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**TATE COUNTY, MISSISSIPPI**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2021**

TATE COUNTY  
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TATE COUNTY

FINANCIAL SECTION

# F.O. GIVENS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Tate County, Mississippi

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tate County, Mississippi as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

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

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Basis for Qualified Opinions on Governmental Activities, Business-type Activities and Solid Waste Fund***

As discussed in Note 9 to the financial statements, the County has not recorded a liability for other postemployment benefits in the governmental activities, business-type activities, and the Solid Waste Fund and, accordingly, has not recorded an expense for the current period change in that liability. Accounting principles generally accepted in the United States of America require that other postemployment benefits attributable to employee services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee be accrued as liabilities and expenses as employees earn the right to the benefits, which would increase the liabilities, reduce the net position, and change the expenses of the governmental activities, business-type activities, and the Solid Waste Fund. The amount by which this departure would affect the liabilities, net position, and expenses of the governmental activities, the business-type activities and the major enterprise fund has not been determined.

### ***Qualified Opinion***

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Governmental Activities, Business-type Activities and Solid Waste Fund” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, and the Solid Waste Fund of Tate County, Mississippi, as of September 30, 2021, 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.

### ***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, the Road Fund, the 2021 Bond Fund, and the aggregate remaining fund information of Tate County, Mississippi, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, the Budgetary Comparison Schedule and corresponding notes, the Schedule of the County’s Proportionate Share of the Net Pension Liability and the Schedule of County Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Omission of Required Supplementary Information***

Tate County, Mississippi, has omitted the Schedule of Changes in the Total OPEB Liability and Related Ratios that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### ***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 December 28, 2022, on our consideration of Tate County, Mississippi’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tate County, Mississippi’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tate County, Mississippi’s internal control over financial reporting and compliance.

*F.O. Givens & Co*

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2021

## INTRODUCTION

The discussion and analysis of Tate County's financial performance provides an overall narrative review of the County's financial activities for the year ended September 30, 2021. The intent of this discussion and analysis is to look at the County's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the County's financial performance. Information contained in this section is qualified by more detailed information contained elsewhere in the County's financial statements, notes to the financial statements and accompanying materials. To the extent that this discussion contains any forward looking statements of the County's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

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

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

## FINANCIAL HIGHLIGHTS

Tate County's total property tax levy for the year ended September 30, 2021, was 145.76 mills, down from 151.20. Of this amount, the mills levied for the Tate County School District were 61.39, down from 66.83 in 2020.

Total net position increased \$8,851,739, an increase of 29.53% from the prior year. The County's ending cash balance went from \$13,830,965 to \$33,768,657.

The County had \$25,045,866 in total revenues, compared to \$20,744,040 in the previous year. Property taxes of \$12,982,268 comprised approximately 52% of total revenues.

Total operating expenses were \$16,194,127 compared to \$15,971,747 in the prior year.

Among major funds, the General Fund had \$12,558,692 in operating revenues and \$9,364,877 in operating expenditures with other financial uses of (\$598,523). The General Fund's fund balance increased by \$2,595,292.

Long-term debt for governmental activities increased this year from \$8,442,652 to 21,609,325, an increase of approximately 155.95%. The increase in long-term debt for governmental activities was due in large part to the issuance of a bond for road repairs and maintenance projects.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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



TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2021

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

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

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

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

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

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

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

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

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

TATE COUNTY  
Management's Discussion and Analysis  
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aggregated presentation. The proprietary funds financial statements can be found on pages 19 through 21 of this report.

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

**Notes to the financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 22 through 42 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents Required Supplementary Information concerning the County's budget process. The County adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the general fund. This required supplementary information can be found on pages 43 through 50 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Net Position** - Net Position may serve over time as a useful indicator of government's financial position. In the case of Tate County, assets and deferred outflows exceeded liabilities and deferred inflows by \$38,825,545 as of September 30, 2021. Total Net Position increased by 29.5% from September 30, 2020.

The largest portion of the County's net position (60%) reflects its investment in capital assets (e.g. roads, bridges, land, buildings, mobile equipment, furniture and equipment, leased property under capital lease and construction in progress) less related outstanding debt used to acquire such assets. The County uses these capital assets to provide services to its citizens.

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

The following table presents a summary of the County's net position for the fiscal years ended September 30, 2021 and 2020.

(See table on next page).

TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2021

|  | 2021                       |                             | 2020                       |                             |
|--|----------------------------|-----------------------------|----------------------------|-----------------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Governmental<br>Activities | Business-type<br>Activities |
| Current Assets                           | \$ 46,591,295              | 969,340                     | \$ 26,566,087              | 505,303                     |
| Capital Assets, Net                      | 43,918,352                 | 516,760                     | 38,239,955                 | 698,887                     |
| Total Assets                             | <u>\$ 90,509,647</u>       | <u>1,486,100</u>            | <u>\$ 64,806,042</u>       | <u>1,204,190</u>            |
| <br>Total Deferred Outflows of Resources | <br><u>\$ 1,891,309</u>    | <br><u>77,738</u>           | <br><u>\$ 2,065,935</u>    | <br><u>87,749</u>           |
| <br>Current Liabilities                  | <br>\$ 3,865,560           | 142,576                     | <br>\$ 1,040,578           | 116,948                     |
| Long-term Debt Outstanding:              |                            |                             |                            |                             |
| Due Within One Year                      | 1,302,311                  | 435,334                     | 799,936                    | 147,068                     |
| Due In More Than One Year                | 20,307,014                 | 25,058                      | 7,642,716                  | 445,566                     |
| Net Pension Liability                    | 11,438,816                 | 681,142                     | 14,574,887                 | 912,189                     |
| Total Liabilities                        | <u>\$ 36,913,701</u>       | <u>1,284,110</u>            | <u>\$ 24,058,117</u>       | <u>1,621,771</u>            |
| <br>Total Deferred Inflows of Resources  | <br><u>\$ 16,688,019</u>   | <br><u>253,419</u>          | <br><u>\$ 12,467,833</u>   | <br><u>42,389</u>           |
| <br>Net Investment in Capital Assets     | <br>\$ 23,217,250          | 81,426                      | <br>\$ 30,682,835          | 122,594                     |
| Restricted                               | 20,522,387                 |                             | 6,504,237                  |                             |
| Unrestricted                             | (4,940,401)                | (55,117)                    | (6,841,045)                | (494,815)                   |
| Total Net Position                       | <u>\$ 38,799,236</u>       | <u>26,309</u>               | <u>\$ 30,346,027</u>       | <u>(372,221)</u>            |

**Changes in Net Position** - Tate County's total revenue for the fiscal year ended September 30, 2021 was \$23,417,643 for governmental activities and \$1,628,223 for business-type activities. The total cost for all services provided was \$14,964,434 for governmental activities and \$1,229,693 for business-type activities. The change in net position was \$8,453,209 for governmental activities and \$398,530 for business-type activities. The following table presents a summary of the changes in net position for the fiscal year ended September 30, 2021 and 2020:

(See table on next page.)

TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2021

|  | <u>2021</u>          | <u>2020</u>          |
|--|----------------------|----------------------|
| Governmental Activities:                     |                      |                      |
| Revenues:                                    |                      |                      |
| Program Revenues                             |                      |                      |
| Charges for Services                         | \$ 2,011,117         | \$ 1,918,328         |
| Operating Grants & Contributions             | 6,377,913            | 1,667,450            |
| Capital Grants & Contributions               | -                    | 1,376,063            |
| General Revenues                             |                      |                      |
| Property Taxes                               | 12,982,268           | 12,410,884           |
| Other  | 2,046,345            | 1,743,493            |
| Total Revenue                                | <u>\$ 23,417,643</u> | <u>\$ 19,116,218</u> |
| Expenses:                                    |                      |                      |
| General Government                           | \$ 4,214,565         | \$ 4,349,688         |
| Public Safety                                | 5,480,287            | 4,952,219            |
| Public Works                                 | 2,859,984            | 3,801,965            |
| Health and Welfare                           | 224,768              | 216,694              |
| Culture and Recreation                       | 168,000              | 168,000              |
| Other Expenses                               | 224,653              | 187,241              |
| Interest and other expense on long-term debt | 354,880              | 313,710              |
| Pension Expense                              | 1,437,297            | 741,977              |
| Total Expenses                               | <u>14,964,434</u>    | <u>14,731,494</u>    |
| Changes in Net Position                      | <u>\$ 8,453,209</u>  | <u>\$ 4,384,724</u>  |
| Business-Type Activities:                    |                      |                      |
| Revenues:                                    |                      |                      |
| Program Revenues                             |                      |                      |
| Charges for Services                         | \$ 1,455,387         | \$ 1,404,068         |
| Other  | 172,836              | 223,754              |
| Total Revenues                               | <u>1,628,223</u>     | <u>1,627,822</u>     |
| Expenses:                                    |                      |                      |
| Solid Waste Disposal                         | 1,120,278            | 1,189,006            |
| Garbage Disposal                             | 109,415              | 51,247               |
| Total Expenses                               | <u>1,229,693</u>     | <u>1,240,253</u>     |
| Changes in Net Position                      | <u>\$ 398,530</u>    | <u>\$ 387,569</u>    |

TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2021

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

|  | 2021           |                | 2020           |              |
|--|----------------|----------------|----------------|--------------|
|  | Total<br>Costs | Net<br>Costs   | Total<br>Costs | Net<br>Costs |
| General Government                               | \$ 4,214,565   | \$ 2,738,430   | \$ 4,349,688   | \$ 2,867,966 |
| Public Safety                                    | \$ 5,480,287   | \$ 4,848,869   | \$ 4,952,219   | \$ 4,100,105 |
| Public Works                                     | \$ 2,859,984   | \$ (3,399,901) | \$ 3,801,965   | \$ 1,193,745 |
| Health and Welfare                               | \$ 224,768     | \$ 203,176     | \$ 216,694     | \$ 196,909   |
| Culture and Recreation                           | \$ 168,000     | \$ 168,000     | \$ 168,000     | \$ 168,000   |
| Conservation of Natural Resources                | \$ 76,194      | \$ 76,194      | \$ 76,441      | \$ 76,441    |
| Economic Development                             | \$ 148,459     | \$ 148,459     | \$ 110,800     | \$ 110,800   |
| Interest and Other Expenses on<br>Long-Term Debt | \$ 354,880     | \$ 354,880     | \$ 313,710     | \$ 313,710   |
| Pension Expense                                  | \$ 1,437,297   | \$ 1,437,297   | \$ 741,977     | \$ 741,977   |

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

**Governmental funds** - At the close of the fiscal year, Tate County's governmental funds reported a combined fund balance of \$29,674,748 an increase from the previous year's balance of \$12,988,538.

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 \$2,595,292.

**Business-type funds** - The Enterprise Funds showed a profit for the year of \$398,530.

## BUDGETARY HIGHLIGHTS OF MAJOR FUNDS

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

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets** - As of September 30, 2021, Tate County's total capital assets were \$108,473,035. This includes roads, bridges, other infrastructure, land, buildings, mobile equipment, furniture and equipment, and leased property under capital lease. This amount represents an increase from the previous year of \$6,265,667.

Total accumulated depreciation as of September 30, 2021, was \$64,037,923, including \$1,176,671 of depreciation expense for the year. The balance in total net capital assets was \$44,435,112 at year-end.

Additional information on Tate County's capital assets can be found in Note 6 on pages 31 through 33 of this report.

TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2021

**Debt Administration** - At September 30, 2021, Tate County had \$22,069,717 of long-term debt outstanding. This includes general obligation bonds, loans, capital leases, and accrued vacation pay. This total was up from \$9,035,286 the previous year.

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

Additional information on Tate County's long-term debt can be found in Note 11 on pages 37 through 39 of this report.

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

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

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

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

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

## FINANCIAL STATEMENTS

TATE COUNTY  
Statement of Net Position  
September 30, 2021

Exhibit 1

|  | Primary Government         |                             |             |
|--|----------------------------|-----------------------------|-------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total       |
| <u>ASSETS</u>  |                            |                             |             |
| Cash and cash equivalents  | \$ 33,120,380              | 648,277                     | 33,768,657  |
| Property tax receivable  | 12,432,203                 | -                           | 12,432,203  |
| Accounts receivable, net of allowance for<br>uncollectible accounts of \$645,951 | 1,314                      | 456,961                     | 458,275     |
| Fines receivable, net of allowance for<br>uncollectible accounts of \$1,071,890  | 723,760                    | -                           | 723,760     |
| Intergovernmental receivable   | 161,877                    | -                           | 161,877     |
| Internal balances  | 136,580                    | (136,580)                   | -           |
| Prepaid items  | 15,181                     | 682                         | 15,863      |
| Capital assets:  |                            |                             |             |
| Land and construction in progress  | 7,022,718                  | -                           | 7,022,718   |
| Other capital assets, net  | 36,895,634                 | 516,760                     | 37,412,394  |
| Total Assets   | 90,509,647                 | 1,486,100                   | 91,995,747  |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>  |                            |                             |             |
| Deferred loss on bond refunding  | 585,815                    | -                           | 585,815     |
| Deferred outflows related to pensions  | 1,305,494                  | 77,738                      | 1,383,232   |
| Total Deferred Outflows of Resources   | 1,891,309                  | 77,738                      | 1,969,047   |
| <u>LIABILITIES</u>   |                            |                             |             |
| Claims payable   | 2,194,841                  | 32,092                      | 2,226,933   |
| Intergovernmental payables   | 583,068                    | -                           | 583,068     |
| Accrued interest payable   | 120,157                    | -                           | 120,157     |
| Unearned revenue   | -                          | 110,484                     | 110,484     |
| Amounts held in custody for others   | 967,494                    | -                           | 967,494     |
| Long-term liabilities:   |                            |                             |             |
| Due within one year:   |                            |                             |             |
| Capital debt   | 1,302,311                  | 435,334                     | 1,737,645   |
| Due in more than one year:   |                            |                             |             |
| Capital debt   | 19,984,606                 | -                           | 19,984,606  |
| Non-capital debt   | 322,408                    | 25,058                      | 347,466     |
| Net pension liability  | 11,438,816                 | 681,142                     | 12,119,958  |
| Total Liabilities  | 36,913,701                 | 1,284,110                   | 38,197,811  |
| <u>DEFERRED INFLOWS OF RESOURCES</u>   |                            |                             |             |
| Deferred inflows related to pensions   | 4,255,816                  | 253,419                     | 4,509,235   |
| Property tax for future reporting periods  | 12,432,203                 | -                           | 12,432,203  |
| Total Deferred Inflows of Resources  | 16,688,019                 | 253,419                     | 16,941,438  |
| <u>NET POSITION</u>  |                            |                             |             |
| Net investment in capital assets   | 23,217,250                 | 81,426                      | 23,298,676  |
| Restricted for:  |                            |                             |             |
| Expendable:  |                            |                             |             |
| General government   | 6,937,598                  | -                           | 6,937,598   |
| Public works   | 2,954,369                  | -                           | 2,954,369   |
| Debt service   | 10,607,110                 | -                           | 10,607,110  |
| Unemployment compensation  | 23,310                     | -                           | 23,310      |
| Unrestricted   | (4,940,401)                | (55,117)                    | (4,995,518) |
| Total Net Position   | \$ 38,799,236              | 26,309                      | 38,825,545  |

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



TATE COUNTY  
Statement of Activities  
For the Year Ended September 30, 2021

Exhibit 2

| Functions/Programs                                    | Expenses             | Program Revenues     |                                    | Net (Expense) Revenue and Changes in Net Position |                          |                    |
|---|----------------------|----------------------|------------------------------------|---|--------------------------|--------------------|
|   |                      | Charges for Services | Operating Grants and Contributions | Primary Government                                |                          | Total              |
|   |                      |                      |                                    | Governmental Activities                           | Business-Type Activities |                    |
| Primary government:                                   |                      |                      |                                    |   |                          |                    |
| Governmental activities:                              |                      |                      |                                    |   |                          |                    |
| General government                                    | \$ 4,214,565         | 1,447,274            | 28,861                             | (2,738,430)                                       | -                        | (2,738,430)        |
| Public safety   | 5,480,287            | 536,829              | 94,589                             | (4,848,869)                                       | -                        | (4,848,869)        |
| Public works  | 2,859,984            | 27,014               | 6,232,871                          | 3,399,901   | -                        | 3,399,901          |
| Health and welfare                                    | 224,768              | -                    | 21,592                             | (203,176)   | -                        | (203,176)          |
| Culture and recreation                                | 168,000              | -                    | -                                  | (168,000)   | -                        | (168,000)          |
| Conservation of natural resources                     | 76,194               | -                    | -                                  | (76,194)  | -                        | (76,194)           |
| Economic development and assistance                   | 148,459              | -                    | -                                  | (148,459)   | -                        | (148,459)          |
| Interest and other expenses on long-term debt         | 354,880              | -                    | -                                  | (354,880)   | -                        | (354,880)          |
| Pension expense                                       | 1,437,297            | -                    | -                                  | (1,437,297)                                       | -                        | (1,437,297)        |
| Total governmental activities                         | <u>14,964,434</u>    | <u>2,011,117</u>     | <u>6,377,913</u>                   | <u>(6,575,404)</u>                                | <u>-</u>                 | <u>(6,575,404)</u> |
| Business-type activities:                             |                      |                      |                                    |   |                          |                    |
| Solid waste disposal                                  | 1,120,278            | 1,419,361            | -                                  | -   | 299,083                  | 299,083            |
| Garbage disposal                                      | 109,415              | 36,026               | -                                  | -   | (73,389)                 | (73,389)           |
| Total business-type activities                        | <u>1,229,693</u>     | <u>1,455,387</u>     | <u>-</u>                           | <u>-</u>  | <u>225,694</u>           | <u>225,694</u>     |
| Total primary government                              | <u>\$ 16,194,127</u> | <u>3,466,504</u>     | <u>6,377,913</u>                   | <u>(6,575,404)</u>                                | <u>225,694</u>           | <u>(6,349,710)</u> |
| General Revenues:                                     |                      |                      |                                    |   |                          |                    |
| Property taxes  |                      |                      |                                    | \$ 12,982,268                                     | -                        | 12,982,268         |
| Road and bridge privilege taxes                       |                      |                      |                                    | 163,860   | -                        | 163,860            |
| Grants and contributions not restricted to specific p |                      |                      |                                    | 628,528   | -                        | 628,528            |
| Unrestricted interest income                          |                      |                      |                                    | 337,208   | -                        | 337,208            |
| Miscellaneous   |                      |                      |                                    | 934,003   | 156,096                  | 1,090,099          |
| Gain (Loss) on disposal of capital assets             |                      |                      |                                    | (17,254)  | 16,740                   | (514)              |
| Total General Revenues                                |                      |                      |                                    | <u>15,028,613</u>                                 | <u>172,836</u>           | <u>15,201,449</u>  |
| Changes in Net Position                               |                      |                      |                                    | <u>8,453,209</u>                                  | <u>398,530</u>           | <u>8,851,739</u>   |
| Net Position-Beginning                                |                      |                      |                                    | 30,346,027  | (372,221)                | 29,973,806         |
| Net Position-Ending                                   |                      |                      |                                    | <u>\$ 38,799,236</u>                              | <u>26,309</u>            | <u>38,825,545</u>  |

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

TATE COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2021

Exhibit 3

|  | Major Funds          |                  |                   | Other                | Total                |
|--|----------------------|------------------|-------------------|----------------------|----------------------|
|  | General              | Road             | 2021 Bond         | Governmental         | Governmental         |
|  | Fund                 | Fund             | Fund              | Funds                | Funds                |
| <u>ASSETS</u>  |                      |                  |                   |                      |                      |
| Cash   | \$ 11,345,105        | 2,076,183        | 11,526,493        | 8,172,599            | 33,120,380           |
| Property tax receivable  | 9,056,349            | 1,285,282        | -                 | 2,090,572            | 12,432,203           |
| Fines receivable, net allowance for<br>uncollectibles of \$1,071,890   | 723,760              | -                | -                 | -                    | 723,760              |
| Other Receivable   | 1,314                | -                | -                 | -                    | 1,314                |
| Intergovernmental receivables  | 161,877              | -                | -                 | -                    | 161,877              |
| Due from other funds   | 41,487               | 32,664           | -                 | 83,146               | 157,297              |
| Advances to other funds  | 116,707              | -                | -                 | -                    | 116,707              |
| Total Assets   | <u>\$ 21,446,599</u> | <u>3,394,129</u> | <u>11,526,493</u> | <u>10,346,317</u>    | <u>46,713,538</u>    |
| <u>LIABILITIES</u>   |                      |                  |                   |                      |                      |
| Claims payable   | \$ 628,996           | 96,408           | 1,329,161         | 140,276              | 2,194,841            |
| Intergovernmental payables   | 583,068              | -                | -                 | -                    | 583,068              |
| Due to other funds   | 137,424              | -                | -                 | -                    | 137,424              |
| Amounts held in custody for others                                     | 967,494              | -                | -                 | -                    | 967,494              |
| Total Liabilities  | <u>\$ 2,316,982</u>  | <u>96,408</u>    | <u>1,329,161</u>  | <u>140,276</u>       | <u>3,882,827</u>     |
| <u>DEFERRED INFLOWS OF RESOURCES</u>                                   |                      |                  |                   |                      |                      |
| Unavailable revenue - property taxes                                   | \$ 9,056,349         | 1,285,282        | -                 | 2,090,572            | 12,432,203           |
| Unavailable revenue - fines  | 723,760              | -                | -                 | -                    | 723,760              |
| Total Deferred Inflows of Resources                                    | <u>\$ 9,780,109</u>  | <u>1,285,282</u> | <u>-</u>          | <u>2,090,572</u>     | <u>13,155,963</u>    |
| <u>FUND BALANCES</u>   |                      |                  |                   |                      |                      |
| Nonspendable:  |                      |                  |                   |                      |                      |
| Advances   | 116,707              |                  |                   | -                    | 116,707              |
| Restricted for:  |                      |                  |                   |                      |                      |
| General government   | 646,110              |                  |                   | 6,291,488            | 6,937,598            |
| Public safety  |                      |                  |                   | 218,262              | 218,262              |
| Public works   | -                    | 2,012,439        |                   | 941,930              | 2,954,369            |
| Debt service   | -                    |                  | 10,197,332        | 529,935              | 10,727,267           |
| Unemployment compensation  | -                    |                  |                   | 23,310               | 23,310               |
| Assigned:  |                      |                  |                   |                      |                      |
| Public safety  | -                    |                  |                   | 110,544              | 110,544              |
| Unassigned   | 8,586,691            |                  |                   | -                    | 8,586,691            |
| Total Fund Balances  | <u>\$ 9,349,508</u>  | <u>2,012,439</u> | <u>10,197,332</u> | <u>8,115,469</u>     | <u>29,674,748</u>    |
| Total Liabilities, Deferred Inflows of<br>Resources, and Fund Balances | <u>\$ 21,446,599</u> | <u>3,394,129</u> | <u>11,526,493</u> | <u>\$ 10,346,317</u> | <u>\$ 46,713,538</u> |

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

TATE COUNTY Exhibit 3-1  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
September 30, 2021

|   | Amount               |
|---|----------------------|
| Total Fund Balance - Governmental Funds   | \$ 29,674,748        |
| Amounts reported for governmental activities in the statement of net position are different because:  |                      |
| Prepaid items, such as prepaid insurance, are accounted for as expenditures in the period of acquisition and, therefore, are not reported in the funds.                           | 15,181               |
| 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 \$63,514,873 | 43,918,352           |
| Other long-term assets are not available for current period expenditures and, therefore, are unearned in the funds.   | 723,760              |
| Long-term liabilities not due and payable in the current period and, therefore, not reported in the funds.  | (21,609,325)         |
| Net pension obligations are not due and payable in the current period, and therefore are not reported in the funds  | (11,438,816)         |
| Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.   | (120,157)            |
| Deferred amount on refunding  | 585,815              |
| Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:                                    |                      |
| Deferred outflows of resources related to pensions  | 1,305,494            |
| Deferred inflows of resources related to pensions   | (4,255,816)          |
| Total Net Position - Governmental Activities  | <u>\$ 38,799,236</u> |

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

## TATE COUNTY

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Year Ended September 30, 2021

Exhibit 4

|   | Major Funds  |           |             | Other        | Total        |
|---|--------------|-----------|-------------|--------------|--------------|
|   | General      | Road      | 2021 Bond   | Governmental | Governmental |
|   | Fund         | Fund      | Fund        | Funds        | Funds        |
| <u>REVENUES</u>                           |              |           |             |              |              |
| Property taxes                            | \$ 9,600,304 | 1,294,518 | -           | 2,087,446    | 12,982,268   |
| Road and bridge privilege taxes           | 40,806       | 123,054   | -           | -            | 163,860      |
| Licenses, commissions, and other revenues | 1,088,996    | 7,301     | -           | 19,713       | 1,116,010    |
| Fines and forfeitures                     | 367,600      | -         | -           | 28,327       | 395,927      |
| Intergovernmental revenues                | 713,992      | 947,064   | -           | 5,444,906    | 7,105,962    |
| Charges for services                      | 243,212      | -         | -           | 278,157      | 521,369      |
| Interest                                  | 181,304      | 26,097    | 55,759      | 74,048       | 337,208      |
| Miscellaneous                             | 322,478      | 330,659   | -           | 196,804      | 849,941      |
| Total Revenues                            | 12,558,692   | 2,728,693 | 55,759      | 8,129,401    | 23,472,545   |
| <u>EXPENDITURES</u>                       |              |           |             |              |              |
| Current:                                  |              |           |             |              |              |
| General government                        | 4,251,288    | -         | -           | 143,584      | 4,394,872    |
| Public safety                             | 4,400,992    | -         | -           | 1,162,787    | 5,563,779    |
| Public works                              | -            | 3,215,015 | 3,258,427   | 2,757,901    | 9,231,343    |
| Health and welfare                        | 187,112      | -         | -           | -            | 187,112      |
| Culture and recreation                    | 168,000      | -         | -           | -            | 168,000      |
| Conservation of natural resources         | 83,106       | -         | -           | -            | 83,106       |
| Economic development and assistance       | 148,459      | -         | -           | -            | 148,459      |
| Debt service:                             |              |           |             |              |              |
| Principal                                 | 54,522       | 31,580    | -           | 764,995      | 851,097      |
| Interest and fees                         | 71,398       | 712       | -           | 131,264      | 203,374      |
| Total Expenditures                        | 9,364,877    | 3,247,307 | 3,258,427   | 4,960,531    | 20,831,142   |
| Excess of Revenues Over (Under)           |              |           |             |              |              |
| Expenditures                              | 3,193,815    | (518,614) | (3,202,668) | 3,168,870    | 2,641,403    |
| <u>OTHER FINANCING SOURCES (USES)</u>     |              |           |             |              |              |
| Loan Proceeds                             | -            | 525,804   | 13,400,000  | -            | 13,925,804   |
| Proceeds from sale of capital assets      | 87,490       | 31,513    | -           | -            | 119,003      |
| Compensation for loss of assets           | -            | -         | -           | -            | -            |
| Transfers in                              | -            | 1,973,736 | -           | 1,247,546    | 3,221,282    |
| Transfers out                             | (686,013)    | -         | -           | (2,535,269)  | (3,221,282)  |
| Total Other Financing Sources (Uses)      | (598,523)    | 2,531,053 | 13,400,000  | (1,287,723)  | 14,044,807   |
| Net Change in Fund Balances               | 2,595,292    | 2,012,439 | 10,197,332  | 1,881,147    | 16,686,210   |
| Fund Balance - Beginning                  | 6,754,216    | -         | -           | 6,234,322    | 12,988,538   |
| Fund Balance - Ending                     | \$ 9,349,508 | 2,012,439 | 10,197,332  | 8,115,469    | 29,674,748   |

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

## TATE COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended September 30, 2021

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Net Changes in Fund Balances - Total Governmental Funds

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\$ 16,686,210

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

Governmental funds report capital outlays as expenditures. However, in the  
Statements of Activities, the cost of those assets is allocated over their  
estimated useful lives as depreciation expense. This is the amount by which  
capital outlays of \$6,807,033 exceeded depreciation of \$992,379 in the  
current period.

5,814,654

In the Statement of Activities, only gains and losses from the sale of capital assets are  
reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase  
financial resources. Thus the change in net position differs from the change in fund balances  
by the amount of the net loss of \$ 17,254 and the proceeds from the sale of \$ 119,003 in the  
current period.

(136,257)

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

(37,647)

Debt proceeds provide current financial resources to governmental funds,  
but issuing debt increases long-term liabilities in the Statement of Net Position.  
Repayment of debt principal is an expenditure in the governmental funds,  
but the repayment reduces long-term liabilities in the Statement of Net Position.  
This is the amount by which repayments of \$851,097 in the current period  
exceeded proceeds of \$13,925,804

(13,074,707)

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

|   |           |
|---|-----------|
| Accrued interest on debt                    | (82,232)  |
| Prepaid insurance                           | (7,763)   |
| Compensated absences                        | (100,758) |
| Bond premium and deferred loss amortization | (69,275)  |

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

|   |             |
|---|-------------|
| Recording of pension expense for the current period | (1,437,297) |
| Recording of contributions made during the year     | 898,281     |

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Change in Net Position of Governmental Activities

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\$ 8,453,209

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

TATE COUNTY  
Statement of Net Position - Proprietary Funds  
September 30, 2021

Exhibit 5

|  | Business-type Activities- Enterprise Funds    |            |           |
|--|---|------------|-----------|
|  | Major Fund-<br>Solid Waste<br>Management Fund | Other Fund | Total     |
| <u>ASSETS</u>  |   |            |           |
| Current Assets   |   |            |           |
| Cash   | \$ 549,324                                    | 98,953     | 648,277   |
| Accounts receivable, net of allowance<br>for doubtful accounts \$604,361 | 456,961                                       | -          | 456,961   |
| Due from other funds   | 19,157  | 2,457      | 21,614    |
| Prepaid Items  | 682   | -          | 682       |
| Total Current Assets   | 1,026,124                                     | 101,410    | 1,127,534 |
| Noncurrent Assets  |   |            |           |
| Capital assets, net of<br>accumulated depreciation                       | 516,760                                       | -          | 516,760   |
| Total Noncurrent Assets  | 516,760                                       | -          | 516,760   |
| Total Assets   | 1,542,884                                     | 101,410    | 1,644,294 |
| Deferred Outflows of Resources   |   |            |           |
| Deferred Outflows-Pensions   | 77,738  | -          | 77,738    |
| Total Deferred Outflows of Resources                                     | 77,738  | -          | 77,738    |
| <u>LIABILITIES</u>   |   |            |           |
| Current Liabilities  |   |            |           |
| Claims payable   | 32,092  | -          | 32,092    |
| Due to other funds   | -   | 41,487     | 41,487    |
| Advances from other funds  | 116,707                                       | -          | 116,707   |
| Unearned revenue   | 110,484                                       | -          | 110,484   |
| Capital debt   |   |            |           |
| Capital lease payable  | 435,334                                       | -          | 435,334   |
| Total Current Liabilities  | 694,617                                       | 41,487     | 736,104   |
| Noncurrent Liabilities   |   |            |           |
| Capital debt   |   |            |           |
| Capital lease payable  | -   | -          | -         |
| Non-capital debt   |   |            |           |
| Compensated absences payable   | 25,058  | -          | 25,058    |
| Net Pension Liability  | 681,142                                       | -          | 681,142   |
| Total Noncurrent Liabilities   | 706,200                                       | -          | 706,200   |
| Total Liabilities  | 1,400,817                                     | 41,487     | 1,442,304 |
| Deferred Inflows of Resources  |   |            |           |
| Deferred Inflows - Pensions  | 253,419                                       | -          | 253,419   |
| Total Deferred Inflows of Resources                                      | 253,419                                       | -          | 253,419   |
| <u>NET POSITION</u>  |   |            |           |
| Net investment in capital assets   | 81,426  | -          | 81,426    |
| Unrestricted   | (115,040)                                     | 59,923     | (55,117)  |
| Total Net Position   | \$ (33,614)                                   | 59,923     | 26,309    |

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

TATE COUNTY  
Statement of Revenues Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended September 30, 2021

Exhibit 6

|   | Business-type Activities - Enterprise Funds   |            |           |
|---|---|------------|-----------|
|   | Major Fund-<br>Solid Waste<br>Management Fund | Other Fund | Total     |
| <u>OPERATING REVENUES</u>               |   |            |           |
| Charges for services                    | \$ 1,419,361                                  | -          | 1,419,361 |
| Charges for sales                       | -   | 36,026     | 36,026    |
| Total Operating Revenues                | 1,419,361                                     | 36,026     | 1,455,387 |
| <u>OPERATING EXPENSES</u>               |   |            |           |
| Personnel services                      | 436,342                                       | -          | 436,342   |
| Contractual services                    | 209,611                                       | 109,415    | 319,026   |
| Pension expense                         | 43,499  | -          | 43,499    |
| Repairs and maintenance                 | 93,990  | -          | 93,990    |
| Other supplies and expenses             | 129,682                                       | -          | 129,682   |
| Insurance                               | 11,317  | -          | 11,317    |
| Depreciation                            | 184,292                                       | -          | 184,292   |
| Total Operating Expenses                | 1,108,733                                     | 109,415    | 1,218,148 |
| Operating Income (Loss)                 | 310,628                                       | (73,389)   | 237,239   |
| <u>NONOPERATING REVENUES (EXPENSES)</u> |   |            |           |
| Gain (loss) on sale of capital assets   | 16,740  | -          | 16,740    |
| Interest expense                        | (11,545)                                      | -          | (11,545)  |
| Other income (expense)                  | 12,649  | 143,447    | 156,096   |
| Net Nonoperating Revenues (Expenses)    | 17,844  | 143,447    | 161,291   |
| Change in Net Position                  | 328,472                                       | 70,058     | 398,530   |
| Net Position - Beginning                | (362,086)                                     | (10,135)   | (372,221) |
| Net Position - Ending                   | \$ (33,614)                                   | 59,923     | 26,309    |

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

TATE COUNTY  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2021

Exhibit 7

|   | Business-type Activities - Enterprise Funds   |            |           |
|---|---|------------|-----------|
|   | Major Fund-<br>Solid Waste<br>Management Fund | Other Fund | Total     |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u>   |   |            |           |
| Cash received from customers  | \$ 1,429,447                                  | 36,026     | 1,465,473 |
| Cash payments for goods and services  | (426,222)                                     | (109,736)  | (535,958) |
| Cash payments to employees  | (426,524)                                     | -          | (426,524) |
| Payments for insurance premiums   | (11,146)                                      | -          | (11,146)  |
| Other income (expense)  | (53,505)                                      | -          | (53,505)  |
| Net Cash Provided (Used) by Operating Activities  | 512,050                                       | (73,710)   | 438,340   |
| <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>  |   |            |           |
| Cash received from other funds:   |   |            |           |
| Loans from other funds  | -   | -          | -         |
| Miscellaneous receipts (expense)  | 10,486  | 143,447    | 153,933   |
| Net Cash Provided (Used) by Noncapital Financing Activities   | 10,486  | 143,447    | 153,933   |
| <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>                                       |   |            |           |
| Proceeds from the sale of capital assets  | 16,740  | -          | 16,740    |
| Principal paid on long-term debt  | (140,959)                                     | -          | (140,959) |
| Interest paid on debt   | (11,545)                                      | -          | (11,545)  |
| Net Cash Provided (Used) by Capital and Related Financing Activities                                  | (135,764)                                     | -          | (135,764) |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>   |   |            |           |
| Interest on deposits  | -   | -          | -         |
| Net Cash Provided (Used) by Investing Activities  | -   | -          | -         |
| Net Increase (Decrease) in Cash and Cash Equivalents  | 386,772                                       | 69,737     | 456,509   |
| Cash and Cash Equivalents at Beginning of Year  | 162,552                                       | 29,216     | 191,768   |
| Cash and Cash Equivalent at End of Year   | \$ 549,324                                    | 98,953     | 648,277   |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:        |   |            |           |
| Operating Income (Loss)   | \$ 310,628                                    | (73,389)   | 237,239   |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |   |            |           |
| Depreciation and amortization   | 184,292                                       | -          | 184,292   |
| Change in assets and liabilities:   |   |            |           |
| (Increase) decrease in accounts receivable, net   | (8,792)                                       | -          | (8,792)   |
| (Increase) decrease in other receivable   | 1,101   | -          | 1,101     |
| (Increase) decrease in prepaid items  | 171   | -          | 171       |
| (Increase) decrease in deferred outflows of resources   | 10,011  | -          | 10,011    |
| Increase (decrease) in unearned revenue   | 18,878  | -          | 18,878    |
| Increase (decrease) in claims payable   | 7,061   | (321)      | 6,740     |
| Increase (decrease) in compensated absences   | 8,717   | -          | 8,717     |
| Increase (decrease) in net pension liability  | (231,047)                                     | -          | (231,047) |
| Increase (decrease) in deferred inflows of resources  | 211,030                                       | -          | 211,030   |
| Total adjustments   | 201,422                                       | (321)      | 201,101   |
| Net Cash Provided (Used) by Operating Activities  | \$ 512,050                                    | (73,710)   | 438,340   |

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



TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

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

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

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

B. Basis of Presentation.

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

Government-wide Financial Statements:

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

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

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

Fund Financial Statements:

Fund financial statements of the County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues and expenditures/expenses. Funds are organized into governmental, proprietary and fiduciary. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column as Other Governmental Funds.

C. Measurement Focus and Basis of Accounting.

The Government-wide and Proprietary 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.

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

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

The County reports the following major Governmental Funds:

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

Road Fund - This fund is used to account for monies from specific revenue sources that are restricted for road maintenance.

2021 Bond Fund – This fund is used to account for the accumulation of financial resources that are restricted for capital outlays associated with the construction of counts roads and bridges.

The County reports the following major Enterprise Fund:

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

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

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

PROPRIETARY FUND TYPE

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

D. Account Classifications.

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

E. Deposits and Investments.

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

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

F. Receivables.

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

G. Interfund Transactions and Balances.

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

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

they are not available for appropriation and are not expendable available financial resources. However, this is not applicable to advances reported in other governmental funds, which are reported, by definition, as restricted, committed, or assigned. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

H. Prepaid Items.

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

I. Capital Assets.

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

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

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

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

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

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

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred amount 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 10 for additional details.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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

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

Deferred inflows related to pensions – This amount represents the County's proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 10 for additional details.

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

K. Long-Term Liabilities.

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

In the government-wide financial statements and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or Proprietary Funds Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, the face amount of the debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. 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.

M. Compensated Absences

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

N. Equity Classifications.

Government-wide Financial Statements:

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

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

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

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

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

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

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

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

*Unassigned fund balance* is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fund Balance Flow Assumption:

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

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

O. Property Tax Revenues.

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

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

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

P. Intergovernmental Revenues in Governmental Funds.

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

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.

GASB 84, *Fiduciary Activities*, was implemented during fiscal year 2021. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds



TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

(2) Fund Reclassification.

Effective October 1, 2020, and in accordance with the implementation of GASB Statement No. 84, the Payroll Clearing Fund, previously reported as a Fiduciary Fund, was reclassified and reported in the General Fund.

(3) Deposits.

The carrying amount of the county's total deposits with financial institutions at September 30, 2021, was \$33,768,657, which includes \$3,000 of petty cash and the bank balance was \$33,841,812. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-05, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

(4) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2021:

A. Due From/To Other Funds:

| Receivable Fund          | Payable Fund          | Amount            |
|--------------------------|-----------------------|-------------------|
| General Fund             | Other Enterprise Fund | 41,487            |
| Road Fund                | General Fund          | 32,664            |
| Other Governmental Funds | General Fund          | 83,146            |
| Solid Waste Management   | General Fund          | 19,157            |
| Other Enterprise Fund    | General Fund          | 2,457             |
| Total                    |                       | \$ <u>178,911</u> |

All interfund loans were made to prevent borrowing from outside sources or due to tax revenue collected but not settled until October 2021. All interfund balances are expected to be repaid within one year from the date of the financial statements.

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

B. Advances From/To Other Funds:

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

These funds represent unpaid indirect cost.

C. Transfers In/Out

| <u>Transfer In</u>       | <u>Transfer Out</u>      | <u>Amount</u>       |
|--------------------------|--------------------------|---------------------|
| Road Fund                | Other Governmental Funds | \$ 1,973,736        |
| Other Governmental Funds | General Fund             | 686,013             |
| Other Governmental Funds | Other Governmental Funds | 561,533             |
| Total                    |                          | <u>\$ 3,221,282</u> |

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

(5) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2021 consist of the following:

| <u>Description</u>       | <u>Amount</u>     |
|--------------------------|-------------------|
| Governmental Activities: |                   |
| Legislative Tax Credit   | \$ 161,877        |
| Total                    | <u>\$ 161,877</u> |

(6) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2021:

(See table on next page.)

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

Governmental Activities:

|   | Balance at<br>10/1/2020 | Additions        | Deletions        | Transfers        | Balance at<br>9/30/2021 |
|---|-------------------------|------------------|------------------|------------------|-------------------------|
| <u>Non-depreciable capital assets:</u>      |                         |                  |                  |                  |                         |
| Land  | \$ 1,283,727            | -                | (10,000)         | -                | \$ 1,273,727            |
| Construction in progress                    | -                       | 5,748,991        | -                | -                | 5,748,991               |
| Total non-depreciable capital assets        | <u>1,283,727</u>        | <u>5,748,991</u> | <u>(10,000)</u>  | <u>-</u>         | <u>7,022,718</u>        |
| <u>Depreciable capital assets:</u>          |                         |                  |                  |                  |                         |
| Infrastructure                              | 74,446,127              | -                | -                | -                | 74,446,127              |
| Buildings                                   | 17,782,760              | -                | -                | -                | 17,782,760              |
| Improvements other than buildings           | 155,317                 | -                | -                | -                | 155,317                 |
| Mobile Equipment                            | 5,807,786               | 265,853          | (196,708)        | 364,824          | 6,241,755               |
| Furniture and equipment                     | 917,248                 | 36,678           | (243,660)        | -                | 710,266                 |
| Leased equipment                            | <u>776,758</u>          | <u>755,511</u>   | <u>(93,163)</u>  | <u>(364,824)</u> | <u>1,074,282</u>        |
| Total depreciable capital assets            | <u>99,885,996</u>       | <u>1,058,042</u> | <u>(533,531)</u> | <u>-</u>         | <u>100,410,507</u>      |
| <u>Less accumulated depreciation for:</u>   |                         |                  |                  |                  |                         |
| Infrastructure                              | 51,484,290              | 198,121          | -                | -                | 51,682,411              |
| Buildings                                   | 5,510,657               | 331,557          | -                | -                | 5,842,214               |
| Improvements other than buildings           | 97,556                  | 6,212            | -                | -                | 103,768                 |
| Mobile Equipment                            | 4,866,044               | 306,546          | (177,040)        | 159,246          | 5,154,796               |
| Furniture and equipment                     | 758,184                 | 41,336           | (221,849)        | -                | 577,671                 |
| Leased equipment                            | <u>213,037</u>          | <u>108,607</u>   | <u>(8,385)</u>   | <u>(159,246)</u> | <u>154,013</u>          |
| Total accumulated depreciation              | <u>62,929,768</u>       | <u>992,379</u>   | <u>(407,274)</u> | <u>-</u>         | <u>63,514,873</u>       |
| Total depreciable capital assets, net       | <u>36,956,228</u>       | <u>65,663</u>    | <u>(126,257)</u> | <u>-</u>         | <u>36,895,634</u>       |
| Governmental activities capital assets, net | <u>\$ 38,239,955</u>    | <u>5,814,654</u> | <u>(136,257)</u> | <u>-</u>         | <u>\$ 43,918,352</u>    |

Business-type Activities:

|   | Balance at<br>10/1/2020 | Additions        | Deletions | Transfers | Balance at<br>9/30/2021 |
|---|-------------------------|------------------|-----------|-----------|-------------------------|
| <u>Depreciable capital assets:</u>        |                         |                  |           |           |                         |
| Mobile Equipment                          | \$ 394,578              | 2,165            | -         | -         | \$ 396,743              |
| Furniture and equipment                   | 13,800                  | -                | -         | -         | 13,800                  |
| Leased equipment                          | <u>629,267</u>          | <u>-</u>         | <u>-</u>  | <u>-</u>  | <u>629,267</u>          |
| Total depreciable capital assets          | <u>1,037,645</u>        | <u>2,165</u>     | <u>-</u>  | <u>-</u>  | <u>1,039,810</u>        |
| <u>Less accumulated depreciation for:</u> |                         |                  |           |           |                         |
| Mobile Equipment                          | 213,071                 | 71,024           | -         | -         | 284,095                 |
| Furniture and equipment                   | 12,420                  | -                | -         | -         | 12,420                  |
| Leased equipment                          | <u>113,267</u>          | <u>113,268</u>   | <u>-</u>  | <u>-</u>  | <u>226,535</u>          |
| Total accumulated depreciation            | <u>338,758</u>          | <u>184,292</u>   | <u>-</u>  | <u>-</u>  | <u>523,050</u>          |
| Total depreciable capital assets, net     | <u>\$ 698,887</u>       | <u>(182,127)</u> | <u>-</u>  | <u>-</u>  | <u>\$ 516,760</u>       |

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

Depreciation expense was charged to the following functions:

| Governmental activities:                             | Amount           |
|--|------------------|
| General government                                   | \$149,444        |
| Public safety  | 406,372          |
| Public works   | 398,907          |
| Health and welfare                                   | 37,656           |
| Total depreciation expense, governmental activities  | <u>\$992,379</u> |
| <br>Business-type activities:                        |                  |
| Solid Waste  | \$184,292        |
| Total depreciation expense, business-type activities | <u>\$184,292</u> |

(7) 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, 2021, to January 1, 2022. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

(8) Capital Leases.

As Lessee:

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2021:

(See table on next page.)

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

Property acquired through capital leases:

| Classes of Property                  | Governmental<br>Activities | Business-type<br>Activities |
|--------------------------------------|----------------------------|-----------------------------|
| Mobile equipment                     | \$ 1,074,282               | \$ 629,267                  |
| Total                                | 1,074,282                  | 629,267                     |
| Less: Accumulated Depreciation       | 154,013                    | 226,535                     |
| Leased property under capital leases | <u>\$ 920,269</u>          | <u>\$ 402,732</u>           |

The following is a schedule by years of the total payments due as of September 30, 2021:

| Year Ending September 30 | Governmental Activities |                  | Business-type Activities |                 |
|--------------------------|-------------------------|------------------|--------------------------|-----------------|
|                          | Principal               | Interest         | Principal                | Interest        |
| 2022                     | 341,634                 | 23,793           | 435,334                  | 5,448           |
| 2023                     | 121,888                 | 14,117           | -                        | -               |
| 2024                     | 124,378                 | 11,017           | -                        | -               |
| 2025                     | 122,092                 | 7,861            | -                        | -               |
| 2026                     | 91,013                  | 4,834            | -                        | -               |
| 2027                     | 93,399                  | 2,448            | -                        | -               |
| Total                    | <u>\$ 894,404</u>       | <u>\$ 64,070</u> | <u>\$ 435,334</u>        | <u>\$ 5,448</u> |

(9) Other Postemployment Benefits

The Tate County board of Supervisors administers the County's health insurance plan, which is authorized by *Sections 25-15-1-1 et seq., Mississippi code of 1972 Annotated*. The County's health insurance plan may be amended by the Tate County Board of Supervisors. The County purchases health insurance benefit coverage through the County's health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement 75 as a single employer defined benefit health care plan. However, the County has not recorded a liability for other postemployment benefits nor has the County reported the note disclosures, which are required by accounting principles generally accepted in the United States of America.

(10) Defined Benefit Pension Plan.

*General Information about the Pension Plan*

Plan Description. Tate County, Mississippi, contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the 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.

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

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

Contributions. PERS members are required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2021 was 17.40% 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 year ending September 30, 2021, 2020, and 2019 were \$956,509, \$918,851, and \$889,418, 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, 2021, the County reported a liability of \$12,119,958 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021 net pension liability was .082 percent, which was based on a measurement date of June 30, 2021. This was an increase of .002 percent from its proportionate share used to calculate the September 30, 2020 net pension liability, which was based on a measurement date of June 30, 2020.

For the year ended September 30, 2021, the County recognized pension expense of \$1,738,239. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(See table on next page.)

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

|  | Deferred Outflow<br>of Resources | Deferred Inflow<br>of Resources |
|--|----------------------------------|---------------------------------|
| Differences between expected and actual experience   | \$ 191,762                       | \$ -                            |
| Net difference between projected and actual earnings<br>on pension plan investments  | -                                | 3,805,740                       |
| Changes of assumptions   | 934,027                          | -                               |
| Changes in the County's proportion and differences<br>between the County's contributions and proportionate<br>share of contributions | -                                | 703,495                         |
| County contributions subsequent to the measurement<br>date   | 257,443                          | -                               |
| Total  | \$ 1,383,232                     | \$ 4,509,235                    |

\$257,443 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, 2022. 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, |                |
|---------------------------|----------------|
| 2022                      | \$ (865,356)   |
| 2023                      | (784,421)      |
| 2024                      | (645,983)      |
| 2025                      | (1,087,686)    |
|                           | \$ (3,383,446) |

Actuarial Assumptions. The total pension liability as of June 30, 2021 was determined by an actuarial valuation prepared as of June 30, 2020 using the following actuarial assumptions applied to all periods in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 2.40 percent  |
| Salary Increases          | 2.65 – 17.90 percent, including inflation                                 |
| Investment rate of return | 7.55 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, 95% of the male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of the female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 100% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the four-year period July 1, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

The long-term expected rate of return on pension plan investments was determined using a lognormal 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

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

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<br/>Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|----------------------|------------------------------|---|
| Domestic Equity      | 27.00%                       | 4.60%   |
| International Equity | 22.00%                       | 4.50%   |
| Global Equity        | 12.00%                       | 4.80%   |
| Fixed Income         | 20.00%                       | -0.25%  |
| Real Estate          | 10.00%                       | 3.75%   |
| Private Equity       | 8.00%                        | 6.00%   |
| Cash                 | 1.00%                        | -1.00%  |
| Total                | 100.00%                      |   |

Discount rate. The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.55 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 (6.55 percent) or 1 percentage point higher (8.55 percent) than the current rate.

|   | <u>1%<br/>Decrease<br/>6.55%</u> | <u>Present<br/>Discount<br/>Rate<br/>7.55%</u> | <u>1%<br/>Increase<br/>8.55%</u> |
|---|----------------------------------|--|----------------------------------|
| County's proportionate share of the net pension liability | \$17,164,702                     | \$12,119,958                                   | \$ 7,962,688                     |

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

(11) Long-term Debt.

Debt outstanding as of September 30, 2021, consisted of the following:

(See table on next page.)



TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

| Description and Purpose          | Amount<br>Outstanding | Interest<br>Rate | Final<br>Maturity<br>Date |
|----------------------------------|-----------------------|------------------|---------------------------|
| Governmental Activities:         |                       |                  |                           |
| A. General Obligation Bonds      |                       |                  |                           |
| Refunding Bond - 2016            | \$ 4,825,000          | 2.00-3.00        | 3/1/2029                  |
| Road Bond - 2021                 | 13,400,000            | 1.74             | 5/1/2036                  |
| Total General Obligation Bonds   | <u>\$ 18,225,000</u>  |                  |                           |
| B. Capital Leases                |                       |                  |                           |
| Caterpillar Reclaimer            | \$ 525,804            | 2.59             | 10/20/2026                |
| Dodge Truck                      | 16,206                | 3.97             | 1/15/2024                 |
| John Deere Backhoes (3)          | 222,840               | 2.81             | 8/8/2022                  |
| Fire Rescue Tools                | 129,554               | 2.10             | 11/15/2024                |
| Total Capital Leases             | <u>\$ 894,404</u>     |                  |                           |
| C. Other Loans                   |                       |                  |                           |
| Courthouse Energy Saving Project | \$ 2,081,268          | 3.33             | 11/30/2035                |
| Fire Truck CAP Loan              | 10,768                | 2.00             | 5/1/2022                  |
| Total Other Loans                | <u>\$ 2,092,036</u>   |                  |                           |

Business-type Activities:

|                      |                   |      |           |
|----------------------|-------------------|------|-----------|
| A. Capital Leases    |                   |      |           |
| Garbage Truck        | \$ 189,061        | 3.14 | 1/18/2022 |
| Garbage Truck        | 246,273           | 1.73 | 9/30/2022 |
| Total Capital Leases | <u>\$ 435,334</u> |      |           |

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

Governmental Activities:

| Year Ending September 30 | General Obligation Bonds |                     | Other Loans         |                   |
|--------------------------|--------------------------|---------------------|---------------------|-------------------|
|                          | Principal                | Interest            | Principal           | Interest          |
| 2022                     | 890,000                  | 434,980             | 61,884              | 68,963            |
| 2023                     | 910,000                  | 316,087             | 52,832              | 67,168            |
| 2024                     | 930,000                  | 298,037             | 54,606              | 65,394            |
| 2025                     | 1,530,000                | 272,618             | 111,273             | 63,107            |
| 2026                     | 1,570,000                | 239,962             | 115,010             | 59,371            |
| 2027-2031                | 6,570,000                | 764,544             | 780,784             | 230,347           |
| 2032-2036                | 5,825,000                | 279,158             | 915,647             | 77,906            |
| Total                    | <u>\$ 18,225,000</u>     | <u>\$ 2,605,386</u> | <u>\$ 2,092,036</u> | <u>\$ 632,256</u> |

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

Legal Debt Margin – The amount of debt, excluding specific exempt debt that can be incurred by the county is limited by state statute. Total outstanding debt during the year can be no greater than 15% of assessed value of the taxable property within the county, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2021, the amount of outstanding debt was equal to 9.5 percentage of the latest property assessments.

Prior Year Defeasance of Debt – In prior years, the County defeased certain certificates of participation by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old notes. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On September 30, 2021, \$5,085,000 of notes outstanding were considered defeased.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2021:

|                           | Balance<br>10/1/2020 | Additions     | Reductions | Balance<br>9/30/2021 | Amount<br>due within<br>one year |
|---------------------------|----------------------|---------------|------------|----------------------|----------------------------------|
| Governmental Activities:  |                      |               |            |                      |                                  |
| Compensated Absences      | \$ 221,650           | \$ 100,758    | \$ -       | 322,408              | \$ -                             |
| General Obligation Bonds  | 5,485,000            | 13,400,000    | 660,000    | 18,225,000           | 890,000                          |
| Add:                      |                      |               |            |                      |                                  |
| Premiums                  | 84,268               | -             | 8,791      | 75,477               | 8,793                            |
| Capital Leases            | 494,723              | 525,804       | 126,123    | 894,404              | 341,634                          |
| Other Loans               | 2,157,011            | -             | 64,975     | 2,092,036            | 61,884                           |
| Total                     | \$ 8,442,652         | \$ 14,026,562 | \$ 859,889 | \$ 21,609,325        | \$ 1,302,311                     |
| Business-type Activities: |                      |               |            |                      |                                  |
| Compensated Absences      | \$ 16,341            | \$ 8,717      | \$ -       | \$ 25,058            | \$ -                             |
| Capital Leases            | 576,293              | -             | 140,959    | 435,334              | 435,334                          |
| Total                     | \$ 592,634           | \$ 8,717      | \$ 140,959 | \$ 460,392           | \$ 435,334                       |

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

(12) Contingencies.

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

Litigation – The County is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the County with respect to the various proceedings. However, the County's legal counsel believes

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the County.

(13) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of (\$4,940,401) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$242,975 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, 2022. The \$1,062,519 balance of the deferred outflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 3 years. The \$4,225,816 balance of the deferred inflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 4 years.

The governmental activities' net investment in capital assets net position amount of \$23,217,250 includes the effect of deferring the recognition of expenditures resulting from an advance refunding of County debt. \$585,815 of the \$1,891,309 balance of deferred outflows of resources at September 30, 2021 will be recognized as an expense and will decrease the net investment in capital assets net position over the next 11 years.

The business-type activities' unrestricted net position of (\$55,117) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$14,468 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, 2022. The \$63,270 balance of the deferred outflows of resources related to pensions at September 30, 2021 will be recognized in pension expense over the next 3 years. The \$253,419 balance of the deferred inflows of resources related to pension at September 30, 2021 will be recognized in pension expense over the next 4 years.

(14) Related Organizations.

The Tate County Board of Supervisors is responsible for appointing one member of the board of the Tate County Economic Development Foundation, but the county's accountability for this organization does not extend beyond making appointments. During the year, the county appropriated \$121,459 to this organization.

(15) Joint Ventures.

The County participates in the following joint venture:

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

(16) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Northwest Mississippi Community College operates in a district composed of the counties of Benton, Calhoun, DeSoto, Lafayette, Marshall, Panola, Quitman, Tallahatchie, Tate, Tunica, and Yalobusha. The Tate County Board of Supervisors appoints two of the 23 members of the college board of trustees. The

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

County appropriated approximately \$1,047,193 for support and maintenance of the college in the 2021 fiscal year.

North Delta Planning and Development District operates in a district composed of the counties of Coahoma, DeSoto, Panola, Quitman, Tallahatchie, Tate, and Tunica. The Tate County Board of Supervisors appoints four of the 30 members of the board of directors, with two being appointed from the business community. The County appropriated \$27,000 for support of the district in the 2021 fiscal year.

Yazoo-Mississippi Water Management District operates in a district composed of the counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington, and Yazoo. The Tate County Board of Supervisors appoints one of the 21 members of the district board of commissioners. The County levied a .75 mill tax for the maintenance and support of the district in the 2021 fiscal year.

Mid-State Opportunity, Inc. operates in a district composed of the counties of DeSoto, Panola, Quitman, Tallahatchie, Tate, and Tunica. The Tate County Board of Supervisors appoints one of the 30 members of the governing board. The County did not appropriate any funds for the support of the agency in the 2021 fiscal year.

Communicare operates in a district composed of the counties of Calhoun, Lafayette, Marshall, Panola, Tate, and Yalobusha. The Tate County Board of Supervisors appoints one of the seven members of the Board of Commissioners. The County appropriated \$30,900 for support of the district in the 2021 fiscal year.

(17) Tax Abatements.

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

The Tate County Board of Supervisors negotiates property tax abatements on an individual basis. All abatements are for ten years and are for economic development purposes. The County had tax abatement agreements with three entities as of September 30, 2021.

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

All allowable property tax levies

| Category   | % of Taxes Abated | Amount of Taxes Abated<br>During the Year |
|--|-------------------|---|
| Additions to or expansions of a manufacturing facility | 43.52%            | \$ 1,132,628                              |

(19) Subsequent Events.

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

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2021

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

| <u>Issue Date</u> | <u>Interest Rate</u> | <u>Issue Amount</u> | <u>Type of Financing</u> | <u>Source of Financing</u> |
|-------------------|----------------------|---------------------|--------------------------|----------------------------|
| 10/13/2021        | 2.18%                | \$ 69,777           | Lease                    | Ad valorem tax             |
| 10/13/2021        | 2.18%                | \$ 95,207           | Lease                    | Ad valorem tax             |
| 10/13/2021        | 2.18%                | \$ 64,724           | Lease                    | Ad valorem tax             |
| 2/15/2022         | 2.03%                | \$ 912,510          | Lease                    | Ad valorem tax             |
| 6/1/2022          | 2.96%                | \$ 65,500           | Lease                    | Ad valorem tax             |
| 6/1/2022          | 2.96%                | \$ 196,343          | Lease                    | Ad valorem tax             |
| 6/1/2022          | 2.96%                | \$ 307,047          | Lease                    | Ad valorem tax             |
| 7/12/2022         | 3.15%                | \$ 114,813          | Lease                    | Ad valorem tax             |

On December 22, 2022, the Tate County Board of Supervisors entered into the Asset Purchase Agreement along with Washington County, Mississippi and Delta Health Systems for the purchase of the business, assets and operations related to the hospital located at 401 Getwell Drive, Senatobia, Mississippi, known as Highland Hills, which is a 15-bed facility serving Tate County and surrounding areas. Due to changes in its strategic planning, Washington County and the Delta Health Systems Board determined that it was in the best interest of its healthcare community to sell the Highland Hills Hospital. Tate County determined it was in the best interest of its community to ensure for the ongoing operations of the Highland Hills Hospital, it established and organized Highland Hills Medical Center as a community hospital, to acquire the Hospital's operations and assets. The closing on the real property will take place on January 17, 2023 with a purchase price of \$3,000,000. The closing on the operations assets will take place on or prior to May 1, 2023 with a purchase price of \$500,000.

## REQUIRED SUPPLEMENTARY INFORMATION

TATE COUNTY  
 Budgetary Comparison Schedule  
 Budget and Actual (Non-GAAP Basis)  
 General Fund  
 For the Year Ended September 30, 2021  
 UNAUDITED

|   | <b>Budgeted Amounts</b> |              | <b>Actual Amounts</b>  | <b>Variance with</b> |
|---|-------------------------|--------------|------------------------|----------------------|
|   | <b>Original</b>         | <b>Final</b> | <b>Budgetary Basis</b> | <b>Final Budget</b>  |
| <b><u>REVENUES</u></b>                          |                         |              |                        |                      |
| Property taxes                                  | \$ 9,065,433            | 9,738,424    | 9,610,219              | (128,205)            |
| Licenses, commissions and other revenue         | 940,000                 | 1,285,691    | 1,088,997              | (196,694)            |
| Fines and forfeitures                           | 181,000                 | 237,319      | 365,524                | 128,205              |
| Intergovernmental revenue                       | 537,355                 | 545,218      | 754,848                | 209,630              |
| Charges for services                            | -                       | -            | 242,978                | 242,978              |
| Use of money and property                       | 155,000                 | 209,668      | 224,526                | 14,858               |
| Miscellaneous                                   | 95,300                  | 456,592      | 365,461                | (91,131)             |
| Total Revenues                                  | 10,974,088              | 12,472,912   | 12,652,553             | 179,641              |
| <b><u>EXPENDITURES</u></b>                      |                         |              |                        |                      |
| General government                              | 4,611,067               | 4,139,103    | 4,373,692              | (234,589)            |
| Public safety                                   | 4,360,117               | 4,403,868    | 4,387,580              | 16,288               |
| Health and welfare                              | 210,024                 | 192,602      | 187,112                | 5,490                |
| Culture and recreation                          | 168,000                 | 168,000      | 168,000                | -                    |
| Conservation of natural resources               | 98,031                  | 83,788       | 83,106                 | 682                  |
| Economic development and assistance             | 123,459                 | 148,459      | 148,459                | -                    |
| Total Expenditures                              | 9,570,698               | 9,135,820    | 9,347,949              | (212,129)            |
| Excess of Revenues<br>Over (Under) Expenditures | 1,403,390               | 3,337,092    | 3,304,604              | (32,488)             |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>    |                         |              |                        |                      |
| Transfer in                                     | -                       | -            | -                      | -                    |
| Transfer out                                    | (235,000)               | (686,013)    | (686,013)              | -                    |
| Total Other Financing Sources (Uses)            | (235,000)               | (686,013)    | (686,013)              | -                    |
| Net Changes in Fund Balances                    | \$ 1,168,390            | 2,651,079    | 2,618,591              | (32,488)             |
| Fund Balance - Beginning of Year                |                         |              | 7,807,127              |                      |
| Fund Balance - End of Year                      |                         |              | \$ 10,425,718          |                      |

The accompanying notes are an integral part of this schedule.

TATE COUNTY  
Schedule of County's Proportionate Share of the Net Pension Liability  
Last 10 Fiscal Years\*  
For the Year Ended September 30, 2021

|  | 2021         | 2020         | 2019         | 2018         | 2017         | 2016       | 2015       | 2014       |
|--|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|
| County's proportion of the net pension liability (asset)   | 0.082%       | 0.080%       | 0.085%       | 0.089%       | 0.084%       | 0.083%     | 0.085%     | 0.087%     |
| County's proportionate share of the net pension liability (asset)                                | \$12,119,958 | \$15,487,076 | \$14,953,177 | \$14,803,344 | \$13,963,654 | 14,825,873 | 13,139,324 | 10,560,207 |
| County's covered payroll   | \$ 5,497,178 | \$ 5,280,753 | \$ 5,324,782 | \$ 5,784,819 | \$ 5,534,851 | 5,305,397  | 5,322,093  | 5,305,246  |
| County's proportionate share of the net pension liability as a percentage of its covered payroll | 220.48%      | 293.27%      | 280.82%      | 255.90%      | 252.29%      | 279.45%    | 246.88%    | 199.05%    |
| Plan fiduciary net position as a percentage of the total pension liability                       | 70.44%       | 58.97%       | 61.59%       | 62.54%       | 61.49%       | 57.47%     | 61.70%     | 67.21%     |

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

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



TATE COUNTY  
Schedule of the County Contributions  
Last 10 Fiscal Years\*  
For the Year Ended September 30, 2021

|   | <u>2021</u>    | <u>2020</u>    | <u>2019</u>    | <u>2018</u>    | <u>2017</u>    | <u>2016</u>    | <u>2015</u>    |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Contractually required contribution                                     | \$ 956,509     | \$ 918,851     | \$ 889,418     | \$ 911,109     | \$ 871,739     | 829,673        | 838,209        |
| Contributions in relation to the contractually<br>required contribution | <u>956,509</u> | <u>918,851</u> | <u>889,418</u> | <u>911,109</u> | <u>871,739</u> | <u>829,673</u> | <u>838,209</u> |
| Contribution deficiency (excess)  | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>-</u>       | <u>-</u>       |
| County's covered payroll  | \$ 5,497,178   | \$ 5,280,753   | \$ 5,324,782   | \$ 5,784,819   | \$ 5,534,851   | 5,267,765      | 5,322,093      |
| Contributions as a percentage of covered payroll                        | 17.40%         | 17.40%         | 16.70%         | 15.75%         | 15.75%         | 15.75%         | 15.75%         |

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

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

Tate County  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2021

UNAUDITED

Budgetary Comparison Schedule

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

|  | <u>General Fund</u> |
|--|---------------------|
| Budget (Cash Basis)                      | \$ 2,618,591        |
| Increase (Decrease)                      |                     |
| Net adjustments for revenue accruals     | (6,778)             |
| Net adjustments for expenditure accruals | <u>(16,521)</u>     |
| Net Change Fund Basis                    | <u>\$ 2,595,292</u> |

Tate County  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2021

UNAUDITED

D. Unbudgeted Funds.

None

Pension Schedules

A. Changes of Assumptions

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

Tate County  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2021

UNAUDITED

- 2019
  - The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
    - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
    - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
    - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
  - The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
    - For males, 137% of male rates at all ages.
    - For females, 115% of female rates at all ages.
    - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
  - The price inflation assumption was reduced from 3.00% to 2.75%.
  - The wage inflation assumption was reduced from 3.25% to 3.00%.
  - Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
  - The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.
- 2021
  - The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
    - For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
    - For females, 84% of female rates up to age 72, 100% for ages above 76.
    - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
  - The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:
    - For males, 134% of male rates at all ages.
    - For females, 121% of female rates at all ages.
    - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

Tate County  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2021

UNAUDITED

- The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:
  - For males, 97% of male rates at all ages.
  - For females, 110 % of female rates at all ages.
  - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 2.75% to 2.40%.
- The wage inflation assumption was reduced from 3.00% to 2.65%
- The investment rate of return assumption was changed from 7.75% to 7.55%.
- The assumed load for administrative expenses was increased from .025% to 0.28% of payroll.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
- The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

B. Changes in Benefit Provisions

- 2016

- Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.
- Method and assumptions used in calculation 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, 2019 valuation for the June 30, 2021 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 | 28.8 years  |
| Asset valuation method        | 5-year smoothed market  |
| Price Inflation               | 2.75 percent  |
| Salary Increase               | 3.00 percent to 18.25 percent,<br>Including inflation                           |
| Investment rate of return     | 7.75 percent, net of pension plan<br>Investment expense, including<br>inflation |

## OTHER INFORMATION

TATE COUNTY  
Schedule of Surety Bonds for County Officials  
For the Year Ended September 30, 2021

UNAUDITED

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

## SPECIAL REPORTS



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

Members of the Board of Supervisors  
Tate County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tate County, Mississippi, (The County) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 28, 2022. Our report includes a qualified opinion on the governmental activities, the business-type activities, and Solid Waste Fund because the County did not record a liability or current year expense for other postemployment benefits as required by accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Tate County, Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tate 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 certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as 2021-001 that we consider to be a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Tate County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

*F.O. Givens & Co*

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

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

Members of the Board of Supervisors  
Tate County, Mississippi

We have examined Tate County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2021. The Board of Supervisors of Tate County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

In our opinion, Tate County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2021.

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

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

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

TATE COUNTY

Schedule of Purchases Not Made from the Lowest Bidder

For the Year Ended September 30, 2021

| Date      | Item<br>Purchased                 | Bid<br>Accepted | Vendor           | Reason for<br>Accepting Other Than the<br>Lowest Bid | Lowest Bid |
|-----------|-----------------------------------|-----------------|------------------|--|------------|
| 7/29/2021 | Camera Security System-Courthouse | \$ 105,192      | Dealers Security | Higher bid provided unlimited<br>maintenance support | \$ 105,191 |

TATE COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2021

Schedule 2

| <u>Date</u> | <u>Item<br/>Purchased</u>                | <u>Amount</u> | <u>Vendor</u>       | <u>Reason for<br/>Emergency Purchase</u> |
|-------------|--|---------------|---------------------|--|
| 2/21/2021   | Clean up roof leak - Communicare Bldg    | \$ 11,321     | Servpro             | Delay could cause further damage         |
| 3/23/2021   | Replace floor & paint - Communicare Bldg | \$ 34,782     | Atwood Construction | Delay could cause further damage         |
| 6/4/2021    | Replace roof - Leroy Crockett Bldg       | \$ 40,173     | Southern Roofing    | Delay could cause further damage         |

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

Schedule 3

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

# F.O. GIVENS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Tate County, Mississippi

In planning and performing our audit of the financial statements of Tate County, Mississippi for the year ended September 30, 2021, we considered Tate County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

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

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of the internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, *Mississippi Code of 1972 Annotated*, 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.

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

*F.O. Givens & Co*

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

TATE COUNTY

SCHEDULE OF FINDINGS AND RESPONSES



TATE COUNTY  
Schedule of Findings and Responses  
For the Year Ended September 30, 2021

Section 1: Summary of Auditor's Results

Financial Statements:

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

|                                      |            |
|--------------------------------------|------------|
| Governmental activities              | Qualified  |
| Business-type activities             | Qualified  |
| General fund                         | Unmodified |
| Road fund                            | Unmodified |
| Bond fund                            | Unmodified |
| Solid Waste fund                     | Qualified  |
| Aggregate remaining fund information | Unmodified |

2. Internal control over financial reporting:

|   |               |
|---|---------------|
| a. Material weaknesses identified?  | Yes           |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |

3. Noncompliance material to the financial statements noted? No

Section 2: Financial Statement Findings

Board of Supervisors.

Material Weakness

2021-001      Liability for postemployment benefits not recorded and note disclosures for postemployment benefits not reported.

Repeat Finding      No

Criteria      Tate County purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage to active employees and retirees through the County's health insurance plan. Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement No. 75, as a single employer defined health care plan. GASB Statement No. 75 requires the County to report on an accrual basis the liability associated with other postemployment benefits.

Condition      The County does not issue a publicly available financial report for its health insurance plan. Also, the County has not recorded a liability for other postemployment benefits nor has the County reported the note disclosures that are required by accounting principles generally accepted in the United States of America.

Cause      Noncompliance with GASB Statement No. 75 due to a lack of resources.

Effect      The failure to follow generally accepted accounting principles resulted in a qualified opinion on the governmental activities, business-type activities, and the major enterprise fund.

TATE COUNTY  
Schedule of Findings and Responses  
For the Year Ended September 30, 2021

|                                  |  |
|----------------------------------|--|
| Recommendation                   | The Board of Supervisors should have an actuarial valuation performed annually so that a liability for other postemployment benefits can be recorded and the appropriate note disclosure can be made in accordance with accounting principles generally accepted in the United States of America.  |
| Views of Responsible Official(s) | <p>The Board of Supervisors offers retirees of Tate County, who have provided years of dedicated service to Tate County and its citizens and that have met certain criteria, the opportunity to obtain health insurance benefits from Tate County's health insurance plan with the retiree paying the full cost of any premiums associated with such coverage. Since the retiree pays the full cost of any health insurance coverage, the County and its citizens (taxpayers), are not liable for any cost associated with this benefit. As such, no liability is ever incurred. Upon further analysis, the County has collected less than \$6,000.00/yr. from the retirees and paid the premiums on their behalf for this benefit. The Board of Supervisors feels it an unnecessary cost and a waste of taxpayer dollars to contract with an actuary and spend thousands of dollars to provide financial data to record the "liability" that the taxpayers of Tate County will never have to pay to provide this postretirement benefit to the employees who have dedicated many years of service to Tate County. With the annual premiums collected and paid on behalf of the retirees being less than \$6,000.00/yr. and the fact no liability will ever be incurred, the Board of Supervisors believes any failure to record the "liability" in compliance with GASB 75 to be entirely immaterial to the financial condition of Tate County. The Board of Supervisors disagrees with this finding and the result of a qualified opinion on the governmental activities, business-type activities, and the major enterprise fund.</p> |