNTY
Schedule of Findings and Responses
For the Year Ended September 30, 2020

Effect: Failure to have sufficient cash balances in County funds prior to the signing and delivery of warrants on these funds resulted in the use of the cash balances of other funds for purposes other than the intended purpose.

Recommendation: The Board of Supervisors 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.

Response: The Board of Supervisors and Chancery Clerk will establish internal controls for all fund balances which includes monitoring and analyzing the balance of each fund before the claim docket is produced to ensure enough revenue is available to pay all warrants. This process will prevent deficit spending (MS Code 19-13-43).